

## **WHAT MAKES SMALL WINE COMPANIES MORE COMPETITIVE IN THEIR EXPORT MARKETS?**

MARKET ORIENTATION AND INNOVATIVENESS INFLUENCE

### **Abstract**

Few empirical studies focus and investigate dimensions and characteristics of export competitive advantage (Kaleka, 2002). Results from Piercy et al. (1998), Kaleka (2002), Morgan et al. (2004) suggest that firm's resources and capabilities are the drivers to obtain an export competitive advantage. In that vein, the purpose of this paper is first to present what makes a small company more competitive in its export markets. Then, using the regression analysis method, we evaluate the impact of firm's market orientation and innovativeness on the identified competitive advantage(s). The survey focuses on a sample of small wine firms located in Australia and New-Zealand. Overall, two constructs are important for these firms to compete overseas: export staff skills and the on-going attitude of the firm to search for new opportunities. Firm's market orientation has a positive impact on these constructs, as does innovativeness.

Keywords: export competitive advantage, market orientation, innovation, small firm, wine

## **Introduction**

Within the stream of international marketing, identification of factors influencing export performance still constitute the main challenge for academic researchers. In a simplistic view, export performance depends on the export competitive advantage held by a company which can be explained by a set of determinants (Morgan *et al.*, 2004). Nevertheless as shown by these authors, this is still challenging because of the absence of an integrative theoretical model which can explain antecedents of export success.

This paper focuses on one specific part of this simplistic model: the determinants of an export competitive advantage. The questions we're trying to answer are: first, are small wine companies competing differently overseas? In other words, do these companies possess different positional advantage in export market? Secondly, does market orientation and innovativeness have an influence on this export competitiveness? Regarding the second question, our literature review shows that market orientation and innovativeness have been linked and tested with export performance (more often measured with export intensity ratio) but more rarely with export competitiveness.

In this study we focus on a sample of small and very small firms (less than 100 employees). To focus on this firm size appears to be relevant as these firms in one hand constitute the largest contingent of firms in many countries and in Australia or New-Zealand as well (A.B.S., 2001; S.N.Z., 2004). On the other hand, there appears to be a consensus among researchers regarding the fact that small firms possess fewer resources to manage their export development (Cavusgil and Naor, 1998; Wolff and Pett, 2000). Nevertheless, a lot of small and very small firms are exporting (Leonidou and Katsikeas, 1996). How then can these firms support competition overseas?

The main way to describe a positional advantage in export market is to run factor analysis in order to summarize a set of export competitive advantage factors (Morgan *et al.* 2004; Kaleka, 2002; Wolff and Pett, 2000; Katsikeas, 1994). Another way is to split the firm sample between high and low export performers and then, analyze each of their export competitive advantage (Piercy *et al.*, 1998). In this research, we measure the firm's export competitiveness by using a simple regression analysis. Then, market orientation and innovativeness impact are evaluated with regression analysis.

The remainder of the paper is organized as follows. Section one presents a literature review about export competitive advantage and the main propositions of the research. Section two presents the methodology. Results are presented in section three. Finally, section four closes the paper with a summary and a discussion of the results.

### **1. Background**

#### *1.1. Small firm export competitiveness*

In the international marketing field, researchers mainly focus on explaining export performance. Export competitive advantage determinants and characterization receives less research attention (Kaleka, 2002) and Morgan *et al.* (2004) study constitutes the best integrative framework done on

that topic. This study constitutes the outcome after pioneer works of Katsikeas (1994) who defined export competitive advantage through four distinctive factors: production capability (including firm-specific factors as production method/technology, personnel experience and training, new product development); marketing capability (including company reputation, importer's distribution network, knowledge about foreign markets and operations, promotional efforts, proximity to the export market); product superiority (including product quality and product uniqueness); and cost-price (including cost of raw materials, and price competitiveness).

*“A firm achieves a competitive advantage when, through its offering(s), it creates more value for its customers in comparison with rival firms”* (Kaleka, 2002). In that sense (Piercy et al., 1998; Kaleka, 2002), exporters can be more competitive in terms of cost advantage, product advantage, or service advantage.

For Piercy et al. (1998), Kaleka (2002), Morgan et al. (2004), drivers that guide firms to one of these three competitive advantages can be classified within two broad categories: resources and capabilities. Kaleka's (2002) results suggest that profile characteristics that drive service advantage on export markets are informational and customer relationship capabilities 'plus' financial resources. In regard with product advantage on export markets, drivers are product development and customer relationship capabilities 'plus' physical and scale resources.

Achieving strong customer relationship capabilities therefore appears as the more important point in order to establish a superior competitive position (Kaleka, 2002). This element was pinpointed by Wolff and Pett (2000) who identify customer service as the first competitive pattern in export activities. In that mind, Ling-Yee and Ogunmokun (2001) suggest that relationship cooperation and changes in relational intensity influence positively a differentiation-based advantage on export markets.

Our study focuses on small firms and as mentioned by Wolff and Pett (2000), small firms lack of resources in order to compete equally with large firms. They usually compensate this weakness by using a narrow but critical set of skills. In that vein, O'Donnell et al. (2002) identified two key sources of competitive advantage, namely personal network of the SME owner-managers and their competencies. Owner-managers personal network include the provision of environmental information, support and confirmation in decision making, generating new contacts, and gaining ideas for new product offerings. Owner-managers competencies include knowledge, experience, communication and judgment allowing the owner-managers to create experiential knowledge.

Based on the ideas that small firms tend to operate in niche markets that are not served by large firms (Penrose, 1959), and second, that small firms should focus on a segment market rather than compete with low cost/low price (Rugman and Verbeke, 1987), we'll focus in this study on the capabilities sources of export competitiveness.

### *1.2. Market orientation and innovativeness effects for small exporting firms*

Market Orientation (MO) concept appears in the early 1990s with two seminal articles. Kohli and Jaworski (1990) define MO as an *'organizationwide generation of market intelligence...'* represented by three dynamic and connected components: intelligence generation, intelligence dissemination, and responsiveness. On the other hand, Narver and Slater (1990) state that a

company can achieve long term performance because of strong relationship with its customers. MO for these authors can be seen as an '*organization culture*' dedicated to create value for these customers and so, long term performance for the company.

This general concept of MO has been applied more specifically into the export and small firm areas. Regarding the export area, Cadogan and Diamantopoulos (1995) and Diamantopoulos and Cadogan (1996) articles show that internationalization makes more complex MO application within the firm. For example, export experiential, availability and quality of export knowledge, and customer relationship are three components which complicate intelligence generation. However, Cadogan et al. (1999, 2003) show that an export MO positively contributes to export performance, especially in a situation of very high competitive intensity.

Regarding the small firm area, one author mainly contributes to explore MO application within small organizations. He first shows that small firms can be market oriented as much as the large firms (Pelham and Wilson, 1996). Then, he demonstrates that MO does not have a direct influence on profitability but an indirect link (Pelham, 1997). Within his last articles, Pelham (1999, 2000) implements MO concept in a more complex model. His main finding is a positive link between MO construct and firm profitability. Moreover, he pinpointed as Cadogan et al. (2003) that the relationship between MO and performance is strongest high competitive intensity.

More recently, Verhees and Meulenbergh (2004) also contributed to apply MO and innovation concepts for explaining performance in small firms. As Cadogan et al. (1995, 1996), Verhees and Meulenbergh (2004) noted that small size makes more complex MO application within the firm. However, based on a contextualized definition of MO concept, they show a positive impact of this construct on company performance.

Focusing on small firm innovation, Freel and Robson (2004) showed that growth in sales turnover is positively related to operating in export markets and negatively related to innovativeness, defined with four constructs: novel process innovation, incremental process innovation, novel product innovation, and incremental product innovation. The situation is nearly the same regarding growth in productivity. On the other hand, growth in employment is negatively related to operating in export markets and positively related to innovativeness.

## **2. Method**

### *2.1. Data collection and sample frame*

The study was conducted in the wine industry. More specifically, wine export firms from two new world wine producing countries, Australia and New Zealand have been selected as focus of the research. 39 small wine firms were interviewed between April and July 2004 in a face to face situation. To complete this first sample, the questionnaire was sent to 320 wine firms located in Australia and New-Zealand. 40 questionnaires were returned, 29 from Australian wine firms and 11 from New-Zealand. It therefore does not constitute a representative sample of the wine industries in these countries.

On this sample, 68 companies compete overseas and filled completely the questionnaire regarding the related questions.

## 2.2. Operational measures

*Export competitiveness*: what makes your company more competitive in export markets? A set of 9 items, based on a literature review, was selected for the research. The most senior manager indicates to which extent he/she (dis)agree with each statement using a seven-point rating scale, where 1=Strongly disagree to 7=Strongly agree. These statements are: strong brand, strong managerial and technical capabilities that allow us to customise our offer in order to satisfy our customers, strong managerial and technical capabilities to develop and launch new products that better satisfy markets' needs, export staff (*today*) with good knowledge, expertise and skills, good level of expertise and skills *accumulated* through our export experience, high level of foreign existing strategic partnerships, availability of capital to finance export activities, the entrepreneurial attitude of the CEO, the aggressiveness of the firm to search for new export opportunities.

*Market Orientation*: The most senior manager should have in mind the following idea to answer the questions concerning MO: Thinking about the knowledge you have about the needs of your most important overseas Distributor/agent (in term of export sales value), the way you respond to these needs and the knowledge you have about your competitors. Twenty items were used to measure MO construct (Kohli et al., 1993).

The first sub-construct of MO, with six items, measures intelligence generated by the company: In this business, we meet with this distributor/agent at least once a year to find out what products or services they will need in the future; In our wine business, we do a lot of market research; We are slow to detect changes in our distributor/agent's product preferences; We poll end users at least once a year to assess the quality of our products and services; We are slow to detect fundamental shifts in our industry (e.g., competition, technology, regulation); We periodically review the likely effect of changes in our business environment (e.g., regulation) on customers.

The second sub-construct designs how the company disseminates this intelligence within the company. Five items were used: We have intra-firm (e.g., marketing, production) meetings at least once a quarter to discuss market trends and developments; Marketing personnel in our business spend time discussing future needs of this distributor/agent with other functional areas; When something important happens to this distributor/agent in his business market, our whole firm knows about it within a short period; Data on this distributor/agent's satisfaction are disseminated at all levels in this business on a regular basis; When one functional or production area finds out something important about competitors, it is slow to alert other departments.

Responsiveness sub-construct represents the way the companies will response to market needs. Responsiveness is shared between response design and response implementation. Four items were used to measure response design: It takes lots of time to decide how to respond to our competitor's price changes; For one reason or another we tend to ignore changes in our distributor/agent's product-service needs; We periodically review our product and service development efforts to ensure that they are in line with what this distributor/agent wants; Several functional and production areas get together periodically to plan a response to changes taking place in our business environment. Five items were used to measure response implementation: It If a major competitor were to launch an intensive campaign targeted at this distributor/agent, we would implement a response immediately; The activities of the different functional and production area in this business are well coordinated; The distributor/agent's complaints are not taken seriously in this business; Even if we came up with a great marketing plan, we probably

would not be able to implement it in a timely fashion; When we find that this distributor/agent would like us to modify a product or service, the functional or production areas involved make concerted efforts to do so.

*Innovativeness*: three items were used to measure innovation activity within the company. The first one is dedicated to the relationship with the most important overseas distributor of the company. The most senior should indicate to which extent he/she (dis)agree with the statement “our company create a differential advantage based upon product innovation”, using a seven-point rating scale, where 1=Strongly disagree to 7=Strongly agree. The other statements used are: how many new products you have developed and launch during the last three years? And, how much of the current total revenue (%) is explained by the new product activity?

### 2.3. Statistical analysis

The first statistical analysis is a simple mean test measuring the contribution of each item to the question ‘what makes more competitive the company in its export market?’. To simplify the analysis, we just keep the item with a score higher than five, which indicate that the companies, on average, are positioned in the ‘agree’ side of the proposed ranking.

The second stage of the analysis is the using of linear regression to measure the impact that these operational measures have on export competitiveness.

## 3. Results

### 3.1. What makes small wine companies more competitive in their export markets?

A descriptive analysis shows that four items, with an average higher than 5, influence the company to be more competitive in its export markets. These items are: Export staff (*today*) with good knowledge, expertise and skills; Good level of expertise and skills *accumulated* through our export experience; The entrepreneurial attitude of the CEO; The aggressiveness of the firm to search for new export opportunities.

**Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
B_10_1 - Export competitive advantage - low prices	68	1	6	2.22	1.563
B_10_3 - Export competitive advantage - strong brand	68	1	7	4.40	1.738
B_10_4 - Export competitive advantage - strong man ... satisfy our customers	68	2	7	4.78	1.244
B_10_5 - Export competitive advantage - strong man ... satisfy market' needs	68	1	7	4.18	1.445
B_10_6 - Export competitive advantage - export staff	68	2	7	5.16	1.300
B_10_7 - Export competitive advantage - export experience	68	2	7	5.09	1.301
B_10_8 - Export competitive advantage - strategic partnerships	68	1	7	4.32	1.732
B_10_9 - Export competitive advantage - availability capital	68	1	7	4.28	1.907
B_10_10 - Export competitive advantage - entrepreneurial attitude	68	2	7	5.09	1.168
B_10_11 - Export competitive advantage - aggressiveness	68	2	7	5.01	1.287
Valid N (listwise)	68				

‘Export staff (*today*) with good knowledge, expertise and skills’ and ‘Good level of expertise and skills *accumulated* through our export experience’ are highly correlated (Pearson coefficient = 0.628 with a significant correlation at the 0.01 level). So we merge these two items in one and labelled it “Export Staff Skills”. The situation is similar for ‘The entrepreneurial attitude of the CEO’ and ‘The aggressiveness of the firm to search for new export opportunities’ (Pearson coefficient = 0.545 with a significant correlation at the 0.01 level). So we merge these items as well and labelled the new one “Proactive Export Attitude”.

*3.2. Impact of MO and innovativeness on export staff skills*

Market Orientation<sup>1</sup> which included intelligence generation, intelligence dissemination, and responsiveness is positively connected with staff skills (B = 0.221). The relationship between these two constructs is moderated (R=0.302) and only 9.1% of the variation of export staff skills is explained by MO construct.

An emphasis on the different sub constructs which define MO show that intelligence generation only contributes to this positive relationship (B = 0.796). The relationship between these two constructs is moderated (R=0.320) and only 10.2% of the variation of export staff skills is explained by intelligence generation construct.

Innovation policy has a positive impact on export staff skills. One variable in three is significantly connected with export staff skills (B = 0.066): how many new products have you

<sup>1</sup> All tables available in Appendix

developed and launched during the last three years? The relationship between these two variables is moderated ( $R=0.277$ ) and only 7.7% of the variation of export staff skills is explained by the number of products developed and launch during the last three years.

### *3.3. Impact of MO and innovativeness on proactive attitude of the company*

Market Orientation construct is positively connected with entrepreneurial attitude / aggressiveness construct ( $B = 0.353$ ). The relationship between these two construct is strong ( $R=0.507$ ) and 25.7% of the variation of entrepreneurial attitude / aggressiveness construct is explained by MO.

An emphasis on the different sub constructs which define MO show that intelligence dissemination only contribute to this positive relationship ( $B = 1.019$ ). The relationship between these two constructs is moderated ( $R=0.476$ ) and 22.7% of the variation of entrepreneurial attitude / aggressiveness construct is explained by intelligence dissemination.

Innovativeness has a positive impact on proactive attitude of the company. In the second model (stepwise analysis), two variables used to measure innovativeness are positively connected with an export proactive attitude ( $B = 0.071$  for the variable 'number of new products developed and launch during last three years, and  $B = 0.393$  for the variable 'our firm creates a differential advantage based upon innovation' regarding its relationship with its most important distributor). The relationship between these two variables is moderated ( $R=0.433$ ) and 18.7% of the variation of export proactive attitude is explained by the number of products developed and launch during the last three years and the idea that the company creates a differential advantage based upon innovation.

## **4. Discussion and conclusion**

Sources of export competitiveness for small wine companies located in Australia and New-Zealand are based on export staff skills (which included skills accumulated over the time and currently possessed by the firm) and proactive export attitude of the CEO / company. These two sources of export competitiveness correspond quite well to the General-Subjective Characteristics which influence export activity (Leonidou et al., 1998): risk tolerance, innovativeness, flexibility, commitment, quality and dynamism of the most senior manager.

Our results also confirm the important place held by experiential resources, as shown by Morgan et al. (2004). On the other hand, it is perceived that the relationship building capabilities (strategic partnerships, customer satisfaction) don't appear as much important to support small wine companies export competitiveness. These two sources of export competitiveness are lightly correlated. Firm's which posses a higher export staff skills ratio are bigger (more than \$Au 1 million of sales, more than 15 permanent employees, more export oriented, with more export experience).

Firm's MO is positively connected with export competitiveness, defined by export staff skills and proactive attitude. But this relationship is stronger in the case of proactive attitude as an export competitiveness source. More precisely within the MO construct, we observed that one sub construct, i.e. intelligence generation, contributes significantly to the positive relationship 'MO-



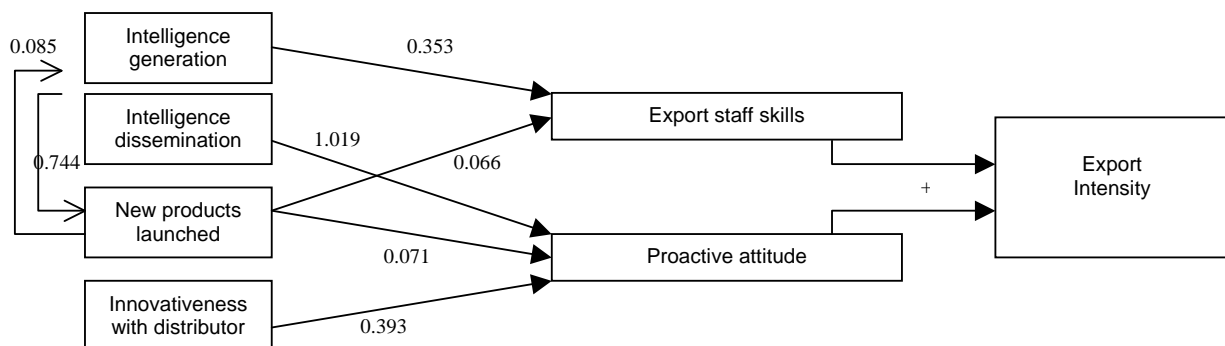
export staff skills'. This finding is relevant as intelligence generation included items such as market research, changes detection in distributor's product preference... which fit with export staff skills as an export competitiveness basis.

Regarding company's proactive attitude, one sub construct of MO (i.e. intelligence dissemination) contributes significantly to the positive relationship 'MO-proactive attitude'. This sub construct included regular meetings within the company, prompt discussion and dissemination of the information. This sub construct fit especially quite well with the aggressiveness of the company to search for new business opportunities, with the idea of quick intelligence dissemination within the company.

Firm innovativeness has a positive impact on both export competitiveness sources. The relationship is stronger with export proactive attitude of the company. This finding is quite relevant as export proactive attitude included the entrepreneurial attitude of the CEO.

Both resources used to sustained export competitiveness (MO and Innovativeness) are connected together. A simple regression analysis show that MO is positively linked with innovativeness ( $B = 0.085$ ). The relation is also verified in the other way ( $B = 0.744$ ). It means that the more market oriented, the more innovative the firm is. And the more innovative, the more market oriented the firm is. However, the relationship is quite rational to explain Proactive Export Attitude as a source of competitiveness in export markets.

The following model summarizes these findings (with each B coefficient):



As mentioned in this picture, we check the relationship between both of export competitiveness sources with export intensity ratio. We found a positive link between these variables (regression analysis) but this relation is not significant.

Carried out on the whole sample, the main findings of this survey is the identification of two sources which make more competitive small wine companies in their export markets. These two dimensions are export staff skills and the proactive attitude of the company. The restrictive size of the sample did not allow us to split the sample regarding size, or export experience. Indeed, when splitting the sample between companies with more or less than \$Au 5 millions of sales, a simple Anova showed that biggest wine companies possess one more export competitiveness source: strong managerial and technical capabilities that allow us to customise our offer in order

to satisfy our customers. Our findings comforts Reuber and Fisher (1997) results in the sens that export management team is a critical point in order to internationalize business for small firms.

## Appendix

### Market Orientation – Export staff skills

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.302 <sup>a</sup>	.091	.077	2.195

a. Predictors: (Constant), Market Orientation

**ANOVA<sup>b</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	31.025	1	31.025	6.442	.014 <sup>a</sup>
	Residual	308.248	64	4.816		
	Total	339.273	65			

a. Predictors: (Constant), Market Orientation

b. Dependent Variable: Export staff skills

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.727	1.847		3.101	.003
	Market Orientation	.221	.087	.302	2.538	.014

a. Dependent Variable: Export staff skills

### Intelligence generation – Export staff skills

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.320 <sup>a</sup>	.102	.088	2.182

a. Predictors: (Constant), Intelligence generation

**ANOVA<sup>b</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	34.667	1	34.667	7.284	.009 <sup>a</sup>
	Residual	304.606	64	4.759		
	Total	339.273	65			

a. Predictors: (Constant), Intelligence generation

b. Dependent Variable: Export staff skills

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.497	1.458		4.457	.000
	Intelligence generation	.796	.295	.320	2.699	.009

a. Dependent Variable: Export staff skills

### Innovativeness – Export staff skills

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.277 <sup>a</sup>	.077	.062	2.156	.077	5.080	1	61	.028

a. Predictors: (Constant), J\_1 - how many new products you have developed ...?

**ANOVA<sup>b</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	23.622	1	23.622	5.080	.028 <sup>a</sup>
	Residual	283.648	61	4.650		
	Total	307.270	62			

a. Predictors: (Constant), J\_1 - how many new products you have developed ...?

b. Dependent Variable: Export staff skills

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95% Confidence Interval for B		Correlations			Collinearity Statistics		
		B	Std. Error	Beta			Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF	
1	(Constant)	9.989	.330		30.240	.000	9.329	10.650						
	J_1 - how many new products you have developed ...?	.066	.029	.277	2.254	.028	.007	.124	.277	.277	.277	1.000	1.000	

a. Dependent Variable: Export staff skills

### Market Orientation – Entrepreneurial attitude and aggressiveness

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.507 <sup>a</sup>	.257	.246	1.89224	.257	22.193	1	64	.000

a. Predictors: (Constant), Market Orientation

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	79.464	1	79.464	22.193	.000 <sup>a</sup>
	Residual	229.157	64	3.581		
	Total	308.621	65			

a. Predictors: (Constant), Market Orientation

b. Dependent Variable: Entrepreneurial + aggressiveness

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95% Confidence Interval for B		Correlations			Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	2.654	1.592		1.667	.100	-.527	5.836					
	Market Orientation	.353	.075	.507	4.711	.000	.204	.503	.507	.507	.507	1.000	1.000

a. Dependent Variable: Entrepreneurial + aggressiveness

### Intelligence dissemination – Entrepreneurial attitude and aggressiveness

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.476 <sup>a</sup>	.227	.215	1.93100	.227	18.768	1	64	.000

a. Predictors: (Constant), Intelligence dissemination

**ANOVA<sup>b</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	69.981	1	69.981	18.768	.000 <sup>a</sup>
	Residual	238.641	64	3.729		
	Total	308.621	65			

a. Predictors: (Constant), Intelligence dissemination

b. Dependent Variable: Entrepreneurial + agressiveness

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95% Confidence Interval for B		Correlations			Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	4.752	1.252		3.797	.000	2.252	7.253					
	Intelligence dissemination	1.019	.235	.476	4.332	.000	.549	1.489	.476	.476	.476	1.000	1.000

a. Dependent Variable: Entrepreneurial + agressiveness

**Innovativeness – Entrepreneurial attitude and aggressiveness**

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.307 <sup>a</sup>	.094	.079	2.01597	.094	6.349	1	61	.014
2	.433 <sup>b</sup>	.187	.160	1.92559	.093	6.861	1	60	.011

a. Predictors: (Constant), J\_1 - how many new products you have developed ...?

b.

Predictors: (Constant), J\_1 - how many new products you have developed ...?, D\_2\_1 - our firms creates ... product innovation

**ANOVA<sup>c</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	25.802	1	25.802	6.349	.014 <sup>a</sup>
	Residual	247.912	61	4.064		
	Total	273.714	62			
2	Regression	51.240	2	25.620	6.910	.002 <sup>b</sup>
	Residual	222.474	60	3.708		
	Total	273.714	62			

a. Predictors: (Constant), J\_1 - how many new products you have developed ...?

b. Predictors: (Constant), J\_1 - how many new products you have developed ...?, D\_2\_1 - our firms creates ... product innovation

c. Dependent Variable: Entrepreneurial + agressiveness

Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95% Confidence Interval for B		Correlations			Collinearity Statistics		
	B	Std. Error	Beta			Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF	
1	(Constant)	9.748	.309										
	J_1 - how many new products you have developed ...?	.069	.027	.307	2.520	.014	.014	.123	.307	.307	.307	1.000	1.000
2	(Constant)	7.918	.758		10.441	.000	6.401	9.435					
	J_1 - how many new products you have developed ...?	.071	.026	.317	2.723	.008	.019	.123	.307	.332	.317	.999	1.001
	D_2_1 - our firms creates ... product innovation	.393	.150	.305	2.619	.011	.093	.693	.295	.320	.305	.999	1.001

a. Dependent Variable: Entrepreneurial + aggressiveness

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