

Chapter 6

Summary, Conclusion and Implications

6.1 Introduction

This study has investigated the effect of perceived gaps or satisfaction with export promotion programs on firm export performance. To accomplish this task, a conceptual model was developed and tested using primary data obtained from a mail survey of Thai exporting firms. Path analysis was employed to test relationships between the variables hypothesized in model. Cluster analysis was used to examine the extent to which firms have achieved their objectives for their export business when they have different levels of perceived gaps. This chapter presents a summary, discussion, contributions, and implications of this dissertation. Limitations of the study and recommendations for future research are also provided.

6.2 Summary of Dissertation

6.2.1 Theoretical Background of the Study

This research aims to investigate the direct and indirect impacts of firms' satisfaction with export promotion programs on export performance. Current knowledge of the impact of export promotion programs on export performance of a firm is very limited. The study is based on theories of internationalization, export involvement, export promotion, satisfaction, export marketing strategy, and export performance, and was designed on the basis of the incorporation of these theories.

6.2.1.1 Internationalization

Internationalization is the product of a series of incremental decisions (Johanson and Vahlne 1977). Internationalization processes can be defined as the activities associated with any increase in the international involvement of a firm (Welch and Luostarinen 1988). This process often has been divided into sequential stages of gradual development over a long period of time (Melin 1992). Export

involvement refers to the stage of export development of a firm. The number of stages of export involvement proposed in prior research ranges from four to six. Export involvement in this study is the degree of experience the firm has in exporting. This study measured export involvement of firms by adapting a four-stage model of export development from Bilkey (1978): beginning exporter; occasional exporters; experienced exporter with limited scope; and experienced exporter. It used this in conjunction with the five-stage model of Kotabe and Czinkota (1992): partial interest in exporting; exploring exports; experimental exporter; experienced exporter with limited scope; and experienced exporter. However, the measures used in the Bilkey (1978) and Kotabe and Czinkota (1992) studies consist of qualitative responses, producing ordinal or nominal scale values rather than interval scales. The ordinal or nominal scale values present limitations in statistical analysis. To address the limitation of their models, this study offers a new perspective of export involvement analysis while retaining the important notions of their underlying concepts which focuses on experience of firm in exporting. Respondents were asked to indicate the degree of export involvement of their firm from 'very inexperienced exporter' (1) to 'very experienced exporter' (10).

6.2.1.2 Export Promotion

Export promotion programs are provided by government, trade and other organizations to help firms overcome the problems of exporting and to encourage export sales to flourish (Wheeler 1990). Lages and Montgomery (2005) emphasized that all public policy makers implement export assistance programs with the objective of helping firms improve their strategy and ultimately to enhance their performance in the international arena. Consequently, decisions relating to export promotion policies are considered cautiously, given their potential impact on firms' performance and on overall national economic welfare (Katsikeas and Morgan 1994). Although both export service programs and marketing development programs have been devoted by government to accelerate export expansion, the effectiveness of these assistance programs have been subject to only limited systematic investigation. Kotabe and Czinkota (1992) proposed a model to improve the effectiveness of export assistance by identifying existing gaps that exist between governmental assistance offerings and clients' assistance needs based on a comparison between export-related problems and

export assistance desired by firms. However, the study of Kotabe and Czinkota lacked a systematic methodology to obtain information on the export promotion agency's allocation of efforts and resources, which limited its generalizability. To improve the effectiveness of export promotion programs, it is therefore necessary to examine associated gap and export performance with a systematic statistical method. Based on previous studies, it was not possible to determine whether or not export promotion programs actually have any impact on exporting firms. Only a few studies measured the benefit of government programs in terms of quantitative responses (Czinkota 1994; Gencturk and Kotabe 2001; Ifju and Bush 1994; Marandu 1995). Most researchers measured the awareness and usage of export promotion programs as an indication of their success (Wheeler 1990). Results of awareness and usage level of these programs are conflicting and have been shown to be poor indicators (Dominguez and Sequeira 1991; Kedia and Chhokar 1986; Marandu 1995; Vanderleest 1996). Satisfaction has been successfully examined both in research on consumers and firms, but its use to investigate firm and government relationships is limited. This study extends the model used in Marandu (1995)'s study to measure firms' satisfaction with governmental export promotion programs, and includes the concept of gap analysis used by Kotabe and Czinkota to apply satisfaction theory to create a new concept called "perceived gap" based on customer satisfaction theory.

6.2.1.3 Satisfaction

The perceived gap concept is developed to measure the level of satisfaction firms have with government export promotion programs. The basic concept used in developing the perceived gap consists of Importance Performance Analysis (Kotler 2003) and Fishbein's Multiattribute Model of Attitudes (Assael 1995). Satisfaction is measured from the outcome of a comparison between expected and perceived actual performance of a product or service. In terms of this study it means that the service quality of a governmental provider is evaluated on the basis of customers' service expectations and perceptions. Customers compare the perceived actual service with the expected service. If perceived service performance falls below expected service performance, then customers are disappointed. If perceived service performance meets or exceeds customers' expectations, then they are satisfied and are apt to use the provider again. This study identifies firms' perceptions of the

importance of activities associated with export operations as the indicator of expected performance. The export activities were derived from export-related problems firms face identified by a review of previous studies conducted by Katsikease and Morgan (1994); Katsikease et al., (1996). Perceived actual performance is measured by the extent to which exporters express satisfaction with export promotion programs with regard to each export activity. Level of satisfaction refers to how well export promotion programs are perceived to deal with each activity.

6.2.1.4 Export Marketing Strategy

Export marketing strategy is defined as the integrated marketing activities of exporting firms, i.e., general export strategy, identification of export customers, marketing research utilization, export planning, export organization, product, price, promotion, and distribution (Cavusgil and Zou 1994; Shamsuddoha and Ali 2006; Zou and Stan 1998). A successful export marketing mix is a way that exporting firms adjust their export marketing mix to fit changing environmental and organizational factors Bilkey (1987). Based on the components of export strategy proposed by Zou and Stan (1998) and Shamsuddoha (2006), export marketing strategy in this study comprises general export strategy and export marketing mix strategy. General export strategy is associated with export customers, marketing research utilization, export planning, export organization, providing sufficient budgets to exploit overseas markets, and identifying export countries to enter. Marketing mix strategy relates to brand strategies, pricing strategies, channel strategies, and promotion adaptation and intensity. In addition, since export marketing strategy directly influences the success of firm in international markets and export marketing strategy, it is also used as a mediator between various internal and external factors and export performance (1994).

6.2.1.5 Export Performance

Export performance is the extent to which a firm's objectives, both economic and strategic, are achieved with respect to exporting a product to a foreign market (Cavusgil and Zou 1994). Determinants of export performance are comprised of two groups: internal determinants and external determinants (Reid 1981). There are four categories of internal determinants: firm characteristics and competencies, managerial characteristics, management support, and export marketing strategy. The

external determinants involve external environmental factors and can be divided into three types: industry characteristics, foreign market characteristics, and domestic market characteristics. Measurement of export performance can be evaluated on various dimensions because there is no universally accepted criterion (Gencturk and Kotabe 2001). The two principal modes of export performance assessment are financial and non-financial indicators. The financial measures of performance include: level of export sales, export intensity, export growth, and export profitability (Constantine *et al.* 2000). Non-financial measures have received increasing attention in recent years based on the systematic assessment by managers of such items as: goal achievement (Cavusgil and Zou 1994) (Katsikeas *et al.* 1996), satisfaction (Evangelista 1994), and perceived success (Cavusgil and Zou 1994; Louter *et al.* 1991).

Financial and non-financial indicators can be operationalized in both objective (e.g. based mainly on records relating to absolute figures of firm's profitability, sales level and such like) and subjective terms (e.g. manager's perceptions) (Evangelista 1994). The use of objective measures to describe export performance is difficult because readily available and valid archival data due to the reluctance of private firms to disclose these figures, which are deemed confidential (Appiah-Adu 1999). Therefore, several empirical studies support the reliability and validity of the use of non-financial and subjective terms to assess export performance (Dess and Jr 1984). Further, the method of subjective performance assessment allows better comparability across different industrial sectors and situations, with varying standards of acceptable performance (Pelham and Wilson 1996). This study measured export performance by assessing both objective and subjective export performance and divided them into three sets of indicators: objective export performance (export growth, export proportion, and export profit rate), subjective export performance₁ (the extent to which a firm's satisfaction with the trend of performance, composed of five items), and subjective export performance₂ (the extent to which a firm's perception of exporting objectives have been achieved and comprise of nine items).

6.2.2 Proposed Model

The conceptual framework and hypotheses were developed from the extant literature. The conceptual model integrates firm's satisfaction with export assistance programs, export marketing strategy, and export performance. Export marketing strategy was classified into two components: general export strategy and marketing mix strategy. Thus, this study examines factors that influence firms' satisfaction with export promotion programs and relates them to export performance. To measure satisfaction with export promotion programs, a new variable was developed which is called the "perceived gap". The perceived gap in this model is the value of the satisfaction index, produced from the firm's perception of the importance of activities for export operations times the firm's level of satisfaction with the export promotion programs provided by government agencies. The proposed conceptualization of this study analyzes the interface between perceived gaps with export promotion programs, export marketing strategy, and export performance. This model proposes that subjective export performance is directly affected by firm export involvement, perceived gaps of export promotion programs, and export marketing strategy, both general export strategy and marketing mix strategy. Additionally, the model proposes that subjective export performance is indirectly affected by the firm's export involvement and the perceived gap of export promotion programs, and through the influence exercised by these variables on export marketing strategy.

This study measured subjective export performance by assessing subjective export performance₁ (the extent to which a firm's satisfaction with the trend of performance, composed of five items) and subjective export performance₂ (the extent to which a firm's perception of exporting objectives have been achieved and comprise of nine items), correlations analysis results between subjective export performance₁ and subjective export performance₂, it is found that subjective export performance₂ indicates a more suitable selection than subjective export performance₁ because subjective export performance₁ showed very high correlations among all items. Thus, subjective export performance₂ provides more information about export performance and is used in the causal model.

6.2.3 Questionnaire Development and Administration

Drawing on the literature, a questionnaire was developed to measure export involvement of firms, importance of export activity for the firm's export operations, satisfaction with governmental export promotion programs designed to help firms' export activities, export marketing strategy, and export performance, all using multi-item scales. A self-administered mail survey was employed for this research for administrative reasons, given the nature of the study, and the number and geographic spread of respondents throughout the country. After a pre-test and translating the questionnaire into the Thai language, the questionnaire was mailed to a sample of 2,800 Thai exporting firms. Considering the relatively low response rate to mail surveys in developing countries (Ray 1988), a two-wave mailing with telephone follow-up was selected as the most adequate technique to achieve a greater response rate. A total of 403 questionnaires were received by the dateline (17 % response rate), but 33 cases were considered to be unqualified respondents for this research, including non-manufacturing firms, non-trading firms, firms that no longer export, and missing data among the measures of interest. Therefore the completed set of responses contained 370 usable questionnaires, a net response rate of 16%, which is close to expectations. ANOVA was performed to test for differences between early, medium, and late respondents. The overall pattern of responses between the three groups was quite similar with no statistically significant differences among them. These results support the contention that sample is representative of the population under consideration.

6.2.4 Research Findings

The two research questions of central concern to this study are:

Q1: How do the firms' export involvement and firms' satisfaction with export promotion programs directly and indirectly affect firms' export performance?

Q2: Are there any differences (perceived gap) between firms' perceptions of the importance of activities for export operations and firms' satisfaction with

export promotion programs? If yes, how does this perceived gap affect export performance?

With the application of path analysis and cluster analysis, the two questions have been systematically addressed, as demonstrated in Chapter 5. The results related to each research question are as below:

Regarding Research question 1, Inspection the significance level of critical ratios and values of Direct Effects and Indirect Effects of export involvement and perceived gaps on subjective export performance as shown in table 5.18, indicates that export involvement of firm and perceived gaps (dissatisfaction index) of export promotion programs both directly and indirectly affect firms' export performance.

Regarding Research question 2, results in Table 5.3 shows the value of 18 perceived gaps derived from calculation (the product of firms' perceptions of the importance of activities for export operations multiply by firms' dissatisfaction with export promotion programs) ranging from 27.2 to 37.3. It means that there are perceived gaps between firms' perceptions of the importance of activities for export operations and firms' satisfaction with export promotion programs. Table 5.16 shows that perceived gaps is negatively related to subjective performance. Significance levels of perceived gaps in Table 5.17 lead to the conclusion of acceptable nomological validity for the H7. This means that firms with lower levels of perceived gaps of export promotion programs achieve higher subjective export performance² than firms with higher levels of perceived gaps (Tables 5.24 and 5.25).

6.2.5 Research Discussions

Causal relationships between variables hypothesized in the conceptual model were tested using path analysis and cluster analysis. The first set of hypotheses investigated relationships between export involvement and the export marketing strategy of firms. The first hypothesis stated that export involvement has a positive impact on the general export strategy to be adopted (H1a), and that export involvement has a positive impact on the marketing mix strategy to be adopted (H1b). The second hypothesis proposed a positive impact of export involvement on subjective performance (H2). The third and fourth hypotheses proposed a positive

impact of general export strategy and marketing mix strategy on subjective performance (H3 and H4). The fifth set of hypotheses focused on relationships between perceived gap of export promotion programs and export marketing strategy by stating that perceived gap of export promotion programs has a negative impact on the general export strategy to be adopted (H5a), and that perceived gap of export promotion programs has a negative impact on the marketing mix strategy to be adopted (H5b). The sixth hypothesis proposed a negative association between perceived gap of export promotion programs with subjective performance (H6). The seventh hypothesis involved the levels of perceived gap in relation to the levels of export performance by stating that the firms with lower levels of perceived gap with export promotion programs will achieve higher levels of subjective performance than firms with higher levels (H7). H1 to H5 are confirmatory hypotheses that extend previous research in an empirical investigation in the content of a developing country; while H6, H7 are original hypotheses to empirically examine research questions that have not previously been tested.

Exploratory factor analysis was performed to test the validity and reliability of the variables in the model. Analysis then proceeded with path analysis to draw the relationships between the variables hypothesized in the conceptual model and to test the hypotheses H1 to H6. Application of cluster analysis was done to develop and to test the relationships between levels of perceived gap of export promotion programs and levels of achievement of subjective export performance identified in H7. All hypotheses except H5a are supported. In summary, research results provide evidence that perceived gaps or satisfaction with governmental export promotion programs play an important role in the achievement of export goals of firms. Five key findings that emerged from this study can be summarized and explained as follows:

First, results do not support the existence of a direct relationship between the perceived gap of export promotion programs and general export strategy, whereas they do support the relationship between perceived gap of export promotion programs and marketing mix strategy. This means that the ability to create general export strategies with regard to customer and market identification, marketing information collection, competitive strategy building, and providing sufficient budget to exploit

export markets, is not related to firms' satisfaction or dissatisfaction with governmental export promotion programs. A possible explanation is that perhaps the nature of general export strategy is identical to competent strategic plans of individual firms more than marketing mix strategy is. Therefore, it is very difficult to design appropriate and particular export promotion programs covering the needs of each firm in developing market expansion identification and expansion strategies.

A second result is, perceived gaps or satisfaction with export promotion programs are relatively unimportant to export performance when compared to export involvement, general export strategy, and export marketing mix strategy. Standardized Total Effects show that general export strategy, marketing mix strategy, and export involvement are stronger predictors of subjective performance² than perceived gaps. However, significant negative effects of all perceived gap variables on subjective performance² are empirically confirmed.

Third, the seven export activities that have the highest perceived gaps (high dissatisfaction) in this study ranked from highest to lowest mean value are: (1) protecting against currency exchange rate fluctuations; (2) identifying capable overseas distributors; (3) setting competitive prices in export markets; (4) dealing with red tape of Thailand's public institutions; (5) developing products to meet importer's quality standards; (6) developing product design and style for export markets ; and (7) handling payments from overseas distributors. These results are different from Marandu's study (1995) which conducted in Tanzania and found that firms were most dissatisfied highest for six services: (1) commercial attaches; (2) compensation for some of the taxes paid (duty drawback); (3) an export subsidy (rebate); (4) seed capital revolving fund; (5) overseas trade fairs; and (6) foreign exchange retention scheme. Only an activity involving exchange retention is found similarities. This difference is explainable that exporters' different satisfaction can occur in even same context of developing country, this happen perhaps differences from internal dominants of individual country, for this case Tanzania is a regulated developing country whereas Thailand is non-regulated developing country. This study exhibits similarities when compare to Kotabe and Czinkota (1992)'s study which identified existing gaps between government's offerings and firms' assistance needs in US state and found the pressing areas of assistance desired from the most to

the least need are: (1) logistics-related problems (i.e., distribution coordination, packaging, arranging transportation, and obtaining financial information); (2) legal procedure (i.e., government red tape, product liability, and custom/duty); (3) foreign market intelligence (i.e., competition overseas and trade restrictions); (4) sales promotion (i.e., advertising, sales effort, and marketing information); and (5) servicing of exports (i.e., repair service, technical advice, and warehousing).

Fourth, the results indicate that 50% of firms exhibit high satisfaction with export promotion programs, and that satisfaction levels are about same across the 13 industries studied. Satisfaction does not depend on firm characteristics, region of export countries, and managerial characteristics. However, satisfaction was found to be positive associated with the number of export countries. The firms which exhibit low satisfaction with export promotion programs export to a greater number of countries than do firms with medium and high satisfaction with export promotion programs (≈ 12 , 10, and 8 countries respectively). This means that the wider range of export market areas the firms has, the more likely the firms are to express lower satisfaction. A possible explanation is that the relative number of countries that firms export to may present varying obstacles or problems with which the firm needs to cope. Thus, a firm with a greater number of export markets needs to have favorable and multiple programs to support them in order to overcome associated problems. Firms that sell to fewer export markets may face fewer obstacles.

Finally, most automotive, auto parts, and accessories responding firms (which are the second most important industry in generating export income for the country) are highly satisfied with export promotion programs (65% of respondents). Conversely, only 30% of electronic and electrical appliances firms (the largest industry in export trade) exhibit high levels of satisfaction with export promotion programs. This finding suggests that export promotion programs have been designed for all exporting rather than only for the most important industries. It also indicates another gap, this time regarding the formulation of programs relevant to different industries.

6.3 Contributions for Field in International Marketing

This main objective of this dissertation was to develop a greater understanding of how satisfaction with export promotion programs influence export performance by examining the interface between firms' satisfaction with export promotion programs, export marketing strategy, and export performance. The results from this dissertation provide substantial support for the conceptual Model shown in figure 3.2. The results have significant contributions to our understanding of the impact that export promotion programs and export strategy have on firm export performance. Five major contributions emerge from this dissertation are presented, along with its discussion separately below.

The main contribution of this study has been to establish a causal relationship between satisfaction with export promotion programs and export performance. From a theoretical perspective, previous research on the impact of export promotion programs on the export performance has been very limited. This study found that satisfaction with export promotion programs has a significant impact on firm export performance and lends valuable empirical support to the only other study that has been conducted on this issue (Marandu 1995). Therefore, this study contributes to the literature by validating satisfaction with export promotion programs as a predictor in the export performance model and establishing empirical support through rigorous testing using path analysis.

A second important contribution is that this study developed conceptual links between satisfaction with export promotion programs and other determinants of firm export performance, such as export involvement and export marketing strategy, in the process of building an indirect effect between satisfaction with export promotion programs and export performance. Empirical tests of the proposed hypotheses by path analysis established and/or confirmed the existence of most of the proposed relationships. Therefore, this study, by demonstrating the indirect effect of satisfaction with export promotion programs on firm export performance, has developed a more comprehensive, empirically tested model of export performance than those currently being used.

Third contribution is this study further contributes to the field by offering a new perspective on gap analysis that addresses the limitation of the gap concept of the Kotabe and Czinkota (1992) which failed to provide sufficient explanation about the computation of their export promotion efforts index. This study also contributes by extending of satisfaction theory, particularly satisfaction with respect to the relationship between firms and governmental organizations. It does this by applying satisfaction theory to operationalize the concept which underlies perceived gap analysis and calculates it on the basis of a satisfaction measure that come from the outcome of a comparison between expected and perceived actual performance of a product or service (Kotler 2003, p. 61).

Fourth, this study also contributes to the field by demonstrating the relationships via the use of more rigorous statistical analysis. Although Marandu (1995) had studied the relationship between satisfaction with export promotion programs and export performance, he had failed to clearly conceptualize the relational path between export promotion programs and export performance. Furthermore, his statistical rigor was a limitation where measures of association were tested utilizing chi-square analysis. This study contributes to literature by using path analysis as a more rigorous statistic test of the relationship and to allow causal interrelation of the findings. Moreover, this study has employed cluster analysis to examine the performance of firms which have different levels of perceived gap. Cluster analysis again found that larger perceived gaps (i.e., higher dissatisfaction) are negatively related to subjective performance.

Finally, this study also contributes to the growing literature on cross-cultural international marketing. Most previous export promotion studies have been conducted and tested in developed countries. This study helps to fill the void in literature with empirical findings that relate to export behavior of developing country firms. Most developing countries have been experiencing a persistent balance of trade deficit and the imbalance between exports and imports has been widening over the years. Thus, it is a major policy to reverse this unfavorable trend in developing countries by improving export trade and export performance in order to decrease their deficit. This study is therefore well placed to make a contribution to the important

current issue as well as adding to the needed literature on export policy in developing countries.

6.4 Implications

The ultimate aim of this study has been to explore the associations and causality between satisfaction with export promotion programs, export marketing strategy, and export performance. On the basis of the findings, the following tentative recommendations emerge.

6.4.1 Implications for Practice (Export Promotion Organizations)

The findings of this study have confirmed the crucial roles that the government policy related to export promotion programs can play in supporting export success of firms. Five tentative guidelines for policy makers are provided as below.

First, export promotion organizations should consider increasing their efforts to convince exporting firms to become exposed to, perceive, and use their existing assistance programs in order to encourage firms to have confidence to continue exporting. This recommendation is based on the finding that export involvement of firms is significantly associated with export marketing strategy and consequently export performance. Thus, if firms have more exporting experience, they will tend to be more successful in their export operations.

Second, government organizations are advised to focus their efforts on improving those programs which are characterized by a high perceived gap ranking from highest to lowest mean value: (1) protecting against currency exchange rate fluctuations; (2) identifying capable overseas distributors; (3) setting competitive prices in export markets; (4) dealing with red tape of Thailand's public institutions; (5) developing products to meet importer's quality standards; (6) developing product design and style for export markets ; and (7) handling payments from overseas distributors. This recommendation is based on the finding that perceived gap with export promotion programs negatively affects on export marketing mix strategy and

consequently on the export performance of firms. Thus, if those programs are improved in order to lower the perceived gap (higher satisfaction), it is feasible that the firms involved in those programs will improve their competency which can lead to the achievement of better outcomes.

Third, export promotion organizations should enhance their capability to approach and to deliver precise messages directly to targeted firms for particular assistance programs. Moreover, these organizations should have accurate and updated database of exporting firms in order to efficiently, effectively provide relevant trade information directly to targeted firms without delay or loss of information. This may induce more exporters to pay attention to and use the programs. In addition, a good database with accurate names and addresses can contribute to the efficient use of the information by all users, whether they are in government organizations or not.

Fourth, protecting against currency exchange rate fluctuations appears to have the highest perceived gap (lowest satisfaction). Therefore, protecting against currency rate fluctuations should be run as smoothly as possible with minimal bother to exporters. The Bank of Thailand could then be concerned mainly with policy issues, not allocation of foreign exchange.

Fifth, export promotion organizations should develop specific programs which are directed at various types of firms. Since firms are in different industries and have different importance, providing tailored program that address their specific needs seems to be appropriate. In order to accomplish this, systematic marketing research should be conducted to gain sufficient information relating to firms' desired assistance programs.

6.4.2 Implications for Managements

The study findings have demonstrated the important roles of management's satisfaction with governmental export promotion programs and possibility in achieving better export performance. This suggests managers in exporting firms that to become successful exporters, exporting firms should pay attention to what is deemed to be of benefit to their firms, particularly governmental

export promotion programs with low perceive gaps (i.e., the programs involving preparing export documentation, promoting in export market, national export promotion programs, and gathering information about export markets). Satisfaction with export promotion programs is empirically confirmed to be associated with export performance. Therefore, exporters should motivate themselves and other managers in their firms to find opportunities to access governmental export promotion programs. They can possibly support the firms' success in many ways. Additional recommendation is for non-exporters who want to become pre-exporters, it is necessary to start up by using programs that provide them with increased competent, i.e., gaining export knowledge (Francis and Collins-Dodd 2004).

6.5 Limitations of the Study

A basic limitation of this study is that it uses a cross-sectional design rather than longitudinal analysis. To investigate firms' usage and perception of governmental export promotion programs, a longitudinal study can provide both broader and more in-depth perspectives of firms' reactions over time.

A second limitation of this study involves the fact that the sample of exporting firms come from a single country. This research has been conducted in Thailand, a developing country context which allows manipulating the variation of export promotion programs within a country, but limits generalization across countries constraints. Those who employ the research findings must take this limitation into consideration. The examination of the phenomenon in other country contexts could verify and increase the generalizability of the findings presented here.

A further limitation of this study relates to the results coming from twelve manufacturing industries that produce non-commodity products, and from trading firms. Many firms, including those dealing with agricultural products, restaurants, and all service firms were excluded from the sampling frame. A study that included all industries would have been ideal in order to increase the application of the findings, but it was not possible because of limited budget and time. Given this limitation, the application of the results to all industries may be limited. Broadening

the study to include all industries would contribute to the generalizability of the findings.

Another limitation relates to the sampling frame. Although the sampling frame was based on the most comprehensive and up-to-date exporter directories available from the Department of Export Promotion of Thailand, it was found that 455 of 2,800 sampled companies from the list were unable to be contacted either because they had closed down or moved without leaving a forwarding address, which generated a response rate that was below expectations. The 370 usable firms (the actual rate 16%) used in this study were adequate for SEM analysis but a larger sample size could have resulted in more accurate findings.

An additional limitation of this study is that it mainly focuses on perception of respondents to export promotion programs. Perception is very important information required from doing marketing research because it is a determinant of an attitude and intention to buy. However, it should be realized that perception information is gained from variation of management level of exporting firms. Thus, it may or may not conform to objective reality of firms.

6.6 Implications for future research

The findings of this study suggest implications for future studies on the following topics:

First, there is a need to replicate this study in developing countries like Thailand, in order to validate the findings of the study. It would be even more interesting if the study was to be conducted in both developing country and in a developed country

Second, in future studies, there should be a question asking about past participation of firms in various existing export promotion programs in order to find out which ones they found satisfactory and felt to be useful for their export operations. Such a study could be helpful in suggesting which programs should be emphasized for target users, and which ones should be deleted. Such a study could help also suggest the introduction of new programs.

Third, the cross-sectional nature of data limits ability to rule out cause-effect inferences. Research efforts involving a dynamic phenomenon such as firm performance in export markets requires a temporal focus (Katsikeas *et al.* 1996). Longitudinal analysis would provide enriched evidence regarding causal direction. The study would examine prior participation in the export promotion programs provided and relate it to outcomes. Such findings could then be compared with outcomes. This method would provide stronger information to describe the relationship between satisfaction with export promotion programs and various impact measures.