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ABSTRACT

The primary purpose of this study is to investigate how foreign market opportunity analysis can improve export performance in small and medium-sized businesses. A contingency-based model is used to explore relationships between foreign market opportunity analysis (FMOA) practices, international marketing management behavior, and export performance. Using a postal questionnaire, data was gathered from 42 small and medium-sized exporting firms in the computer service and software industry.

Results of the study show that foreign market opportunity analysis practices vary among small and medium-sized firms. When compared to other firms in the sample, companies that segment and prepare sales or market-share forecasts for their targeted export markets, report a significantly higher level of export performance, as measured by export intensity (export sales/total sales) and export sales volume. The export strategies of these firms are more diversified, both in the number of export products and the number of export markets. Also, their administrators are more confident about performing international marketing activities and their ability to achieve export sales goals.

RÉSUMÉ

Cette étude traite des liens entre l'analyse des marchés étrangers et la performance à l'exportation. Afin d'examiner les relations entre les pratiques de gestion des marchés internationaux, la performance et les méthodes d'analyse des marchés étrangers, un modèle de contingence est proposé. Par l'entremise d'une enquête postale, les données provenant d'un échantillon de 42 petites et moyennes entreprises exportatrices dans l'industrie du logiciel et des services informatiques ont été recueillies.

Les résultats de l'enquête indiquent que les pratiques d'analyse et de gestion des marchés internationaux varient selon les entreprises. Les PME qui utilisent les techniques de segmentation de marché et de prévisions de ventes réussissent mieux à l'exportation que les autres. Leur volume de ventes à l'étranger est, en moyen, supérieur à celui des entreprises dont les pratiques d'analyse des marchés sont moins développées. Par ailleurs, leurs stratégies d'exportation sont plus diversifiées, notamment en ce qui concerne le nombre de produits exportés et les marchés desservis. Enfin, leurs gestionnaires manifestent une plus grande confiance dans leur habilité à gérer les marchés internationaux et à atteindre leurs objectifs de marketing.

TABLE OF CONTENTS

INTRODUCTION

REVIEW OF THE LITERATURE

METHODOLOGY

DATA ANALYSIS

TABLE OF CONTENTS

Continued

LIST OF TABLES

LIST OF ILLUSTRATIONS

INTRODUCTION

The international marketplace is increasingly viewed as a source of opportunity for firm growth and the development of new profit potential. In addition to growth and profit gains, firms who are active in the international marketplace tend to develop specific competitive advantages such as cost efficiency, product differentiation, product personalization, distribution, and innovation capabilities (Cafferata and Mensi 1995). The source of these new opportunities is the result of many factors that have transformed the structure of the international marketplace. Technological advances in communication and information technologies have substantially reduced the time float that previously constrained international activity. Economic factors such as reduced market differences among trading nations, the intensified competition in national markets, maturing domestic markets and/or limited domestic market potential have also contributed to the development of foreign commerce (Namiki, 1988). Recent trade agreements and the creation of multinational trading blocs have reduced trade barriers resulting in a more dynamic and freer flow of investments, goods, and services.

As opportunities in the international marketplace continue to grow, more and more owners and managers of small and medium-sized firms are, or will be, faced with the decision of whether to enter a foreign market. The ability of these managers to identify, analyze, and evaluate international opportunities is critical to their making informed and sound business decisions. Yet, little is known of the foreign market opportunity analysis practices of small and medium-sized businesses (Denis, 1988; Yang *et al.*, 1992; Thorelli and Tesar, 1994).

Research has shown that small and medium-sized firms tend to acquire market information through informal methods, and that this information is subjectively analyzed by the decision maker (Hammers-Specht, 1987; Brush, 1992). In a relatively simple market environment, informal market analysis methods may provide sufficient information for the owner or manager to effectively manage his/her marketing

activities. Yet, as markets become more complex, it is questionable whether traditional entrepreneurial methods of market analysis are able to provide the information needed to elaborate effective marketing programs and credible estimates of demand. Rice (1983: 59-60) observed that:

> "Small businesses have smaller, more specific and well-defined operating environments. They are more easily able to obtain accurate information about such things as customer preferences, growth plans, demographic shifts, and financial resources. Therefore, it seems probable that the elaborate, formal scanning and analytical methods used by big business are not necessary for the small businessman. Or, that as a business becomes larger, such methods become more valuable or useful in assisting the manager to do his strategic planning."

In this study the question of how foreign market opportunity analysis (FMOA) practices influence export performance is addressed. To answer this question, three objectives are formulated. The first objective seeks to describe different foreign market opportunity analysis practices. The second objective, is to establish a link between foreign market opportunity analysis practices and export performance. Finally, the third objective seeks to rationalize the role of formal market analysis in small firms by exploring relationships between task-related contingency factors and foreign market opportunity analysis practices.

Marketing practices determine what and how many products are produced, who they are sold to, the price they are sold for, and the manner in which they are paid for. In this sense, marketing truly is central to all organizational activities. Results obtained from this study may be of interest to researchers in many areas of small and medium-sized business management theory, notably, business and financial planning, informational processes, organization design and growth, and internationalization processes.

The unit of analysis of this study, small and medium-sized exporting firms in the computer service and software industry, represents a new breed of hi-tech, international firms. The critical role these firms play in bridging the economy of today with the economy of tomorrow has earned them special attention among

policy makers, investors, and researchers. Information generated by this study may be of interest to these third parties, as well as to the owners and managers of these firms.

In the remainder of this chapter, the problem is stated, research objectives are identified, the significance of the study is explained, key terms are defined, and major limitations of the research are presented. In chapter two, the theoretical foundations of the study are presented, and literature relevant to the general research model is reviewed. Chapter three explains the methodological aspects of the study. Results of the survey are reported in chapter four. Finally, in chapter five, findings are summarized, commentaries and limitations of the results are offered, and recommendations for future research are presented.

Statement of the Problem

In its most simplistic terms, the marketing management process can be understood as the process by which an organization identifies and evaluates the potential gains of an opportunity, and then, implements the means necessary for its exploitation. Research into entrepreneurial marketing management practices has been limited, for the most part, to entrepreneurial business planning. Researchers in entrepreneurship have identified three methods by which entrepreneurs acquire and process market information in order to evaluate market opportunities, determine objectives, and elaborate plans for their exploitation, these are: 1) the incremental or learning process, 2) the visionary process, and 3) the strategic planning process.

Advocates of the incremental or learning process argue that as the entrepreneur gathers more experience, he or she develops a deeper understanding of market forces impacting on the firm and learns to use different marketing variables to either benefit or counteract these forces. Sinkula (1994) suggested that the firm's ability to process market information "is a function of what the firm has learned in terms of both facts about its relevant markets and its particular way of acquiring, distributing, interpreting, and storing information". He argued that in young, small firms, market research may be sporadic and ad hoc, but as the organization grows and/or ages, routine market information processes are incorporated into the firm's regular operations,

enabling the firm to turn its attention to newer and richer sources of market information and thus acquiring a "higher order" knowledge.

Slater and Narver (1995) identified three traits associated with entrepreneurial cultures, these are : 1) knowledge acquisition through exploration, 2) challenging assumptions to create generative learning, and 3) rapid development of new behaviors to leverage learning. They proposed that organizational learning facilitates behavioral changes which lead to improved performance.

In the visionary process, the entrepreneur, through interaction with the environment, develops an emergent vision of a market opportunity. By means of an informal investigation of the environment, this preliminary conception of the opportunity is transformed into a central vision where a specific plan for its exploitation is selected (Bakenda, d'Amboise, and Garnier, 1994; Filion, 1991). The strategic visionary is perceived as possessing the ability to foresee market opportunities and to craft organizational strategies (Conger 1990). It is argued that this is accomplished by the entrepreneur's unique perception and/or interpretation of market information (Gardner, 1994). Christensen *et al.* (1994: 70) introduced the concept of "strategic thinking" to explain the visionary process:

> "By strategic thinking we mean the intuitive ability to understand the dynamics of market structures, competition, customer needs, timing, synergies, and the like. It is an ability to proceed with tentative, incomplete information, always leaving one's options as open as possible, waiting for the right moment."

Although the visionary approach is highly valued in entrepreneurial literature as the process by which economic value is created through innovation, the successful implementation of the strategic vision is dependent upon a realistic assessment of both the opportunities and constraints in the organization's environment, and a sensitivity to market needs (Conger, 1990). The entrepreneurial vision may be limited and/or incorrect which often results in common marketing mistakes (Gardner, 1994). Conger (1990) identified three fundamental errors in the entrepreneur's perceptions that can lead to a failed vision: 1) an

inability to detect important changes in the market (i.e. competitive, technological, or consumer needs), 2) a failure to accurately assess and obtain the necessary resources for the vision's accomplishment, and 3) a misreading or exaggerated sense of the needs of markets or constituents.

The strategic process, although not defined in most studies, generally implies a SWOT analysis which includes a diagnosis of the firm's strengths(S) and weaknesses(W), and opportunities(O) and threats(T) emanating from the environment (Mohan-Neil, 1995). From this diagnosis, opportunities are identified, evaluated, selected, implemented, and controlled.

The precise role and scope of strategic management in small and medium-sized firms remains controversial. Despite its supposed advantages (Bracker and Pearson, 1986; Mathews and Scott, 1995), there are doubts as to whether the techniques and procedures associated with formal strategic planning can be properly employed by owners and managers of small and medium-sized firms. Effective strategic planning requires sophisticated forecasting techniques and the availability of a wide range of qualitative and quantitative data (Orpen, 1993). Many experts believe that the majority of owners and managers of small and medium-sized firms lack the expertise and training to employ such techniques, as well as sufficiently detailed information about their firms or the environment (Chaston, 1993; Orpen, 1993).

The organization's ability to collect and interpret information is determined by its information processing capacity (IPC) which may include processes for acquiring, disseminating, and utilizing information (Moorman, 1995; Sinkula, 1994). Much research has been devoted to the information acquisition process of small and medium-sized businesses. Yet, in a knowledge-based society, the competitive advantage associated with information depends less on having information and more on the ability to process it (Moorman *et al.*, 1992; Moorman, 1995). Galbraith (1977) proposed that organizations are bounded in their activities by their ability to process information.

Unlike environmental scanning, against which it is often measured, market research is an informational tool designed for specific decision situations where current knowledge (available information plus experience) is insufficient (Kotler and Turner, 1989). Lack of knowledge has been identified as a major deterrent to both export activity and export success (O'Rourke, 1987; Ali and Swiercz, 1991; Yang *et al.*, 1992). In a study of 101 small and medium-sized exporting firms, Howard and Herremans (1988) concluded that identifying foreign markets and determining how to market in the targeted markets represented the most important activities of successful exporting. Thorelli and Tesar (1994) reported that export success in small firms is correlated with the extent of the information search prior to the commitment to export. Hardy (1987) found that inadequate management skills, and in particular weak marketing, rather than resource or technological deficiencies were the cause of export failure of many Canadian manufacturers exporting to the United States. He argued that deficient market research practices resulted in inadequate targeting of customers and market segments, inefficient competitive practices, and little information on relevant American social and economic trends. Hardy advised companies considering exporting to gather as much information about potential markets as possible. He concluded that Canadian companies need to develop market skills in assessing opportunities in order to exploit their access to the American markets.

The evaluation of foreign markets represents an important step in a company's decision-making process of: Whether to enter the international marketplace? Which markets to target? How to market in targeted markets? Both theoretical and empirical findings suggest that export performance is modified, possibly limited, by the quantity and quality of available export/market-related information. Yet, a lack of empirical research into the foreign market opportunity analysis process of small and medium-sized firms makes it difficult to determine the impact of the firm's market research practices on export success. The question addressed by this study is: How can foreign market opportunity analysis improve export performance of small and medium-sized firms?

To answer this question, three conditions must be met. One, foreign market opportunity analysis (FMOA) processes need to be identified. Two, a relationship between the FMOA process used and export performance needs to be established. Finally, criteria that rationalize the role of FMOA in the firm's management of international markets need to be identified.

Objectives of the Study

In order to encounter the preconditions identified above, three general research objectives were formulated:

1. Describe the processes used to analyze foreign market opportunities in small firms.
2. Describe the relationship between FMOA behavior and export performance.
3. Explore relationships between selected task factors and FMOA practices.

Significance of the Study

Research into the internationalization of small and medium-sized firms has identified three dimensions that explain export success: internal factors, external factors, and managerial factors. Denis (1988) argued that preconditions to successful exporting, covering both the internal and external success determinants, are well known and that further work in this area, at the present time, does not constitute a research priority. He identified foreign market selection as a topic that has not attracted much attention among researchers despite its central role in international marketing and international business planning. Thorelli and Tesar (1994) argued that international marketing requires a more structured effort than the traditional entrepreneurial effort. It has been suggested that a lack of practical market selection methods and techniques, which are accessible to small and medium-sized firms, may explain why these firms do not accord as much attention to market selection as they should (Denis, 1988; Yang *et al.*, 1992).

Although relationships between planning and performance have been the subject of much small business research, few studies have examined the business planning process from a marketing management

perspective where information requirements are analyzed in regard to a specific decision situation (i.e. the decision to enter a foreign market). We will understand the export potential of small and medium-sized firms better if we are able to understand how they analyze foreign market opportunities and elaborate marketing strategies for these markets. Further research in this area will enable us to determine more precisely the marketing skills and information needs that the elaboration of sound international marketing strategies and plans require. Research results could be applied to small business planning in new venture and high growth firms, where the lack of credible demand previsions has been identified as a source of many small business failures (Gaskill *et al.* 1993; LaBarbera and Rosenberg, 1989).

Using Galbraith's (1977) theory of organization design, this study proposes a comprehensive contingency model. Task oriented, this model is highly adaptable to different domains, units, and levels of analysis. As such, it represents a tool that may be effective both for identifying contingency factors and the nature of their relationships with firm performance.

Understanding the problems faced by small and medium-sized businesses in evaluating opportunities and determining sales projections would be beneficial to policy makers, as well as public and private agencies whose mission is to aid and/or promote small and medium-sized businesses, both in the national and international marketplaces.

To summarize, a study of foreign market opportunity analysis (FMOA) practices in small and medium-sized firms is important for several reasons. First, an understanding of the role of foreign market opportunity analysis practices in the elaboration of successful international marketing programs needs to be developed. Second, the use of market research in small and medium-sized businesses needs to be rationalized by the identification of key elements that leverage performance. Third, marketing management represents a concrete and accessible route to business and strategic planning that may prove to be more acceptable to owners and managers of small and medium-sized firms.

Definition of Terms

Congruence "between two components is the degree to which the needs, demands, objectives, and/or structure of one component are consistent with the needs, demands, objectives, and/or structure of another component." Nadler and Tushman (1980: in Fry and Smith, 1987).

Cognitive model represents the decision maker's system of beliefs, theories, and propositions that have developed over time and refer to the way in which he/she conceptualizes problems or opportunities and decides what information is needed (Ireland *et al.*, 1987; Cooper *et al.*, 1995).

Contingency effects represent the means by which an organization modifies contextual factors in order to attain or maintain a functional degree of congruence. Contingency effects "are manifested through a change in the system state that is signaled by changes in the values of the units composing the system." (Fry and Smtih, 1987).

Export performance is measured by export intensity (export sales/total sales) and export volume (export sales in dollars). (Cavusgil and Zou, 1994)

Forecasting refers to the "process of estimating the demand for goods and services of the firm over some predetermined planning horizon." (Riggs and Bracker, 1986).

Informational congruence represents the degree to which information needs are consistent with the information available (Nadler and Tushman, 1980; El Louadi, 1994, 1995).

Information processing capacity (IPC) refers to the organization's capacity to acquire, process, transmit, and use information (Morrman, 1995).

International marketing management factors refer to elements of the firm's export design or internationalization process that influence both the need for, and supply of export/market-related information.

Knowledge refers to available information plus experience.

Lateral relations refer to relationships the firm has with other organizations and/or individuals that provide services and/or information.

Market opportunity analysis (MOA) is: "where the feasibility of the venture is assessed and a sales forecast is derived." (Hills and LaForge, 1991)

Market research refers to market information that is collected and analyzed (Moorman *et al.*, 1992).

Marketing management process "consists of scanning the environment, analyzing market opportunities, designing marketing strategies, and then effectively implementing and controlling marketing practices." (Cravens, Hills, and Woodruff, 1987).

Opportunity indicates the possibility to either establish a new business unit or improve the position of an existing business unit. An opportunity must not only be desirable but also feasible (Christensen, Madsen, and Peterson,1994).

Uncertainty refers to a lack of sufficient information or an individual's inability to distinguish between relevant and irrelevant data (Milliken, 1987).

Limitations

Five major limitations restrict the applications of the research described in this study. First, Galbraith's (1977) theory of organization design, which represents the theoretical basis of this investigation, provides a simple, yet general model with which to explore the role of foreign market opportunity analysis practices, however; this is at the expense of obtaining accurate, detailed findings. Second, analysis of the results is limited to tests of significance, causal relationships between the variables studied are not investigated. Third, the unit of analysis of the study, small and medium-sized exporting firms in the computer service and software industry, is not representative of small and medium-sized businesses in general, and therefore, applying these results to other economic sectors is not recommended. Fourth, the low response rate to the study (14%), limits the validity of the results to firms within the sample. Finally, as a cross-sectional approach was used, actual changes in the firms' export states were not measured. More detailed explanations of the limitations of the survey design and results are presented in Chapters 3 and 5, respectively.

Summary

How can foreign market opportunity analysis improve export performance in small firms? The answer to this question represents the purpose of this study. In order to answer this question, three research objectives were formulated: 1) describe the processes used to analyze foreign market opportunities in small firms; 2) describe the relationship between foreign market opportunity analysis (FMOA) behavior and export performance; and 3) explore relationships between selected task factors and FMOA practices.

The significance of the study was defended primarily in terms of filling a research gap concerning the use of foreign market research and its relation to export performance. Key terms were defined and major limitations of the research were presented. In the next chapter, the theoretical basis of the study is explained. A general research model is proposed. Relevant literature, covering selected elements of the research model, is reviewed.

REVIEW OF THE LITERATURE

Theoretical Perspective

The theoretical foundation of this study is Galbraith's theory of organization design. There are three basic premises to this theory (Galbraith, 1977: 36-39). First, the amount of information required to perform a task is a function of the nature of the task itself and the level of performance. Galbraith identified three aspects of the task that determine the number of variables about which the organization must collect information: diversity of goals, division of labor, and level of goal performance.

Diversity of goals is associated with output categories such as the number of products, markets, and client types. Galbraith specified that each goal represents a factor of the environment about which information must be obtained and collected. Division of labor represents the primary determinant of internal diversity. Therefore, division of labor determines the number of internal factors about which information must be processed. The third determinant of required task information is the level of goal performance needed to remain viable in the firm's chosen domain. Galbraith explained that the higher the level of performance, the larger the number of variables that must be considered simultaneously when allocating resources, setting priorities, or determining schedules.

Secondly, task uncertainty, that is, the difference between the amount of information required to accomplish a task and the amount of information already possessed by the organization, determines the amount of information needed. Galbraith explained that the amount of information possessed by the organization is primarily a function of its prior experience with service, product, client type, and the technology used in its operations.

> "The difference between the amount of information possessed by the organization and the amount needed for task performance represents the relative uncertainty that the organization faces and the amount of information that must be acquired and processed by the decision makers. Uncertainty here means simply the absence of information." Galbraith (1977, 38).

Galbraith argued that when an organization does not have the necessary information, it must acquire information, and make, and remake decisions during the actual task execution. This tends to overload the firm's decision making process and results in reduced productivity. The greater the uncertainty, the greater the amount of decision making and information processing. Yet, the firm's information processing capacities are limited. Therefore, the firm must adopt different methods to deal with disruptive levels of task uncertainty.

Finally, Galbraith proposed that an organization may reduce task uncertainty by either reducing the need for information and/or increasing its information processing capacity. The firm may decrease the amount of information needed by: 1) reducing performance levels through the creation of slack resources, 2) reducing external diversity by environmental management, and/or 3) reducing internal diversity through task specialization. It can increase its information processing capacity by investing in information systems and/or creating lateral, coordinating relations. However, each of these methods have varying effects on the firm's organizational structure and/or operating costs. Therefore, Galbraith concluded that the organization should seek to provide only the information required to perform the task.

Three reasons motivated the choice of Galbraith's theory as the theoretical basis of this study. First, is the importance accorded to the role of information. For Galbraith, informational congruence represents the dynamic force of organization design. Second, is the comprehensive nature of Galbraith's theory. His theory contains the four essential elements of contingency-based theories (Fry and Smith, 1987). Galbraith defined: 1) contextual factors that influence both the need for information and the firm's information processing capacity; 2) congruence factors that define the relationship between the need and supply of information; 3) contingency effects by which the organization adapts to achieve an acceptable (functional, if not efficient) level of informational congruence; and 4) he defined the boundaries within which the theory was valid (i.e organization design). The third reason for choosing Galbraith's theory is that the simplicity and generality

of its structure make it a flexible tool with which to explore the role of foreign market opportunity analysis (FMOA) in small and medium-sized firms.

Contingency Models

Galbraith used contingency theory to explain the process of organization design. Contingency-based models represent a way by which dynamic organizational processes can be analyzed. Although contingency perspectives have dominated the research in strategy and organization theory for over thirty years, there is some confusion surrounding the application of contingency theories. In their analysis of previous reviews of contingency-based strategic research, Ginsberg and Venkatraman (1985) noted the lack of consensus among strategic management researchers regarding what criteria determine a legitimate contingency theory. Researchers have also criticized the lack of clarity and specificity of the theoretical statements on which contingency theories are based. Fry and Smith (1987) argued that the meaning of terms such as "follows" (Chandler, 1962), "consistent" (Galbraith and Nathanson, 1978), "fit" (Egelhoff, 1982), "matched" (Thompson, 1967), "aligned" (Miles and Snow, 1978; Andrews, 1980), and "congruent" (Kerr and Snow, 1980; Schellenberg, 1983) may be intuitively grasped, but that when it comes to defining specific congruence relationships, these statements become fuzzy. Fry and Smith (1987: 118) noted that:

> "In spite of the importance of the concepts of congruence and contingency, there is no widely accepted definition of the terms and no agreement - conceptual or methodological - regarding the role they play in building and testing theories of organization."

Congruence and contingency represent central features of systemic models, and for many researchers the two terms are interchangeable. However, Fry and Smith (1987: 117) differentiated between these two theories by arguing that: congruence is defined by the laws of relationship of a theory's variables, while contingency is defined by the system states where the integrity of the system is maintained, but in a markedly different condition. Fry and Smith (1987: 120) went on to conclude that: "congruence is a prior requirement for contingency and is a necessary but not sufficient condition for contingency".

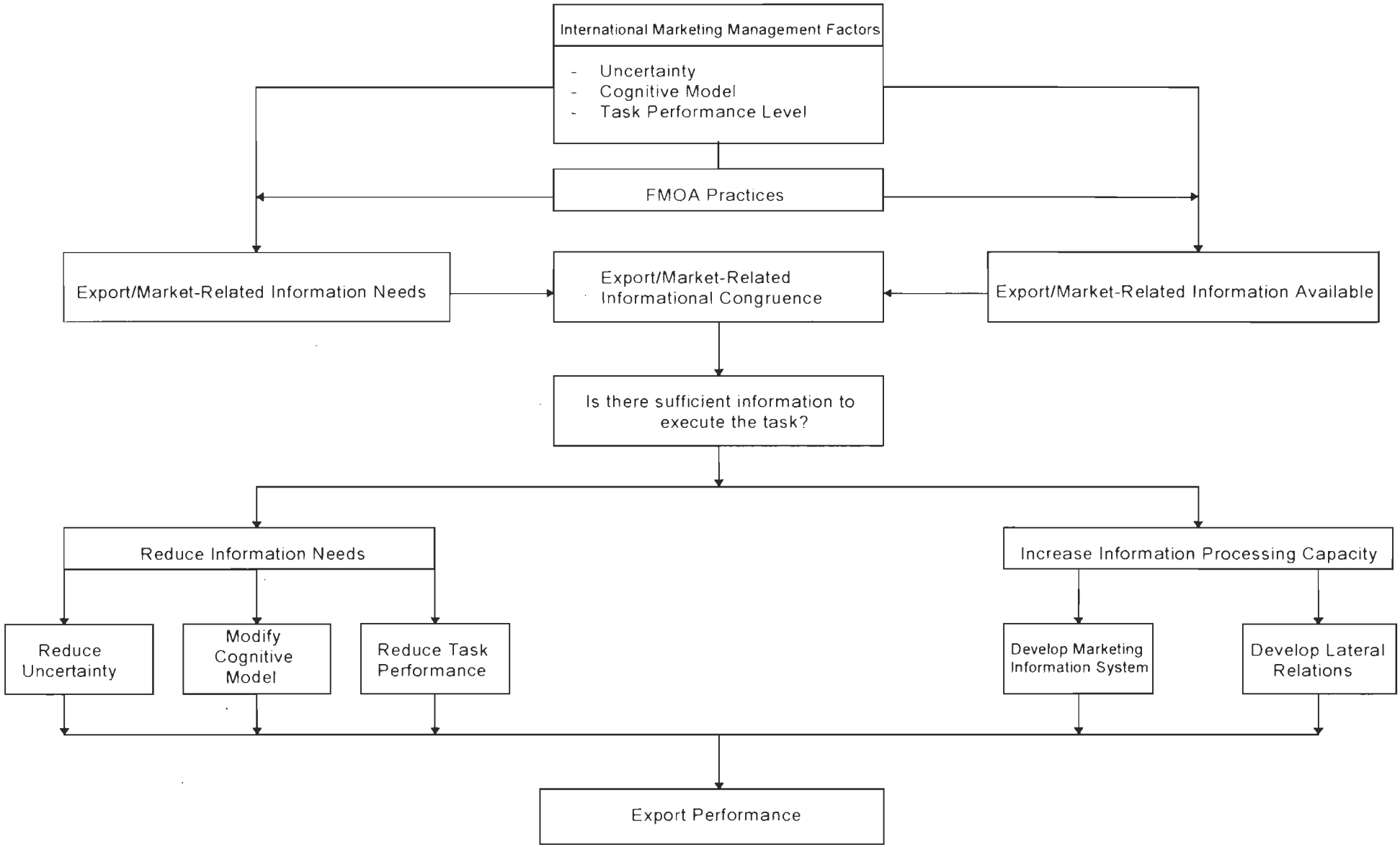
As a critical review of the conceptual and methodological aspects of congruence and contingency theories are beyond the scope of this study, it is presumed that contingency-based models rest upon three basic premises that represent the fundamental components of a contingency-based model: 1) that organizations are characterized by contextual factors, 2) that performance is influenced by the degree of congruence between different contextual factors, and 3) that the organization has the ability to modify certain contextual factors in order to attain, or maintain, a desired level of congruence.

For the purposes of this study, Galbraith's theory has been modified in order to take into account the different focus of this study, which in keeping with Galbraith's terminology might be designated as "export design", as opposed to organization design. Although the terms may be different, the mechanisms which represent the essence of his theory remain the same.

General Research Model

The proposed model of export design is presented in Figure 1. At the top of the model, contextual factors that characterize the firm are indicated. Theoretically, these factors should include external, internal, managerial, and task factors. However, for the purposes of this study only international marketing management task factors, that is the types of export activities performed and the manner in which they are perceived and executed, are indicated. Three key factors thought to influence international marketing management behavior were selected for analysis: uncertainty, the cognitive model of the decision maker, and task performance level. The degree of uncertainty experienced by the firm indicates the relative knowledge or confidence in planning and executing export-related activities. The cognitive model represents the way in which the decision maker perceives international markets and marketing tasks. Task performance level refers to the degree to which international markets are managed. These factors, that characterize the firm's export state, not only influence foreign market opportunity analysis practices but also determine specific export/market-related information needs and the firm's ability to satisfy these needs.

Figure 1: General Model of the Task of International Marketing Management



Informational congruence, which represents the second component of the model, signifies the relationship, or fit, between export/market-related information needs and supply. Under normal circumstances, the firm should be able to provide sufficient and necessary information to execute its different export tasks and functions. This can be understood as a state of congruence between the organization's needs and its ability to acquire and process export/market-related information. However, when a task is added or modified (i.e. entering a new market), this may provoke a change in the balance between the firm's information needs and supply.

The link between task factors and congruence can be illustrated by an example. In the case of a firm faced with the decision of what price to sell their products in their export markets, a certain amount of information is needed. The amount of information sought might depend upon the level of uncertainty associated with performing the task, the way in which pricing studies are understood, or upon the firm's current pricing practices (task factors). If the available information is insufficient (non congruent), the firm may not be able to accurately establish export-related expenses and therefore set their prices under cost. Or they may set their prices too high and lose profitable sales. On the other hand, if every time the firm negotiates a sale, a complete audit of export-related costs is performed regardless of need (non congruent), the firm may not only be absorbing the costs of processing unnecessary information but may also be loosing potential sales. Obviously, the ideal situation is where the firm maximizes both its need for relevant export/market-related information and its ability to quote timely and profitable prices (congruent). However, it is important to note that although the degree of congruence implies consequences to the firm's performance (i.e. lost revenues), these congruency effects do not offer the means by which the firm may attain a congruent state, that is effective pricing policies.

This brings us to the third component in the model. It is here that the firm may modify certain task factors in order to attain, or maintain a desired degree of informational congruence. Basically, the firm has two mechanisms by which it can influence its state of informational congruence. The firm can reduce its need for

information and/or increase its information processing capacity. To reduce its need for information, the firm may decrease task uncertainty by simplifying its export activities, or lower task performance levels by limiting export management practices. Or the decision maker may modify his/her cognitive model of export markets and marketing practices. The firm's information processing capacity could be increased either by direct investment or the creation of lateral relations. Either way, by modifying task factors that characterize the firm's export state, these measures (contingency effects) modify, in turn, export performance. It is in this way, that the relationships between informational congruence, international marketing management behavior, and export performance are linked.

The general research model also indicates the plan for this chapter. First, literature on uncertainty, the cognitive model of the decision maker, and international marketing management is presented. This is followed by a review of relevant literature on foreign market opportunity analysis practices, congruence theory, information processing capacity, the use of lateral relations in small and medium-sized firms, and export performance measures.

International Marketing Management Factors

International marketing management factors that describe the firms' export state were considered to influence both the perceived need for export/market-related information, as well as the organization's ability to satisfy these needs. Three international marketing management factors were selected for analysis: 1) uncertainty, 2) the cognitive model of the decision maker, and 3) task performance level.

Uncertainty

Uncertainty has been defined as a "lack of knowledge" and as a "lack of information" (Jauch and Kraft, 1986). It represents a central concept in explaining organizational information processing practices (Galbraith 1977; Jauch and Kraft, 1986; Milliken 1987; El Louadi 1994, 1995). Milliken (1987: 136) defined uncertainty as "an individual's perceived inability to predict something accurately.". He explained

that perceived uncertainty is caused by either a lack of sufficient information or an individual's inability to distinguish between relevant and irrelevant data.

Research into uncertainty generally differentiates between external and internal uncertainty. However, both environmental and organizational uncertainty are associated with complexity and rate of change (Bourgeois, 1985; Hammers-Specht. 1987; Daft *et al.*,1992; Mathews and Scott, 1995). Complexity refers to the number and diversity of events or activities, the larger the number the higher the complexity. Rate of change refers to the frequency of changes either in the organization's environment or its internal operations. When activities and events shift rapidly, information becomes out-dated quickly, and the accuracy of current information is questioned (Daft *et al.*, 1992).

In a review of literature spanning over twenty-five years, Jauch and Kraft (1986) characterized three views that have marked the evolution of the concept of uncertainty in organizational literature. Classical views (March and Simon,1958; Chandler, 1962; Emery and Trist, 1965) of uncertainty perceive the external environment as the source of uncertainty. The objective environment is thought to influence decisions, structure, and performance. Transition views (Thompson, 1967; Child, 1972; Galbraith, 1973) postulate that the source of uncertainty is both external and internal. Decision makers are believed to have limited choices and influence over objective uncertainty. Finally, in Process views (Lawrence and Lorsch, 1967; Duncan. 1972; Downey *et al.*, 1977; Tung, 1979), the decision maker's perceptions (influenced by internal factors) mediate the link between uncertainty and system characteristics. Objective properties of the environment tend to be ignored in favor of perceived properties.

Milliken (1987) asserted that the time and resources allocated to scanning are a function of perceived environmental uncertainty. He identified three common definitions of perceived environmental uncertainty cited by organization theorists: 1) an inability to assign probabilities as to the likelihood of future events

(state uncertainty), 2) a lack of information about cause-effect relationships (effect uncertainty), and 3) an inability to predict accurately what the outcomes of a decision might be (response uncertainty).

In a similar vein, Achrol and Stern (1988: see Morgan and Hunt, 1994) defined uncertainty as the extent to which the decision maker 1) has sufficient information to make key decisions, 2) can predict the consequences of those decisions, and 3) has confidence in those decisions. Schreyögg and Steinmann (1987) argued that uncertainty and complexity lead to ambiguity. They proposed that planning represents an ambiguity-reducing process of filtering and processing information which provides the organization with a clear and workable scheme for taking action. Daft *et al.* (1992) argued that uncertainty by itself does not influence information collection, unless the source of the uncertainty is viewed as being important to organizational performance.

Cognitive Model of the Decision Maker

Recent approaches to managerial decision making have adopted the position that administrators use cognitive models or schemas that represent the way in which they conceptualize problems (or opportunities) and decide what information is needed (Cooper *et al.*, 1995). Day and Nedungahi (1994) proposed that: "Managers use mental models to simplify and impose order on complex and ambiguous competitive environments and isolate points of competitive advantage or deficiency." and that managerial decision making is primarily subjective, "being dependent upon the mental models brought to bear on the particular decision-making situation.". Ireland *et al.* (1987; 470) suggested that perceptions of the environment and internal strengths and weaknesses are dependent upon an individual's cognitive properties:

> "Known as schemas, these systems represent beliefs, theories, and propositions that have developed over time, based upon the manager's personal experience. Schemas are cognitive models that allow managers to categorize events, assess consequences, and consider appropriate action. (....) The selection of environmental elements to scan is likely affected by a manager's schema."

Milliken (1987) argued that perceptions vary in accordance to contextual factors and individual attributes. Keisler and Sproul (1982: see Ireland *et al.*, 1987) proposed the following description of cognitive schemas: "Manager's operate on mental representations of the world and those representations are likely to be of historical environments rather than of current ones." Schreyögg and Steinmann (1987) noted that "people tend to stick closely to their acquired cognitive structures".

The value of information (perceived credibility and usefulness) to the owner or manager is influenced by the cost incurred in acquiring and processing market information. High perceived credibility is crucial to the manager's choice of information sources, whereas usefulness are judgments of the potential abilities or capabilities of knowledge, and should be assessed before its utilization (Menon and Varadarajan, 1992). Martin (1984: see Menon & Varadarajan, 1992) identified six dimensions that measure the perceived credibility of information: 1) realism of research, 2) accuracy; 3) level of specificity of the addressed problem; 4) consistency of the research output and implications; 5) comprehensiveness and completeness of the research; and 6) validity of the research from both theoretical and methodological standpoints. Shrivastava (1984: in Menon & Varadarajan 1992) proposed four criteria for determining the usefulness of research: 1) goal relevance: the information must relate to the tasks facing the users,

2) meaningfulness: the information must be of personal interest and must make sense to the users,

3) operational validity (applicability): knowledge should be action-oriented, and

4) innovativeness: the degree of non-obviousness of the information.

Callahan and Cassar (1995) reported that owners of very small firms (1-3 employees) expressed less confidence about conducting formal interviews with customers and less confidence about implementing changes based on data than did owners of "larger" firms (> 12 employees). Owners of larger firms assigned more value to the statement that no real substitutes for formal market studies exist.

In their study of 127 owners and managers of small and medium-sized businesses, Cafferata and Mensi (1995) examined the relationships between experience and firm size, and confidence with market research practices. They found that owners with some previous experience conducting market research differed significantly and positively from owners having no previous experience on six of the seven items used to assess confidence with the market research process. Also, experienced owners were more likely to agree that formal market studies are worth the cost, and were more likely to trust information from these activities for planning.

Task Performance Level: Marketing Management

Marketing theory (Borden 1964; McCarthy 1975; Kotler 1980) is founded upon the assumption that performance, that is, positive market response, can be influenced by modifying the firm's marketing practices (marketing mix elements). Marketing management policies provide a structured method by which the organization coordinates the various functions necessary to attain its goals and objectives (Foley 1987). Cravens, Hills, and Woodruff (1987) noted that the marketing management process "consists of scanning the environment, analyzing market opportunities, designing marketing strategies, and then effectively implementing and controlling marketing practices." It is argued that the more precisely owners and managers can predict the market's response to their product offering, the better they can plan their operations at all the functional levels, resulting in a more efficient achievement of the firm's objectives (Riggs and Bracker 1986 ; Gaskill *et al.* 1993).

Marketing management is considered to be applied differently in small and medium-sized firms, but no accepted theories have been developed. Hills (1994: 8-9) summarized the specificity generally associated with marketing in entrepreneurial firms quite well when he observed:

> "Related variables (to entrepreneurship) often include few, if any, economies of scale, a limited geographic market, little specialized management expertise, decision making under even more imperfect information conditions than in larger firms, a marked scarcity of time per

> major management task, a scarcity of professional managers, and a mixture of personal, non-maximizing financial goals. (....) In firms where several of these conditions exist, one would expect that the marketing function would be both *viewed* differently and *performed* differently from marketing in mature firms."

Sriram and Saprienza (1991) found that small high-involvement exporters invest in complex marketing strategies and that these exporters have higher product development, production, promotion, distribution, and market research costs than low-involvement exporters.

Foreign Market Opportunity Analysis (FMOA)

Hills and LaForge (1991) defined market opportunity analysis (MOA) as: "where the feasibility of the venture is assessed and a sales forecast is derived." Stasch (1994) proposed that a thorough business analysis should include four main marketing oriented topics: 1) identifying and measuring target markets, 2) evaluating competition within the target market, 3) developing a market plan and evaluating its effectiveness, and 4) making a sales or market-share forecast based upon the target market, competition, and the effectiveness of the market plan.

Marchesnay (1988) suggested that small businesses use specific methods for market research and development and that this specificity is linked with the nature of the entrepreneur, the environmental features and the choice of products and markets.

Stasch (1994) noted that identifying and measuring the target market requires specific knowledge of the targeted market. The information search should include such items as: market size, attitudes, opinions, interests, purchase behavior, distribution channels, and more. Evaluating the competition consists not only of identifying competitors, but also information on their marketing strategies, their strengths, and their weaknesses. This detailed study of the market provides the basis for determining the attractiveness of different markets, the formulation of marketing objectives, a concrete description of the marketing programs to be used to obtain these objectives, and a sales forecast.

Terpstra (1988) distinguished international market research from its domestic counterpart by the scope of the research and the way it is conducted rather than by the role it plays in the firm's marketing activities. He observed that the scope of international market research is broader in two ways. First by the diversity and number of markets to be researched. Secondly, by the larger number of variables on which information must be gathered (i.e. norms and regulations, industry structure, sociopolitical aspects, etc.).

Informational Congruence

Congruence theory has developed as a key element of contingency-based models of strategy (Chandler, 1962; Andrews, 1971) and organizational theory (Thompson, 1967). Nadler and Tushman (1980; see Fry and Smith, 1987) proposed that: "the congruence between two components is the degree to which the needs, demands, objectives, and/or structure of one component are consistent with the needs, demands, objectives, and/or structure of another component."

In their review of contingency and congruence literature, Fry and Smith (1987) differentiated between macro-congruence and micro-congruence relationships. Macro-congruence refers to the relationship or "fit" between the organization's internal structure and the external environment. Whereas, micro-congruence represents the relationship between the internal structure and individual behavior.

In developing Galbraith's concept of informational congruence, El Louadi (1995) studied the effects of informational congruence on 190 small and medium-sized commercial banks in the United States. Informational congruence was defined as the difference between perceived availability of information and information requirements. Results of the study indicated a relationship between perceived environmental uncertainty and chief executive officers' information requirements. For low performing banks, El Louadi established a relationship between informational congruence and some financial performance indicators.

Contingency Effects

When the amount of information available to the firm is insufficient to perform necessary tasks, the organization may modify certain contextual factors in order to maintain or achieve a more satisfactory level of informational congruence. Fry and Smith (1987) defined these methods as contingency effects. In the context of this study, contingency effects represent variations in the selected international marketing management factors, the firm's information processing capacity, and its lateral relations.

Information Processing Capacity

Jaworski and Kohli (1993) used the term "marketing orientation" to denote the way firms acquire, process, and diffuse market information. They defined marketing orientation as a composition of three sets of activities: 1) organizational generation of market intelligence, 2) dissemination of the intelligence across departments, and 3) organization-wide responsiveness to the acquired market information. Responsiveness includes two subsets of activities: response design (developing marketing plans) and response implementation (execution of these plans)

Moorman (1995) identified four market information processes: 1) information acquisition, 2) information transmission, 3) conceptual utilization, and 4) instrumental utilization processes. First, information acquisition processes involve bringing information about the environment into the boundary of the organization and may occur through informal or formal collection methods. Second, information transmission processes refer to the degree to which the information is diffused among relevant users within the organization. Information transmission may take place formally through organized means (reports, meetings, training sessions, etc.) or informally through casual conversation. Third, conceptual utilization processes refer to the indirect use of information in strategy related actions. These processes include two sub-processes: information commitment and information processing behavior. Information processing behavior refers to the processes by which data is given meaning. Information processing may involve formal procedures for organizing and processing information, or informal interpretative methods. Finally,

information utilization processes indicate the extent to which an organization directly applies market information to influence marketing strategy related actions. Three sub-processes are identified by Moorman as 1) making, 2) implementing, and 3) evaluating marketing decisions.

Menon and Varadarajan (1992) identified five key organizational and informational factors that seem to be determinant in the utilization of marketing knowledge in firms: 1) environmental factors, 2) task complexity, 3) organizational factors, 4) informational factors, and 5) individual factors.

Lateral Relations

One way of reducing the need for foreign marketplace information is to delegate marketing tasks to external organizations. A common example of this is indirect exporting where the international distribution of the firm's products is performed by an intermediary. Cafferata and Mensi (1995) suggested that the externalization of certain export-related operations may be motivated by either a lack of competence, the nature of the export activity, difficulties in establishing a commercial network abroad, or by the structure of the firm's internationalization process.

Lateral relations with individuals or organizations can be classified into three types of relationships: strategic alliances, professional services, and information sources (Hammers-Specht, 1987, Howard and Herremans, 1988; Cafferata and Mensi, 1995). Strategic alliances generally refer to situations where the firm not only delegates tasks, but also control. Examples include joint ventures, licensing arrangements, sub-contracting, and so on. Professional services refer to situations where the firm delegates certain aspects of the task but not control over its execution. They may include consultants, industry analysts, financial services, transport services, etc. Finally, firms rely on external organizations in order to acquire information and/or develop business contacts. Results of Howard and Herremans' (1988) study of 101 small and medium-sized exporters, indicated that owners and managers found distributors, trade fairs,

governmental agencies and departments, and to a lesser degree banks, to be very helpful in offering export assistance.

Export Performance Measures

In their review of export performance measures, Cavusgil and Zou, (1994) noted the absence of a uniform definition of export performance in the literature. Export performance measures are generally economic in nature and include export sales level, export sales growth, export profits, ratio of export sales to total sales, and the propensity to export (Cavusgil and Zou, 1994). Export intensity, that is, the ratio of export sales to total sales, represents a measure that controls for differences between very small and medium-sized firms. In this sense, it can be considered to be a better indicator when comparing the export performance of firms that vary in size. For this reason, it was retained as the main export performance criteria of this study. Export sales in dollars, one of the most popular export performance criteria (Cavusgil and Zou, 1994), was selected as the second measure.

Summary

The purpose of this chapter was to review literature relevant to the objectives of this study. Galbraith's theory of organization design was identified as the theoretical basis for the study. A proposed model of the task of international marketing management was presented. It identified three international marketing management factors thought to influence export/market-related information needs and supply; these are: uncertainty, the cognitive model of the decision maker, and task performance level. Contingency effects by which the organization establishes or maintains export/market-related informational congruence were also identified. Relevant literature on the elements of the model was reviewed. In the next chapter, research questions are formulated, a research model is proposed, and selected variables are identified.

METHODOLOGY

In this chapter, information gained from the review of the literature is used to formulate specific research questions. Selected variables are derived from the research questions, and a research model is proposed. The survey design, population and sample selection, instrumentation, and data collection methods are explained.

Research Questions

Using information from the related literature, eight general research questions were formulated. These questions were then broken down into specific research questions that determine the information needed to attain the research objectives. The general and specific research questions are presented in Table 1. A summary of the links between the research objectives, research questions, and selected variables is presented in Table 2.

Table 1
Summary of Research Questions

General Research Questions	Specific Research Questions
How are export opportunities identified and selected?	What sources are used to identify export opportunities? What criteria are used to select export markets?
How are foreign market opportunities analyzed (FMOA)?	What methods are used to analyze export opportunities? Are foreign markets segmented? If so, how are they segmented? Are sales forecasts prepared? If so, how are they prepared?
How do FMOA practices relate to export performance?	What percentage of total sales came from export markets? How much were export sales in dollars?
How does uncertainty relate to FMOA practices?	How uncertain are the exporters? How confident are they about their export activities? Do they perceive export markets to be turbulent and complex? How turbulent and complex is the industry? How complex are their organizations?
How does the way in which owner/managers view export activities relate to FMOA practices?	Are owner/managers confident about managing their export markets? Are they confident about using market research techniques? Do they value market research information?
How does the way in which export markets are managed relate to FMOA practices?	What kind of marketing management activities are performed? How difficult are export marketing activities for owner/managers?
How does satisfaction of export/market information relate to FMOA practices?	How much export/market-related information do exporters need? How much export/market-related information is available to them?
How does the way in which exporters deal with insufficient levels of export/market information relate to FMOA practices?	Do they limit their export activities? Are they less inhibited about using market research techniques? Do they limit their export marketing activities? Do they increase their information processing capacity? Do they develop foreign contacts with individuals or organizations?

TABLE 2: SUMMARY OF RESEARCH OBJECTIVES, QUESTIONS, VARIABLES, AND DIMENSIONS STUDIED

Research Objectives	Commentaries	Research Questions	Variables	Dimensions Studied
Research Objective 1: Describe the processes used to analyze foreign market opportunities.	This objective seeks to identify the methods used by firms in the sample to identify, analyze, and select export markets.	Research Question 1: How are export opportunities identified and selected? Research Question 2: How are foreign market opportunities analyzed (FMOA)?	Research Question 1: V1 Opportunity Identification V2 Market Selection Research Question 2: V3 FMOA	Descriptive Variable (V1): Dimension: Sources of Export Opportunities Descriptive Variable (V2): Dimension: Export Market Selection Criteria Descriptive Variable (V3): Dimension: FMOA Practices
Research Objective 2: Describe the relationship between the foreign marketing opportunity analysis (FMOA) process used and export performance.	This objective attempts to establish whether the FMOA process used is related to export performance.	Research Question 3: How do FMOA practices relate to export performance?	Research Question 3: V4 Export Performance	Dependent Variable (V4): Dimensions: Export Intensity Volume of Exports Independent Variable (V3): Dimension: FMOA Practices
Research Objective 3: Explore relationships between selected contingency factors and FMOA processes.	This objective seeks to identify criteria that rationalize the role of FMOA in the firm's management of its export markets. Using Galbraith's theory of organizational design, selected international marketing management factors, export/market-related informational congruence, and export-related contingency effects are examined in relation to the FMOA processes used.	Research Question 4: How does uncertainty relate to FMOA practices? Research Question 5: How does the way in which owners and managers view export activities relate to FMOA practices? Research Question 6: How does the way in which export markets are managed relate to FMOA practices? Research Question 7: How does satisfaction of export/market information needs relate to FMOA practices? Research Question 8: How does the way in which owners and managers deal with insufficient levels of export/market information relate to FMOA practices?	Research Question 4: V5 Uncertainty Research Question 5: V6 Cognitive Model Research Question 6: V7 Task Performance Level Research Question 7: V8 Informational Congruence Research Question 8: V9 Uncertainty Effects V10 Cognitive Model Effects V11 Task Performance Level Effects V12 Lateral Relations V13 Information Processing Capacity (IPC)	Intervening Variable (V3): Dimension: FMOA Practices Independent Variable (V5): Dimensions: Export Uncertainty Organizational Complexity Independent Variable (V6): Dimension: Perceptions of Inter. Marketing Export Experience Independent Variable (V7): Dimension: Inter. Marketing Mgmt. Practices Independent Variable (V8): Dimensions: Export/Market-Related Informational Congruence Independent Variable (V9): Dimension: Complexity of Export Activities Independent Variable (V10): Dimensions: Perceptions of Market Research Independent Variable (V11): Dimensions: Diversity of International Marketing Activities Inter. Marketing Expenditures Independent Variable (V12): Dimension: Foreign Contacts Independent Variable (V13): Dimensions: Export Market Information Information Processing Export Market R&D Expenditures Control Variable (V14): Dimension: Environmental Uncertainty

Elaboration of the Research Model

The purpose of this study is to explore potential relationships between foreign market opportunity analysis practices and export performance. To this end, three research objectives were formulated. The first objective seeks to describe methods used by small and medium-sized businesses to identify, analyze, and select foreign market opportunities. Three descriptive variables were chosen for analysis: 1) sources of export opportunities, 2) foreign market opportunity analysis practices, and 3) export market selection criteria. In Figure 2a, a schema is presented that situates foreign market opportunity analysis (FMOA) practices in the larger context of the selection process of export opportunities. The purpose of this objective is to identify different FMOA practices.

The second research objective is to describe the relationship between the foreign market opportunity analysis (FMOA) practices and export performance. As illustrated in Figure 2b, the independent variable, FMOA practices, includes export market segmentation and export sales or market-share forecasting techniques. The dependent variable, export performance, is measured by export intensity (export sales/total sales) and volume of export sales (in dollars). This objective seeks to establish a link between FMOA practices and export performance.

The third objective is to explore relationships between selected measures of contingency criteria and foreign market opportunity analysis practices. This objective seeks to identify criteria that rationalize the role of foreign market opportunity analysis in the firm's management of international markets. As depicted in Figure 2c, international marketing management views and activities are explored in relation to the firm's FMOA practices, in an attempt to understand how foreign market opportunity analysis techniques modify export performance.

Figure 2a) The Foreign Market Opportunity Selection Process

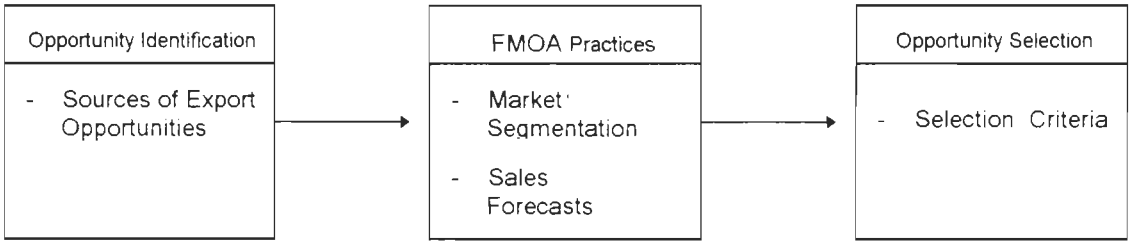
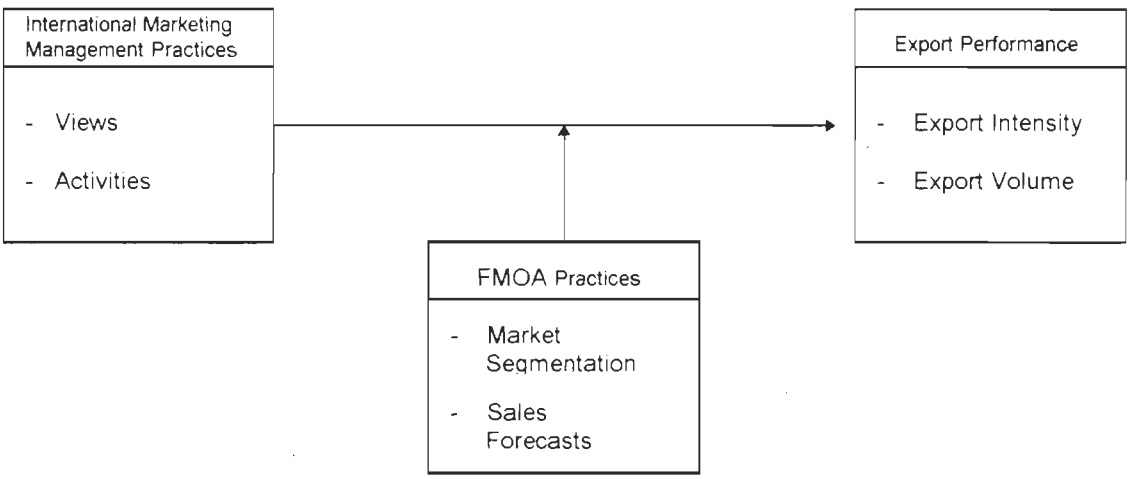


Figure 2b) The Link Between Foreign Market Opportunity Analysis Practices and Export Performance

Figure 2c) Links Between International Marketing Management Practices, FMOA Practices, and Export Performance



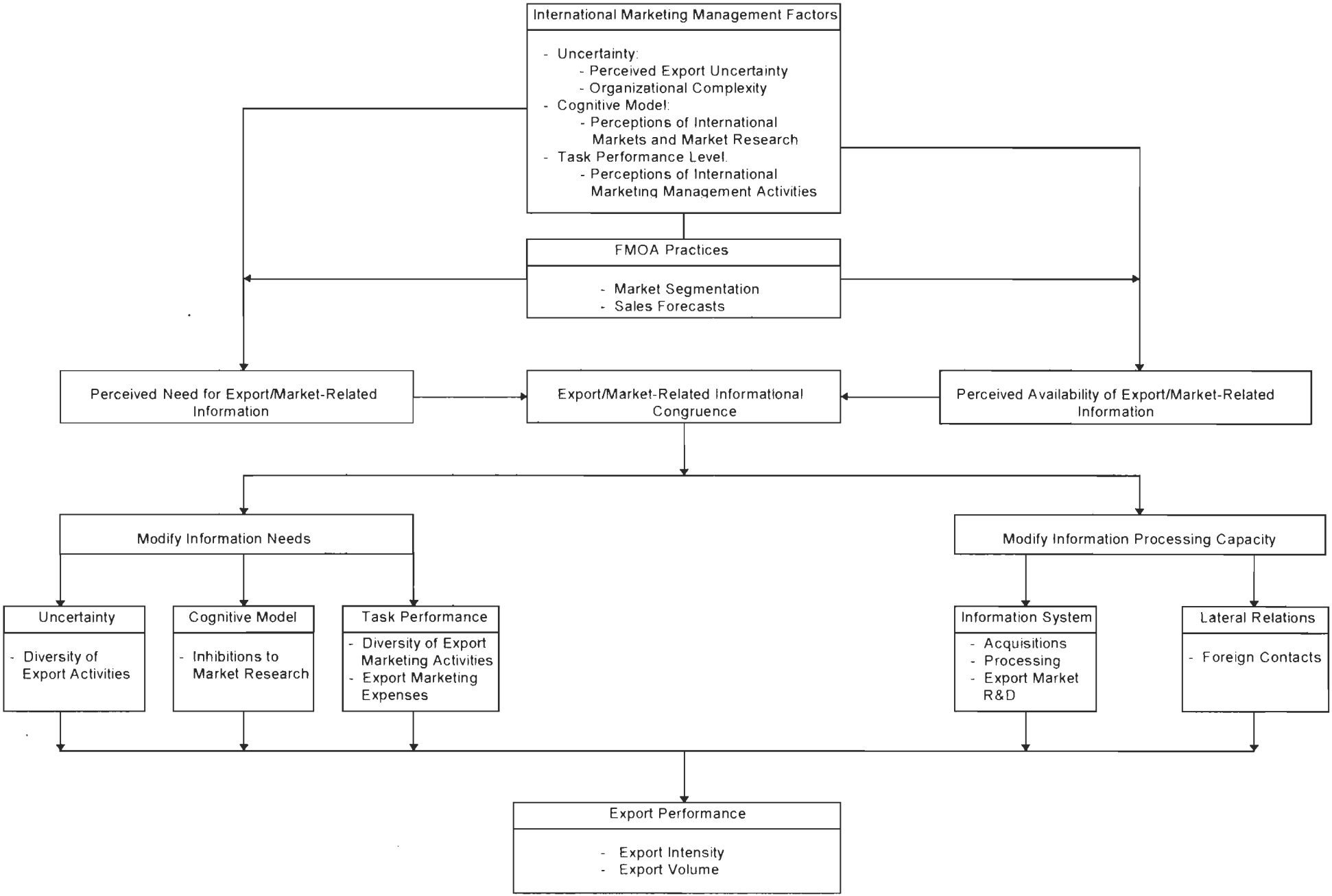
Galbraith's (1977) theory of organization design represents the theoretical basis of this analysis. Contingency-based models, such as Galbraith's, are generally used to examine the dynamic process by which organizations modify their strategy and/or structure in order to attain a better "fit" between relevant contextual factors. Ideally, longitudinal studies where actual changes can be measured are the instruments of choice for investigating contingency phenomena. However, in this study, it is not the international marketing management process itself that is examined, but how foreign market opportunity analysis (FMOA) practices modify international marketing management practices, and through them, export performance.

To this end, a cross-sectional approach is used to compare international marketing management views and activities of experienced exporters according to their foreign market opportunity analysis (FMOA) practices. It is presumed that the contingency process, as such, has already taken place, and that international marketing management views and activities have already been influenced by the firm's FMOA practices. In this sense, it is assumed that by comparing the export views and activities that characterize the firm's international marketing management practices, it is possible to explore how FMOA practices mediated the link between the management of export markets and export performance. Therefore, the research model is used to guide this exploration and not to explain the actual process.

Variables chosen for study and their measures are presented in the specific research model, illustrated in Figure 3. The intervening (or dependent) variable FMOA practices includes export market segmentation and forecasting techniques. Independent variables cover task factors, informational congruence, and contingency effects. Selected variables of international marketing management factors include export uncertainty, organizational complexity, perceptions of international marketing management, export experience, and international marketing management practices. Export/market-related informational congruence is measured as the difference between the perceived supply and need for market information.

Contingency effects on international marketing management practices are measured by: the complexity of export activities, inhibitions to formal market research, diversity of international marketing management activities, international marketing expenditures, foreign contacts, export/market information acquisition and processing practices, and export market research and development expenditures. The industry variable is used to control for environmental uncertainty. The selected measures and references are presented in Table 4 (Summary of Questionnaire Design).

Figure 3: Research Model of the Task of International Marketing



Survey Design

A cross-sectional survey was designed to acquire data about methods used to analyze foreign market opportunities, export performance, and international marketing management views and activities. A stratified random sample of top administrators was selected. A postal questionnaire was chosen in order to reduce survey administration costs. Also, a postal questionnaire was considered to be more flexible in allowing for possible interruptions and/or scheduling problems. A summary of the survey design is presented in Table 3.

Population and Sample

Five factors were used to define the population of the sample. The population was initially restricted to Canadian firms in the computer service and software industry. Other limitations were to restrict the population to firms with less than 250 employees, that had reported export revenues, and who indicated English as their business language.

The sampling design for the survey population was single-staged and consisted of companies listed in the RADAR 1996 directory, published by Industry Canada. The total survey population (before stratification) was approximately 1200 firms. Information in the directory included location, names and positions of top administrators, number of employees, total sales, export sales, export markets, products and services.

Due to financial restrictions, a maximum sample size of 50 respondents was targeted. A standard sample size formula indicated that 41 firms were needed to achieve a margin error of ± 10% and a confidence level of 80%. Firms were selected by choosing the first company listed on every page of the RADAR 1996 directory that encountered all the selection criteria. This procedure was repeated until an eligible sample population of 300 firms was attained.

TABLE 3

Summary Table Of Research Methodology Used In The Study

Sampling Design Decisions

Data Specifications :

Type of Data to be Used :	Exploratory/ Descriptive: Cross-sectional
Collection Method:	Postal
Source of Primary Data :	General Managers and Other Top Administrators
Source of Secondary Data :	RADAR 1996 (Industry Canada, 1996)

Population, Sampling Frame, and Sampling Technique :

Population :

The set of top administrators of small and medium-sized Canadian exporting firms operating in the computer service and software industry.

Study Objects :

Presidents, general managers or other top administrators who participate actively in the strategic planning process of the firm's export activities

Sampling Frame :

The set of small and medium-sized exporting firms and their top administrators as listed in RADAR 1996.

Sample Type :

Probability sample given that RADAR 1996 is representative of the population of interest.

Sample Size Requirements :

General formula indicated a sample size of 41 (margin error ±10% and confidence level of 80%)

Sample Response Expected :

Between 25% and 30% based upon a 75% acceptance rate to the pre-test (telephone survey). As the expected response rate was considerably higher than the results of previous empirical studies, it was decided that if the response rate was lower than 15% during the 2 weeks following the initial mailing of the questionnaire, a second sample of equal proportions would be selected.

Sample Population Size: 300 Firms = 2 samples of $\frac{[(100\% / 25\%) = 4(41) = 164] + [(100\% / 30\%) = 3.3(41) = 137]}{2}$

Questionnaire Construction Requirements

The questionnaire needed to be brief enough to encourage participation (average administration time of questionnaire of 20 minutes). Other requirements included precise, clear language to avoid irregularities in comprehension, and maximum data collection while minimizing the number of questions, words, and categories. The questionnaire was administrated by mail during the months of August 1996 (Sample 1) and September 1996 (Sample 2).

Data Analysis Decisions : Informational Congruence: Student t-tests
ANOVA: Chi Square and F-Tests
Statistical Package: EXCEL

Questionnaire Design

The questionnaire represents a compilation of many sources. When possible, tested measures were used, and when necessary, modified in order to reflect the specificity of the survey or the structure of the questionnaire. Questions were created for variables, when no appropriate instruments were found, by the derivation of different sources.

Questions were formulated in a manner as to 1) restrict/indicate the type of response anticipated, 2) reduce completion time, 3) provide essential information needed to assure a common understanding of terms, and 4) limit the length of the questionnaire to four pages. When appropriate a space was provided for a written, spontaneous response. Also, two open ended questions were included to allow the respondents an opportunity to express general views on the subject. Although no space was provided for observations, a sentence was added at the end of the questionnaire that invited the respondents to include commentaries and observations on a separate sheet of paper.

The types of information requested included some factual data, such as number of export markets. But the majority of the questions were designed to provide information as to the respondents' perceptions or assessments of methods used to analyze foreign market opportunities, export activities, and international marketing management practices. A summary of the questionnaire design is presented in Table 4. Survey instruments, including the questionnaire, cover letter, and code book, can be found in Appendix A.

Pre-test

A preliminary questionnaire was pre-tested by a telephone survey in August, 1996. Eight administrators of firms, randomly chosen in the RADAR 1996 directory, were contacted by telephone, the objectives of the survey were explained to them, and they were asked if they would be willing to participate in the survey. Six of the eight administrators contacted agreed to participate and interviews were scheduled. Subsequent

problems with rescheduling for two of the firms resulted in their being eliminated from the pre-test. The remaining four were administered a modified version of the questionnaire that took into account the different media (telephone versus postal). On average, the questionnaire took 30 minutes to complete. After completing the questionnaire, the respondents were informed of the nature of the pre-test and asked if they would be willing to answer a few questions about the questionnaire. All agreed.

Results of the pre-test indicated that, in general, the firms found the questions to be relatively pertinent and interesting, clear and easy to understand, followed a logical order, and were non-repetitive. Criticisms included confusion as to whether the term export market constituted a geographical market or a product market including many countries. Therefore, for certain questions, the term export market was modified to export country, foreign country, etc. Some questions were considered to be somewhat broad and not related to the specificity of the firm's products. This was considered to be a general weakness of survey studies and was not corrected.

The respondents were then asked if important elements of analyzing foreign markets were missing from the questionnaire. Two firms mentioned that their products were highly specialized and that this engendered "special ways of doing things". However, they were not able to specify what these "special ways" entailed. One respondent commented that the questionnaire should touch more upon the importance of contacts and associates in foreign countries. This lead to the inclusion of question 13. A final revision of the questionnaire resulted in a few questions being either eliminated or reformulated in order to reduce completion time. The final questionnaire contained 21 questions. Due to the modifications of the questionnaire and the subsequent incompatibility of the data, respondents of the pre-test were eliminated from the sample population .

TABLE 4

Summary Table Of Questionnaire Design

Variables	Measures	References	Scale	Information Source	Questionnaire
Dependent Variables					
Export Performance:					
Export Intensity	Ratio of Export Sales	Cavusgil & Zou (1994)	Percentage	Survey	2a
Volume of Exports	Export Sales	Ibid.	Ordinal	RADAR 1996	N/A
Intervening Variables					
Foreign Market Opportunity Analysis (FMOA):					
FMOA Practices	Market Segmentation	Derived from: Kotler & Turner (1989); Alexander et al. (1969); Stasch (1994)	Yes/No Items	Survey	6
	Sales/Market-Share Forecasts	Ibid.	Yes/No Items	Survey	7
Independent Variables					
International Marketing Management Factors:					
Uncertainty:					
Export Uncertainty	Export Confidence	Modified from: Calof & Viviers (1995); Callahan & Cassar (1995)	Yes/No	Survey	3 a,b,d,o
	Perceived Nature of Export Markets	Derived from: Cavusgil & Zou (1994); Calof & Viviers (1995); Ali & Swierez (1991)	Yes/No	Survey	3 e,f,h,j
Organizational Complexity	Employees	Cavusgil & Zou (1994)	Ordinal	RADAR 1996	N/A
	Total Sales	Ibid.	Ordinal	RADAR 1996	N/A
Cognitive Model:					
Perceptions of International Marketing Management	Perceptions of Export Activities	Modified from: Ali & Swierez (1991)	Yes/No	Survey	3 n,p
	Perceptions of Market Research	Adapted from: Callahan & Casser (1995); Calof & Viviers (1995); Ali & Swierez (1991)	Yes/No	Survey	3 e,g,i,l,m
Export Experience	Number of Years Exporting	Cavusgil & Zou (1994)	Numeric	Survey	1
Task Performance Level:					
International Marketing Management Practices	Export Marketing Management Activities	Derived from: Howard & Herremans (1988); Cavusgil & Zou (1995); MICT Québec (1993); Kotler & Turner (1989); Ghosh & Taylor (1995)	6 Point	Survey	12
Congruence:					
Informational Congruence:					
Export/Market-Related Information Needs and Supply	Export/Market Information Needs	Derived from: El Louadi (1994; 1995); Keefe (1989); Brush (1992); Terpstra (1988) Daft & al. (1988); Teplensky et al. (1993)	10 Point	Survey	8
	Export/Market Information Supply		10 Point	Survey	11

TABLE 4

Summary Table Of Questionnaire Design
(Continued)

Variables	Measures	References	Scale	Information Source	Questionnaire
Contingency Effects:					
Uncertainty Effects:					
Complexity of Export Activities	Number of Export Markets	Cavusgil & Zou (1994)	Numeric	Survey	2b
	Number of Export Products	MICT Québec (1993)	Numeric	Survey	2d
	Percentage of Exports to USA	Statistics Canada (1994)	Percentage	Survey	2c
	Percentage of Direct Exports	MICT Québec (1993)	Percentage	Survey	2e
Cognitive Model Effects:					
Perceptions of Formal Market Research	Inhibitions to Using Formal Market Research	Derived from: Callahan & Cassar (1995); Moorman (1995); Kotler & Taylor (1989)	5 Point	Survey	9
Task Performance Level Effects:					
Diversity of Export Marketing Activities	Export Marketing Activities Performed	Derived from: MICT Québec (1993); Ghosh & Taylor (1995); Cavusgil & Zou (1994)	3 Point	Survey	14
Inter. Marketing Expenditures	International Marketing Expenses	Statistics Canada (1994)	Ordinal	Survey	17
Lateral Relations:					
Foreign Contacts	Diversity and Importance of Foreign Contacts	Derived from: Cafferata & Mensi (1995); Howard & Herremans (1988); Specht (1987); Menon & Varadarajan (1992)	5 Point	Survey	13
Information Processing Capacity (IPC):					
Export/ Market-Related Information Acquisition	Sources of Information	Derived from: Keefe (1989); Buchko (1994) Johnson & Kuehn (1987); Cavusgil & Zou (1994)	Percentage	Survey	15
	Info. Sources Selection Criteria	Derived from: Callahan & Cassar (1995); MICT Québec (1993)	Items	Survey	16
Export/ Market-Related Information Processing	Market Studies/Reports	Modified from: American Marketing Association (1982: in Kotler & Turner, 1989);	6 Point	Survey	10
Export Market R & D Expenditures	Export Market R&D Expenses	Statistics Canada (1994)	Ordinal	Survey	18
Descriptive Variables					
Opportunity Identification	Sources of Export Opportunities	Derived from: MICT Québec (1993); Johnson & Kuehn (1987)	Items	Survey	5
Market Selection	Selection Criteria	Modified from: Cavusgil and Zou (1994); MICT Québec (1993)	Items	Survey	4
Control Variable					
Environmental Uncertainty	Industrial Sector		N/A	N/A	N/A

Data Collection Procedures

The first partial mailing was sent to the top administrators of 150 firms. A cover letter explaining the purpose and importance of the survey, and soliciting the administrator's participation accompanied the questionnaire. Also, a pre-addressed, postpaid reply envelope was enclosed. No follow-up mailings were used; however, those who participated in the survey were informed that they would receive a summary of the survey results.

Two weeks later, after receiving a response rate inferior to 15%, a second partial mailing was sent to the remaining 150 firms in the sample population. Only the dates on the cover letter and questionnaire were modified, and in all other respects the two mailings were identical.

Summary

In this chapter, research questions were formulated using information gathered from the review of related literature. Selected variables and their measures were derived from the research questions and a research model was proposed. The survey design, sampling procedures, instrumentation, and data collection methods were explained. In the next chapter, results of the analysis of the data collected are presented.

DATA ANALYSIS

In this chapter, information collected from the survey is presented. First, characteristics of the sample are described. Then, findings that relate to the three research objectives are reported.

Characteristics of the Sample

Characteristics of the sample may influence or help to explain the results of the survey. In this section information on the response rate and the respondents' profiles is presented. The distribution of the sample is then analyzed in regard to the dependent variable export intensity.

Response Rate

The expected response rate for the sample was estimated at 25 to 30 percent. The actual response rate to the first partial mailing was 14,7%. This represented a count of 22 respondents. In order to attain a sample size of 41 respondents the second mailing was sent out. The response rate from the second group was 13.3% (20 respondents). Table 5 details the response results of the two samples. Eight of the nine firms that refused to participate indicated that their company was no longer, or never had been, involved in exporting. An ANOVA F-test revealed that the variations between the two samples were insignificant ($p = 0.98$). For the purposes of this study, the two samples were considered homogenous and their results were pooled to create one sample of 42 units.

Table 5
FMOA Practices Survey
Response Rates by Sample

	Sample 1		Sample 2		Total	
	Count	%	Count	%	Count	%
Completed	22	14.7	20	13.3	42	14.0
Returned (Undeliverable)	9	6.0	7	4.7	16	5.3
Refusals	2	1.3	7	4.7	9	3.0
Non-Respondents	117	78.0	116	77.3	233	77.7
Total	**150**	**100.0**	**150**	**100.0**	**300**	**100.0**
ANOVA ($p = 0.98$)						

Characteristics of the Sample

Criteria used to select the survey population included firm size, export revenues, language, and industrial sector (refer to Chapter 3: Population and Sample). All of the respondents in the sample were screened to meet these conditions. For a more comprehensive view of the characteristics of the sample, consult the Summary of Results in Appendix B.

Table 6 illustrates the provenance of the respondents. Nearly half of the firms in the sample are from Ontario (47,6%). The low percentage of respondents from Québec (14.3%) is partially explained by the language criteria, where only companies identifying English as their language of business were included in the survey population. This was done to avoid the costs and possible discrepancies associated with a translation of the questionnaire.

Table 6
Provenance of the Respondents

Provenance	Count	Percent
Atlantic	3	7.1
Québec	6	14.3
Ontario	20	47.6
Mid West	2	4.8
Alberta	6	14.3
British Columbia	5	11.9
Total	**42**	**100.0**

Firm size was measured by number of employees and total revenues as reported by the RADAR 1996 directory. Over one-half of the sample had between 5 and 19 employees (57.2%). Firms having less than twenty employees represented 78.6% of the sample. Only 7.2% of the firms in the sample had fifty employees or more. However, considering the high-tech aspect of the computer software industry, employee measurements of firm size are probably not comparable to more traditional, labor intensive sectors of the economy. Frequencies of the number of employees are illustrated in Figure 4

Figure 4
Number of Employees
(n = 42)

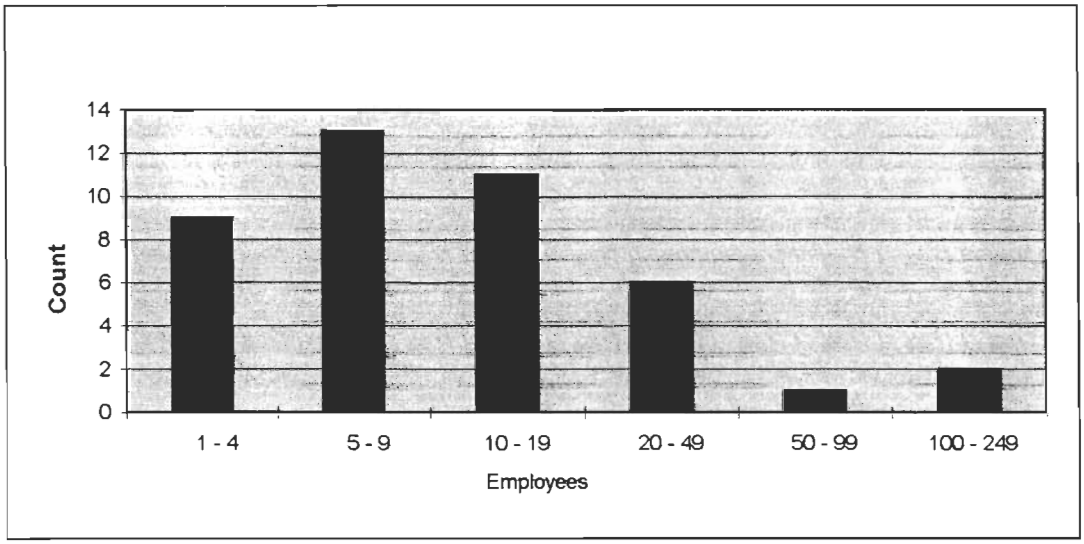
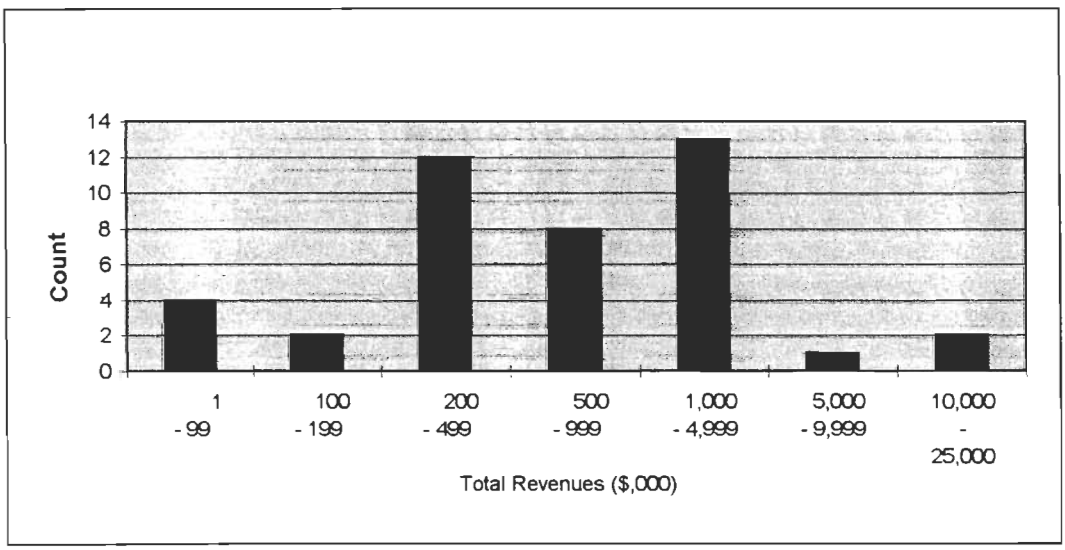


Figure 5 reports the total revenues of the firms in the sample as indicated by the RADAR 1996 directory. Fifty percent of the sample had total sales of between five hundred thousand and five million dollars. Total revenues of between two hundred thousand and five million dollars accounted for 78.6% of the sample.

Figure 5
Total Revenues
(n = 42)



The respondent's position with the firm may influence their perceptions of, and answers to the survey questions. Table 7 shows that 71.4% of the respondents were either the firm's President (59.5%) or its CEO (11.9%). Therefore, the sample is comprised primarily of the principal decision makers responsible for their firm's export activities.

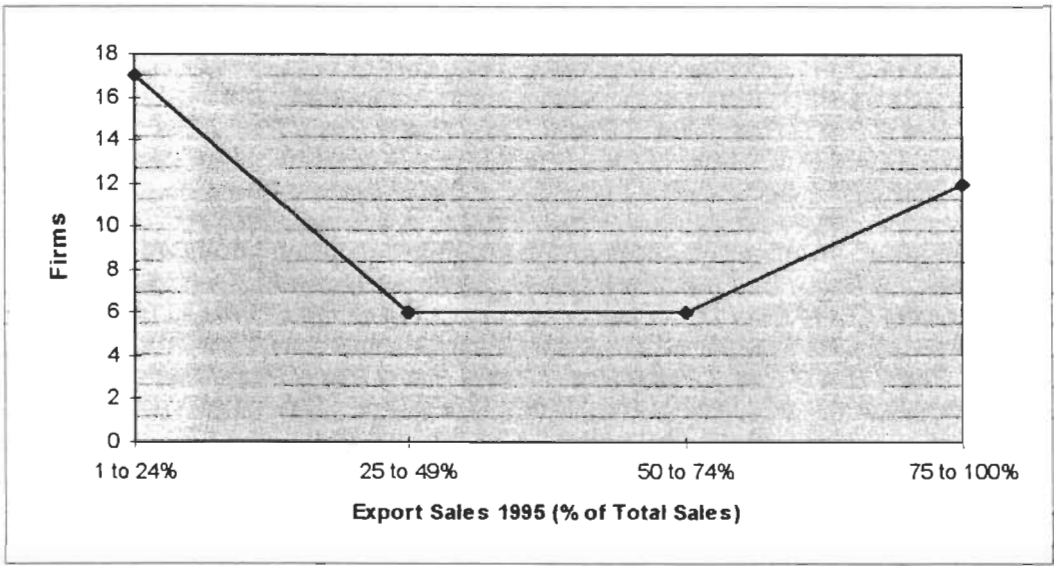
Table 7
Respondents' Position with the Firm

Position	Count	Percent
President	25	59.5
General Manager/CEO	5	11.9
Marketing Director	5	11.9
Controller/Treasurer	4	9.5
Vice President	2	4.8
Project Manager	1	2.4
Total	**42**	**100.0**

Distribution of the Sample

Before analyzing the results it was important to determine whether the distribution of the sample was normal. The characteristics of location, spread, and shape are generally used to describe distribution (Emory and Cooper, 1991). The dependent variable export intensity, measured by the ratio of export sales to total sales, was used to analyze the distribution of the sample. Figure 6 illustrates the frequency of percentage of export sales among the respondents. Although the distribution is symmetric, the area around the central tendency is concave and not the convex shape generally associated with a normal distribution. This would seem to indicate the existence of two distinct groups; one which is skewed positively to the right (low export intensity) and the other which is skewed negatively to the left (high export intensity).

Figure 6
Export Intensity
(n = 41)



The descriptive statistics of the variable export intensity, summarized in Table 8, confirm the anomalies of the distribution. Although the mean score indicated that the average respondent's exports equaled 41% of their total sales, the median export ratio was 32.5% of total sales. This represents a difference of export intensity of 8.5% between the two measures. With a standard deviation of 35.9% of total sales, the dispersion of the sample can be considered quite large. A kurtosis of -1.54 confirmed the convex nature of the dispersion.

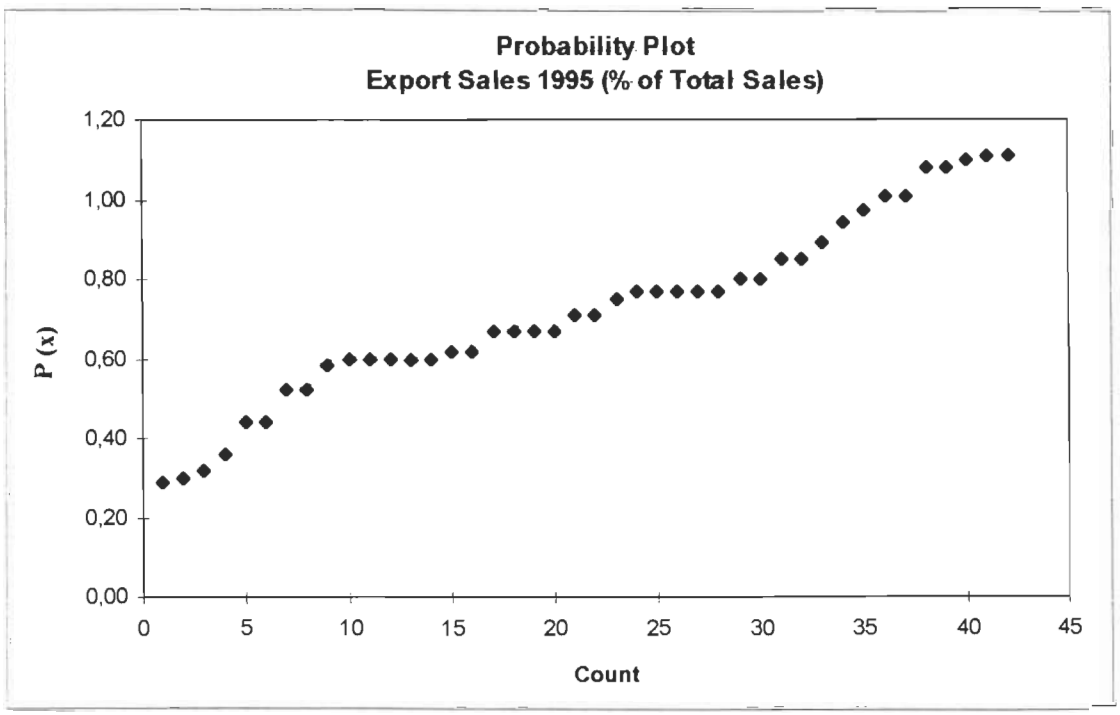
Table 8

Descriptive Statistics For the Variable Export Intensity

Percentage of Export Sales (1995)	
Mean	0.411
Standard Error	0.055
Median	0.325
Mode	0.010
Standard Deviation	0.359
Variance	0.129
Kurtosis	-1.537
Count	42

In order to determine whether the anomalies of the distribution were normal, a probability plot was used to compare the observed values with those expected from a normal distribution. In Figure 7 the data points are distributed along a relatively straight line which is characteristic of a normal distribution (Emory and Cooper, 1991). Also, a test for normality indicated a 87% probability that the sample was normal. Therefore, the sample was considered normal, but comprising two distinct groups: one consisting of low intensity exporters and the other of high intensity exporters.

Figure 7
Probability Plot of the Variable Export Intensity



Foreign Market Opportunity Analysis Process

The first objective of the survey was to describe the process used by small and medium-sized exporting firms to analyze foreign market opportunities. In this section results of the survey are presented that portray how the firms in the sample: 1) identify export opportunities, 2) select export markets, and 3) analyze foreign market opportunities.

Identification of Export Opportunities

The participants were asked to indicate a maximum of three methods used by their firms to identify export opportunities. The average rate of response was 2.4 methods per firm. As shown in Table 9, the most popular methods of identifying export opportunities were experience and unsolicited sales, which were both reported by 47.6% of the respondents. The third most popular method was trade shows (45.2% of the sample), followed by the grapevine with mentions by 23.8% of the firms.

Table 9
Methods Used to Identify Export Opportunities
(n = 42)

Methods	Percent
Experience	47.6
Non Solicited Sales	47.6
Trade/Product Shows	45.2
Grapevine	23.8
Market Studies	19.0
Public Offers	4.8
Internet	4.8
Client Leads	4.8
Distributors	4.8
Partnerships/Associates	4.8
Direct Solicitation	2.4
Responses per Respondent	2,4

Total adds to more than 100 percent because multiple responses were allowed.

These results are very similar to those of other studies of small and medium-sized exporters which identified unsolicited sales as a major source of export revenues. Experience, as noted in the literature review, is a major component of business planning. Trade shows are also recognized as an important method used by small and medium-sized businesses to identify export opportunities (Hardy, 1987; Howard and Herremans, 1988). Only 19% of the sample used market studies to identify opportunities. This is, however, consistent with the results of previous research where owners and managers of small and medium-sized businesses have shown a strong preference for informal methods of opportunity identification (Rice, 1983; Hammers-Specht, 1988; Brush, 1992).

Selection of Export Markets

The respondents were asked to specify a maximum of three criteria that most influenced their choice of export countries. The results are presented in Table 10. Market demand/potential, mentioned by 88.1% of the firms, was by far the most important factor in the choice of export markets. This was followed by language (42.9% of the respondents). In the software industry, language is an important product-related feature, and as such, is considered to be more important than is normally associated with exporting (MICT Québec, 1993). "Familiarity" with the export market and "Similarity" to the domestic market were considered to be important selection criteria by approximately a third of the companies surveyed. One surprising aspect of the results was the relative lack of importance of the factor "Competition". It was rated the least important of all the non-spontaneous options presented in the questionnaire (11.9% of the respondents)

Table 10:

Most Popular Criteria Used to Select Export Markets

Criteria	Percent
Market Demand/Potential	88.1
Language	42.9
Familiarity	35.7
Similarity	31.0
Stability	23.8
Proximity	21.4
Norms/Regulations	14.3
Competition	11.9
Distribution Chain	2.4
Firm Objectives/Goals	2.4
Investment Opportunities	2.4
Technology	2.4
Responses per respondent	2.8

Total adds to more than 100 percent because multiple responses were allowed.

Foreign Market Opportunity Analysis (FMOA) Practices

Market opportunity analysis is the process by which market opportunities are identified and analyzed. The final output of the analysis is a market-share or sales prevision which provides information that enables the firm to not only select the most promising opportunities, but also to plan, implement, and control their operations (Stasch, 1994). In order to measure the FMOA process, the participants were asked whether their firm: 1) segmented their export markets and 2) produced market-share or sales forecasts for their export markets. The results are displayed in Table 11.

Table 11
Use of Formal Foreign Market Opportunity Analysis Techniques

Techniques	No	Yes	n
Identify and Measure Targeted Foreign Markets	46.3	53.7	41
Prepare Sales/Market Share Previsions For Export Markets	64.4	36.6	41

It is interesting to note the relative frequency of the use of formal market research techniques such as market segmentation and forecasting. Over half of the participants indicated that their firm segmented their export markets, while over a third stated that their company produced sales forecasts for their foreign markets. In Table 12, the methods used to segment markets and their relative use by the firms in the sample are reported. Of the twenty-two respondents (53.7% of valid responses) who indicated that their firm identifies and measures targeted markets within foreign countries, 81.8% utilized end users or customer types to segment the market.

Table 12
Methods Used to Segment Targeted Markets
(n = 22)

Methods	Percent
End Users/Customer Types	81.8
Product Types	27.3
Geographic Regions	22.7

Total adds to more than 100 percent because multiple responses were allowed.

As to the fifteen firms (36.6% of valid responses) that prepared sales or market share forecasts for their export markets, 66.7% used their experience and 53.3% utilized targeted end users to determine their forecasts. On average, the firms based their previsions on 2.2 factors.

Table 13
Factors Used to Establish Sales Forecasts
(n = 15)

Factors	Percent
Experience	66.7
Targeted End Users	53.3
Market Demand	33.3
Competition	33.3
Marketing Programs	33.3

Total adds to more than 100 percent because multiple responses were allowed.

FMOA Practices and Export Performance

In order to analyze the impact of the foreign market opportunity analysis practices on the export performance of the firms, the sample was divided into three groups. The variable foreign market opportunity analysis (FMOA) and the dependent variable export performance were then tested for independence.

The first group "No FMOA" was composed of firms that neither segmented nor prepared sales forecasts for their export markets. The second group "Partial FMOA" was made up of firms that either segmented or prepared sales forecasts for their foreign markets, but not both. Finally, the "FMOA" group included firms that both segmented and prepared sales forecasts their export markets. The rational for this classification was that a formal market analysis must produce an objective sales forecast based upon concrete market information. Although market segmentation without forecasting may allow the firm to identify export opportunities, it does not provide the information needed to evaluate an opportunity (i.e. sales previsions). In the same vein, a forecast based solely upon subjective expectations is not likely to be more credible than an unwritten estimate. However, a firm that takes the time to segment markets or to prepare financial scenarios would likely benefit from the exercise. These three groups could be understood as representing the three types of business planning identified by the literature: incremental, visionary, and formal.

In Table 14, the results of the segmentation of the firms in the sample into three subgroups are presented. The No FMOA category was the largest with 18 of the 42 firms in the sample. The groups Partial FMOA and FMOA contained 10 and 14 firms respectively.

Table 14

Segmentation of the Sample According to FMOA Practices

Categories	Firms	Percent
No FMOA	18	42.9
Partial FMOA	10	23.8
FMOA	14	33.3
Total	**42**	**100.0**

Once the sample was segmented according to the firm's FMOA practices, the export intensity of the different categories was analyzed. The mean percentage of export sales to total sales for 1995 was 27.5% for the group No FMOA, 42.2% for the firms identified as Partial FMOA, and 60.8% of total sales for those in the FMOA category. A test of independence of the variations between the FMOA process used and the export intensity of the groups was found to be significant ($p < 0.03$). In Table 15 the variations of export intensity between the different groups are illustrated.

Table 15
Export Intensity by FMOA Group in Percentage of Export Sales

Export Sales 1995 (% of Total Sales)	No FMOA (n = 18)	Partial FMOA (n = 9)	FMOA (n = 14)	ANOVA
1 to 24%	**55.6%**	**55.6%**	14.3%	
25 to 49%	22.2	0.0	14.3	
50 to 74%	5.6	0.0	**35.7**	
75 to 100%	16.7	44.4	**35.7**	
Total	**100.0**	**100.0**	**100.0**	
Mean percentage	**27.5**	**42.2**	**60.8**	**0.03**

The variations between the categories were quite clear. Over 75% of the firms who practiced No FMOA reported that their export sales represented less than fifty percent of their total revenues. In the FMOA group, over 70% of the companies indicated that exports accounted for fifty percent or more of their total

sales. Results of the Partial FMOA group were split between firms with a very low export intensity (5 out of 9 companies reported exports of 1 - 24% of total sales), and firms with a very high export ratio of over 75% of total revenues. No firms in the Partial FMOA category exported for between 25% and 74% of their total sales.

Although export intensity was considered to be the primary measure of export performance for this study, ratios can sometimes distort data. Therefore, a second test for independence between the firms' FMOA practices and export performance was performed using export revenues (as reported by the RADAR 1996 directory). The results, displayed in Table 16, show important variations among the categories that are consistent with those measured by export intensity. Nearly ninety-five percent of the firms in the No FMOA category had export revenues under $200,000, and ninety percent of the companies in the Partial FMOA group had less than $500,000. Fifty percent of firms in the FMOA set reported export revenues in excess of one million dollars, and this was the only group with reported export revenues of more than $10,000,000.

Table 16
Export Revenues of the Firms by FMOA Process Used

Export Revenues ($,000)	No FMOA (n = 18)	Partial FMOA (n = 10)	FMOA (n = 14)
1 - 99	**72.2**	**50.0**	21.5
100 - 199	22.2	20.0	7.1
200 - 499	0.0	20.0	14.3
500 - 999	5.6	0.0	7.1
1,000 - 4,999	0.0	10.0	**42.9**
5,000 - 9,999	0.0	0.0	0.0
10,000 - 25,000	0.0	0.0	7.1
Total	**100.0**	**100.0**	**100.0**
ANOVA ($p < 0.0001$)			

A test of the variations between export revenues of the firms in the three FMOA categories was significant at $p < 0.0001$. Therefore, the FMOA process used was considered to be related with export revenues.

FMOA Practices and the Task of International Marketing Management

The third objective of this study was to explore the relation between the foreign market opportunity analysis (FMOA) process used and selected elements of the firms' international marketing management practices as indicated in the research model. In this section, results of the survey that describe selected international marketing management factors, the firms' level of informational congruence, and contingency effects are examined in relation to FMOA practices. Tests of independence between the selected factors and the FMOA process used are performed and the results presented.

International Marketing Management Factors

Characteristics of the firms' export state were considered to affect both their perceived need for export/market-related information, as well as the availability of relevant information. Three international marketing management factors were selected to assess the firms' export state: 1) uncertainty, 2) the cognitive model of the decision maker, and 3) task performance level.

Uncertainty

Uncertainty is recognized as a key determinant in the decision to use market research. The level of uncertainty experienced by the firms was measured by two factors: perceived export uncertainty and organizational complexity.

Perceived Export Uncertainty

In Table 17 the results of a series of Yes/No questions which measured the perceived export uncertainty of the participants are reported. The majority of respondents from all the groups agreed that international markets are riskier and are continuously changing. All of the respondents in the FMOA category perceived international markets as being more complex, compared with 80,0% and 66,7% of those in the Partial FMOA and No FMOA groups, respectively. Yet, the FMOA group was much more confident about evaluating export opportunities (84.6% of the firms), and 64.3% of the respondents indicated that their firm

had sufficient information to plan their export activities. Surprisingly, in the Partial FMOA group only 40% of the respondents were confident about evaluating export opportunities, and just 30% felt that their firms had sufficient information. This was less than the percentages reported by firms in the No FMOA category (50.0% and 47.1% respectively).

Table 17
Perceived Uncertainty of Export Activities

Factors	Percentage of Yes Responses: No FMOA (n = 16 - 18)	Partial FMOA (n = 5 - 10)	FMOA (n = 13 - 14)	X^2
Considers that their firm Has/Is:				
Sufficient marketplace information to plan export activities.	47.1	30.0	**64.3**	0.60
Confident about evaluating foreign market opportunities.	50.0	40.0	**84.6**	0.23
Considers international markets to be more complex.	66.7	80.0	**100.0**	0.22
Confident about reaching export sales goals.	**44.4**	**44.4**	**76.9**	0.44
Considers international marketing to be riskier than domestic.	**61.1**	60.0	57.1	0.99
Considers that exporting implies great uncertainties.	**44.4**	**50.0**	23.1	0.71
Considers that export markets are continuously changing.	**94.4**	80.0	92.9	0.79
Confident about establishing business contacts in foreign markets.	64.7	60.0	**76.9**	0.93

The number of respondents varies according to the factor measured.

Although the variations among the groups were found to be statistically insignificant, they are nonetheless interesting. The Partial FMOA group, which could be conceived of as being a transitional phase between informal and formal market analysis techniques, seemed to feel the effects of uncertainty the most. Half of the participants in this category agreed that exporting implied great uncertainties, compared with 44.4% of firms in the No FMOA group and 23.1% of those in the FMOA category.

Organizational Complexity

Organizational complexity generally refers to the number of internal elements which need to be administered and/or controlled. Organizational complexity was measured by the number of employees and total sales as reported in the RADAR 1996 directory. The data are presented in Tables 18 and 19 respectively.

Table 18
Frequencies of Employees by FMOA Group

Employees	No FMOA (n = 18)	Partial FMOA (n = 10)	FMOA (n = 14)	ANOVA
1 - 4	38.9%	10.0%	7.1%	
5 - 9	**44.4**	**40.0**	7.1	
10 - 19	11.1	**40.0**	**35.7**	
20 - 49	0.0	10.0	**35.7**	
50 - 99	0.0	0.0	7.1	
100 - 249	5.6	0.0	7.1	
Total	**100.0**	**100.0**	**100.0**	
Mean Scores	**5-9**	**9-10**	**19-20**	**0.002**

The mean range of employees for the No FMOA group was 5-9 employees, compared with 9-10 for the Partial FMOA category, and 19-20 employees for the firms in the FMOA group. The number of employees was found to be related with the FMOA process used ($p < 0.002$).

Table 19
Total Revenues of the Three FMOA Categories

Total Revenues ($,000)	No FMOA (n = 18)	Partial FMOA (n = 10)	FMOA (n = 14)	ANOVA
1 - 99	16.7%	0.0%	7.1%	
100 - 199	5.6	0.0	7.1	
200 - 499	**44.4**	30.0	7.1	
500 - 999	11.1	**40.0**	14.3	
1,000 - 4,999	11.1	30.0	**57.1**	
5,000 - 9,999	5.6	0.0	0.0	
10,000 - 25,000	5.6	0.0	7.1	
Total	**100.0**	**100.0**	**100.0**	
Mean Scores	**499-500**	**500-999**	**999-1.000**	**0.14**

Although the FMOA group had the largest mean score of total revenues, the Partial FMOA category was the most homogeneous. All of the firms in the Partial FMOA group had total revenues of between $200,000 and $5,000,000. The No FMOA category was the least homogeneous with firm revenues varying from under $99,000 to over $10,000,000. It also had the lowest mean score of the three categories. The results of a test for independence between total revenues and the FMOA process used proved insignificant at $p < 0.14$. Therefore, total revenues and FMOA practices were considered not to be related.

Cognitive Model of the Decision Maker

The cognitive model of the decision maker represents the schema he/she has of the market, and of the way in which markets should be managed. In order to measure the participants' cognitive model, the respondents were asked to indicate their agreement or disagreement with a series of questions designed to measure their views towards various informal and formal market analysis techniques, as well as their general outlook on their firm's export activities. The percentage of affirmative responses for each group are reported in Table 20.

Table 20
Perceptions of Market Research and Export Activities

	Percentage of Yes Responses			
Factors	**No FMOA** (n: 16 - 18)	**Partial FMOA** (n: 5 - 10)	**FMOA** (n: 13 - 14)	X^2
Considers that their firm:				
Believes there is no real substitute for formal market studies.	5.6	11.1	**35.7**	0.25
Is willing to trust market study data for planning.	44.4	**50.0**	41.7	0.99
Prefers to collect information on a need-to-know basis.	55.6	**90.0**	50.0	0.34
Considers formal market studies are worth the costs.	**37.5**	0.0	33.3	0.62
Considers that profits from exports fully met firm's expectations	33.3	37.5	**69.2**	0.38
Is actively seeking new markets.	72.2	77.8	**100.0**	0.34

The number of respondents varies according to the factor measured.

The FMOA group presented a more positive outlook towards their firms' export activities than did the other two groups. Nearly 70% of the firms in this category considered that profits from exports had fully met their firm's expectations (compared with 37.5% of the firms in the Partial FMOA group and 33.3% of those in the No FMOA category). Also, all of the firms in the FMOA group were actively seeking new markets.

Surprisingly, the FMOA group was the least likely of the three to trust market study data for planning. Yet, thirty-five percent of the firms in this group conceded that there was no real substitute for formal market studies. Although firms in the Partial FMOA group were the most likely to trust market study data, they overwhelmingly preferred to collect information on a need-to-know basis (90,0% of the respondents, compared with 55.6% of those in the No FMOA group). Another surprising element of the results was that 37.5% of the firms in the No FMOA group considered market studies to be worth the costs, while only 33.3% of those in the FMOA category agreed. None of the firms in the Partial FMOA group considered formal market studies to be worth the costs. However, this was not as clean-cut as it might appear, as valid responses represented only 50% of the group's population.

Although the differences of results between the three groups offer some interesting insights, none of the variations were found to be statistically significant. Therefore, the respondents' perceptions of market research techniques and their export activities were considered not to be related with the FMOA process used.

Export Experience

Export experience may influence the decision maker's perceptions of exporting. In Table 21, the frequencies of the number of years exporting for each of the categories are illustrated. The Partial FMOA group with a mean score of 9.6 years was the most experienced. This was closely followed by the FMOA category that averaged 8.8 years. The No FMOA set had the lowest group average with 5.7 years of exporting. The test for independence was significant at $p < 0.07$, which indicated that the number of years of export experience

and the FMOA process used were somewhat related. However, it should be noted that the most experienced group in export years, the Partial FMOA set, were not as a group the most performant exporters (the FMOA set).

Table 21

Frequencies of Export Experience by FMOA Category

Export Experience	No FMOA (n = 18)	Partial FMOA (n = 10)	FMOA (n = 14)	ANOVA
1 year or less	11.1%	10.0%	0.0%	
2 to 3 years	27.8	10.0	7.1	
4 to 5 years	27.8	10.0	14.3	
6 to 9 years	16.7	20.0	21.4	
10 to 14 years	11.1	20.0	50.0	
15 to 19 years	5.6	30.0	7.1	
Total	100.0	100.0	100.0	
Mean Scores (years)	5.7	9.6	8.8	0.07

Task Performance Level

In order to measure the task performance level, the participants were asked to indicate the relative difficulty experienced by their firm in performing international marketing management activities. In Table 22, both the mean response and the mode are given for each of the categories. The mode, which indicates the most frequent response for each group, is included as a complement to the analysis. Of the twenty marketing management factors measured, only two proved to be significant: reaching sales goals and evaluating marketing programs. On the whole, all of the groups reported relatively minor difficulties in performing international marketing management activities.

Table 22

Relative Difficulty in Performing International Marketing Management Activities

Activities	No FMOA (n = 18) Mean	No FMOA (n = 18) Mode	Partial FMOA (n: 7 - 10) Mean	Partial FMOA (n: 7 - 10) Mode	FMOA (n: 13 - 14) Mean	FMOA (n: 13 - 14) Mode	ANOVA
Identifying Export Opportunities	2.4	1	2.3	1	1.7	2	0.381
Identifying Foreign Buyer Needs/Wants	1.6	2	1.9	1	2.6	2	0.114
Identifying Key Competitors' Characteristics	2.0	3	1.9	3	2.0	1	0.983
Determining Key Success Factors	1.7	0	2.4	4	2.2	3	0.519
Identifying/Selecting Market Segments	1.8	1	2.2	1	2.0	1	0.768
Coordinating Marketing Programs	1.7	0	2.4	2	2.4	2	0.430
Distribution Channels/Policies	2.4	2	2.7	1	2.2	2	0.814
Sales/Credit Policies	1.2	1	1.4	1	1.6	2	0.595
Pricing Policies	2.1	1	2.9	3	1.9	2	0.138
Promotional Activities	1.3	0	2.3	1	2.1	1	0.117
After Sales Services/Guarantees	1.5	1	2.0	3	2.0	2	0.351
Identifying/Contacting Potential Buyers	3.0	4	2.6	2	2.4	2	0.455
Establishing Business Contacts	3.2	2	2.8	2	2.7	2	0.434
Establishing Sales Territories	0.6	0	1.1	0	1.2	1	0.250
Establishing Sales Quotas	1.1	0	1.4	0	2.1	2	0.299
Reaching Sales Goals	1.1	0	2.0	3	2.9	2	**0.008**
Evaluating Marketing Programs	1.0	0	2.7	0	2.4	4	**0.022**
Identifying Foreign Market Information Needs	1.8	2	1.4	1	2.1	2	0.536
Collecting Foreign Marketplace Information	1.6	0	2.2	3	2.4	3	0.247
Analyzing Marketplace Information	1.2	0	1.2	0	1.7	2	0.552

Scale: 0 = Do Not Perform This Activity; 1 = No Difficulties; 2 = Minor Difficulties; 3 = Some Difficulties; 4 = Difficulties; 5 = Major Difficulties
The number of respondents varies according to the factor measured.

The No FMOA group reported having the most difficulties with: establishing business contacts, identifying and contacting potential buyers, determining distribution channels and/or policies, and identifying export opportunities. Firms in the Partial FMOA category experienced the most difficulties with establishing: pricing policies, business contacts, distribution channels and/or policies, and evaluating marketing programs. Finally, the respondents in the FMOA group reported having the most difficulty with reaching sales goals, followed by establishing business contacts, and identifying foreign buyer needs and wants.

The FMOA group was the most active of the three in managing their export activities (as measured by the mode values). They were followed by the Partial FMOA category for whom "Do not perform this activity"

was the most frequent answer for four of the marketing management factors. In the No FMOA group, the most frequent response for nine of the twenty factors was "Do not perform this activity".

Export/Market-Related Informational Congruence

From a list of six categories of export/market-related information, the participants were asked to assess, on a scale of one to ten, their firm's need for each information type when analyzing and planning their export activities. In a separate section of the questionnaire, the respondents were then asked to assess the availability of each type of information when analyzing and planning their export activities. Informational congruence was calculated as the difference between the perceived availability and the perceived need for each information factor. In Table 23, the results are presented for both the sample and each of the FMOA groups.

The ranking of the six information types according to need was consistent among all of the groups. Customer factors were considered to be the most needed, followed by market factors, and then industry factors. When tested for the sample as a whole, the differences between the perceived need and availability of information on customer, market, and industry factors were all found to be significant ($p < 0.01$). However, when tested individually, market factors was the only category for which the deviations remained significant for all of the groups ($p < 0.05$). Firms in the No FMOA and Partial FMOA groups reported market factors to be the type of information which they lacked the most. For firms in the FMOA group, customer factors represented the area in which the respondents perceived themselves to be the most deficient.

For the three lower ranked information factors (competitor, export, and broad environmental factors), information needs were relatively well met. With the exception of export factors for firms in the Partial FMOA group, deficiencies between the perceived needs and the availability of information for these factors

Table 23
Evaluations of Export/Market-Related Information Needs and Availability

Information Factors	Sample (n = 42)				No FMOA (n: 16 - 18)				Partial FMOA (n : 8 - 10)				FMOA (n: 13 - 14)				ANOVA*	
	Needs Mean	Avail. Mean	Diff.	t	Needs Mean	Avail. Mean	Diff.	t	Needs Mean	Avail. Mean	Diff.	t	Needs Mean	Avail. Mean	Diff.	t	Needs	Avail.
Customer Factors	7,6	5,5	-2,1	**0,0003**	6,6	4,9	-1,7	**0,097**	7,5	6,4	-1,1	0,184	8,8	5,6	-3,2	**0,0002**	**0,043**	0,326
Market Factors	7,3	5,3	-2,0	**0,0004**	6,3	4,4	-1,9	**0,043**	7,5	4,9	-2,6	**0,039**	8,4	6,6	-1,8	**0,007**	**0,045**	**0,030**
Industry Factors	7,1	5,4	-1,7	**0,006**	5,8	4,4	-1,4	0,143	7,4	5,3	-2,1	**0,065**	8,2	6,6	-1,6	0,101	**0,028**	**0,080**
Competitor Factors	6,1	5,8	-0,3	0,646	5,3	5,1	-0,2	0,793	6,7	6,3	-0,4	0,691	6,6	6,5	-0,1	0,923	0,248	0,141
Export Factors	5,5	5,4	-0,1	0,828	5,2	4,7	-0,5	0,622	6,7	4,9	-1,8	0,213	5,1	6,5	1,4	0,144	0,369	0,171
Broad Environmental	4,9	5,1	0,2	0,654	5,0	4,5	-0,5	0,529	5,1	5,1	0,0	0,985	4,5	6,3	1,8	0,133	0,831	0,180

(Scale 1 = Not at all Necessary/No Information 10 = Very Necessary/Complete Information)

* Analysis of variations between groups No FMOA, Partial FMOA, and FMOA

The number of respondents varies according to the factor measured

were no more than half a point. Firms in the FMOA group reported a surplus of available information for broad environmental and export factors.

When compared to the results obtained by El Louadi (1995), who in his survey of 180 small and medium-sized American banks found deficiencies to be significant for all of the information categories measured, the firms in this sample showed a high level of informational congruence. However, differences of scale, information categories, and economic sectors in which the firms operated, may have combined to render comparisons between the two studies invalid.

Differences among the groups were revealed by the relative importance accorded to each of the information types. While the No FMOA group ranked the importance of the three top factors from 6.6 (customer factors) to 5.8 (industry factors), the Partial FMOA set ranked them from 7.5 to 7.4, and the FMOA group from 8.8 to 8.2. Analysis of the variations between the three groups revealed significant differences ($p<0.05$) for customer, market, and industry-related information needs. Differences between the availability of market ($p< 0.05$) and industry ($p < 0.10$) related information were also found to be significant.

Firms in the FMOA category showed the largest spread in evaluating their information needs. The difference between the perceived importance of customer factors, the highest ranked, and broad environmental factors, the lowest ranked, was 4.3 points, compared with 2.4 for the Partial FMOA set, and 1.6 points for the No FMOA category. This would seem to indicate that companies in the FMOA group were more able to discriminate between their different information needs. Surprisingly, firms in the FMOA group were the most informed, yet, they showed the lowest overall level of informational congruence. While firms in the No FMOA category reported the lowest availability of information for all of the factors, they experienced the highest overall, level of congruence.

Contingency Effects

In this section, contingency effects of the firms' degree of informational congruence according to FMOA practices are analyzed. Factors studied include: selected international marketing management factors (uncertainty, the cognitive model of the decision maker, and task performance level), the firm's information processing capacity, and lateral relations.

Uncertainty Effects

For the purposes of this study, complexity of export activities was used to measure uncertainty effects. Complexity of export activities was measured by: 1) the number of export markets; 2) the number of export products; 3) the intensity of exports to the United States; and 4) the intensity of direct export sales. The mean scores for each of the FMOA groups is reported in Table 24.

Table 24

Complexity of Export Activities

Activities	No FMOA (n = 18) Mean	Sd	Partial FMOA (n = 10) Mean	Sd	FMOA (n: 13 - 14) Mean	Sd	ANOVA
Number of Export Markets	2.8	2.2	1.8	1.0	10.8	11.0	**0.002**
Number of Export Products	2.1	2.7	1.4	0.5	4.9	5.6	**0.065**
% of Exports Sales to USA	72%	0.40	62%	0.42	62%	0.31	0.694
% of Direct Sales (Exports)	71%	0.42	66%	0.46	61%	0.40	0.813

The number of respondents may vary according to the factor measured

Export strategies of companies in the FMOA category were much more diversified than those of the other two groups. These firms had, on average, 10.8 export markets and 4.9 export products. In the No FMOA and the Partial FMOA groups, the mean scores were, respectively, 2.8 and 1.8 export markets, and 2.1 and 1.4 export products. Variations in the frequencies of the number of export markets and the number of export products among the three groups are illustrated in Figures 8 and 9 respectively.

Figure 8

Number of Export Markets by FMOA Group

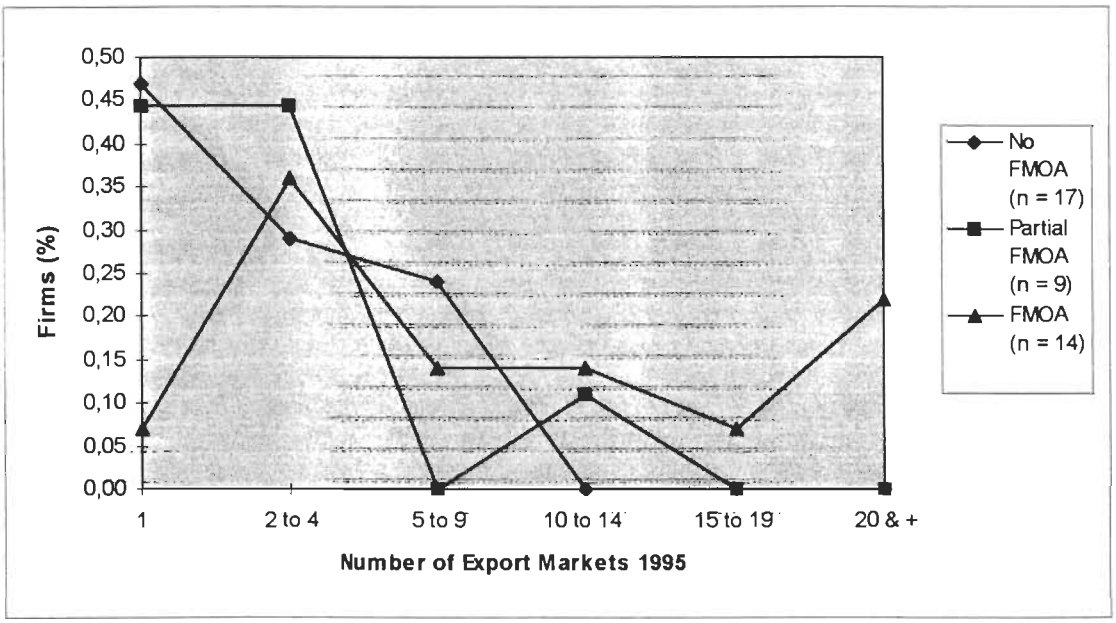
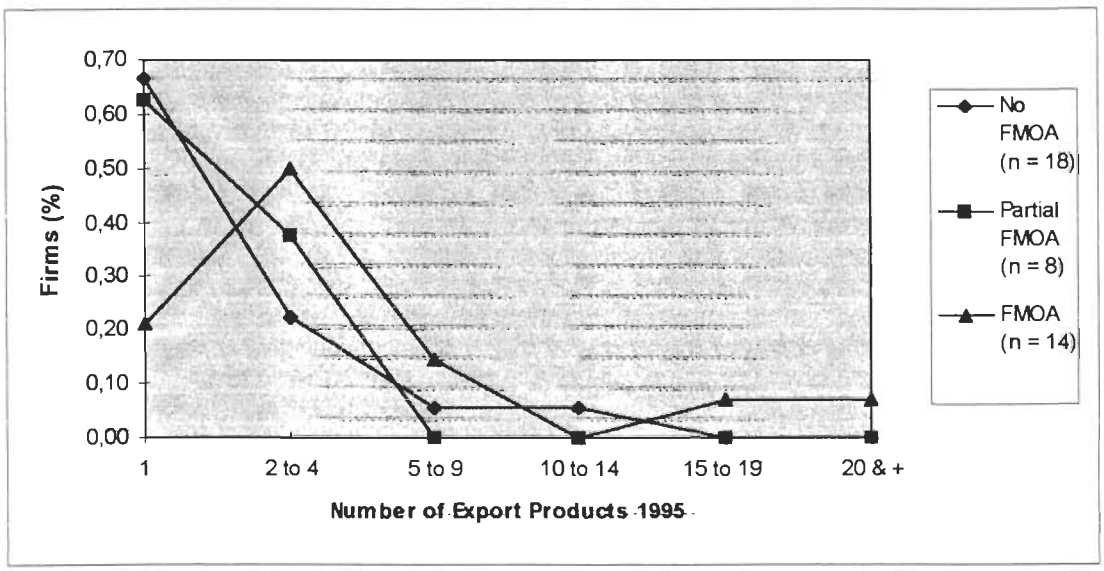


Figure 9

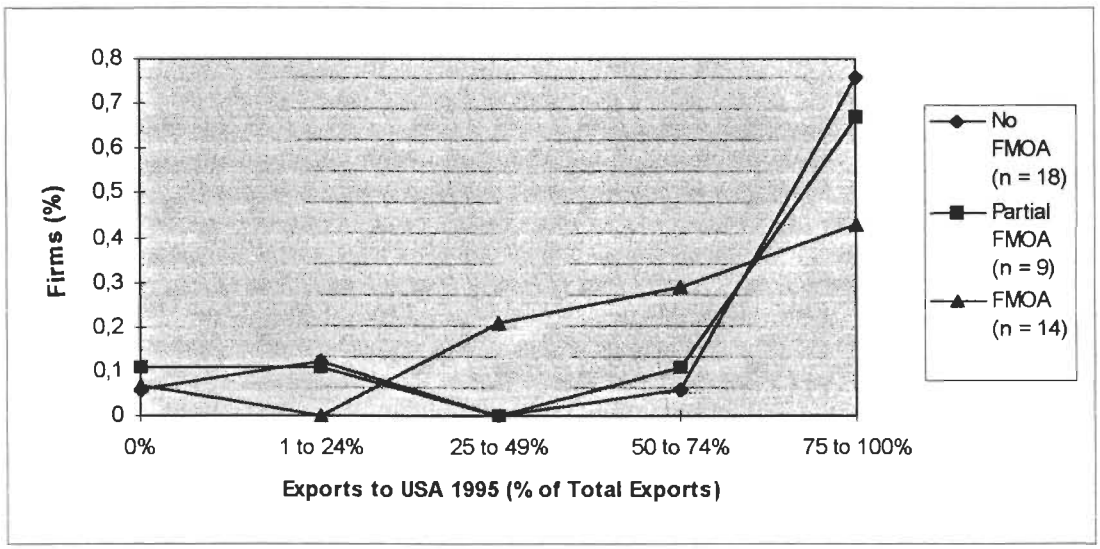
Number of Export Products by FMOA Group



Mean scores of percentage of exports to the USA were equal for both the Partial FMOA and FMOA groups (62% of total exports), and 72% for the No FMOA category. Therefore, although firms in the Partial FMOA group serviced less markets than the other groups, they were not more dependent upon the U.S. market. Which would seem to indicate that they had attained a higher level of penetration in their other market(s). Frequencies of responses for each of the groups are presented in Figure10.

Figure 10

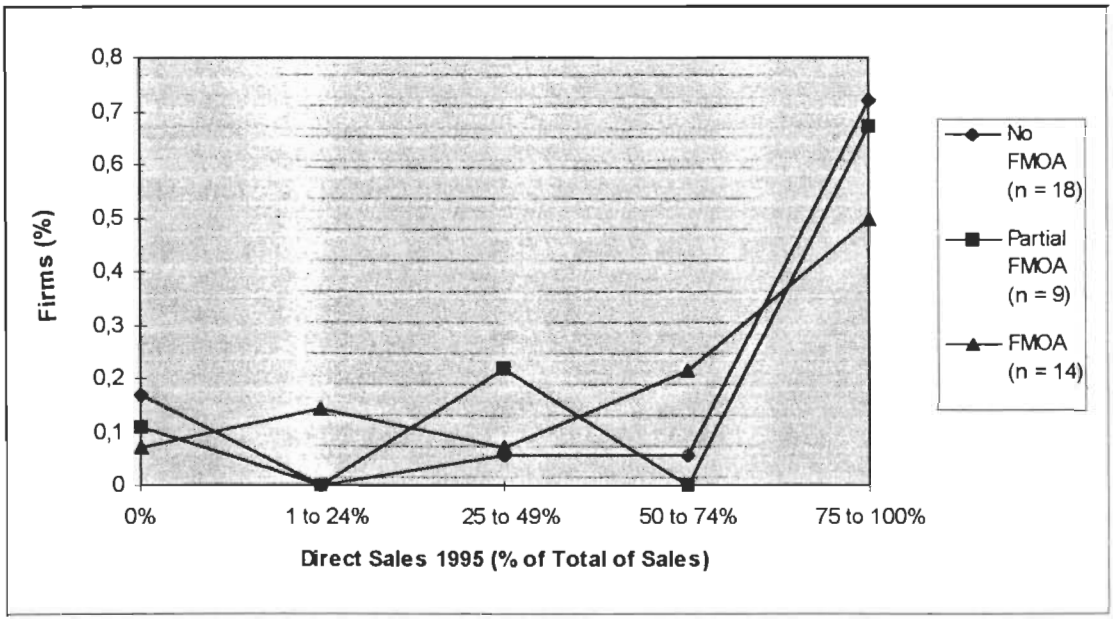
Intensity of Exports to the United States



The intensity of direct export sales was 71% of exports for firms in the No FMOA group, 66% for the Partial FMOA category, and 61% of total exports for the FMOA group. This is somewhat surprising, and contradicts a basic premise of the incremental theory of exporting, which states that small and medium-sized firms progress from indirect to direct exporting (Denis, 1990). The reverse seemed to be true for this sample. It could be that in the computer software sector having one's products distributed by an intermediary is a coveted and lucrative situation; the result of complex negotiations. Frequencies of the intensity of direct export sales are illustrated in Figure 11.

Figure 11

Intensity of Direct Export Sales



Cognitive Effects

The respondents were asked to assess a series of factors according to their importance as inhibitors to the use of formal market research techniques when analyzing foreign market opportunities. Group mean responses and modes are reported in Table 25.

Table 25

Factors That Inhibit The Use Of Formal Market Research Techniques

	No FMOA (n: 16 - 18)		Partial FMOA (n: 6 - 8)		FMOA (n: 10 - 13)		
Factors	**Mean**	**Mode**	**Mean**	**Mode**	**Mean**	**Mode**	**ANOVA**
Volume of activities	3.4	5	3.4	5	3.5	5	0.99
Too busy with other aspects of business	4.1	5	4.3	5	3.4	3	0.35
Lack necessary training/understanding	2.1	1	3.3	5	2.0	1	0.14
Information out-dated too quickly	2.8	2	2.6	3	3.4	4	0.43
Uncertain of impact on performance	3.3	5	3.9	5	2.7	2	0.21
Unable to evaluate quality of research services	2.6	1	3.7	5	3.2	4	0.30
Take too long to produce	3.3	5	2.2	1	2.8	2	0.34
Gain more valid information from other means	3.4	5	3.4	5	4.1	5	0.46
Too expensive/Lack resources	4.6	5	4.6	5	4.1	5	0.20
Don't see how these techniques could help firm	3.1	5	2.6	2	2.1	1	0.29

Scale : 1 = Not at all Important ... 5 = Extremely Important
The number of respondents varies according to the factor measured.

All of the groups considered "Too expensive/Lack resources" to be the most important factor in their decision not to use market research. For the firms in the FMOA category, cost was tied with "Gain more valid information from other means" as the most important inhibitors. Respondents in both the No FMOA and Partial FMOA groups rated "Too busy with other aspects of our business" as the second most important factor. For firms in the Partial FMOA category, the inability to evaluate the impact on performance and the quality of research services, were also considered to be major obstacles to their using market research. All of the factors were considered to be at least "somewhat important", and the mean values were relatively similar for the three groups.

Although none of the factors were found to be statistically significant, the frequencies of responses, as measured by the mode values, revealed certain differences between the groups. For firms in both the No FMOA and Partial FMOA categories, the rating "extremely important" was the most frequent response for seven of the ten factors, compared with three factors for the FMOA group. This would seem to indicate that respondents in the No FMOA and Partial FMOA groups had both more, and stronger, inhibitions to using formal market research techniques when analyzing export opportunities.

Task Performance Effects

Contingency effects on the firms' task performance level were measured by the intensity of international marketing activities and international marketing expenses. The respondents were presented with a list of marketing activities and asked to assess the relative use of each item for their export markets. The results are presented in Table 26.

Table 26

Relative Use of International Marketing Activities

Activities	No FMOA (n = 18) Mean	Mode	Partial FMOA (n = 10) Mean	Mode	FMOA (n: 13 - 14) Mean	Mode	ANOVA
Product Modifications	1.9	2	2.1	3	2.6	3	**0.0522**
Trade Shows/Conferences	1.7	2	1.9	2	2.3	2	**0.0338**
Catalogues/Brochures	1.9	1	2.2	2	2.6	3	**0.0545**
Establish Sales Territories	1.4	1	1.3	1	2.5	3	**0.0001**
Sales Visits/Presentations	1.9	2	2.5	3	2.4	3	**0.0227**
Technical Support	2.3	3	2.7	3	2.8	3	**0.0692**
Telephone Sales/Solicitations	1.8	2	1.8	1.5	2.3	3	0.1346
Packaging/Documentation Modifications	1.9	2	1.8	1.5	2.4	3	**0.0955**
Advertising Copy	1.8	1	1.8	1.5	1.9	2	0.9149

Scale: 1 = Never; 2 = On Occasion; 3 = Always

The number of respondents may vary according the factor measured.

The firms in the FMOA category had the most diversified international marketing programs of the three groups. With the exception of sales visits/presentations, they had the highest mean scores for each of the activities. Also, all but one of the activities had a mean score greater than two (on a three point scale), and six of the nine activities were averaged at 2.4 or more.

Firms in the Partial FMOA group tended to concentrate their marketing programs on technical support, sales visits/presentations, catalogues/brochures, and product modifications. The No FMOA group seemed to have very weak international marketing programs, concentrating mostly on technical support, which was the only activity that had a mean score of two or more.

Technical support had the highest mean score for each of the groups. Considering the nature of the computer software industry, this is not surprising. Variations between the group mean scores were significant at ($p < 0.10$) for product modifications, technical support, catalogues/brochures, and packaging/documentation modifications. Activities that were significant at ($p < 0.05$) included trade shows/conferences and sales visits. The most significant difference between the three groups was for

establishing sales territories ($p < 0.0001$). For this activity, the most frequent response from the firms in the No FMOA and Partial FMOA was "Never", and for those in the FMOA group "Always". These results seem to indicate that firms in the No FMOA and Partial FMOA tended to compensate for their lack of market information by limiting, and/or focusing their international marketing activities.

The participants were asked to indicate their international marketing expenses for 1995 (including sales expenditures). The frequency of responses is presented in Table 27. Median scores of export marketing expenses for both the No FMOA and Partial FMOA groups were less than $50,000. While firms in the FMOA category had a median value of between $150,000 and $500,000. Differences between the groups were significant at $p < 0.002$, and export marketing expenditures were considered to be related with FMOA category.

Table 27
International Marketing Expenses (1995)

International Marketing Expenses 1995	No FMOA (n = 17)	Partial FMOA (n = 10)	FMOA (n = 14)	ANOVA
$0 > $5,000	**70.6%**	**70.0%**	7.1%	
$50,000 > $150,000	17.6	20.0	**35.7**	
$150,000 > $500,000	5.9	10.0	**35.7**	
$500,000 > $1,000,000	0.0	0.0	14.3	
> $1,000,000	5.9	0.0	7.1	
Total	**100.0**	**100.0**	**100.0**	**0.002**

Lateral Relations

The respondents were asked to assess the importance of their foreign contacts with different individuals and organizations to their export activities. Group mean scores and modes are reported in Table 28.

Table 28
Relative Importance of Foreign Contacts

Foreign Contacts	No FMOA (n: 17 - 18) Mean	Mode	Partial FMOA (n: 7 - 10) Mean	Mode	FMOA (n: 13 - 14) Mean	Mode	ANOVA
Distributors	3.0	1	1.1	1	4.4	5	**0.0001**
Departments of Trade/Commerce	1.8	1	2.5	2	2.8	3	**0.0426**
Business Associations	2.6	1	2.6	4	2.9	3	0.6979
Licensees/Associates	2.7	1	3.3	4	3.3	5	0.4762
Universities/Research Institutions	2.1	1	1.8	2	1.6	1	0.3066
Venture Capitalists/Investors	2.1	1	1.8	1	2.1	2	0.7425
Financial Institutions	1.7	1	1.4	1	2.4	1	**0.0659**
Marketing/Industry Consultants	1.9	2	2.7	3	2.0	2	0.2094
Industry Associations	2.7	1	2.7	4	3.7	4	**0.0367**

Scale: 1 = No Contact; 2 = Not Important; 3 = Somewhat Important; 4 = Very Important; 5 = Critical
The number of respondents varies according to the factor measured.

Firms in the No FMOA category rated Distributors as their most important foreign contact, followed by Licensees/Associates, and Industry associations. As a group they relied the least on foreign contacts. The most frequent response for eight of the nine categories mentioned was "No Contact".

Companies in the Partial FMOA, considered Licensees/Associates, Industry/Marketing consultants, and Industry associations to be their most important contacts. Firms in this group had stronger relationships with their foreign contacts than those in the No FMOA set. Of the three subgroups, they had the weakest relationships with distributors, and the strongest with professional consultants. Companies in the FMOA category had developed the strongest relationships with foreign contacts. These respondents considered Distributors, Industry associations, and Licensees/Associates to be the contacts that were most important to their firm's export activities.

Differences between the FMOA groups were significant for Distributors, Departments of trade/commerce, and Industry associations. According to the mode values the No FMOA group did not have important relationships with foreign contacts. The firms in the FMOA group relied heavily on many of their contacts, especially their distributors and industry associates. Although companies in the Partial FMOA group had

developed foreign contacts with many sources, they were viewed as being only "somewhat important" to their export activities. These results were surprising. Previous studies of small and medium-sized businesses suggest that firms with the least information rely the most on their contacts (Hammers-Specht, 1987), but the opposite was true for this sample. Two possible explanations for this discrepancy are: 1) a certain level of information or effort was needed to develop international contacts, or 2) a lower perceived need for information made these contacts less desirable. For all of the firms, establishing business contacts was reported as one of the most difficult international marketing activities (see page 56: Table 17), which would tend to support the first explanation.

Information Processing Capacity

Three factors were used to measure the information processing capacity of the firms, these were: 1) information sources; 2) market studies performed; and 3) export market research and development expenses. To determine where the firms acquired their foreign market information, the respondents were asked to distribute a total of 100 points among six categories of information sources, according to the relative importance of each source. The mean percentages for each group are displayed in Table 29.

Table 29
Relative Importance of Foreign Marketplace Information Sources

Information Sources	No FMOA (n = 18) Mean	Partial FMOA (n = 10) Mean	FMOA (n: 13 - 14) Mean	ANOVA
Company Activities	0.35	0.28	0.37	0.62
Industry Sources	0.28	0.16	0.27	0.34
Professional Sources	0.05	0.15	0.06	0.17
Government/Public Agencies	0.04	0.09	0.12	0.20
Social Network	0.26	0.26	0.10	0.16
Internal Studies/Reports	0.02	0.06	0.08	**0.02**
Total	100.0	100.0	100.0	

The number of responses may vary according to the factor measured.

Firms in the No FMOA group had the least diversified information sources. Company activities, industry sources, and their social network accounted for 89% of their sources of information on export markets. Companies in the Partial FMOA category had the same favorite sources of information as those in the No FMOA set, but they were less dependent on these sources (70% of export market information). Of all the groups, they used professional sources the most, and 15% of their information came form this source. Respondents in the FMOA category relied heavily on their company activities and industry sources, which represented 64% of their sources of export information. Firms in this group relied more on government agencies, but much less on their social networks (10% of information, compared with 26% for both of the other groups). Internal studies and reports represented, on average, 8% of their sources of export information. For firms in the No FMOA and Partial FMOA internal studies and reports accounted, respectively, for 2% and 6% of their export/market information sources. Internal studies was the only indicator found to be statistically significant ($p < 0.02$).

The respondents were asked to indicate the three most important factors that influenced their choice of information sources (see Table 30). Both the No FMOA and the Partial FMOA groups, considered cost, followed by time and confidence to be the three most important factors in their choice of sources. For firms in the FMOA category, confidence was the most important criterion, followed by cost and time. Another difference between the groups was that while respondents in the No FMOA and Partial FMOA categories were more influenced by convenience, those in the FMOA set considered utility to be more important.

Table 30
Most Important Factors That Influence the Choice of Information Sources

Factors	No FMOA (n = 18) Mean	Partial FMOA (n = 10) Mean	FMOA (n = 13) Mean
Cost	29.2%	27.6%	23.1%
Time	18.8	17.2	20.5
Utility	8.2	10.4	12.8
Convenience	14.6	13.8	7.7
Familiarity	10.4	13.8	10.3
Confidence	18.8	17.2	25.6

Information processing was measured by the relative use of market reports and studies. The objective was to understand how the firms processed marketplace information. The respondents were presented with a series of market studies and asked to indicate their firm's interest or use of each type of study. Mean scores and modes are presented for each group in Table 31.

Table 31
Relative Use of Market Studies

	No FMOA (n = 18)		Partial FMOA (n: 7 - 10)		FMOA (n: 13 - 14)		
Market Studies	Mean	Mode	Mean	Mode	Mean	Mode	ANOVA
Short-range Forecasting	1.8	0	2.1	0	3.7	4	**0.0172**
Business Trends	1.2	0	1.9	3	3.0	4	**0.0132**
Pricing Studies	1.9	0	3.5	5	3.3	4	**0.0250**
Lists of Potential Clients	4.1	5	4.0	5	4.2	5	0.9298
New Product Acceptance/Potential	2.2	0	3.3	4	3.5	4	**0.0582**
Sales Analysis	2.4	0	3.1	3	3.4	4	0.1980
Long-range Forecasting/Previsions	1.9	0	1.5	0	3.1	4	0.1151
Establishing Sales Quotas/Territories	1.2	0	1.1	0	4.1	5	**0.0003**
Product Research	2.0	0	3.3	5	3.5	4	**0.0465**

Scale: 0 = Never Used and Not Interested; 1 = Never Used But Interested; 2 = Planning To Use; 3 = Used Once or Twice 4 = Used Periodically; 5 = Used Regularly
The number of respondents varies according to the factor measured.

The most popular type of market study was potential client lists; both the mean scores and modes were practically identical for all of the FMOA categories. However, this proved to be the only type of report

produced by firms in the No FMOA group. The mean scores revealed that firms in the No FMOA set were either interested in or planning to use the other methods, but hadn't yet done so. However, the mode values indicated that the most popular response to all the factors, excluding client lists, was "Never used and not interested".

Firms in the Partial FMOA group indicated that they had "Used once or twice" four of the market studies, and were either interested or planning to use the remaining four (excluding potential client lists). They had the highest mean score for pricing studies, but the lowest scores for long-range forecasting and establishing sales quotas/territories. Mode values indicated that for the three forecasting techniques measured, the most frequent response for firm's in the Partial FMOA set was "Never used and not interested". Mean scores for companies in the FMOA group indicated that they had used all of the studies. Their most popular types of studies, excluding client lists, were establishing sales quotas/territories and short-range forecasting. Mode values were "Used periodically" for seven of the nine factors and "Used regularly" for the remaining two.

Differences among the groups mean scores were significant ($p < 0.05$) for short-range forecasting, business trends, and pricing studies. Establishing sales quotas/territories proved to be a strong indicator and was significant at $p < 0.0002$.

Finally, the respondents were asked to report their firms' export market research and development costs for 1995. The frequency of responses are presented in Table 32. Median scores of export market R&D expenses for both the No FMOA and Partial FMOA groups were between $1 and $5,000. While firms in the FMOA category had a median value of between $25,000 and $50,000. Differences between the groups were significant at $p < 0.01$, and export market research and development costs were considered to be related with FMOA category.

Table 32

Export Market Research and Development Expenses (1995)

Export Market R&D 1995	No FMOA (n = 17)	Partial FMOA (n = 10)	FMOA (n = 13)	ANOVA
$0	17.6%	**40.0%**	7.7%	
$1 > $5,000	**52.9**	**40.0**	23.1	
$5,000 > $25,000	23.5	0.0	15.4	
$25,000>$50,000	0.0	0.0	15.4	
$50,000>$100,000	5.9	20.0	**30.8**	
>$100,000	0.0	0.0	7.7	
Total	**100.0**	**100.0**	**100.0**	**0.02**

Summary

In this chapter, results from the survey were analyzed. Characteristics of the sample were presented. The distribution of the sample was analyzed in function to the dependent variable export intensity. Methods used to identify, analyze, and select foreign market opportunities were described.

Firms in the survey were grouped according to their firm's use of formal foreign market opportunity analysis (FMOA) techniques. The FMOA process used was found to be related to export intensity and export volume. Selected international marketing management factors, export/market-related informational congruence, and contingency effects were analyzed in relation to the FMOA practices of the firms. In the next chapter, the findings of the survey are summarized and discussed. Limitations of the findings are indicated. Recommendations for future research based on the results of this study are presented.

COMMENTARIES AND RECOMMENDATIONS

Summary

The purpose of this study was to investigate foreign market opportunity analysis (FMOA) practices in small and medium-sized exporting firms. Three research objectives were formulated. The first objective was to describe how small and medium-sized firms identified, analyzed, and selected foreign opportunities. The second objective was to establish a link between foreign market opportunity analysis practices and export performance. Finally, the third objective of this study was to explore the role of foreign market opportunity analysis in small and medium-sized exporting firms. A model based upon Galbraith's theory of organization design was developed to explore possible relationships between export views and activities thought to characterize the firms' export design, and the foreign market opportunity analysis process utilized.

Using a postal questionnaire, data was gathered from 42 small and medium-sized exporting firms in the computer service and software industry. ANOVA tests were performed to identify significant relationships between selected contingency criteria and FMOA practices. However, due to the specificity of the computer service and software industry, generalization of these results to other economic sectors is not recommended.

The results of the survey revealed that the majority of the firms in the sample were somewhat passive in their search for export opportunities, relying mainly upon their experience, unsolicited sales, and trade shows. Although only 19% of the firms reported that they used market studies to identify export opportunities, 88.1% of the respondents indicated that market demand/potential was the factor that most influenced their firm's choice of export countries. Language, an important product-related feature in the computer software industry, as well as familiarity with the export market, and similarity to the domestic market were also considered to be important factors when selecting export markets. Surprisingly, only 11.9% of the firms in the sample considered competition in the export market to be an important selection criteria.

Over one-half of the respondents surveyed reported that their firm identifies and measures targeted markets in foreign countries. End users were the most popular method for segmenting the markets. More than a third of the firms prepared sales or market share forecasts for their export markets. Over fifty percent of these companies utilized their experience and targeted end users to determine their forecasts. On average the firms used 2.2 factors to produce their forecasts.

The firms in the survey were grouped according to their relative use of formal foreign market opportunity analysis (FMOA) techniques. Three categories were identified: 1) No FMOA, 2) Partial FMOA, and 3) FMOA. The FMOA group included companies that both segmented and prepared sales forecasts for their export markets. Firms in the Partial FMOA category performed one of these two activities, while companies in the No FMOA group neither segmented nor prepared forecasts for their export markets. These categories are conceptually similar to the incremental, visionary, and formal business planning methods identified in the literature. Two factors were used to measure variations of export performance among the groups: ratio of export sales and export revenues. Both tests were significant at $p < 0.05$. Therefore, the FMOA process used and export performance were considered to be related.

Perceptions of risk and change associated with export markets were similar for all the respondents, regardless of FMOA category. Although respondents in the FMOA group were the most likely to perceive international markets as being more complex, they were much more confident about evaluating export opportunities. Firms in the Partial FMOA group reported the highest, over all perceived level of export-related uncertainty, and were the least confident about evaluating export opportunities. Only 30% of the respondents in the Partial FMOA set felt that their firm had sufficient information to plan export activities, compared with 64.3% and 47.1% of firms in the FMOA and No FMOA groups, respectively. Organizational complexity, as measured by the number of employees, was found to be related to the FMOA process used.

The FMOA group presented a more positive outlook towards their firms' export activities than did the other two groups. Nearly 70% of the firms in this category considered that profits from exports had fully met their firm's expectations, compared with 37.5% of the firms in the Partial FMOA group and 33.3% of those in the No FMOA category. Also, all of the firms in the FMOA group were actively seeking new markets, in comparison to 72.2% of the companies in the No FMOA set and 77.8% of those in the Partial FMOA category.

Surprisingly, the FMOA group was the least likely of the three to trust market study data for planning. Yet, firms in this group were the most likely to agree that there was no real substitute for formal market studies Although firms in the Partial FMOA group were the most likely to trust market study data, they overwhelmingly preferred to collect information on a need-to-know basis. Another surprising element of the results was that firms in the No FMOA group were the most likely to consider market studies to be worth the costs. None of the respondents in the Partial FMOA group considered formal market studies to be worth the costs. However, only half of them gave valid responses.

Variations of export experience between the groups was significant at $p< 0.10$, which seemed to indicate that the number of years of export experience and the FMOA process used were related. The Partial FMOA group with a mean score of 9.6 years was the most experienced, followed by the FMOA category that averaged 8.8 years. The No FMOA set had the lowest group average with 5.7 years of exporting.

On the whole, all of the groups reported relatively minor difficulties in performing international marketing management activities. Of the twenty marketing management factors measured, only two proved to be significant ($p<0.05$): reaching sales goals and evaluating marketing programs. The No FMOA group reported having the most difficulties with establishing business contacts, identifying and contacting potential buyers, determining distribution channels and/or policies, and identifying export opportunities. Firms in the Partial FMOA category experienced the most difficulties with establishing pricing policies, business

contacts, distribution channels and/or policies, and evaluating marketing programs. Finally, respondents in the FMOA group reported having the most difficulty with reaching sales goals, followed by establishing business contacts, and identifying foreign buyer needs and wants. The FMOA group was the most active of the three in managing their export activities, as measured by the mode values.

The perceived importance of the types of information needed to analyze and plan export activities were consistent for all of the FMOA groups. The most important perceived information need for analyzing and planning export activities was customer factors, followed by market and industry factors. Information deficiencies for these three factors were significant for the sample as a whole. However, when tested by FMOA category, only market factors remained significant for all of the groups. With the largest spread of evaluation scores, firms in the FMOA group appeared more capable of discriminating between their different export information needs.

Compared with results of previous studies (El Louadi, 1994, 1995), all of the groups displayed a high level of informational congruence. However, the level of congruence was not indicative of the quantity of information available to the firm. The firms in the FMOA group were the most informed, yet they experienced the lowest level of informational congruence. And, while the respondents in the No FMOA category reported the lowest levels of available information, they had the highest level of congruence.

Export strategies of companies in the FMOA category were much more diversified than those of the other two groups. These firms had, on average, 10.8 export markets and 4.9 export products. In the No FMOA and the Partial FMOA groups, the mean scores were, respectively, 2.8 and 1.8 export markets, and 2.1 and 1.4 export products. Variations in the frequencies of number of export markets, and the number of export products among the three groups were found to be related to FMOA practices ($p < 0.05$).

Mean percentages of exports to the USA were equal for both the Partial FMOA and FMOA groups (62% of total exports), and 72% for the No FMOA category. This suggests that although the firms in the Partial

FMOA group serviced less markets than the other groups, they attained a higher level of penetration of other market(s). The intensity of direct export sales was 71% of exports for firms in the No FMOA group, 66% for the Partial FMOA category, and 61% of total exports for the FMOA group. This is somewhat surprising, and contradicts a basic premise of the incremental theory of exporting, which states that small and medium-sized firms progress from indirect to direct exporting (Denis, 1990; Dana and Etemad, 1995).

Cost was considered to be the most important factor in the decision not to use market research. For firms in the FMOA category cost was tied with "Gain more valid information from other means" as the most important inhibitor. All of the factors were considered to be at least "somewhat important", and the mean values were relatively similar for the three groups. Although none of the factors were significant, the frequencies of responses, as measured by the mode values, seemed to indicate that respondents in the No FMOA and Partial FMOA groups had both more, and stronger, inhibitions to using formal market research techniques when analyzing export opportunities.

Firms in the FMOA category had the most diversified international marketing programs of the three groups. With the exception of sales visits/presentations, they had the highest mean scores for each of the activities Firms in the Partial FMOA group tended to concentrate their marketing programs on technical support, sales visits/presentations, catalogues/brochures, and product modifications. The No FMOA group had very weak international marketing programs that centered on technical support.

These results suggest that firms in the No FMOA and Partial FMOA sets tended to compensate for their lack of market information by limiting, and/or focusing their international marketing activities. Variations between the group mean scores were significant at ($p < 0.10$) for product modifications, technical support, catalogues/brochures, and packaging/documentation modifications. Activities that were significant at ($p < 0.05$) included trade shows/conferences and sales visits. The most significant difference between the three groups was for establishing sales territories ($p < 0.0001$).

Median scores of export marketing expenses for 1995 (including sales expenditures) for both the No FMOA and Partial FMOA groups were less than $50,000. While firms in the FMOA category had a median value of between $150,000 and $500,000. Differences between the groups were significant at $p < 0.001$, and export marketing expenditures were considered to be related with FMOA category

Differences, among the FMOA groups, of the importance of foreign contacts to export activities were significant at $p < 0.05$ for distributors, departments of trade/commerce, and industry associations. The No FMOA group for the most part did not have important relationships with foreign contacts. The firms in the FMOA group relied heavily on many of their contacts, especially their distributors. Although companies in the Partial FMOA group had developed foreign contacts with many sources, they were viewed as being only somewhat important to their export activities. When compared with related literature of small and medium-sized businesses, these results were somewhat surprising (Hanumers-Specht, 1987; Howard and Herremans, 1988). It was expected that the firms with the least information would rely the most on their contacts, but the opposite was true for this sample. Two possible explanations for this discrepancy are: 1) a certain level of information was needed to develop international contacts, or 2) a lower perceived need for information made these contacts less desirable.

Firms in the No FMOA group had the least diversified export/market-related information sources. Company activities, industry sources, and their social network accounted for 89% of their sources of information on export markets. Companies in the Partial FMOA category had the same favorite sources of information as those in the No FMOA set, but they were less dependent on these sources (70% of total information). Respondents in the FMOA category acquired 64% of their sources of export/market information from their company activities and industry sources. They relied more on government agencies, but much less on their social networks (10% of information, compared with 26% for both of the other groups). Although internal reports were the source of less than 10% of information for all of the groups, it was the only indicator found to be statistically significant ($p < 0.05$). Both the No FMOA and the Partial FMOA groups, considered

cost, followed by time and confidence to be the three most important factors in their choice of sources. For firms in the FMOA category, confidence was the most important criterion, followed by cost and time.

The most popular type of market study was potential client lists, both the mean scores and modes were practically identical for all of the FMOA categories. This, however, proved to be the only type of report produced by firms in the No FMOA group. Firms in the Partial FMOA group indicated that they had "Used once or twice" four of the market studies (excluding potential client lists). They had the highest mean score for pricing studies, but the lowest scores for long-range forecasting and establishing sales quotas/territories. Firms in the FMOA group used, either periodically or regularly, all of the studies. Their most popular types of studies, excluding client lists, were establishing sales quotas/territories and short-range forecasting. Differences among the groups mean scores were significant ($p < 0.05$) for establishing sales quotas/territories, short-range forecasting, business trends, and pricing studies.

Median scores of export market R&D expenses for both the No FMOA and Partial FMOA groups were between $1 and $5,000. While firms in the FMOA category had a median value of between $25,000 and $50,000. Differences between the groups were significant at $p < 0.01$, and export research and development costs were considered to be related with FMOA category. A summary of the research objectives and findings is presented in Table 33.

TABLE 33: SUMMARY OF RESEARCH OBJECTIVES AND FINDINGS

Research Objectives	No FMOA (n = 18)	Partial FMOA (n = 10)	FMOA (n = 14)	ANOVA
Research Objective 1: Describe the processes used to analyze foreign market opportunities.	Subjective Analysis: No market segmentation. No sales market-share forecasts.	Informal Analysis: Either market segmentation or sales forecasts	Formal Analysis: Both market segmentation and sales forecasts.	N A
Research Objective 2: Describe the relationship between the foreign marketing opportunity analysis (FMOA) process used and export performance.	Export Intensity (1995): 27.5% of Total Sales Export Volume: $100,000	Export Intensity (1995): 42.2% of Total Sales Export Volume: $100,000 - $200,000	Export Intensity (1995): 60.8% of Total Sales Export Volume: $1,000,000	0.05 0.0001
Research Objective 3: Explore relationships between selected contingency factors and FMOA processes.	INTERNATIONAL MARKETING MANAGEMENT FACTORS Export Confidence: 47.1% have sufficient information to plan their export activities. 50.0% are confident about evaluating export opportunities. 44.4% are confident about attaining export sales goals. Organizational Complexity: Employees 5 - 9 Total Sales $200,000 - $500,000 Perceptions of International Marketing: 5.6% believe there is no real substitute for formal market studies. 33.3% consider that export profits fully met their firm's expectations. 72.2% are actively seeking new markets. Export Experience: Years 5.7	INTERNATIONAL MARKETING MANAGEMENT FACTORS Export Confidence: 30.0 % have sufficient information to plan their export activities. 40.0% are confident about evaluating export opportunities. 44.4% are confident about attaining export sales goals Organizational Complexity: Employees 9 - 10 Total Sales $500,000 - $1,000,000 Perceptions of International Marketing: 11.1% believe there is no real substitute for formal market studies. 37.5% consider that export profits fully met their firm's expectations. 77.8% are actively seeking new markets. Export Experience: Years 9.6	INTERNATIONAL MARKETING MANAGEMENT FACTORS Export Confidence: 64.3% have sufficient information to plan their export activities. 84.6% are confident about evaluating export opportunities. 76.9% are confident about attaining export sales goals. Organizational Complexity: Employees 19 - 20 Total Sales $1,000,000 - $5,000,000 Perceptions of International Marketing: 35.7% believe there is no real substitute for formal market studies. 69.2% consider that export profits fully met their firm's expectations. 100% are actively seeking new markets. Export Experience: Years 8.8	N S N S N S 0.01 0.14 N S N S N S 0.10

TABLE 33: SUMMARY OF RESEARCH OBJECTIVES AND FINDINGS
(Continued)

Research Objectives	No FMOA (n = 18)	Partial FMOA (n = 10)	FMOA (n = 14)	ANOVA
Research Objective 3: Explore relationships between selected contingency factors and FMOA processes	INTERNATIONAL MARKETING MANAGEMENT FACTORS Most Difficult Export Marketing Activities : 1) Establishing business contacts 2) Identifying contacting potential buyers 3) Distribution channels/ Identifying export opportunities INFORMATIONAL CONGRUENCE Export/Market Information Needs & Supply: Customer: Needs 6.6, Supply 4.9, t 0.10 Market: Needs 6.3, Supply 4.4, t 0.05 Industry: Needs 5.8, Supply 4.4, t N.S CONTINGENY EFFECTS Complexity of Export Activities: Number of Export Markets 2.8 countries Number of Export Products 2.1 products Percentage of Export Sales to USA 72% Percentage of Direct Export Sales 71% Inhibitors to Formal Market Research: 1) Too expensive/Lack Resources; 2) Too busy with other aspects of business; 3) Volume of activities More valid information from other means. International Marketing Activities Performed: Technical support	INTERNATIONAL MARKETING MANAGEMENT FACTORS Most Difficult Export Marketing Activities : 1) Pricing policies 2) Establishing business contacts 3) Distribution channels Evaluating marketing programs INFORMATIONAL CONGRUENCE Export/Market Information Needs & Supply: Customer: Needs 7.5, Supply 6.4, t N.S Market: Needs 7.5, Supply 4.9, t 0.05 Industry: Needs 7.4, Supply 5.3, t 0.10 CONTINGENY EFFECTS Complexity of Export Activities: Number of Export Markets 1.8 countries Number of Export Products 1.4 products Percentage of Export Sales to USA 62% Percentage of Direct Export Sales 66% Inhibitors to Formal Market Research: 1) Too expensive/Lack Resources; 2) Too busy with other aspects of business; 3) Uncertain of impact on performance. International Marketing Activities Performed: Technical support; Sales visits/Presentations; Catalogues/Brochures; Product modifications.	INTERNATIONAL MARKETING MANAGEMENT FACTORS Most Difficult Export Marketing Activities : 1) Reaching sales goals 2) Establishing business contacts 3) Identifying foreign buyer needs/wants INFORMATIONAL CONGRUENCE Export/Market Information Needs & Supply: Customer: Needs 8.8, Supply 5.6, t 0.001 Market: Needs 8.4, Supply 6.6, t 0.01 Industry: Needs 8.2, Supply 6.6, t 0.10 CONTINGENY EFFECTS Complexity of Export Activities: Number of Export Markets 10.8 countries Number of Export Products 4.9 products Percentage of Export Sales to USA 62% Percentage of Direct Export Sales 61% Inhibitors to Formal Market Research: 1) Too expensive/Lack Resources; 2) Volume of activities; 3) More valid information from other means. International Marketing Activities Performed: Technical support; Product modifications; Catalogues/Brochures; Establish sales territories; Sales visits/Presentations; Packaging/Documentation modifications; Trade shows/Conferences; Telephone sales & Solicitations.	N/A Needs/Supply: 0.05 / N/S 0.05 / 0.05 0.05 / 0.10 0.05 0.10 N/S N/S N/A N/A

TABLE 33: SUMMARY OF RESEARCH OBJECTIVES AND FINDINGS
(Continued)

Research Objectives	No FMOA (n = 18)	Partial FMOA (n = 10)	FMOA (n = 14)	ANOVA
Research Objective 3: Explore relationships between selected contingency factors and FMOA processes.	CONTINGENY EFFECTS International Marketing Expenses (1995): $50,000	CONTINGENY EFFECTS International Marketing Expenses (1995): $50,000	CONTINGENY EFFECTS International Marketing Expenses (1995): $150,000 - $500,000	0.001
	Important Foreign Contacts: Distributors 3.0 Depts. Trade/Commerce 1.8 Financial Institutions 1.7 Industry Associations 2.7	Important Foreign Contacts: Distributors 1.1 Depts. Trade Commerce 2.5 Financial Institutions 1.4 Industry Associations 2.7	Important Foreign Contacts: Distributors 4.4 Depts. Trade/Commerce 2.8 Financial Institutions 2.4 Industry Associations 3.7	 0.001 0.05 0.10 0.05
	Most Important Export Information Sources: Company Activities 35% Industry Sources 28% Social Network 26% Total 89%	Most Important Export Information Sources: Company Activities 28% Social Network 26% Industry Sources 16% Total 70%	Most Important Export Information Sources: Company Activities 37% Industry Sources 27% Govt. Public Agencies 12% Total 76%	 N/S N/S N/S
	Factors That Influence Choice of Sources: Cost, Time, and Confidence	Factors That Influence Choice of Sources: Cost, Time, and Confidence	Factors That Influence Choice of Sources: Confidence, Cost, and Time	N/A
	Market Studies Performed: Lists of potential clients	Market Studies Performed: Lists of potential clients; Pricing studies; New product acceptance potential; Product research; Sales analysis.	Market Studies Performed: Lists of potential clients; Establishing sales quotas Territories; Short-range forecasting; Pricing studies; New product acceptance/ potential; Product research; Sales analysis; Long-range forecasting; Business trends.	N/A
	Export Market R & D Expenditures (1995): $1 - $5,000	Export Market R & D Expenditures (1995): $1 - $5,000	Export Market R & D Expenditures (1995): $25,000 - $50,000	0.01

Commentaries

The primary purpose of this study was to investigate how foreign market opportunity analysis practices can improve export performance. Results of the study show that firms in the sample, that segment and prepare sales or market-share forecasts for their targeted export markets, reported a significantly higher level of export performance, as measured by export intensity (export sales/total sales) and export sales volume. The export strategies of these firms were significantly more diversified, both in the number of export products and the number of export markets. Companies who practiced formal foreign market opportunity analysis were more confident about performing international marketing activities and their ability to achieve export sales goals. Also, they were more likely to agree that export profits had fully met their firm's expectations. All of these companies were actively seeking new export markets.

The findings of this study seem to support Galbraith's (1977) hypothesis that organizations are bounded in their activities by their information processing capabilities. The firms that practiced formal market analysis techniques were not only more active exporters, but also much more active in managing their markets. This is evidenced by the number of international marketing activities and market studies performed. Also, marketing and export activities, rather than perceptions, proved to be better indicators of differences between firms that use formal market analysis techniques and those that use informal methods.

Contrary to the incremental theory of the internationalization of small and medium-sized businesses, the most successful firms were not, as a group, the most experienced exporters (in export years). This would seem to indicate that experience alone is not sufficient to generate the knowledge necessary for the elaboration and management of complex, international marketing strategies. Although the incremental internationalization process represents the dominant theory of successful exporting in the context of small and medium-sized firms, the results of this study could be used to argue that encouraging businesses that lack essential export/market-related information, and/or the ability to process this information, to enter the international marketplace could be detrimental for a certain number of these firms.

The results of this study indicate that informational congruence is not just a question of fit, but also (or more so) of the level of fit. Firms, in the sample, that practiced formal market analysis of export opportunities reported both the highest level of available export/market information and the highest degree of informational non-congruence. It may be that a certain level of non-congruence acts as a stimulus, and to a certain point, may be beneficial.

This study provides support to the argument that export/market-related information is a key criterion of successful exporting. And as such, market research should be considered as an investment that can be analyzed in function to the firm's export potential and objectives.

Applications of the Findings

The export performance of small and medium-sized businesses is of interest to many third parties as well as to the owners and managers of these firms. In today's global economy, exports represent a key factor in the economic growth and prosperity of a nation. Small and medium-sized firms have been identified as an untapped source of export potential (Harvey, 1987; Dichtl *et al.*, 1990), and as such, the question of how the export performance of smaller firms can be improved has been addressed by interventionists in both the public and private sectors.

In Table 34, a synthesis of a number of key actors, whom are either directly or indirectly involved with the problematic of exporting in small and medium-sized firms, the problems that they face, and how the findings of this study may be applied to these problems is presented.

Table 34: Applications of the Major Findings of the Study

The findings of this study show that segmenting and preparing sales or market-share previsions for export markets leads to:

⇒ an increased satisfaction with export profits,
⇒ a greater ability to plan, use, and manage export marketing techniques and activities,
⇒ more diversified export strategies, as measured by the number of export products and markets, and
⇒ both a greater intensity and volume of export sales.

Actors	Managerial Questions	Solutions Suggested by the Findings	Applications of the Findings
Governments	How can exports be increased?	Develop policies/programs that promote the use of foreign market opportunity analysis (FMOA) techniques in SMBs.	Allocate resources to programs that: - offer financial aid/instruction of FMOA techniques - promote awareness of the benefits of FMOA to SMBs.
Public and Para-Public Agencies	How can we help SMB exporters and potential exporters sell their products abroad?	Offer services that promote/facilitate the use of FMOA techniques in SMBs	Create programs that offer: - instruction/consultation/documentation of FMOA and international marketing management techniques - conferences that promote FMOA practices in SMBs, - diffusion/sharing of foreign market/industry information.
Financial Institutions	How can we identify successful exporters?	Accord more importance to the methods used to evaluate export opportunities and establish export previsions.	Evaluate the credibility of export previsions according to the methods used to segment targeted markets and to determine market demand.
Small and Medium-Sized Exporting Firms	How can we increase export sales and profits?	Apply FMOA techniques to analyze, plan, and control export marketing strategies.	Acquire information and processing capacity needed to segment, develop/analyze marketing programs, and prepare sales/demand previsions for export markets.
Potential SMBs Exporters	How should we analyze foreign market opportunities ?	Use FMOA techniques to analyze and evaluate targeted foreign markets.	Acquire information needed to segment markets, plan marketing programs, and prepare sales/demand previsions.
New Venture and High Growth SMBs	How can we establish credible demand previsions?	Use MOA techniques to analyze and evaluate targeted market(s).	Acquire information needed to segment market, plan marketing programs, and prepare sales/demand previsions.
Consultants	How can we help improve the export performance of our clients?	Use FMOA techniques to evaluate and plan export strategies.	Develop tools that facilitate the application of FMOA techniques and marketing management practices in SMBs.
Researchers	What are the factors that influence export performance in SMBs?	Identify critical FMOA variables and their relationships with export marketing management practices and performance	Research that rationalizes/validates the intervening role of FMOA practices in the management and success of export activities in SMBs.

Assumptions and Limitations

Limitations of time and money force researchers to make assumptions about the phenomena they wish to study. In turn, these assumptions are limited by the researcher's knowledge of the phenomena under investigation. A major assumption of this study was that a dynamic process could be studied by using a static instrument. Obviously, longitudinal surveys, where actual changes in units of the system states can be measured, are the instruments of choice for investigating contingency-based models. In this study, perceptions and attitudes were used to measure selected contextual factors thought to influence the perceived level of export/market-related informational congruence. Activities of these same criteria were then used to measure the effects of informational congruence. Considering the circular relationship between perceptions, actions, and effects, it could be argued that the firms' actions had influenced their current perceptions. However, the purpose of the study was not to measure actual systemic changes but to explore how foreign market opportunity analysis practices had affected the firm's export state.

Thorngate's (1976: see Daft and Weick, 1984) postulate of commensurate complexity states that a theory of social behavior cannot be simultaneously general, accurate, and simple. One of the reasons for choosing Galbraith's (1977) theory of organization design as the theoretical basis of this study was that it provided a simple, yet general model from which the role of foreign market opportunity analysis in small and medium-sized exporting firms could be explored. However, this has been at the expense of obtaining accurate, detailed findings.

As the nature of this study was descriptive/exploratory, analysis of the results was limited to tests of significance. Causal relationships were not investigated. Student t-tests were used to identify significant states of informational congruence. ANOVA tests were used to evaluate variations among the three sub-groups. Chi square tests were used to analyze nominal data, while F-tests were used to analyze ordinal, interval, and ratio data. Although the use of parametric methods to test ordinal data is questionable, there were two reasons for this. First, due to the reduced size of the segmented groups, in most cases more than

80% of the cells had expected frequencies below five. Rescaling was attempted, however: this led to clustering of the data and expected frequencies below five still comprised more than 70% of the cells. Second, other nonparametric tests that use ranking of data were rejected because of the high number of tied pairs. It was decided that a F-test would be used to analyze ordinal data. Although nonparametric tests are recognized as the only technically correct methods to use with ordinal data, Emory and Cooper (1991) note that the use of parametric tests is considered acceptable by many researchers.

The industry variable was used to control for external uncertainty. However; this may have modified the results of the study. The unit of analysis was small and medium-sized exporting firms in the computer service and software industry. They represent a new breed of hi-tech, internationalized firms that are not representative of small and medium-sized businesses in general. Three reasons motivated this choice. One, it was thought that these firms would be more information sensitive. Two, that they would have more complex export strategies. Three, it was thought that their importance as forerunners in the transition towards the new economy would increase the value of this study by generating information on their activities and needs. Although, the bias introduced was intentional, as it was thought that by accentuating these characteristics anomalies and/or tendencies that may be difficult to detect in more traditional industries would be highlighted, the generalization of these results to similar firms in other economic sectors is not recommended. Finally, given the low response rate to the survey (14%), the validity of the results is limited to firms in the sample. The degree to which these findings are representative of the population studied is not known.

These five assumptions represent the major limitations of the survey findings. However, as the scope of this study was descriptive/exploratory, the focus of the investigation was not to determine the nature of specific or causal relationships between the selected variables. Therefore, these assumptions, although limiting, were considered acceptable for the purposes of this study.

Recommendations

The findings of this study are based upon the perceptions and activities of 42 exporting firms in the computer service and software sector. How this influenced the results can not be determined. Obviously, the intangible nature of these services and products would affect the logistics of exporting. Also, being knowledge-based, one would expect the owners and managers of these firms to be educated in information management techniques. Therefore, further research is needed to confirm and elaborate the findings of this study.

A full scale study, comprising a number of key industries, would not only provide statistically valid data, but would also monitor the effects of the industrial sector on the results obtained. Also, organizational factors, such as firm size, should be further developed into the research models of future studies. In this study, a significant relationship between the number of employees and the use of formal marketing techniques was observed. This would seem to offer support to Mintzberg's (1982) theory that organizational functions and structures tend to become more formalized as the organization grows. Such studies would not only provide empirical data that could be used to confirm current contingency theories, but would also promote a deeper understanding of the importance of different contextual factors in the elaboration of effective marketing management practices for small and medium-sized businesses.

In this study, export activities were analyzed in relation to the firms' degree of export/market-related informational congruence. Results of the survey indicate that a certain degree of non-congruence may be beneficial; inciting the companies to increase their knowledge of their export markets. Also, informational congruence was not found to be indicative of the quantity of information available. These results underline the importance and need for methods that 1) measure both the degree and level of congruence between the variables under investigation, and 2) examine how certain states of non-congruence may be beneficial by provoking behavioral changes which lead to improved performance.

The data obtained by this study offer support to Galbraith's (1977) premise that organizations are limited in their actions by their ability to process and use information. However, the practical implications of this hypothesis depend upon the future identification and measurement of 1) specific variables that leverage export performance and 2) the causal relationships that explain how these variables are linked to export performance. Longitudinal studies that could measure actual variations in levels of market-related information processing capacity and export activities, would provide much needed insight into the roles that both experience and market research play in the internationalization process of small and medium-sized firms.

Finally, the results of this study show that formal analysis and planning techniques are accessible to small and medium-sized businesses. Yet, the specific conditions of the applications and benefits of these techniques need to be elaborated. The findings of this study indicate that exporting firms, where the complexity and diversity of marketing activities are more pronounced, represent fertile ground for investigating business planning in smaller firms. However, there is a need for future research to go beyond owner/managers' perceptions of planning and to investigate how these methods are applied, given the constraints that characterize small and medium-sized firms.

APPENDIX A

Questionnaire

Cover Letter

Code Book

Université du Québec à Trois-Rivières
C.P. 500, Trois-Rivieres, Quebec, Canada G9A 5H7
Téléphone : (819) 376-5080
Télécopieur : (819) 376-5079
Département des sciences de la gestion et de l'économie

August 9, 1996

Have you ever wondered if market research techniques developed for large, corporate firms could be beneficial for your company? I have. My name is Laura Maxwell and I am a postgraduate student in Small Business Management at the University of Quebec at Trois-Rivieres. I am conducting a survey about the views and practices of foreign market analysis in small and medium-sized exporting firms. Your company was selected at random from a government directory.

The purpose of the study is to collect information that may help to identify situations where market research could be beneficial to smaller firms. The objective of the survey is to describe how small and medium-sized businesses analyze foreign market opportunities. No concrete financial information is required, rather the questionnaire deals with your views and experiences. The questionnaire should take approximately twenty minutes to complete. A prepaid/pre-addressed envelope is included for your convenience.

A summary of the results will be sent to each firm that participates in the study. As the sample is composed of small and medium-sized businesses in the computer software and service industry, these results will enable your firm to compare your views and international marketing activities with other companies in your sector of activity. Of course, the identity of the participating firms will remain confidential.

My research director, Jacques E. Brisoux, Ph.D. and I would like to thank you in advance for your time and consideration. Your knowledge, experience, and opinions are extremely valuable in developing a deeper understanding of effective marketing management practices for small and medium-sized firms.

Sincerely,

L Maxwell.

Laura Maxwell
Student of Small Business Management (M.Sc.)
(819) 373-1093

Jacques E. Brisoux, Ph.D.
Director of International Projects
Department of Business Administration and Economy
Université du Québec à Trois-Rivières

Survey:
Foreign Market Opportunity Analysis
In Small and Medium-Sized Exporting Firms
September, 1996

Confidential

Answer the following questions to the best of your knowledge. Unless specified, indicate all options that apply. Mail the completed questionnaire in the prepaid/pre-addressed envelope. A summary of the results will be mailed (end of September) to all respondents of questionnaires mailed before September 15, 1996. Please verify that the name and address on the label is correct. Indicate any modifications or simply insert your business card.

1) How many years has your firm been active in the international marketplace ? _____

2) For 1995, export sales represented, approximately, what percentage of your firm's total sales ? _____%

How many countries did your company export to in 1995 ? _____

What percentage of your export sales (1995) were to the United States ? _____%

How many product types and/or services did your company export in 1995 ? _____

What percentage of your export sales (1995) were direct sales to end users ? _____%

3) Answer the following questions by indicating Yes or No

Does / Is your firm .	Yes	No
Have sufficient marketplace information to plan your export activities?		
Confident about evaluating foreign market opportunities ?		
Consider international markets to be more complex than domestic markets ?		
Confident about reaching export sales goals ?		
Gain essential foreign market information from your customers ?		
Consider international marketing to be riskier than domestic marketing ?		
Believe there is no real substitute for formal market studies ?		
Consider that exporting implies great uncertainties ?		
Willing to trust market study data for planning ?		
Consider that your export markets are continuously changing ?		
Use the same distribution systems for national and international markets ?		
Prefer to collect foreign market information on a need-to-know basis ?		
Consider that formal market studies are worth the costs ?		
Consider that profits from exports fully met your firm's expectations ?		
Confident about establishing business contacts in foreign markets ?		
Actively seeking new foreign markets ?		

4) Which **three** (maximum) of the following qualities **most influence** your choice of export countries ?

_____ Proximity _____ Market Demand/Potential _____ Familiarity with Foreign Country

_____ Stability _____ Norms and Regulations _____ Similarity of Market to National Market

_____ Language _____ Competition Other : _____

5) How does your company identify export opportunities?

_____ Experience _____ Non solicited sales _____ Public Offers _____ Market Studies _____ Grapevine

_____ Trade/Product Shows Other: _____

6) Does your firm identify and measure targeted markets (niches) within foreign countries ? _____ Yes _____ No
If Yes, do you segment targeted markets by :

_____ End Users/Customer Types _____ Geographic Regions _____ Product Types

7) Does your firm make a sales or market-share forecast (prevision) for your export markets ? _____ Yes _____ No
If Yes, what do you base your forecasts upon ?

____ Experience _____ Market Demand _____ Targeted End Users _____ Competition ____ Marketing Programs

8) Below is a list of six different categories of information that could be considered when evaluating a foreign country. On a scale of 1 to 10, how would you rate **your firm's need** for each information category when analyzing and planning your foreign activities ?

Not At All Necessary (1) ..... (10) Very Necessary

Broad Environmental Factors such as the economic, legal, political, and social environments to include population demographic and socio-cultural factors _____

Export Factors such as transport and communications costs, product norms and regulations, monetary policies, import documentation, and other bureaucratic processes. _____

Industry Factors such as the number of firms in the industry, degree of technological development, distribution channels, entry barriers, and other industry specific factors. _____

Customer Factors such as buyer needs and expectations, size and frequency of purchases, after sales service, and other buyer characteristics and behavior. _____

Competitor Factors such as the number, concentration, and aggressiveness of competition, product, pricing, and service strategies, and other competitor characteristics and behavior. _____

Market Factors such as total demand, market growth potential, product cycle, end users, geographical concentration of demand, and other market specific factors. _____

9) What factors are most important to your decision **not to use** formal market research techniques when analyzing export opportunities ? Rate the following factors according to the scale indicated below:

Not At All Important (1) ..... (5) Extremely Important

( ) Volume of activities
( ) Lack necessary training/understanding
( ) Uncertain as to impact on performance
( ) Take too long to produce
( ) Too expensive/Lack resources
( ) Too busy with other aspects of our business
( ) Research information is out-dated too quickly
( ) Not able to evaluate the quality of research services
( ) Gain more valid information from other means
( ) Don't see how these techniques could help us

10) Please specify the relative use of each of the following types of studies in your firm by indicating the appropriate number.

0 = Never Used and Not Interested	**1 = Never Used but Interested**	**2 = Planning to Use**
3 = Used Once or Twice	**4 = Used Periodically**	**5 = Used Regularly**

( ) Short-range Forecasting/Previsions ( ) Studies of Business Trends ( ) Pricing Studies
( ) Lists of Potential Customers ( ) New Product Acceptance/Potential ( ) Sales Analysis
( ) Long-range Forecasting/Previsions ( ) Establish Sales Quotas/Territories ( ) Product Research

11) Below is a list of different types of marketplace information. On a scale of 1 to 10, how would you rate the amount of information, for each category, that your firm **has available** when analyzing and planning your foreign activities ?

No Information (1) ..... (10) Complete Information

Broad Environmental Factors such as the economic, legal, political, and social environments to include population demographic and socio-cultural factors _____

Export Factors such as transport and communications costs, product norms and regulations, monetary policies, import documentation, and other bureaucratic processes. _____

Industry Factors such as the number of firms in the industry, degree of technological development, distribution channels, entry barriers, and other industry specific factors. _____

Customer Factors such as buyer needs and expectations, size and frequency of purchases, after sales service, and other buyer characteristics and behavior. _____

Competitor Factors such as the number, concentration, and aggressiveness of competition, product, pricing, and service strategies, and other competitor characteristics and behavior. _____

Market Factors such as total demand, market growth potential, product cycle, end users, geographical concentration of demand, and other market specific factors _____

12) Indicate the number which best describes the relative difficulty encountered by your firm for the following **international** marketing activities.

0 = Do Not Perform This Activity	**1 = No Difficulties**	**2 = Minor Difficulties**
3 = Some Difficulties	**4 = Difficulties**	**5 = Major Difficulties**

_____ Identifying Export Opportunities
_____ Identifying Key Export Competitors' Characteristics
_____ Identifying/Selecting Market Segments (Niches)
_____ Determining Distribution Channels/Policies
_____ Determining Pricing Policies
_____ Determining After Sales Services/Guarantees
_____ Establishing Business Contacts
_____ Establishing Sales Quotas
_____ Evaluating Marketing Programs
_____ Collecting Foreign Marketplace Information
_____ Identifying Foreign Buyer Needs/Wants
_____ Determining Key Success Factors of Export Markets
_____ Coordinating Effective Marketing Programs
_____ Determining Sales/Credit Policies
_____ Planning Promotional Activities
_____ Identifying/Contacting Potential Buyers
_____ Establishing Sales Territories
_____ Reaching Sales Goals
_____ Identifying Export Market Information Needs
_____ Treating/Analyzing Marketplace Information

13) How important are your **foreign** contacts with individuals and/or organizations to your export activities ?

1= No Foreign Contact	**2 = Not Important**	**3 = Somewhat Important**	**4 = Very Important**	**5 = Critical**

( ) Distributors ( ) Departments Trade/Commerce ( ) Business Associations
( ) Licensees/Associates ( ) Universities/Research Institutions ( ) Venture Capitalists/Investors
( ) Financial Institutions ( ) Marketing/Industry Consultants ( ) Industry Associations

14) On a scale of 1 to 3 with (**1**) being **never**, (**2**) **on occasion** , and (**3**) being **always**, would you indicate which of the following activities your firm performs for your **export** markets.

( ) Product Modifications	( ) International Trade Shows/Conferences	( ) Catalogues/Brochures
( ) Establish Sales Territories	( ) Sales Visits/Presentations	( ) Technical Support
( ) Telephone Sales/Solicitations	( ) Packaging/Documentation Modifications	( ) Advertising Copy

15) Where does your firm acquire its information to evaluate and plan activities in export markets ? Assume you have 100 points to distribute among the selected sources proportional to their importance.

Company Activities such as trade/product shows, sales force, personnel, customers, staff meetings, and other company activities. _____

Industry Sources such as suppliers, distributors, subcontractors, trade publications/magazines, industry reports, trading companies and brokers, associations, and other industry sources. _____

Professional Sources such as data bank services, conferences, industry experts, consultants, marketing research firms, and other professional sources. _____

Government and Public Agencies such as the Departments of Trade/Industry, foreign government agencies, Chamber of Commerce, government publications, banks, and other such sources. _____

Social Network such as peers, friends, business contacts, the grapevine, and other such sources. _____

Internal Studies and Reports such as market demand, buyer/competitor characteristics and behavior, export market characteristics, potential client lists, and other internal reports. _____

Total Points **100**

16) Which **three** (maximum) of the following factors **most influence** your choice of information sources ?

____ cost ____ time ____ utility ____ convenience ____ familiarity ____ confidence

Others : _____

17) For 1995, **international** marketing expenses (including sales expenses) for your company were, approximately:

_____ < 50 000$ < _____ < 150 000$ < _____ < 500 000$ < _____ < 1 000 000$ < _____

18) For 1995, **export** market research and development costs for your company were, approximately:

_____ < 1$ < _____ < 5 000$ < _____ < 25 000$ < _____ < 50 000$ < _____ < 100 000$ < _____

19) How would you define the *ideal* market information for analyzing foreign market opportunities ?

_____

_____

20) What types of market information services do you think would be useful to small and medium-sized exporting firms ?

_____

_____

21) What is your position with your firm ? Indicate all options that apply:

_____ President _____ General Manager _____ Marketing Director Other : _____

Thank you for completing the questionnaire, your participation is truly appreciated. If you have any commentaries or observations that you would like to add, please include them on a separate sheet of paper.

Foreign Market Opportunity Analysis

Attribution of Codes

Question	Columns		Codes
1	1	(International Experience)	0 - Other Number of Years
	2	(International Experience)	0 - Other 1 - 1 year or less 2 - 2 to 3 years 3 - 4 to 5 years 4 - 6 to 9 years 5 - 10 to 14 years 6 - 15 to 19 years 7 - 20 years and more
2a	3	(Export Sales - 1995)	0 - Other Percentage
	4	(Export Sales - 1995)	0 - Other 1 - 1 to 24 % 2 - 25 to 49 % 3 - 50 to 74 % 4 - 75 to 100 %
2b	5	(Export Countries)	0 - Other Number of Countries
	6	(Export Countries)	0 - Other 1 - 1 country 2 - 2 to 4 countries 3 - 5 to 9 countries 4 - 10 to 14 countries 5 - 15 to 19 countries 6 - 20 countries and more
2c	7	(%Exports to USA)	6 - Other Percentage
	8	(%Exports to USA)	0 - Other 1 - 0 % 2 - 1 to 24 % 3 - 25 to 49 % 4 - 50 to 74 % 5 - 75 to 100 %
2d	9	(Products/Services Exported)	0 - Other Number of Products/Services

2d	10	(Products/Services Exported)	0 - Other 1 - 1 product 2 - 2 to 4 products/services 3 - 5 to 9 products/services 4 - 10 to 14 products/services 5 - 15 to 19 products/services 6 - 20 products/services and more
2c	11	(% of Direct Export Sales)	6 - Other Percentage
	12	(% of Direct Export Sales)	0 - Other 1 - 0 % 2 - 1 to 24 % 3 - 25 to 49 % 4 - 50 to 74 % 5 - 75 to 100 %
3 a - p	7-22	(Perceptions/Activities)	0 - Other 1 - No 2 - Yes
4	23	(Selection Criteria 1)	0 - No Answer 1 - Proximity 2 - Market Demand/Potential 3 - Familiarity 4 - Stability 5 - Norms/Regulations 6 - Similarity 7 - Language 8 - Competition 9 - Technology 10 - Investment Opportunities 11 - Company Objectives/Goals 12 - Distribution Chain
	24	(Selection Criteria 2)	
	25	(Selection Criteria 3)	
5	29	(Identification 1)	0 - No Answer 1 - Experience 2 - Non Solicited Sales 3 - Public Offers 4 - Market Studies 5 - Grapevine 6 - Trade/Product Shows 7 - Internet 8 - Client Lead/Referal 9 - Direct Solicitation 10 - Distributors 11 - Partnership/Associates
	30	(Identification 2)	
	31	(Identification 3)	
	32	(Identification 4)	
6a	33	(Measure Targeted Markets)	0 - Other 1 - No 2 - Yes

6b	34-36	(Segmentation Methods)	0 - Non Applicable 1 - No 2 - Yes
7a	37	(Forecasts/Previsions)	0 - Other 1 - No 2 - Yes
7b	38-40	(Forecast Methods)	0 - Non Applicable 1 - No 2 - Yes
8a - f	41-46	(Information Needs)	0 - Other 1 - Not At All Necessary 10 - Very Necessary
9a-k	47-57	(Decision Factors)	0 - Other 1 - Not At All Important 5 - Extremely Important
10a-i	58-66	(Types of Studies)	0 - Never Used and Not Interested 1 - Never Used but Interested 2 - Planning to Use 3 - Used Once or Twice 4 - Used Periodically 5 - Used Regularly 6 - Other
11a-f	67-72	(Information Acquired)	0 - Other 1 - Not At All Necessary 10 - Very Necessary
12a-t	73-92	(Activities)	0 - Do Not Perform This Activity 1 - No Difficulties 2 - Minor Difficulties 3 - Some Difficulties 4 - Difficulties 5 - Major Difficulties 6 - Other
13a-i	93-101	(Foreign Contacts)	0 - Other 1 - No Foreign Contact 2 - Not Important 3 - Somewhat Important 4 - Very Important 5 - Critical
14a-i	102-110	(Marketing Activities)	0 - Other 1 - Never 2 - On Occasion 3 - Always

15a-f	111-116	(Information Sources)	0 - Other Percentage
	117-121	(Information Sources)	0 - Other 1 - 0 % 2 - 1 to 10 % 3 - 11 to 25 % 4 - 26 to 50 % 5 - 51 to 75 % 6 - 76 to 100%
16	122	(Selection Criteria 1)	0 - No Answer 1 - Cost
	123	(Selection Criteria 2)	2 - Time 3 - Utility
	124	(Selection Criteria 3)	4 - Convenience 5 - Familiarity 6 - Confidence
17	125	(Inter. Marketing Expenses)	0 - Other 1 - <50 000$ 2 - 50 000$ > 150 000$ 3 - 150 000$ > 500 000$ 4 - 500 000$ > 1 000 000$ 5 - >1 000 000$
18	126	(Inter. Market R&D)	0 - Other 1 - < 1$ 2 - 1$ < 5 000$ 3 - 5 000$ > 25 000$ 4 - 25 000$ > 50 000$ 5 - 50 000$ > 100 000$ 6 - > 100 000$
21	127	(Respondent's Position)	0 - No Answer 1 - President 2 - General Manager/CEO 3 - Marketing Director 4 - Controller/Treasurer 5 - Vice President 6 - Project Manager 7 - President/General Manager 8 - President/G. M./Mktg. Director 9 - General Manager/Mktg. Director

APPENDIX B

Summary of Survey Results

SURVEY OF FOREIGN MARKET OPPORTUNITY ANALYSIS PROCESS

SUMMARY OF RESULTS
Characteristics of the Sample

INDICATORS	NBR.	%
Provenance		
Atlantic	3	7,1
Québec	6	14,3
Ontario	20	47,6
Mid West	2	4,8
Alberta	6	14,3
British Columbia	5	11,9
Total	**42**	**100,0**

INDICATORS	NBR.	%
Employees		
1 - 4	9	21,3
5 - 9	13	31,0
10 - 19	11	26,2
20 - 49	6	14,3
50 - 99	1	2,4
100 - 249	2	4,8
Total	**42**	**100,0**

Total Revenus ($,000)		
1 - 100	4	9,5
100 - 200	2	4,8
200 - 500	12	28,6
500 - 1,000	8	19,0
1,000 - 5,000	13	31,0
5,000 - 10,000	1	2,4
10,000 - 25,000	2	4,8
Total	**42**	**100,0**

Respondents Position With The Firm		
President	25	59,5
General Manager/CI	5	11.9
Marketing Director	5	11,9
Controller/Treasurer	4	9,5
Vice President	2	4,8
Project Manager	1	2,4
Total	**42**	**100,0**

Export Characteristics

INDICATORS	NBR.	%
Export Experience		
1 year or less	3	7,1
2 to 3 years	7	16,7
4 to 5 years	8	19,0
6 to 9 years	8	19,0
10 to 14 years	11	26,2
15 to 19 yeas	5	11,9
Total	**42**	**100,0**

INDICATORS	NBR.	%
Export Revenus ($,000)		
1 - 100	21	50,0
100 - 200	7	16,7
200 - 500	4	9,5
500 - 1,000	2	4,8
1,000 - 5,000	7	16,7
5,000 - 10,000	0	0,0
10,000 - 25,000	1	2,4
Total	**42**	**100,0**

Export Sales 1995 (% of Total Sales)		
1 to 24%	17	41,5
25 to 49%	6	14,6
50 to 74%	6	14,6
75 to 100%	12	29,3
Total	**41**	**100,0**

Export Market R&D 1995		
$0	8	20,0
$1 > $5,000	16	40,0
$5,000 > $25,000	6	15,0
$25,000>$50,000	2	5,0
$50,000>$100,000	7	17,5
>$100,000	1	2,5
Total	**40**	**100,0**

International Marketing Expenses 1995 ($,000) (including sales expenses)		
$0 > $50	20	48,8
$50 > $150	10	24,4
$150 > $500	7	17,1
$500 > $1,000	2	4,9
> $1,000	2	**100,0**
Total	**41**	**100,0**

Export Characteristics

INDICATORS	NBR.	%
Number of Export Markets - 1995		
1 country	13	32,5
2 to 4 counties	15	37.5
5 to 9 countries	6	15,0
10 to 14 countries	2	5.0
15 to 19 countries	1	2,5
20 countries & +	3	7.5
Total	**40**	**100,0**

INDICATORS	NBR.	%
Number of Export Products - 1995		
1 product	20	50,0
2 to 4 products	14	35,0
5 to 9 products	3	7,5
10 to 14 products	1	2,5
15 to 19 products	1	2,5
20 products & +	1	2,5
Total	**40**	**100,0**

Exports to USA 1995 (% of Total Exports)		
0%	3	7.5
1 to 24%	3	7,5
25 to 49%	3	7,5
50 to 74%	6	15.0
75 to 100%	25	62.5
Total	**40**	**100,0**

Direct Sales 1995 (% of Total Exports)		
0%	5	12.2
1 to 24%	2	4.9
25 to 49%	4	9.8
50 to 74%	4	9.8
75 to 100%	26	63.4
Total	**41**	**100,0**

Market Research Practices

INDICATORS	NBR.	%
Criteria Used to Select Export Markets (n = 42)		
Proximity	9	21.4
Market Demand/Potential	37	88.1
Familiarity	15	35.7
Stability	10	23.8
Norms/Regulations	6	14,3
Similarity	13	31.0
Language	18	42,9
Competition	5	11,9
Technology	1	2.4
Investment Opportunities	1	2,4
Firm Objectives/Goals	1	2,4
Distribution Chain	1	2,4
Total/Response Ratio	**117**	**2,8**

INDICATORS	NBR.	%
Methods Used to Identify Export Opportunities (n = 42)		
Experience	20	47.6
Non Solicited Sales	20	47.6
Public Offers	2	4.8
Market Studies	8	19.0
Grapevine	10	23.8
Trade/Product Shows	19	45.2
Internet	2	4,8
Client Leads	2	4,8
Direct Solicitatation	1	2.4
Distributors	2	4,8
Partnerships/Associates	2	4.8
Total/Response Ratio	**88**	**2,1**

Identify and Measure Targeted Foreign Markets			
	No	**Yes**	**n**
	19	22	41

Prepare Sales Forecasts For Export Markets			
	No	**Yes**	**n**
	26	15	41

Methods Used To Segment Targeted Markets (n = 22)		
End Users/Customer Types	18	81,8
Geographic Regions	5	22.7
Product Types	6	27,3
Total/Ratio of Responses	**29**	**1,3**

Factors Used To Establish Forecasts (n = 15)		
Experience	10	66.7
Market Demand	5	33.3
Targeted End Users	8	53.3
Competition	5	33.3
Marketing Programs	5	33.3
Total/Ratio of Responses	**33**	**2,2**

Evaluation of Information Requirements and Availability (n = 42)

(Scale: 1 = Not at all Necessary/No Information 10 = Very Necessary/Complete Information)

	1	2	3	4	5	6	7	8	9	10
Broad Environmental Factors										
Perceived Need	6	3	7	2	**8**	3	4	6	1	2
Perceived Availability	7	3	4	2	**9**	1	5	8	2	1
Export Factors										
Perceived Need	5	6	2	3	6	3	2	**9**	1	5
Perceived Availability	7	2	6	1	3	5	**9**	6	1	2
Industry Factors										
Perceived Need	3	0	4	1	8	3	0	**9**	5	**9**
Perceived Availability	5	4	6	0	6	4	3	**9**	3	2
Customer Factors										
Perceived Need	2	0	3	1	5	1	1	**12**	7	10
Perceived Availability	3	5	2	3	**7**	**7**	5	4	4	2
Competitor Factors										
Perceived Need	3	2	2	2	**12**	5	1	8	2	5
Perceived Availability	2	2	1	3	**12**	7	6	4	2	3
Market Factors										
Perceived Need	1	1	3	1	4	2	7	9	3	**11**
Perceived Availability	3	5	4	3	7	**4**	**8**	4	3	1

Most Popular Sources of Information For Evaluating and Planning Export Activities (n = 41)

	Relative Importance of Source				
Sources	0%	1-25%	26 - 50%	51 - 75%	76 - 100%
Company Activities	3	**15**	**15**	5	3
Industry	5	**23**	9	3	1
Professional	15	**25**	0	0	1
Government	18	**19**	4	0	0
Social Network	7	**23**	6	3	2
Internal Reports	**22**	18	1	0	0

Three Most Important Factors That Influence the Choice of Information Sources (n = 41)

Cost	31
Time	22
Utility	12
Convenience	14
Familiarity	13
Confidence	24
Total	**116**

Perceptions of Export Activities

Considers that their firm Has/Is:	No	Yes	n
Sufficient marketplace Information to plan export activities.	21	20	41
Confident about evaluating foreign market opportunities.	17	24	41
Considers international markets to be more complex.	8	34	42
Confident about reaching export sales goals.	18	22	40
Gains essential foreign market information from customers.	12	28	40
Considers international marketing to be riskier than domestic.	17	25	42
Believes there is no real substitute for formal market studies.	34	7	41
Considers that exporting implies great uncertainties.	25	16	41
Willing to trust market study data for planning.	21	17	38
Considers that export markets are continuously changing.	4	38	42
Uses same distribution system for national and international markets.	22	20	42
Prefers to collect information on a need-to-know basis.	16	26	42
Considers formal market studies are worth the costs.	23	10	33
Considers that profits from exports fully met firm's expectations	21	18	39
Confident about extablishing business contacts in foreign markets.	13	27	40
Actively seeking new markets.	7	34	41

International Marketing Activities

	Never	On Occasion	Always	n
Product Modifications	9	15	**17**	41
Trade Shows/Conferences	9	**26**	7	42
Catalogues/Brochures	10	14	**18**	42
Establish Sales Territories	**21**	10	11	42
Sales Visits/Presentations	6	**21**	15	42
Technical Support	2	14	**26**	42
Telephone Sales/Solicitations	13	**18**	11	42
Packaging/Documentation Modifications	11	**17**	14	42
Advertising Copy	**16**	**16**	10	42

Foreign Contacts

Scale. 1 = No Contact; 2 = Not Important; 3 = Somewhat Important; 4 = Very Important; 5 = Critical

	1	2	3	4	5	n
Distributors	10	4	5	8	**14**	41
Departments of Trade/Commerce	11	**15**	10	4	2	42
Business Associations	8	10	**11**	10	2	41
Licensees/Associates	**11**	6	7	4	**11**	39
Universities/Research Institions	**18**	15	5	2	1	41
Venture Capitalists/Investors	**17**	12	7	4	1	41
Financial Institutions	**18**	15	4	2	2	41
Marketing/Industry Consultants	13	**14**	9	3	1	40
Industry Associations	7	6	9	**18**	2	42

APPENDIX C

Sommaire: Les pratiques d'analyse des marchés étrangers par les PME exportatrices

LES PRATIQUES D'ANALYSE DES MARCHÉS ÉTRANGERS PAR LES PME EXPORTATRICES

Introduction

À l'aube du troisième millénaire et face à la mondialisation de l'économie, les entreprises envisagent de plus en plus l'exportation comme un moyen parmi d'autres d'atteindre leur objectif de rentabilité et de croissance. Les gouvernements s'interrogent sur les politiques et les programmes à mettre en œuvre pour les aider à accéder aux marchés étrangers et à être plus performantes à l'exportation.

Les firmes actives sur les marchés internationaux développent de nouveaux avantages concurrentiels, notamment des produits plus spécialisés, une meilleure rentabilité et des capacités de distribution et d'innovation plus sophistiquées (Cafferata et Mensi, 1995). Les nouvelles occasions d'affaires sont le résultat de plusieurs facteurs qui ont transformé la structure des marchés à travers le monde. Les technologies de l'information et de la communication réduisent les délais de transaction dans les échanges. L'homogénéité croissante des marchés internationaux et la maturation des marchés nationaux favorisent le développement du commerce international. Les récents accords relatifs aux échanges et la création des blocs économiques réduisent les barrières commerciales. L'ensemble de ces éléments permet un flux plus libre et plus dynamique des investissements et des échanges de biens et services entre les pays.

Face à ces nouvelles tendances, les gestionnaires des petites et moyennes entreprises (PME) sont donc de plus en plus confrontés à la question de l'exportation. La décision d'exporter ou non dépend de leur aptitude à identifier, à analyser et à évaluer les opportunités de marchés étrangers. Les pratiques d'analyse des marchés internationaux par les PME sont toutefois méconnues des chercheurs.

La documentation portant sur l'analyse des opportunités de marchés étrangers indique que la plupart des PME recourent à des techniques informelles pour acquérir de l'information sur de tels marchés et que cette

information ne fait l'objet que d'une analyse subjective par le décideur (Rice, 1983; Hammer-Specht, 1987; Brush, 1992). Dans un environnement peu complexe, les méthodes informelles d'analyse des marchés peuvent subvenir aux besoins informationnels des dirigeants dans la gestion de leurs activités de marketing. Toutefois, à mesure que les stratégies de marketing de l'entreprise se complexifient, on peut se demander si de telles méthodes sont en mesure de fournir l'information nécessaire à l'élaboration de programmes de marketing efficaces et à des prévisions de ventes fiables.

L'étude proposée porte sur les pratiques d'analyse des marchés étrangers utilisées par les PME et sur la relation entre ces pratiques et la performance à l'exportation. Elle vise à apporter des éléments de réponse à la question managériale suivante : **comment améliorer la performance à l'exportation des PME ?**

Recension de la documentation et problématique de recherche

D'une manière simplifiée, le marketing peut être défini comme étant le processus utilisé par une entreprise afin d'identifier et d'évaluer la rentabilité potentielle d'une opportunité de marché et pour déterminer les moyens nécessaires à son exploitation. La plupart des recherches qui abordent la question des pratiques de marketing dans les PME se limitent à la phase de planification. Les chercheurs ont identifié trois grandes familles de méthodes utilisées par les entrepreneurs pour faire l'acquisition et le traitement de l'information nécessaire à l'évaluation des opportunités de marché, à la détermination de leurs objectifs de marketing et à l'élaboration des plans pour atteindre ces objectifs. Il s'agit des méthodes suivantes : celles basées sur le processus d'apprentissage incrémental, sur le processus visionnaire et sur la planification stratégique.

Les chercheurs prônant le processus incrémental maintiennent qu'avec l'expérience, l'entrepreneur développe une compréhension profonde des forces du marché ayant un impact sur son entreprise et qu'il apprend à composer avec les éléments du marketing pour en tirer avantage ou pour les neutraliser. Sinkula (1995) suggère que l'aptitude d'une entreprise à traiter l'information sur les marchés en général dépend de

ce qu'elle a appris sur les marchés qu'elle exploite et des moyens spécifiques qu'elle utilise pour faire l'acquisition, l'interprétation, la dissémination et l'entreposage de l'information. Slater et Narver (1995) identifient trois caractéristiques associées aux cultures entrepreneuriales. Il s'agit du développement de la connaissance par voie d'exploration ou heuristique, de la remise en question des croyances afin de provoquer l'apprentissage générateur de nouvelles idées et, enfin, de l'adoption rapide de nouveaux comportements provoquant un effet de levier de l'apprentissage.

Dans l'optique visionnaire, l'entrepreneur développe une vision émergente d'une opportunité de marché à partir des informations qu'il recueille dans ses processus d'interaction avec l'environnement. Après une investigation informelle du marché, il transforme cette conception préliminaire de l'opportunité en vision centrale à partir de laquelle il élabore un plan stratégique (Bakenda et al., 1994; Filion, 1991). Selon cette approche, le visionnaire développe l'aptitude à anticiper les opportunités de marché et à concevoir les stratégies organisationnelles appropriées (Conger, 1990). Tout ceci repose sur les habiletés propres à l'entrepreneur à percevoir et à interpréter l'information relative au marché (Gardner, 1994).

Bien que l'approche visionnaire soit identifiée dans la littérature comme constituant un facteur clé de l'innovation, le succès de la mise en œuvre de la vision stratégique dépend du réalisme de l'évaluation des opportunités et des contraintes qui caractérisent l'environnement externe de l'entreprise, ainsi que de son niveau de sensibilité aux besoins du marché (Conger, 1990). En fait, la vision entrepreneuriale peut être erronée et comporter des limites pouvant conduire l'entreprise à commettre des erreurs de base dans sa stratégie de marketing (Gardner, 1994). Conger (1990) identifie trois erreurs fondamentales associées aux perceptions de l'entrepreneur pouvant aboutir à une mauvaise vision : le manque de discernement pour détecter les changements importants du marché, notamment ceux relatifs à la concurrence, à la technologie et aux besoins des consommateurs ; une mauvaise évaluation des ressources nécessaires à la réalisation de la vision ; enfin, une évaluation erronée ou exagérée des besoins du marché.

Les méthodes basées sur la planification stratégique impliquent généralement une analyse des forces et des faiblesses de l'entreprise ainsi que des opportunités et des menaces émanant de l'environnement (Mohan-Neil, 1995). C'est à partir de cette analyse que l'entreprise identifie et sélectionne les occasions d'affaires, qu'elle met en œuvre sa stratégie et qu'elle contrôle les résultats. Malgré les avantages présumés de cette approche (Bracker et Pearson, 1986; Mathews et Scott, 1995), le rôle et l'envergure de la planification stratégique dans les PME demeurent un sujet de controverse. Plusieurs chercheurs doutent que les techniques et les procédures associées à la planification formelle soient à la portée des dirigeants de PME. La planification stratégique fait appel à des techniques de prévision sophistiquées et repose sur la disponibilité d'un grand nombre de données quantitatives et qualitatives (Orpen, 1993). De nombreux experts estiment que la majorité des dirigeants de PME ne disposent ni de l'information, ni de l'expertise nécessaires à l'usage de ces techniques (Chaston, 1993; Orpen, 1993).

L'aptitude d'une organisation à obtenir et à interpréter des informations dépend de sa capacité de traitement informationnel, qui comprend les processus d'acquisition, de diffusion et d'utilisation de l'information (Moorman, 1995; Sinkula, 1994). De nombreux chercheurs ont étudié le processus d'acquisition de l'information dans les PME. Cependant, l'avantage concurrentiel informationnel d'une entreprise repose davantage sur sa capacité de traitement de l'information que sur le simple fait d'en disposer (Moorman et al., 1992; Moorman, 1995).

L'étude de marché est un bon outil pour l'entreprise qui ne dispose pas suffisamment d'information ou d'expérience pour prendre une décision (Kotler et Turner, 1989). Le manque d'information et d'expérience est un obstacle majeur à l'exportation et à la performance des entreprises à l'étranger (O'Rourke, 1987; Ali et Swiercz, 1991; Yang et al., 1992). À partir des résultats d'une enquête effectuée auprès de 101 PME exportatrices, Howard et Herremans (1988) sont arrivés à la conclusion que l'identification des marchés étrangers et le choix des stratégies de marketing pour satisfaire les créneaux visés constituaient les activités

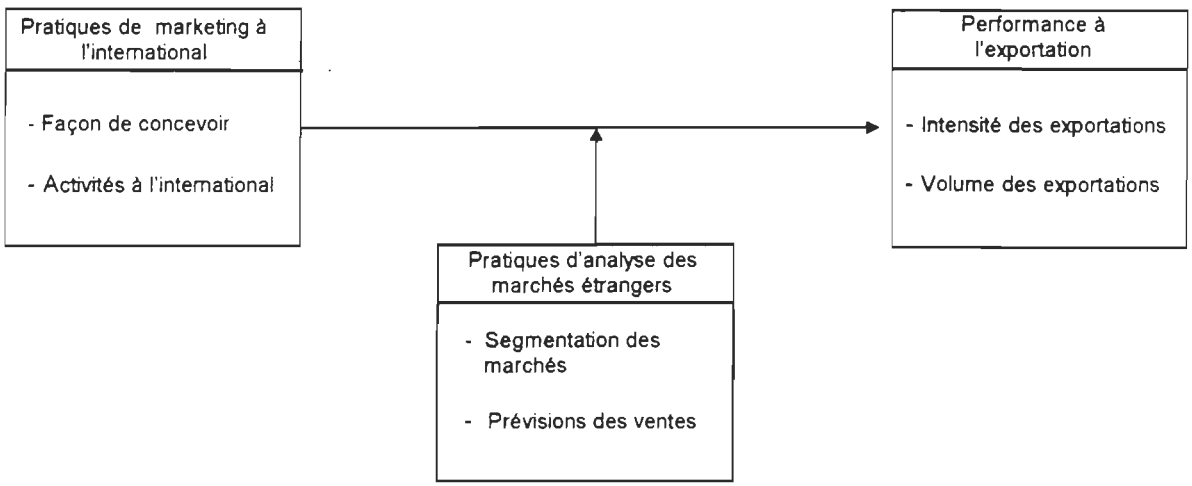
les plus importantes pour expliquer le succès à l'exportation. Thorelli et Tesar (1994) ont observé une corrélation entre l'importance de la recherche d'informations effectuée avant la décision d'exporter et le succès à l'exportation des PME. L'étude de Hardy (1988) a montré que l'échec à l'exportation aux États-Unis qui ont dû subir de nombreuses entreprises manufacturières canadiennes s'expliquait bien plus par des faiblesses en matière d'habiletés de gestion, et plus particulièrement en marketing, que par un manque de ressources ou par des faiblesses technologiques. Selon l'auteur, les pratiques déficientes d'analyse des marchés avaient comme conséquences une segmentation inadéquate, des pratiques concurrentielles inefficaces, et fournissaient peu d'information sur les tendances socio-économiques américaines qui sont pertinentes. Il conclut que les entreprises canadiennes doivent développer leurs habiletés d'analyse des marchés si elles veulent tirer profit de leur accessibilité aux marchés américains.

En résumé, l'analyse des marchés étrangers constitue une étape importante du processus de sélection des marchés d'exportation et des pratiques de marketing international des entreprises. La théorie et les résultats des études empiriques suggèrent que la quantité et la qualité des informations dont dispose la firme sur les marchés étrangers influencent son niveau de performance à l'exportation. Néanmoins, faute d'études empiriques qui traitent du processus d'analyse des marchés étrangers par les PME, il est toutefois difficile de déterminer l'impact des pratiques des études de marché sur le succès à l'exportation de ce type d'entreprises. Pour y parvenir, il faut être en mesure de répondre aux trois questions de recherche suivantes : quelles sont les pratiques d'analyse des marchés étrangers utilisées par les PME ? Quelle est la relation entre ces pratiques et leur performance à l'exportation ? Enfin, existe-t-il des facteurs de contingence qui influencent les pratiques d'analyse de marchés étrangers des PME et leur performance à l'exportation ?

Cadre théorique de l'étude et modèle de recherche

La prémisse de base sous-jacente à l'étude est que la quantité d'informations dont dispose la PME sur ses marchés à l'étranger modifie ses pratiques de marketing international, et, par voie de conséquence, sa performance à l'exportation. La Figure 1 illustre la relation envisagée entre les pratiques de marketing à l'international, les pratiques d'analyse des marchés étrangers et la performance à l'exportation. Les pratiques d'analyse des marchés étrangers, notamment les méthodes de segmentation de marché et de prévisions des ventes utilisées par l'entreprise, ont pour effet de modérer les liens qui existent, d'une part, entre la façon du dirigeant de concevoir le marketing international et les activités de marketing de l'entreprise à l'étranger et, d'autre part, le volume et l'intensité des exportations.

Figure 1 La relation entre les pratiques de marketing à l'international, les pratiques d'analyse des marchés étrangers et la performance à l'exportation.



Le concept de congruence informationnelle, proposé par Galbraith (1977) pour expliquer la configuration structurelle dynamique des organisations, a été retenu comme base théorique de l'étude. Trois prémisses sont sous-jacentes à la théorie proposée par l'auteur. En premier lieu, la quantité d'informations dont l'entreprise a besoin pour effectuer une tâche est fonction de trois facteurs : la diversité des objectifs, la division interne du travail, et le niveau de performance visé. La diversité des objectifs est associée aux

extrants de l'entreprise tels que le nombre de produits, de marchés et de types de clientèles. Galbraith spécifie que chaque objectif constitue un facteur de l'environnement à propos duquel il faut obtenir de l'information. La division du travail constitue le principal élément de la diversité interne de l'organisation et détermine le nombre de facteurs organisationnels pour lesquels il faut traiter de l'information. Enfin, le niveau de performance visé qui s'avère nécessaire pour que la firme demeure viable dans son domaine, influence le nombre d'éléments qui doivent être considérés de façon simultanée lors de l'allocation des ressources, de l'établissement des priorités ou lors de la détermination de l'ordonnancement.

En deuxième lieu, Galbraith (1977) soutient que la différence entre les informations disponibles et celles qui sont nécessaires pour accomplir une tâche détermine la quantité d'informations qui doit être acquise et traitée par l'entreprise. L'auteur fait référence à l'incertitude liée à la tâche. La quantité d'informations disponibles dépend de l'expérience antérieure de l'organisation et de sa capacité informationnelle. Les capacités informationnelles de la firme sont toutefois limitées et cette dernière doit adopter diverses méthodes afin de composer avec l'incertitude liée à la tâche.

Enfin, Galbraith (1977) indique deux moyens par lesquels l'organisation peut maintenir ou retrouver un état de congruence informationnelle. Elle peut réduire ses besoins d'information en diminuant la diversité externe, la diversité interne (par la spécialisation des tâches), ou le niveau de performance. Elle peut aussi accroître sa capacité informationnelle en investissant dans son système d'information et/ou en créant des liens latéraux. Toutefois, chacune de ces façons de faire a un effet sur la structure organisationnelle et/ou sur les coûts d'opération. Galbraith conclue donc que la firme ne devrait rechercher que l'information nécessaire à l'exécution de la tâche.

En faisant référence à la théorie de Galbraith, El Louadi (1995; 36) souligne le lien entre la congruence informationnelle et la performance de l'entreprise :

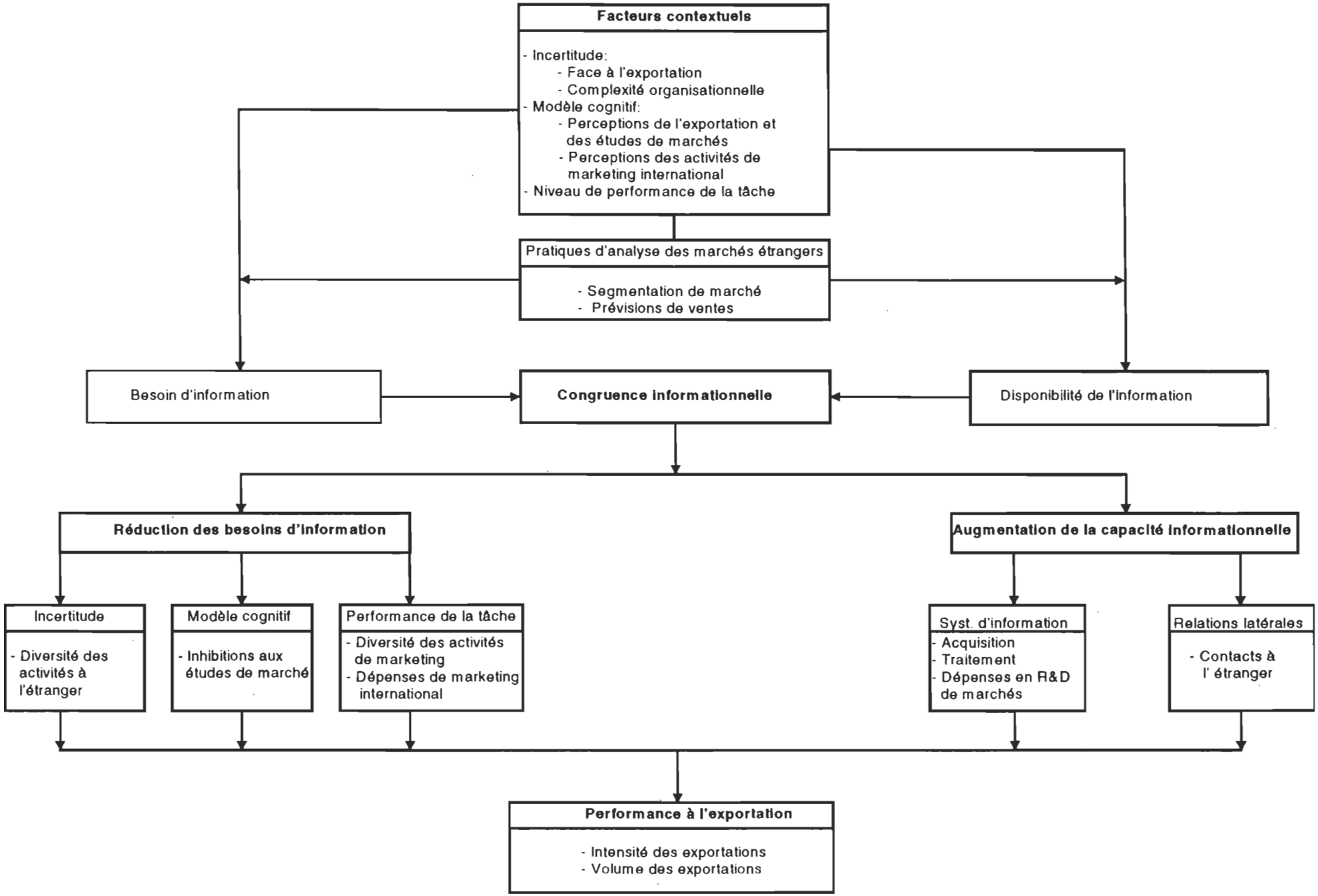
> «La situation idéale, théoriquement décrite en fonction du concept de *congruence* par Galbraith, est celle où la quantité d'informations disponibles est égale à la quantité d'informations requises. L'hypothèse de Galbraith (...) et d'autres est que la performance d'un système informationnellement "incongruent" est toujours inférieure à celle d'un système informationnellement "congruent".»

Pour expliquer le processus de configuration structurelle des organisations, Galbraith s'appuie sur les théories de la contingence. La théorie qu'il propose s'articule autour de trois ensembles d'éléments : d'une part, les facteurs contextuels qui influencent à la fois les besoins et la capacité de traitement de l'information de l'entreprise, d'autre part, la congruence informationnelle qui régit la relation entre les besoins et la disponibilité de l'information, et enfin, les effets de contingence par lesquels l'organisation ajuste sa façon de faire afin d'atteindre un niveau de congruence informationnelle acceptable.

Le modèle de la tâche du marketing international que nous avons élaboré et qui apparaît à la Figure 2 est une adaptation de la théorie de Galbraith à l'objet de l'étude. Bien que les termes utilisés soient différents, les mécanismes sous-jacents sont l'essence même de la théorie de Galbraith.

Les facteurs contextuels apparaissent dans la partie supérieure du modèle. Il est présumé que ces facteurs, qui caractérisent la gestion des exportations de l'entreprise, non seulement influencent **les pratiques d'analyse des marchés à l'étranger**, mais déterminent aussi les besoins d'information et la capacité informationnelle de la firme. Nous avons retenu les trois facteurs clefs suivants : l'incertitude, le modèle cognitif du décideur et le niveau de performance de la tâche. L'incertitude réfère au niveau de confiance de l'entreprise face à l'exportation et à sa complexité organisationnelle. Le modèle cognitif désigne la façon du dirigeant de concevoir le marketing international, notamment ses perceptions de l'exportation et des études de marchés. Le niveau de performance de la tâche réfère à l'ampleur de la gestion des activités de marketing international.

Figure 2 - Modèle de la tâche du marketing international



La congruence informationnelle, réfère à l'état d'équilibre ou de déséquilibre entre les besoins et la disponibilité des informations sur les marchés étrangers. Dans les circonstances normales, l'entreprise devrait être en mesure de fournir l'information nécessaire et suffisante à l'exécution de ses tâches de marketing international. Il y a alors congruence informationnelle. Cependant, l'ajout ou la modification d'une tâche, comme dans le cas de l'entrée de l'entreprise sur un nouveau marché, peut entraîner un déséquilibre entre les besoins et la disponibilité de l'information. Elle tentera alors de recouvrer l'équilibre ou l'état de congruence informationnelle.

Pour maintenir ou rétablir l'état de congruence informationnelle, l'entreprise peut modifier certains de ses facteurs contextuels. Pour ce faire, elle dispose de deux mécanismes qu'elle peut utiliser de façon simultanée. Elle peut **réduire ses besoins d'information** ou **augmenter sa capacité informationnelle**.

Afin de diminuer ses besoins d'information de marchés à l'étranger, la firme peut réduire le niveau d'incertitude en simplifiant ses activités d'exportation ou en réduisant le niveau de performance de la tâche. Le décideur peut aussi modifier son modèle cognitif en changeant sa façon de concevoir la gestion du marketing international et ses pratiques d'analyse des marchés étrangers.

L'entreprise peut augmenter sa capacité informationnelle en faisant des investissements dans son système d'information ou en développant des relations latérales. Comme indiqué dans le modèle, les variables qui mesurent les effets de contingence incluent la diversité des activités à l'étranger, les inhibitions aux études de marchés, la diversité des activités de marketing, les dépenses de marketing international, l'acquisition et le traitement de l'information, les dépenses en recherche et développement de marchés et, enfin, les contacts à l'étranger. Le modèle présume que les moyens pris pour recouvrer la congruence informationnelle ont un impact sur la **performance à l'exportation** de l'entreprise, en termes d'intensité et de volume de ventes à l'étranger.

Objectifs de recherche

Comme indiqué dans la recension de la documentation, faute d'études empiriques qui traitent spécifiquement des pratiques d'analyse des marchés étrangers par les PME exportatrices, il est difficile de déterminer l'impact de ces pratiques sur leur succès à l'exportation. À partir des composantes du modèle de recherche proposé à la Figure 2, nous avons donc formulé les trois objectifs de recherche suivants :

- décrire et analyser le processus d'analyse des marchés étrangers utilisé par les PME exportatrices ;
- examiner la relation entre les pratiques d'analyse des marchés étrangers et leur performance à l'exportation ;
- examiner les liens entre certains facteurs contextuels, les effets de non congruence informationnelle et les pratiques d'analyse des marchés étrangers.

Méthodologie

L'étude étant de nature descriptive et exploratoire, la méthode utilisée est celle de l'enquête. Un questionnaire structuré a été construit et pré testé afin de recueillir les informations nécessaires à l'atteinte des objectifs de recherche. Pour mesurer les variables du modèle, nous avons appliqué ou adapté les instruments développés par d'autres chercheurs. L'univers de l'étude a été restreint à celui de certaines PME exportatrices canadiennes œuvrant dans le secteur industriel des logiciels et des services de l'informatique. Le choix de ce type d'entreprises s'explique par le fait qu'elles œuvrent dans un secteur de haute technologie où la concurrence internationale est vive et qui doivent être à l'affût des changements de leur environnement externe. Un échantillon de 300 PME a été tiré de façon aléatoire dans le répertoire RADAR 1996 publié par Industrie Canada. Pour être éligibles, les entreprises devaient remplir les conditions suivantes : avoir déclaré des revenus d'exportation, avoir moins de 250 employés et avoir indiqué l'anglais comme langue d'affaires. Étant donné la dispersion de la population de l'étude, la collecte des données de l'enquête a été effectuée par voie postale au cours du second semestre de 1996. Le répondant sollicité était le dirigeant de l'entreprise. Le traitement des données a consisté à calculer des fréquences, des moyennes, des modes et à effectuer des analyses de variance, des tests t et de Chi deux.

Résultats

Nous avons reçu quarante-deux questionnaires dûment remplis, ce qui équivaut à un taux de réponse de 14,0 %. Un peu plus de la moitié (57,2 %) des PME de l'échantillon avaient entre 5 et 19 employés. Près de huit sur dix d'entre elles (78,6 %) comptaient moins de vingt employés. Seulement 7,2 % des entreprises en avaient plus de cinquante. Compte tenu du caractère particulier de l'industrie du logiciel et des services de l'informatique, la taille des PME, exprimée en termes d'employés, n'est probablement pas comparable à celle de ce type d'entreprises des secteurs économiques plus traditionnels. Cinquante pour-cent des entreprises avaient un chiffre d'affaires se situant entre 500 000 $ et 5 000 000 $ et 78,6 % d'entre elles, entre 200 000 $ et 5 000 000 $. Plus des deux tiers des répondants étaient des membres de la haute direction de leur entreprise : 59,5 % en étaient le président et 11,9 % le directeur général. Le Tableau 1 indique la localisation géographique des entreprises ayant participé à l'enquête.

Tableau 1 – Localisation géographique des PME

Région	Nombre	Fréquences
Atlantique	3	7,1 %
Québec	6	14,3 %
Ontario	20	47,6 %
Centre ouest	2	4,8 %
Alberta	6	14,3 %
Colombie britannique	5	11,9 %
Total	**42**	**100 %**

Les pratiques d'analyse des marchés étrangers

L'étude des pratiques d'analyse des marchés étrangers a été abordée sous l'angle des méthodes utilisées par les PME pour identifier et sélectionner les opportunités de marchés à l'exportation ainsi que de l'usage ou non de techniques formelles de segmentation et de prévision des ventes. Les résultats relatifs aux **méthodes d'identification des opportunités d'exportation** apparaissent au Tableau 2. L'expérience de l'entreprise, les ventes non sollicitées et les foires et expositions commerciales constituent les moyens les plus

fréquemment cités. Seulement 19 % des firmes recourent aux études de marché. Ces résultats corroborent ceux d'autres chercheurs qui indiquent que les dirigeants de PME privilégient nettement les méthodes informelles d'identification de marché (Rice, 1983 ; Hammers-Specht, 1988 ; Brush, 1992).

Tableau 2 – Méthodes utilisées pour identifier les opportunités d'exportation

Méthodes	Fréquences relatives
L'expérience	47,6 %
Ventes non sollicitées	47,6 %
Foires et expositions commerciales	45,2 %
Bouche à oreille	23,8 $
Études de marché	19,0 %
Offres publiques	4,8 %
Internet	4,8 %
Information fournie par un client	4,8 %
Distributeurs	4,8 %
Partenaires ou associés	4,8 %
Sollicitation directe	2,4 %
Nombre moyen de réponses par répondant	2,4

À l'aide d'une liste non exhaustive, on invitait le répondant à choisir un nombre maximum de trois **critères de sélection des marchés à l'exportation** qui, selon lui, étaient les plus importants. Les résultats obtenus apparaissent au Tableau 3. Pour près de 9 dirigeants sur 10, le potentiel de marché est, de loin, le critère le plus important. Le second critère est celui de la langue (42,9 %), ce qui n'est pas une surprise dans la mesure où, dans le secteur industriel étudié, elle constitue un attribut important du produit. Le niveau de familiarité avec le marché étranger et la similarité de ce dernier avec le marché domestique ont été mentionnés par environs un tiers des répondants. Il faut souligner que seulement 5 répondants sur les 42 ont cité la concurrence.

Les résultats relatifs à la **segmentation de marché** et à la **prévision des ventes** apparaissent au Tableau 4. Plus de la moitié des entreprises segmentent leurs marchés à l'étranger et un peu plus d'un tiers effectuent

des prévisions de ventes. Les bases de segmentation les plus fréquemment citées sont, dans l'ordre, le type d'utilisateur ou d'acheteur (81,8 %), la catégorie de produit (27,3 %) et la région géographique (22,7 %).

Tableau 3 – Les critères de sélection des marchés étrangers

Critères	Fréquences relatives
La demande et le potentiel de marché	88,1 %
La langue	42,9 %
Le niveau de familiarité avec le marché étranger	35,7 %
La similarité du marché étranger au marché domestique	31,0 %
La stabilité du marché	23,8 %
La proximité du marché	21,4 %
Les normes et les règlements	14,3 %
La concurrence	11,9 %
La chaîne de distribution	2,4 %
Les objectifs de la firme	2,4 %
Perpective d'investissement	2,4 %
La technologie	2,4 %
Nombre moyen de réponses par répondant	2,8

Les PME qui effectuent des prévisions de ventes le font en tenant compte de leur expérience (66,7 %), en fonction des utilisateurs visés pour le produit (53,3 %), de la demande globale du marché (33,3 %), de la concurrence (33,3 %) et de leurs programmes de marketing (33,3 %).

Tableau 4 - Fréquences d'utilisation de techniques formelles d'analyse des marchés étrangers

Activité	Non	Oui	n
Identification et mesure des marchés visés	46,3	53,7	41
Prévisions des ventes	64,4	36,6	41

La performance à l'exportation

Pour évaluer la relation entre les pratiques d'analyse des marchés étrangers des PME et leur performance à l'exportation, nous avons scindé l'échantillon en trois groupes en fonction des méthodes d'analyse utilisées. Le premier groupe, intitulé «Sans pratiques formelles», inclue les entreprises qui n'effectuent pas de segmentation et de prévisions des ventes. Le second, appelé «Avec pratiques partielles», comprend les firmes qui effectuent la segmentation de marché ou qui préparent des prévisions de ventes, mais qui n'effectuent pas les deux types d'analyse. Enfin, le groupe «Avec pratiques formelles» inclue les entreprises qui effectuent à la fois la segmentation et la prévision des ventes. Le rationnel de cette classification est qu'une analyse de marché formelle doit permettre une prévision objective des ventes basée sur de l'information tangible. Si l'entreprise effectue la segmentation de marché mais qu'elle n'est pas en mesure de faire de prévision des ventes, c'est qu'il lui manque de l'information pour pouvoir évaluer les opportunités de marché. À l'inverse, si elle fait la prévision des ventes sans avoir effectué auparavant la segmentation de marché, cela signifie que cette prévision est fondée uniquement sur les attentes subjectives de son dirigeant. Par contre, une entreprise qui prend le temps de faire les deux opérations d'analyse devrait pouvoir bénéficier de l'exercice et mieux réussir.

Ces trois groupes correspondent en quelque sorte aux trois méthodes de planification des PME identifiées dans la recension de la documentation concernant l'acquisition et le traitement de l'information, soit celles basées sur le processus incrémental (le groupe «Sans pratiques formelles»), sur le processus visionnaire («Avec pratiques partielles») et sur la planification stratégique («Avec pratiques formelles»).

Les tailles respectives des trois groupes apparaissent au Tableau 5. Le groupe «Sans pratiques formelles» est le plus important (42,8 %), suivi des groupes «Avec pratiques partielles» (23,8 %) et «Avec pratiques formelles» (33,4 %).

Tableau 5 - Classification des PME selon le niveau des pratiques d'analyse des marchés étrangers

Groupe	Nombre	Fréquence
1 - «Sans pratiques formelles»	18	42,8 %
2 - «Avec pratiques partielles»	10	23,8 %
3 - «Avec pratiques formelles»	14	33,4 %
Total	**42**	**100 %**

Conformément au modèle de recherche, nous avons utilisé deux indicateurs de la performance à l'exportation : l'intensité des ventes à l'étranger, exprimée en pourcentage du chiffre d'affaires de l'entreprise pour l'année 1995, et le volume des exportations, exprimé en dollars. Les résultats illustrant la relation entre les pratiques d'analyse des marchés étrangers et chacun des indicateurs apparaît au Tableau 6.

Le pourcentage moyen des ventes à l'étranger est de 27,5 % pour le groupe des «Sans pratiques formelles», à comparer à 42,2 % pour celui des PME «Avec pratiques partielles» et à 60,8 % pour celui «Avec pratiques formelles». Comme nous pouvons le constater, l'intensité moyenne des exportations varie de façon significative entre les niveaux des pratiques d'analyse des marchés.

Les chiffres relatifs au volume des exportations sont tirés du répertoire RADAR 96. Nous observons de grandes variations du chiffre d'affaires à l'exportation selon le niveau des pratiques des entreprises. Plus de 9 sur 10 des PME du groupe 1 («Sans pratiques formelles») avaient des revenus d'exportations inférieurs à 200 000 $ en 1995. Pour la très grande majorité (90 %) des entreprises du groupe 2 («Avec pratiques partielles»), ces revenus étaient inférieurs à 500 000 $. Les PME du troisième groupe («Avec pratiques formelles») se distinguent des autres par des exportations se chiffrant à plus de 1 000 000 $ dans 50 % des cas. Les différences observées entre les trois groupes d'entreprises sont significatives. Nous constatons donc une relation positive entre les pratiques d'analyse des marchés et la performance à l'étranger.

Tableau 6 – Les pratiques d'analyse de marché et la performance à l'exportation

a) L'intensité des exportations selon le niveau des pratiques d'analyse des marchés (en pourcentage du chiffre d'affaires de 1995)

Pourcentage	Groupe 1 (n = 18)	Groupe 2 (n = 9)	Groupe 3 (n = 14)	ANOVA
1 à 24 %	55,6 %	55,6 %	14,3 %	
25 à 49 %	22,2 %	0,0	14,3 %	
50 à 74 %	5,6 %	0,0	35,7 %	
75 à 100 %	16,7 %	44,4 %	35,7 %	
Total	**100 %**	**100 %**	**100 %**	
Pourcentage moyen	**27,5 %**	**42,2 %**	**60,8 %**	**0,03**

b) Volume des exportations selon le niveau de pratiques d'analyse des marchés

Volume des exportations	Groupe 1 (n = 18)	Groupe 2 (n = 10)	Groupe 3 (n = 14)	ANOVA
1 $ - 99 999 $	72,2 %	50,0 %	21,5 %	
100 000 $ - 199 999 $	22,2 %	20,0 %	7,1 %	
200 000 $ - 499 999 $	0	20,0 %	14,3 %	
500 000 $ - 999 999 $	5,6 %	0	7,1 %	
1M $ - 4 999 999 $	0	10,0 %	42,9 %	
5M $ - 9 999 999 $	0	0	0	
10M $ - 25M $	0	0	7,1 %	
Total	**100,0**	**100,0**	**100,0**	**0,0001**

La tâche du marketing international

Dans cette section, nous rapportons les résultats de l'étude relatifs aux facteurs contextuels, à la congruence informationnelle et aux effets de contingence, en fonction des trois groupes d'entreprises. Conformément au modèle de recherche (voir la Figure 2), trois **facteurs contextuels** ont été retenus comme indicateurs de la gestion des exportations de l'entreprise. Il s'agit de l'incertitude, du modèle cognitif du décideur et du niveau de performance de la tâche.

Le degré d'incertitude a été estimé à l'aide des deux indicateurs suivants : le niveau de confiance face à l'exportation et la complexité organisationnelle de la PME. Dans la première partie (a) du Tableau 7, nous

indiquons les pourcentages de réponses affirmatives données par les répondants à une série d'énoncés relatifs à **l'incertitude perçue**. Bien que la majorité des répondants considèrent que les marchés étrangers soient plus risqués que les marchés domestiques et qu'il soient en continuel changement, tous les répondants du groupe 3 («Avec pratiques formelles») les considèrent plus complexes. Les répondants de ce groupe sont toutefois plus confiants que les autres pour évaluer les opportunités de marché à l'étranger et atteindre leurs objectifs d'exportation.

La complexité organisationnelle a été estimée à l'aide des deux indicateurs suivants : le chiffre d'affaires total de l'entreprise et le nombre d'employés (voir la partie (b) du Tableau 7). Dans les deux cas, nous observons une certaine progression entre la complexité organisationnelle et le niveau des pratiques d'analyse des marchés. Seule la relation impliquant le nombre d'employés est toutefois significative.

Le modèle cognitif désigne la façon du dirigeant de concevoir le marketing international, notamment ses perceptions de l'exportation et des études de marchés. Dans la troisième partie (c) du Tableau 7, nous indiquons les pourcentages de réponses affirmatives données par les répondants à une série d'énoncés concernant l'information, les études de marché et certains comportements de l'entreprise à l'international. Toutes les PME du groupe 3 («Avec pratiques formelles») recherchent activement des nouveaux marchés étrangers. Curieusement, leurs dirigeants sont moins disposés que les autres à se fier aux données provenant des études de marché, même s'ils considèrent que rien ne peut les remplacer. Une bonne majorité d'entre eux (69,2 %) considèrent que les profits provenant des exportations satisfont complètement leurs attentes, ce qui est moins le cas des répondants des groupes «Sans pratiques formelles» (33,3 %) et «Avec pratiques partielles» (37,5 %). Curieusement également, plus de répondants du groupe 1 (37,5 %) que du groupe 3 (33,3 %) estiment que les études de marché valent leur prix, alors que ceux du groupe 2 sont unanimes pour dire que ce n'est pas le cas.

Tableau 7 - La tâche du marketing international et les pratiques d'analyse des marchés étrangers

Incertitude

a) Incertitude perçue

	Pourcentage de réponses affimatives			
Considère que (la firme a/est)	Groupe 1 (n = 16 - 18)	Groupe 2 (n = 5 - 10)	Groupe 3 (n = 13 - 14)	X^2
L'information suffisante pour planifier les activités d'exportation	47,1	30,0	64,3	0,60
Confiante dans sa capacité à évaluer les opportunités à l'étranger	50,0	40,0	84,6	0.23
Les marchés internationaux sont plus complexes que le marché domestique	66,7	80,0	100,0	0,22
Confiante dans sa capacité à atteindre ses objectifs d'exportation	44,4	44,4	76,9	0.44
Le commerce international est plus risqué que le commerce national	61,1	60,0	57,1	0,99
L'exportation implique beaucoup d'incertitude	44,4	50,0	23,1	0,71
Les marchés d'exportation sont en changement continu	94,4	80,0	92,9	0,79
Confiante dans sa capacité à établir les contacts à l'étranger	64,7	60,0	76,9	0,93

b) Complexité organisationnelle Total des revenus	Groupe 1 (n = 18)	Groupe 2 (n = 10)	Groupe 3 (n = 14)	ANOVA
1 $ - 99 999 $	16,7 %	0,0 %	7,1 %	
100 000 $ - 199 999 $	5,6	0,0	7,1	
200 000 $ - 499 999 $	**44,4**	0,0	7,1	
500 000 $ - 999 999 $	11,1	30,0	14,3	
1 M $ - 4 999 999 $	11,1	**40,0**	**57,1**	
5 M $ - 9 999 999 $	5,6	30,0	0,0	
10 M $ - 25 M $	5,6	0,0	7,	
Total	**100,0**	**100,0**	**100,0**	**0,14**

Tableau 7 - Suite

Nombre d'employés	Groupe 1 (n = 18)	Groupe 2 (n = 10)	Groupe 3 (n = 14)	ANOVA
1-4 employés	38,9 %	10,0 %	7,1 %	
5-9 employés	**44,4**	**40,0**	7,1	
10-19 employés	11,1	**40,0**	**35,7**	
20-49 employés	0,0	10,0	**35,7**	
50-99 employés	0,0	0,0	7,1	
100-249 employés	5,6	0,0	7,1	
Total	**100,0**	**100,0**	**100,0**	**0,002**

Le nombre de répondants peut varier selon l'indicateur

Modèle cognitif

c) Perceptions de l'exportation et des études de marché

Pourcentage de réponses affimatives

La firme (est) :	Groupe 1 (n: 16 - 18)	Groupe 2 (n: 5 - 10)	Groupe 3 (n: 13 - 14)	X^2
Estime qu'il n'y a aucun substitut valable aux études de marché	5,6	11,1	35,7	0,25
Disposée à se fier aux données des études de marché pour la planification	44,4	50,0	41,7	0,99
Préfère recueillir l'information au besoin	55,6	90,0	50,0	0,34
Considère que les études de marché valent leurs coûts	37,5	0,0	33,3	0,62
Considère que les profits des exportations sont conformes à leurs attentes	33,3	37,5	69,2	0,38
Activement à la recherche des nouveaux marchés d'exportation	72,2	77,8	100,0	0,34

Tableau 7 - Suite

Niveau de performance de la tâche

d) Difficultés perçues lors de l'exécution des activités de gestion des marchés à l'étranger

Activités	Groupe 1 (n: 18) Moyenne	Groupe 2 (n: 7 - 10) Moyenne	Groupe 3 (n: 13 - 14) Moyenne	ANOVA
Identification des opportunités d'exportation	2,4	2,3	1,7	0,381
Identification des besoins des consommateurs	1,6	1,9	2,6	0,114
Identification des caractéristiques des concurrents	2,0	1,9	2,0	0,983
Identification des facteurs clés du succès	1,7	2,4	2,2	0,519
Segmentation des marchés étrangers	1,8	2,2	2,0	0,768
Coordination des programmes de marketing	1,7	2,4	2,4	0,430
Canaux/politiques de distribution	2,4	2,7	2,2	0,814
Politiques de crédit/vente	1,2	1,4	1,6	0,595
Politiques de prix	2,1	2,9	1,9	0,138
Activités promotionnelles	1,3	2,3	2,1	0,117
Politiques de service/garantie après-vente	1,5	2,0	2,0	0,351
Identification/contact des acheteurs potentiels	3,0	2,6	2,4	0,455
Établissement des contacts d'affaires	3,2	2,8	2,7	0,434
Établissement des territoires de ventes	0,6	1,1	1,2	0,250
Établissement des objectifs de ventes	1,1	1,4	2,1	0,299
Atteinte des objectifs de ventes	1,1	2,0	2,9	**0,008**
Évaluation des programmes de marketing étranger	1,0	2,7	2,4	**0,022**
Identification des besoins de l'information de marchés à l'étranger	1,8	1,4	2,1	0,536
Collecte des informations sur les marchés étrangers	1,6	2,2	2,4	0,247
Traitement des informations relatives aux marchés étrangers	1,2	1,2	1,7	0,552

(Échelle : 0 = ne fait pas cette activité; 1 = pas de difficultés; 5 = difficultés majeures)

Le nombre de répondants peut varier selon l'indicateur

L'expérience sur les marchés étrangers peut influencer la façon les perceptions des dirigeants en matière d'exportation. L'expérience moyenne des PME du groupe 1 était de 5,7 ans, comparativement à 9,6 pour celles du groupe 2 et à 8,8 ans pour celles du groupe 3. Un test d'indépendance entre les groupes s'est avéré significatif ($p<0.07$), ce qui semble indiquer un lien entre le nombre d'années d'expérience à l'étranger et les pratiques d'analyse des marchés. Il faut toutefois noter que, même si en moyenne, les entreprises «Avec pratiques partielles» avaient plus d'années d'expérience en matière d'exportation, elles n'avaient pas la meilleure performance.

Pour évaluer le dernier facteur contextuel, soit **le niveau de performance de la tâche**, nous demandions aux répondants d'indiquer, sur une échelle à cinq points, le niveau de difficulté perçu dans la réalisation éventuelle de 20 activités de gestion des marchés étrangers. Dans la dernière partie (d) du Tableau 7, nous indiquons les moyennes observées pour chacun des trois groupes de PME. Dans l'ensemble, le niveau de difficulté perçu est faible. Les seules différences significatives observées concernent l'atteinte des objectifs de ventes à l'étranger et l'évaluation des programmes de marketing.

Pour évaluer **la congruence informationnelle**, nous avons comparé les besoins à la disponibilité des informations sur les marchés étrangers en fonction de six ensembles d'éléments : les clientèles, le marché, le secteur industriel, la concurrence, l'exportation et l'environnement externe en général. Nous avons demandé aux répondants d'indiquer, sur une échelle à 10 points, le besoin de disposer d'informations sur chacune de ces catégories d'éléments pour effectuer l'analyse et la planification des activités à l'étranger. De la même façon, nous leur avons demandé d'indiquer le niveau de disponibilité de telles informations dans leur entreprise. Comme indicateur du niveau de congruence informationnelle, nous avons ensuite calculé la différence des moyennes observées entre chaque catégorie de besoin et de disponibilité. Les résultats relatifs aux trois groupes de PME apparaissent au Tableau 8.

Tableau 8 - Moyennes et différences entre les moyennes des disponibilités et des besoins informationnels selon le niveau des pratiques d'analyse des marchés

Facteurs infomationnels	Échantillon (n = 42)				Groupe 1 (n = 16 -18)				Groupe 2 (n = 8 - 10)				Groupe 3 (n = 13 - 14)				ANOVA	
	Besoins Moy.	Disponibilité Moy.	Diff.	t	Besoins Moy.	Disponibilité Moy.	Diff.	t	Besoins Moy.	Disponibilité Moy.	Diff.	t	Besoins Moy.	Disponibilité Moy.	Diff.	t	Besoins	Disp.
Clients	7,6	5,5	-2,1	**0,0003**	6,6	4,9	-1,7	**0,0969**	7,5	6,4	-1,1	0,1838	8,8	5,6	-3,2	**0,0002**	**0,0425**	0,3260
Marché	7,3	5,3	-2	**0,0004**	6,3	4,4	-1,9	**0,0428**	7,5	4,9	-2,6	**0,0388**	8,4	6,6	-1,8	**0,0074**	**0,0454**	**0,0303**
Industrie	7,1	5,4	-1,7	**0,0056**	5,8	4,4	-1,4	0,1426	7,4	5,3	-2,1	**0,0653**	8,2	6,6	-1,6	0,1014	**0,0278**	**0,0800**
Concurrence	6,1	5,8	-0,3	0,6457	5,3	5,1	-0,2	0,7925	6,7	6,3	-0,4	0,6910	6,6	6,5	-0,1	0,9228	0,2484	0,1410
Exportation	5,5	5,4	-0,1	0,8278	5,2	4,7	-0,5	0,6215	6,7	4,9	-1,8	0,2132	5,1	6,5	1,4	0,1441	0,3688	0,1705
Environnement général	4,9	5,1	0,2	0,6538	5,0	4,5	-0,5	0,5285	5,1	5,1	0	0,9852	4,5	6,3	1,8	0,1332	0,8314	0,1803

(Échelle 1 = Pas du tout nécessaire/Aucune information; 10 = Très nécessaire/information complète)

Le nombre de répondants peut varier selon le facteur mesuré.

* Analyses des variations entre les groupes 1, 2 et 3.

Pour les trois groupes d'entreprises, l'ordre d'importance des types d'informations nécessaires pour analyser et planifier les activités d'exportation est le même. Les besoins d'informations jugés les plus importants sont, dans l'ordre, ceux relatifs aux clientèles, au marché, au secteur industriel, à la concurrence, à l'exportation et à l'environnement externe en général. Pour l'ensemble des entreprises, nous observons un état de déséquilibre informationnel significatif relativement aux trois premiers facteurs. Toutefois, lorsque nous distinguons les entreprises selon leur niveau des pratiques d'analyse des marchés étrangers, le seul facteur significatif commun aux trois groupes de PME est celui relatif au marché. Ces résultats se distinguent un peu de ceux obtenus par El Louadi (1994; 1995) qui, dans une enquête auprès de banques de petite et de moyenne tailles, avait observé un déséquilibre informationnel sur l'ensemble des facteurs.

Conformément au modèle de recherche (voir la Figure 2), nous avons analysé **les effets de contingence** en mesurant les effets liés à certains facteurs relatifs à la gestion du marketing international (notamment l'incertitude, le modèle cognitif du décideur et le niveau de performance de la tâche), à la capacité informationnelle et aux relations latérales de l'entreprise. Nous avons mesuré **les effets d'incertitude** en évaluant la complexité des exportations de l'entreprise à l'aide des indicateurs suivants : le nombre de marchés étrangers exploités, le nombre de produits exportés, l'intensité des exportations aux États Unis et l'intensité des ventes directes à l'étranger. Dans la première partie (a) du Tableau 9, nous indiquons les moyennes observées pour chacun de ces indicateurs selon le niveau des pratiques d'analyse des marchés étrangers des PME. Les stratégies d'exportation des entreprises du groupe 3 («Avec pratiques formelles») sont beaucoup plus diversifiées que celles des autres groupes. En moyenne, ces firmes desservaient 10,8 marchés étrangers et exportaient 4,9 produits en 1995, comparativement à 2,8 et 1,8 marchés étrangers pour les PME des groupes 1 («Sans pratiques formelle») et 2 («Avec pratiques partielles»), et à 2,1 et 1,4 produits exportés par les firmes de ces mêmes groupes. Les différences observées entre les trois groupes sur ces deux indicateurs sont significatives, ce qui n'est pas le cas des pourcentages des exportations aux États Unis et des ventes directes à l'étranger qui sont tous du même ordre de grandeur (0,6 à 0,7 %).

Tableau 9 - Moyens utilisés pour réduire les besoins d'informations et/ou augmenter la capacité informationnelle selon le niveau des pratiques d'analyse des marchés étrangers

Incertitude

a) Diversité des activités à l'étranger

Activités	Groupe 1 (n: 18) Moyenne	Groupe 2 (n: 10) Moyenne	Groupe 3 (n: 13-14) Moyenne	ANOVA
Nombre de marchés étrangers	2,8	1,8	10,8	**0,002**
Nombre de produits exportés	2,1	1,4	4,9	**0,065**
Pourcentage des exportations desitnées aux États-Unis	0,72	0,62	0,62	0,694
Pourcentage des ventes directes (exportations)	0,71	0,66	0,61	0,813

Modèle cognitif

b) Inhibitions aux études de marché

Inhibiteurs	Groupe 1 (n: 16 - 18) Moyenne	Groupe 2 (n: 6 - 8) Moyenne	Groupe 3 (n: 10 -13) Moyenne	ANOVA
Volumes des activités	3,4	3,4	3,5	0,99
Trop occupé avec d'autres aspects de l'entreprise	4,1	4,3	3,4	0,34
Manque la formation/connaissances nécessaires	2,1	3,3	2,0	0,14
L'information devient désuète trop vite	2,8	2,6	3,4	0,43
Incertain de leur impact sur la performance	3,3	3,9	2,7	0,21
Incapable à évaluer la qualité des services de recherche	2,6	3,7	3,2	0,30
Prennent trop de temps à produire	3,3	2,2	2,8	0,34
Obtient l'information plus/autant valable autrement	3,4	3,4	4,1	0,46
Trop dispendieux/manque des ressources	4,6	4,6	4,1	0,20
Ne voit pas comment ces techniques peuvent aider la firme	3,1	2,6	2,1	0,29

(Échele : 1 = aucune importance...5 = extrêmement imporant

Tableau 9 -Suite
Niveau de performance de la tâche

c)Diversité des activités de marketing

Activités	Groupe 1 (n: 18) Moyenne	Groupe 2 (n: 10) Moyenne	Groupe 3 (n: 13 -14) Moyenne	ANOVA
Modifications des produits	1,9	2,1	2,6	**0,0522**
Foires/Salons	1,7	1,9	2,3	**0,0338**
Catalogues/Brochures	1,9	2,2	2,6	**0,0545**
Établissement des territoires de ventes	1,4	1,3	2,5	**0,0001**
Visites/Présentations de ventes	1,9	2,5	2,4	**0,0227**
Soutien technique	2,3	2,7	2,8	**0,0692**
Sollicitations/Ventes par tétéphone	1,8	1,8	2,3	0,1346
Modifications de l'emballage/documentation	1,9	1,8	2,4	**0,0955**
Publicité	1,8	1,8	1,9	0,9149

(Échelle : 1 = jamais; 2 = à l'occasion; 3 = toujours

Le nombre de répondants peut varier selon l'indicateur

Niveau de performance de la tâche

d) Dépenses de marketing international (1995)

Dépenses (en dollars)	Groupe 1 (n: 17)	Groupe 2 (n: 10)	Groupe 3 (n: 14)	ANOVA
0 $ > 5 000 $	**70,6 %**	**70,0 %**	7,1 %	
50 000 $ > 150 000 $	17,6	20,0	35,7	
150 000 $ > 500 000 $	5,9	10,0	35,7	
500 000 $ > 1 000 000 $	0,0	0,0	14,3	
> 1 000 000 $	5,9	0,0	7,1	
Total	**100,0**	**100,0**	**100,0**	**0,002**

Tableau 9 -Suite
Processus informationnel

e) L'importance relative des sources d'information sur les marchés étrangers

Sources	Groupe 1 (n: 18) Moyenne	Groupe 2 (n: 10) Moyenne	Groupe 3 (n: 13 -14) Moyenne	ANOVA
Activités de la firme	35,0	28,0	37,0	0,62
Associations industrielles	28,0	16,0	27,0	0,34
Services professionnels	5,0	15,0	6,0	0,17
Gouvernement/Agences publiques	4,0	9,0	12,0	0,20
Réseau social	26,0	26,0	10,0	0,16
Études internes/rapports	2,0	6,0	8,0	**0,02**
Total	**100,0**	**100,0**	**100,0**	

f) Usage relatif des études de marketing

Études de marketing	Groupe 1 (n: 18) Moyenne	Groupe 2 (n: 7 - 10) Moyenne	Groupe 3 (n: 13 -14) Moyenne	ANOVA
Prévisions à court terme	1,8	2,1	3,7	**0,0172**
Tendances du marché	1,2	1,9	3,0	**0,0132**
Études des prix	1,9	3,5	3,3	**0,0250**
Listes des clients potentiels	4,1	4,0	4,2	0,9298
Analyses des nouveaux produits	2,2	3,3	3,5	**0,0582**
Analyses des ventes	2,4	3,1	3,4	0,1980
Prévisions à long terme	1,9	1,5	3,1	0,1511
Établissements des territoires/objetifs de ventes	1,2	1,1	4,1	**0,0002**
Recherche et développement de produits	2,0	3,3	3,5	**0,0465**

Échelle : 0 = jamais utilisé et pas intéressé; 1 = jamais utilisé mais intéressé; 2 = a l'intention de l'utiliser; 3 = utilisé une ou deux fois;
4 : utilsé périodiquement; 5 = utilisé régulièrement.
Le nombre de répondants peut varier selon l'indicateur

Tableau 9 - Suite

Processus informationnel

g) Dépenses en R & D de marchés étrangers

Dépenses pour 1995 (en dollars)	Groupe 1 (n: 17)	Groupe 2 (n: 10)	Groupe 3 (n: 13	ANOVA
0 $	17,6	**40,0 %**	7,7 %	
1 $ > 5 000 $	**52,9**	**40 %**	23,1	
5 000 $ > 25 000 $	23,5	0,0	15,4	
25 000 $ > 50 000 $	0,0	0,0	15,4	
50 000 $ > 100 000 $	5,9	20,0	**30,8**	
> 100 000 $	0,0	0,0	7,7	
Total	**100,0**	**100,0**	**100,0**	**0,002**

Relations latérales

h) Importance relative des contacts étrangers

Contacts étrangers	Groupe 1 (n: 17 - 18) Moyenne	Groupe 2 (n: 7 - 10) Moyenne	Groupe 3 (n: 13 -14) Moyenne	ANOVA
Distributeurs	3,0	2,1	4,4	**0,0001**
Ministère du Commerce	1,8	2,5	2,8	**0,0426**
Associations d'affaires	2,6	2,6	2,9	0,6979
Licenciés/Associés	2,7	3,3	3,3	0,4762
Universités/Institutions de recherche	2,1	1,8	1,6	0,3066
Capitalistes/Investisseurs	2,1	1,8	2,1	0,7425
Institutions financières	1,7	1,4	2,4	**0,0659**
Consultants en marketing/industriel	1,9	2,7	2,0	0,2094
Associations industrielles	2,7	2,7	3,7	**0,0367**

Nous avons mesuré **les effets cognitifs** par le niveau d'importance perçu (sur une échelle à 5 points) de dix facteurs susceptibles d'agir comme inhibiteurs à l'usage des études de marchés formelles. Dans la seconde partie (b) du Tableau 9, nous indiquons les moyennes observées pour chacun de ces facteurs. Quelque soit le groupe d'appartenance des PME, le coût et le manque de ressources apparaissent comme les plus importants. Dans l'ensemble, tous les facteurs sont évalués comme étant au moins un peu importants ou importants et il n'y a pas de différences significatives entre les groupes.

Nous avons mesuré **les effets sur le niveau de performance de la tâche** par la diversité des activités et les dépenses de marketing international en 1995. Les résultats relatifs à ces deux indicateurs apparaissent dans les troisième (c) et quatrième (d) parties du Tableau 9. Ce sont les entreprises du groupe 3 («Avec pratiques formelles) qui ont les programmes de marketing les plus diversifiés. La plupart des différences observées entre les moyennes de chacun des trois groupes sont significatives. Les entreprises du groupe 3 se distinguent encore de façon significative de celles des deux autres groupes par des dépenses médianes de marketing supérieures (entre 150 000 $ et 500 000 $, comparativement à moins de 50 000 $).

Nous avons mesuré **les effets sur la capacité informationnelle** par l'importance relative de différentes sources d'information (échelle métrique à 100 points), par l'usage relatif de divers types d'études de marchés (échelle à 6 points) et par le niveau médian des dépenses en recherche et développement des marchés étrangers. Les résultats apparaissent dans les cinquième (e), sixième (f) et septième (g) parties du Tableau 9. En ce qui a trait à l'importance relative des sources d'information, la seule différence significatice observée concerne l'usage de rapports ou d'études internes qui augmente avec le niveau des pratiques d'analyse des marchés étrangers. Concernant l'usage relatif des études de marché, la liste des clients potentiels constitue l'élément privilégié des entreprises des trois groupes. Nous observons six différences significatives sur neuf. Les PME du groupe 3 («Avec pratiques formelles») utilisent périodiquement ou régulièrement tous les types d'études. Enfin, nous observons des différences

significatives entre les dépenses médianes en recherche et développement des marchés à l'étranger des trois groupes. Les dépenses médianes des entreprises des deux premiers groupes se situaient entre 0 $ et 5 000 $, comparativement à entre 25 000 $ et 50 000 $ pour les PME dont le niveau des pratiques d'analyse des marchés étrangers était le plus élevé.

Les effets sur les relations latérales des firmes apparaissent dans la dernière partie (h) du Tableau 9. Nous avions demandé aux répondants d'indiquer le niveau d'importance (échelle à 5 points) de divers types de contacts à l'étranger pour leur entreprise. Nous observons des différences significatives entre les trois groupes de PME pour l'importance des contacts avec les distributeurs, les ministères du commerce et les associations industrielles. Les entreprises du groupe 3 («Avec pratiques formelles») jugent les contacts avec les distributeurs comme étant très importants, voire critiques.

Limites de l'étude

La principale limite de l'étude a trait à la représentativité de l'échantillon. Le faible taux de réponse obtenu (14 %) et le secteur industriel des entreprises étudiées ne permettent pas de généraliser les résultats obtenus aux autres PME exportatrices. Par ailleurs, il faut souligner le caractère particulier du secteur industriel des entreprises étudiées. Il s'agit d'un secteur de haute technologie où la concurrence est très vive et internationale. Étant donné la dispersion de la population étudiée, la collecte des données a été effectuée par voie postale, ce qui a entraîné certaines contraintes en ce qui concerne l'élaboration du questionnaire. Nous n'avons donc eu aucun contrôle sur le répondant effectif de chaque entreprise. Enfin, étant donné le caractère exploratoire de l'étude, l'analyse de certains résultats a été limitée à l'identification des liens significatifs entre les variables étudiées, sans déterminer le sens des relations entre elles.

Conclusion

Les résultats de l'enquête indiquent que les pratiques d'analyse et de gestion des marchés internationaux varient selon les entreprises. Les PME qui utilisent les techniques de segmentation de marché et de prévision de ventes réussissent mieux à l'exportation que les autres. Leur volume de ventes à l'étranger est, en moyenne, supérieur à celui des entreprises dont les pratiques d'analyse des marchés sont moins développées. Par ailleurs, leurs stratégies d'exportation sont plus diversifiées, notamment en ce qui concerne le nombre de produits exportés et les marchés desservis. Enfin, leurs gestionnaires manifestent une plus grande confiance dans leur habilité à gérer les activités liées à l'exploitation des marchés internationaux et à atteindre leurs objectifs de marketing.

Les résultats de l'étude apportent des éléments appuyant l'hypothèse proposée par Galbraith à l'effet que les activités d'une organisation sont limitées par sa capacité informationnelle. Pour notre échantillon, les PME qui appliquaient les techniques formelles d'analyse des marchés étaient non seulement plus actives que les autres à l'exportation, mais l'étaient également plus dans la gestion de leurs marchés. Par ailleurs, contrairement à la théorie incrémentale de l'internationalisation des petites et moyennes entreprises, celles-ci n'avaient pas plus d'années d'expérience à l'exportation que les autres. L'expérience seule n'est donc pas suffisante pour fournir l'information pertinente à l'élaboration et à la gestion de stratégies de marketing international complexes.

Les résultats indiquent également que la congruence informationnelle n'est pas seulement une question d'équilibre ou de *fit*, mais aussi et probablement davantage du niveau de ce *fit*. Les entreprises de l'échantillon ayant adopté des pratiques formelles d'analyse des marchés avaient à la fois le plus haut taux de disponibilité de l'information et le plus haut degré de déséquilibre informationnel. Il se pourrait qu'un certain niveau de déséquilibre informationnel soit stimulant et, jusqu'à un certain point, bénéfique.

L'étude soutient l'argument à l'effet que l'information relative aux marchés d'exportation constitue un critère clef du succès à l'exportation des PME. Il faudrait donc percevoir la recherche en marketing comme un investissement à analyser en fonction du potentiel et des objectifs d'exportation de l'entreprise. Les techniques formelles d'analyse et de planification sont accessibles aux PME qui le veulent !

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