Antecedents and consequences of firm's export marketing strategy

An empirical study of Austrian SMEs (a contingency perspective)

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Abstract

Purpose – The purpose of this study is to investigate the relationships among organizational factors (export market experience, international commitment), external environment (competitive intensity), export marketing strategy and export success. The findings yielded by the analyses confirm that export market-specific experience and international commitment are significant drivers of export success. In addition, the results indicate that the degree of product adaptation is positively related to profitability and overall success, while price and distribution adaptation to local conditions have a direct impact on sales growth. Finally, the authors found evidence that international commitment exerts a positive effect on the adaptation of marketing strategies to country-specific requirements. Thus, the study findings can be used to formulate business and marketing strategies to improve firm's success in overseas markets.

Design/methodology/approach – This study used PLS for dealing with formative and reflective measures and used a sample of 200 export ventures that exported on the average in more than 15 countries.

Findings – This study clearly shows that export venture success is linked to managerial commitment and experiential knowledge and that firms contribute to export venture success by adapting product to foreign markets. It is also shown that firms in more competitive environments increase their effort to adapt, leading to better export venture performance.

Research limitations/implications – Although Austrian companies are typically characterized as small- and medium-sized enterprises (SMEs), the study is limited to this sample.

Practical implications – Managers in SME should concentrate their effort on a small set of export venture countries of concentrate their capabilities and effort (commitment and personal) to increase adaptation in those selected market, which will lead to increasing export venture performance.

Originality/value – The study differentiates between formative and reflective measures which most studies in this genre do not, which is a fundamental conceptual shortcoming. This study shows with robust result the interrelation between commitment and managerial experience (intra-firm factors) and the degree of competition in foreign markets and how marketing mix adaptation affects export venture performance measured over a period of five years.

Keywords Contingency theory, Exporting, Experiental knowledge, SME internationalization

Paper type Research paper

Introduction

Exporting is a remarkably attractive foreign market entry strategy for small- and medium-sized enterprises (SMEs), which can lead to considerable success and increased profits. In general, exports are the most common entry mode for SMEs aiming to boost

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growth and gain access to new foreign markets. This study focuses on factors that affect the export performance of SMEs. SMEs opt for exporting because it requires considerably fewer resources than other entry forms and exposes firm resources to substantially lower risks (Leonidou *et al.*, 2011; Hultman *et al.*, 2009; Sousa and Lengler, 2009). However, most of the extant studies on exporting have aimed to identify factors that influence export performance (Brouthers *et al.*, 2009; Lages *et al.*, 2008; Cavusgil and Zou, 1994). The underlying rationale of these studies is that operating strategies of smaller firms differ from those of their larger counterparts. Indeed, smaller firms do have fewer resources available and are constrained by existing managerial capabilities when attempting internationalization (Leonidou *et al.*, 2011). Empirical evidence also suggests that the management of smaller firms is much more risk averse than CEOs of larger firms (Erramilli and D'Souza, 1995). Thus, it is not surprising that in the extant literature, drivers of export success attracted the most attention (Oliveira *et al.*, 2012; Katsikeas *et al.*, 2000; Calof, 1994). However, the overall results are mixed, sometimes inconclusive and contradictory, mostly because measures differ substantially across export performance studies (Diamantopoulos and Kakkos, 2007). However, despite growing interest in internal and external factors that determine export success, several shortcomings have been recognized in the existing literature (Morgan *et al.*, 2004; Lages *et al.*, 2008). Sousa and Lengler (2009) noted that although several researchers have acknowledged the crucial role of export marketing (mix) strategy in determining export success, there is an evident paucity of empirical studies that have examined the impact of adapting marketing strategies on export success. Furthermore, the causal relationship between export performance and its driving factors is complex and non-linear, as it is affected by (internal) firm capabilities, marketing mix strategies and the (external) market environment (Hultman *et al.*, 2011). In addition, thus far, only in a few cases, the researchers used the contingency theory (CT) to test how adapting marketing mix strategy contributes to accomplish fit, resulting in superior export performance (Hultman *et al.*, 2009). Furthermore, Zeriti *et al.* (2014: p. 10) recently argued that it "seems promising to adopt contingency theory reasoning" in studying export performance. This argument implies that firms can enhance export performance only if they attain or improve fit among strategic measures (such as price, product, promotion and/or distribution adaptation), including other contingencies, such as managerial experience, firm resources and different competitive environments in various export markets (Zeriti *et al.*, 2014).

Theory and hypotheses

While much research has been devoted to company performance and strategies used when entering foreign markets, several issues still require further attention. For example, further studies are needed to ascertain how SMEs obtain a fit of their export products in foreign markets. Similarly, their selection of marketing strategy adaptation required further investigation. Particularly, more work is needed to establish how managers select product, price, promotion and distribution strategies. Finally, the factors influencing the choice and adaptation of marketing mix strategies in exporting need to be identified. In general, adaptation is perceived as the key factor contributing to export venture success. To examine the veracity of this claim, our conceptual model (Figure 1) is built on the pillars of two theories. One is the internationalization process model, which is also called the Uppsala model, developed and extended by Johanson and

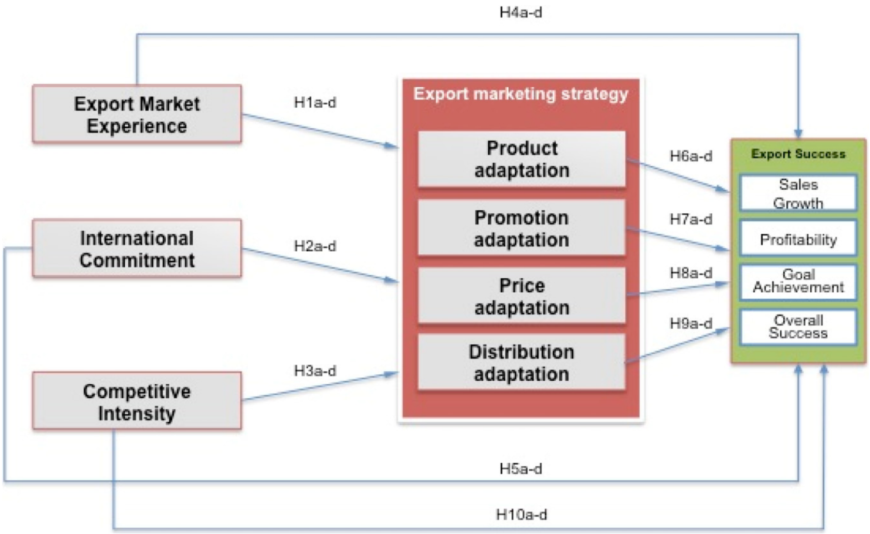

Figure 1.
Conceptual model

Vahlne (1977, 2009). The Uppsala model conceptualizes a number of core processes that are accepted as essential steps in extending the business operations abroad. Johanson and Vahlne (1977) studied how (rather than why) Swedish firms internationalized and identified dimensions that seemingly affected the entire internationalization process, from early stages to more mature ones. These authors first problematized the issue, arguing that it is important to know whether a firm is proactively or reactively entering a foreign market. Moreover, the cases they studied provided evidence indicating that a firm enters familiar, neighboring markets first. Thus, the Uppsala model they developed explains how firms expand into foreign markets. The authors argue that learning through ongoing international experience and commitment emanates from ongoing activities. Thus, the process of internationalization is not hypothesized as a single activity but rather as an interdependent and dynamic process. In other words, rather than a chronological sequence of activities, the process comprises activities that are interrelated and affected by both past and current events. From that perspective, almost all behavior evolves in a path-dependent and highly contextual manner. Internationalization is conceptualized as an incremental process driven by the fact that "necessary knowledge [is acquired] mainly through operations abroad" (Johanson and Vahlne, 1977, p. 23). It is assumed that firms enter foreign markets incrementally and in a step-wise manner. Moreover, the initial decision to expand the business abroad is often somewhat erratic, irregular and unsteady. Considering costs and the risk of the liabilities of foreignness, firms tend to move first into familiar, mostly neighboring countries, choosing export as an entry mode (Johanson and Vahlne, 1977, 2009). A key assumption about the behavior of firms is that it is driven by limited knowledge about new foreign markets (Johanson and Vahlne, 1977). Thus, managerial intentions and experiential knowledge acquired in the past and by executing current activities, along with expectations, are important dimensions in the process of internationalization. A key argument is that firms gradually advance into unfamiliar foreign markets and continuously adapt their activities (Johanson and Vahlne, 2009). The Uppsala School focuses on internationalization as a process, stressing that firms are constantly learning, adapting current activities and their commitment and adjusting their entry mode to unfamiliar environments. Unfamiliarity is caused by psychical distance, comprising both cultural and institutional distance between home- and host-country environments (Johanson and Vahlne, 2009; Perks and Hughes, 2008). Not surprisingly, a lack of knowledge about foreign markets is perceived as a liability of foreignness (Johanson and Vahlne, 2009).

The second theory underpinning our conceptual model of export success is CT. CT holds that a firm's performance is the outcome of a fit with several contingency factors, including the micro and macro environment. In general, CT assumes a strong causal relationship between structure and strategy. (In our case, we focus especially on the contingencies of the chosen marketing mix strategies.) The key proposition of CT is that firm contingencies that increase fit lead to higher performance, whereas a misfit undermines performance. In this context, fit is simply defined as the congruence of structure, strategy (i.e. price, product, promotion and distribution strategies) and environment (Donaldson, 2001). According to the postulates of CT, effective organizational strategies and structures resulting from a fit among strategies, firm structures and complex environments lead to enhanced performance, which is conceptualized as survival (Lawrence and Lorsch, 1967; Woodward, 1965; Chandler, 1962; Burns and Stalker, 1961). At a more concrete level, CT argues that the effect of one variable (price adaptation) on another variable (export performance) is mediated by some third variable (e.g. commitment or managerial experience). However, not every adaptation is equally successful, and "some contributions are better than others" (Donaldson, 2001, p. 185). Changing export pricing strategy may contribute to congruence, while changing product or adapting distribution policies may detract from fit, resulting in lower performance. That is, one contingency factor can neutralize another (e.g. increased sales growth can decrease the profitability of an export).

A key proposition of CT is that a misfit always implies lower performance (Meyer and Gupta, 1994). Thus, Drazin and Van de Ven (1985) argued that research based on CT should analyze how contingencies are selected and focus on the way they interact. On the other hand, Donaldson (2001) proposed that a focus should be on managerial decisions and how congruence is attained.

Within the CT framework, it becomes obvious that performance is a multi-dimensional and complex construct. Literature on export performance has widely acknowledged that export studies are highly fragmented, results are often mixed and key variables are frequently poorly conceptualized and inadequately measured. In general, empirical results on export performance are inconsistent (Navarro-García *et al.*, 2014; Leonidou *et al.*, 2002, 2011; Magnusson *et al.*, 2013; Obadia, 2013; Brouthers *et al.*, 2009; Zou and Stan, 1998). Navarro-García *et al.* (2014) reported that the target country-specific adaptation of marketing mix elements had a positive effect on export performance. Based on a meta-analysis of empirical studies, Leonidou *et al.* (2002) reported that product adaptation to foreign market characteristics is positively related to sales-based export performance measures, while promotion adaptation strategy has a strong positive effect on export sales growth and export intensity. In contrast, Magnusson *et al.* (2013), for instance, failed to identify any significant relationships between the marketing mix adaptation to local conditions and export performance when control variables, such as firm size, international experience and resource advantages, were integrated in their model. In an earlier study, Brouthers *et al.* (2009) argued that small firms need to concentrate their export activities to fewer markets to achieve a higher export performance.

In addition, authors of extant studies in this field do not differentiate between formative and reflective measurement of key variables. In contrast, in this study, export performance is measured as a multi-dimensional construct. It is acknowledged that the subjective perception of performance differs from one firm to another and is related to different sets of objectives (Diamantopoulos and Kakkos, 2007). Additionally, we acknowledge that the dimensions used in this study to operationalize export performance may have conflicting effect sizes on the fit of contingencies. Export venture performance is conceptualized across four dimensions in this study, namely, sales growth, profitability, goal achievement and overall success.

When using the CT theory, the main challenge stems from the need to decide at what organizational level the causal relations among firm structure, strategy and performance should be measured. Most export performance studies use the overall firm level as the unit of analysis, which makes identification and isolation of specific antecedents of export success difficult (Morgan *et al.*, 2004). However, focusing on the factors that drive possible attainment of fit requires a more specific level of analysis. In this study, performance is measured at the export venture level, which has been identified as a more concise level to analyze the relationship between export marketing strategy and export success (Katsikeas *et al.*, 2006; Cavusgil and Zou, 1994). Theodosiou and Leonidou (2003, p. 168) defined an export venture as "the marketing of a single product/product line in a specific overseas market". In our study, when measuring export performance, we use the individual product-market export venture as the primary unit of analysis. In addition, an export venture pertains to a single product or product line exported to a specific foreign market.

From the CT perspective, it is important to differentiate between formative and reflective measures of export performance. We thus decided to differentiate between reflective and formative measurement concepts (Morgan *et al.*, 2004; Albaum and Tse, 2001). From a methodological point of view, we depart from previous studies, because key latent constructs are operationalized as formative variables, instead of relying on reflective measures, which is important because of the assignment of proper (i.e. theoretically meaningful) relations among latent constructs and observed dimensions (Coltman *et al.*, 2008; Diamantopoulos and Winklhofer, 2001; Edwards and Bagozzi, 2000; Bollen and Lennox, 1991).

Conceptual model

Our conceptual model (Figure 1) shows that three dimensions (on the left side) – international experience and commitment (both internal firm-specific characteristics) and the intensity of competition in export markets (as an external dimension) – exert a positive (both direct and indirect) effect mediated by four marketing mix variables (product, promotion, price and distribution) on export venture performance. The model assumes that commitment, international experience and the competitive environment will have a strong effect on marketing mix variables. Another key assumption is that firms with a higher degree of export market experience, accumulated through past and ongoing activities are more apt to select possible marketing strategy fits. It is equally important in our model that a stronger international commitment allows a firm not only to concentrate its use of available financial and personal resources but is also an additional motivating force to change existing marketing mix strategies to attain better congruence in export markets. Finally, it is argued that competition in export markets is a factor that exerts more pressure on the existing level of commitment and on adapting marketing mix measures rapidly if necessary.

Export market experience and export marketing strategy

Export market experience is operationalized in this study via the number of years the firm has been active in a specific export market. For the Uppsala School, international experience plays a central role in managing activities in foreign markets, as market-specific experience is perceived as particularly important (Johanson and Vahlne, 1977). In other words, exposure to and direct involvement with various customers in overseas markets is considered as important means of "learning by doing" (Zahra *et al.*, 2000). Firms with extensive international experience have gained knowledge and skills from previous and ongoing activities in export markets and, therefore, have developed a better understanding of the idiosyncrasies of each target market. Furthermore, an internationally experienced firm recognizes the differences between the home and foreign market and, as a result, is more capable of successfully customizing the marketing strategy to the market-specific environment (Cavusgil *et al.*, 1993; Evans *et al.*, 2008; Hultman *et al.*, 2009). Hultman *et al.* (2011) argued that knowledge development is based on a cumulative experience. Hence, knowledge gained from ongoing and past firm's experiences in target markets is applied, as managers make marketing decisions in these markets. We therefore hypothesize:

H1. Export market experience exerts a positive effect on adapting marketing mix strategies based on (a) product, (b) promotion, (c) price and (d) distribution.

International commitment and export marketing strategy

According to Lages *et al.* (2008, p. 308), international commitment is defined as "the degree to which organizational and managerial resources are allocated to an export venture". Prior research has shown that a firm's commitment to internationalization has a positive influence on the degree of adaptation of the marketing strategy to the needs of the target market (Hultman *et al.*, 2009; Lages *et al.*, 2008; O'Cass and Julian, 2003). A high level of a firm's international commitment may affect its internationalization strategy, as the managers are able to recognize the particular relevance of export operations for the firm's motivation to commit human resources to this initiative. This may prompt management to put more effort into challenging tasks, such as country-specific adaptation of the marketing strategy (Cadogan *et al.*, 2005; Lages *et al.*, 2008; O'Cass and Julian, 2003). Managers committed to exporting allocate comprehensive financial and personnel resources to their export ventures, which substantially support market research activities, as well as planning procedures. As a result, the fit of customization of the firm's marketing strategies to local market needs is typically increased (Lages *et al.*, 2008; O'Cass and Julian, 2003). Therefore, in line with the aforementioned theoretical arguments and empirical evidence, we propose the following hypothesis:

H2. A firm's commitment to internationalization exerts a positive effect on adapting marketing mix strategies based on (a) product, (b) promotion, (c) price and (d) distribution.

Competitive intensity and export marketing strategy

The number of competitors, their ability to differentiate in terms of service/delivery and the extent of price competition determine the intensity of competition in international markets (Jaworski and Kohli, 1993; Lages *et al.*, 2008). Empirical investigations into the relationship between competitive intensity and marketing strategy adaptation have yielded inconclusive results (Hultman *et al.*, 2009; Lages *et al.*, 2008; Lages and Montgomery, 2005; Cavusgil *et al.*, 1993).

For example, Hultman *et al.* (2009) reported that competitive intensity in the target country has a negative influence on the degree of product adaptation. In their study, Lages *et al.* (2008) identified no significant causal relationship between export market competition and the adaptation of marketing strategy. In contrast, a study conducted by Cavusgil *et al.* (1993) revealed that more intense competition in the export market is positively related to country-specific product adaptation, as well as promotion adaptation. Nonetheless, it can be argued that a highly competitive environment in an export target market motivates a firm to quickly adapt marketing strategies to fit customer needs (Lages *et al.*, 2008; O'Cass and Julian, 2003; Cavusgil *et al.*, 1993). Thus, it is hypothesized:

H3. Intense competition in foreign target markets exerts a positive effect on adapting marketing mix strategies based on (a) product, (b) promotion, (c) price and (d) distribution.

Export market experience and export success

Accumulated foreign experience determines and/or explains the sequence in the internationalization process of a firm (Johanson and Vahlne, 1977). An extensive body of empirical literature reports findings confirming the importance of international experience on export success (Brouthers and Nakos, 2005; Contractor *et al.*, 2005; Morgan *et al.*, 2004; Cavusgil and Zou, 1994). Extant studies indicate that experiential knowledge plays a particularly important role in explaining firms' international expansion behavior because it enables firms to better align their available resources to local market conditions (Leonidou and Katsikeas, 1996; Lord and Ranft, 2000). Learning and knowledge acquisition is fundamentally linked to a number of dynamic practices that a firm is rendering in the course of entering a foreign market to attain a fit of their chosen strategies and existing structure with the new foreign market environment. Experiential market knowledge is primarily acquired by running businesses in a specific target market (Eriksson *et al.*, 1997). Individual managers not only learn by experience but also by acquiring knowledge from elsewhere, usually other firms that already have relevant foreign experience. This learning process is very effective, as it avoids making or replicating the same experience and, thus, saves time and costs (Eriksson *et al.*, 1997). Consequently, a firm may be able to adapt more easily and more quickly to a foreign environment, which has positive performance implications. The major point here is that any unfamiliarity with foreign market environments is an obstacle for the individual firm attempting to adapt (choose) effectively the right structure, policy and market entry strategy. Consequently, it has a negative effect on export success, because of an existing misfit. Numerous researchers suggest that as firms acquire knowledge from foreign market operations, they are more likely to engage in the necessary marketing strategy adaptations to the local market context, thereby increasing the success of exporting (Morgan *et al.*, 2003, 2004). In light of these arguments, we propose the following hypothesis:

> *H4*. There is a direct positive relationship between export market experience and (a) sales growth, (b) profitability, (c) goal achievement and (d) overall success of an export venture.

International commitment and export success

Commitment increases interaction, not only within the focal firm that is exporting but also with the external environment (Johanson and Vahlne, 2006), which leads to a more supportive environment. Navarro *et al.* (2010a, p. 41) argued that export commitment is "a key to effective implementation" of a firm's strategy in exporting. Commitment can be understood either as an attitude or as the degree of "planning, financial, and managerial resources the firm allocates to exporting" (Navarro *et al.*, 2010a, p. 42). Authors of several studies that explored factors affecting exporting initiatives acknowledged that international commitment is positively related to export success (Lages *et al.*, 2008; Leonidou *et al.*, 1998; Nakos *et al.*, 1998; Navarro *et al.*, 2010a). For example, based on an analysis of 52 empirical studies, Sousa *et al.* (2008) found that international commitment is the key determinant of export success. When managers allocate sufficient managerial and non-managerial resources to the planning and managing of foreign markets, their exporting goals can be better achieved (Aaby and Slater, 1989; Lages *et al.*, 2008). Navarro *et al.* (2010a) argued that the firm's commitment to exporting may enhance the flow of information from the marketplace and consequently reduce the uncertainty and risk of exporting. Summarizing the previous arguments, it is expected that firms dedicating more resources to an export venture will be more successful. This leads to the following hypothesis:

> *H5*. There is a direct positive relationship between international commitment and (a) sales growth, (b) profitability, (c) goal achievement and (d) overall success of an export venture.

Export marketing strategy and export success

Internationalizing firms have to balance between cross-national standardization and the country-specific adaptation of their marketing strategies to be successful (Schmid and Kotulla, 2011). Authors of several empirical studies have attempted to analyze the influence that country-specific adaptation or cross-national standardization of marketing strategy has on export success. However, the empirical findings on the influence of adaptation or standardization strategies on international success are contradictory (Sousa *et al.*, 2008). Several studies have shown that export success is positively affected by the adaptation of product and price to the specific characteristics of the target market (Sousa and Lengler, 2009; Calantone *et al.*, 2006; Brouthers and Nakos, 2005; Lee and Griffith, 2004; Shoham, 1999; Cavusgil and Zou, 1994). In contrast, Lages *et al.* (2008) revealed a negative relationship between target market-specific product adaptation and the short-term goals of an export venture. The findings pertaining to its effectiveness on success of promotion and distribution policies adapted specifically to a country are also inconsistent (Sousa and Lengler, 2009; Lages *et al.*, 2008; Shoham, 1996; Cavusgil and Zou, 1994). Cavusgil and Zou (1994) examined the relationship between promotion strategy adaptation and export success. Their results indicate that when firms attempt to adapt their promotion strategies, this has a negative effect on their export success. Several research groups argued that managers subjectively interpret the reality. Thus, these inaccurate assumptions of market environments can lead to inappropriate and costly adaptation of the marketing strategies used, with negative implications for performance (Cavusgil and Zou, 1994; Lages *et al.*, 2008). Shoham (1999), on the other hand, found evidence of a positive association between promotion adaptation and export success. The author argued that by pursuing an adapted promotion strategy, firms are more likely to achieve a consistent positioning at the target country-based segment level.

In the meta-analysis conducted by Leonidou *et al.* (2002), the majority of studies included in the review identified a positive influence of target market-induced adaptation of distribution policy on export success. The authors, thus, pointed out that distribution adaptation enables managers to consider environmental differences between the home and foreign country in terms of economic development, legislation and distribution infrastructure, such as number of middlemen, types of outlets and so on, which positively affects export success. Here, we propose that adaptation of the marketing strategy to the idiosyncrasies of the target countries would enhance export success, as firms are better positioned to take into consideration the local environment with regard to, for example, culture, ways of living, consumer preferences, local competitive practice and so forth. Thus, we hypothesize the following:

H6. There is a positive relationship between the degree of product adaptation and (a) sales growth, (b) profitability, (c) goal achievement and (d) overall success of an export venture.

H7. There is a positive relationship between the degree of promotion adaptation and (a) sales growth, (b) profitability, (c) goal achievement and (d) overall success of an export venture.

H8. There is a positive relationship between the degree of price adaptation and (a) sales growth, (b) profitability, (c) goal achievement and (d) overall success of an export venture.

H9. There is a positive relationship between the degree of distribution adaptation and (a) sales growth, (b) profitability, (c) goal achievement and (d) overall success of an export venture.

Competitive intensity and export success

Prior research acknowledged that export market competition directly affects the success of exports, because competitive intensity has a direct impact on the degree of price competition, a firm's positional advantage and customer as well as distributor choices (Morgan *et al.*, 2004).

Competitive intensity in the export market considerably influences the market attractiveness. In a highly competitive environment, exporting firms are confronted with the problem that rivals might imitate the firm's strategy, resulting in a firm's positional advantage in a specific market being quickly "competed away" (Morgan *et al.*, 2004).

A comprehensive review of the extant literature reveals mixed results regarding the impact of competitive intensity in the target country on the success of exports. For example, Morgan *et al.* (2004) identified no significant relationship between competitive rivalry and export performance. On the other hand, Beamish *et al.* (1993) reported findings indicating that competitive intensity in the target country is negatively associated with export sales for Canadian SMEs. In a more recent study, Lages and Montgomery (2005) found that export market competition had a positive influence on export success. Thus, the authors argued that firms tend to relax in markets with less competition. In addition, in difficult markets characterized by highly competitive pressure, firms tend to prepare their market entry more precisely and may be forced to allocate existing resources more selectively (Lages and Montgomery, 2005). In line with these arguments, we expect competitive intensity to be positively related to export success, leading to the following hypothesis:

H10. There is a positive relationship between intensity of competition and (a) sales growth, (b) profitability, (c) goal achievement and (d) overall success of an export venture.

Research methodology

This study was conducted on a random sample of 800 Austrian SMEs from Aurelia Databank, which includes more than 380,000 Austrian firms. In the sample selection, exporters were differentiated from non-exporters, and only SMEs registered in Austria were considered. The SME criteria adopted in this process drew from those defined by the European Commission (Recommendation of the European Commission, 2003/361/EC), whereby an SME is defined as an entity with less than 250 employees and a yearly turnover less than €50m. A multi-industry sample was drawn to increase the observed variance and to reinforce the generalizability of the findings (Morgan *et al.*, 2004). It should also be noted that SMEs with less than 10 per cent exports were excluded. A structured questionnaire based on a comprehensive literature review was sent to key decision-makers in our sample, who were requested to provide information for two main export ventures of the firm. The questionnaire was pre-tested with a sample of 14 CEOs and export managers and, based on their feedback, slightly modified to increase understanding. Of the 800 questionnaires mailed, 115 usable questionnaires (each containing 2 export ventures) were returned, providing a response rate of 14.37 per cent. This response rate is acceptable, as it is in line with those achieved in other studies that used mail questionnaires (Zou *et al.*, 1998).

Firms included in the study employ on an average 125 staff, export to 24 countries and possess on an average 29.7 years of exporting experience. In addition, according to the questionnaire data, their CEOs or export managers have been responsible for export activities for an average of 9.5 years. Furthermore, they spend 18.7 per cent of their working hours in foreign countries, and 57.4 per cent of firms included in the sample are industrial goods producers.

Non-response bias was tested by checking differences between early and late respondents (Armstrong and Overton, 1977). The results yielded showed no significant distinctions between respondents groups. In addition, the Harman one-factor test was used to evaluate the existence of a common method bias (Podsakoff *et al.*, 2003). The exploratory factor analysis results revealed that our data set was not affected by common-method bias.

Measures

We used reflective as well as formative measures to operationalize our key constructs. For measuring reflective constructs, established scales that were utilized in extant studies were used after slight adaptation to the specific context of SMEs. Table I shows the scale items for all constructs.

Export success

Export success is defined as:

> […] the extent to which firm′s objectives, both economic and strategic, with respect to exporting a product into a foreign market, are achieved through planning and execution of export marketing strategy (Cavusgil and Zou, 1994, p. 4).

The multi-dimensional approach of export success has been discussed in previous studies. Following the work conducted by Styles (1998), we operationalized export success using items indicating financial performance, strategic performance and overall satisfaction with the export venture. Firms' financial performance was measured through the subjective estimation of CEOs or export managers in terms of the sales growth and the profitability of an export venture in the 2003-2007 period. We measured strategic performance in two steps. First, the strategic performance of an export venture was measured (by a subjective estimation of CEOs/export managers) in terms of how well the export ventures met the firm's goals during the past five years. Thus, the CEOs/export managers were asked to estimate to what extent these goals had actually been achieved (for the period of the past five years). Based on the results of the pre-test, we adapted the individual goals, especially to the business environment of SMEs. Overall, export success was measured by two items:

(1) a subjective estimation of the overall success within the past five years and;

(2) a subjective estimation of the overall success in comparison to major competitors.

The choice for subjective assessment of success in the study is justified in that other studies have already supplied evidence of a relationship between objective and subjective measures of success in similar contexts (Venkatraman and Ramanujam, 1986).

Export market experience

Based on O'Cass and Julian's (2003) study, we measured export market experience through a single item, namely, the number of years the firm has been active in the export country.

Competitive intensity

The reflective construct developed by Jaworski and Kohli (1993) was used to operationalize competitive intensity in the export country. To capture the competitive intensity of the target country, we considered the behavior of competitors as well as the resources and abilities of a competing firm to differentiate.

Table I.
Constructs and measures

Construct	Item	Scale	Source
Financial performance	Sales growth of the export venture	Six-point scale (strong decreasing sales-strong increasing sales)	Styles (1998)
	Year 2007		
	Year 2006		
	Year 2005		
	Year 2004		
	Year 2003		
	Profitability of the export venture	Six-point scale (not at all profitable-very profitable)	Styles (1998)
	Year 2007		
	Year 2006		
	Year 2005		
	Year 2004		
	Year 2003		
Achievement of strategic goals	Indicate the importance to management of the following goals in the past five years of the export venture:	Six-point scale (no importance at all-very high importance)	Styles (1998)
	Improve the market share	Six-point scale (not achieved at all-completely achieved)	
	Increase the profitability		
	Increase the sales		
	Gain a foothold in the market		
	Improve the competitiveness of our company		
	Increase the awareness of our product/company		
	Indicate the extent to which the following objectives were actually achieved in the past five years of the export venture		
	Improve the market share		
	Increase the profitability		
	Increase the sales		
	Gain a foothold in the market		
	Improve the competitiveness of our company		
	Increase the awareness of our product/company		
Overall performance	Overall, how would you rate the success of the export venture over its past five years?	Six-point scale (unsuccessful-very successful)	Styles (1998)
	How would you rate the success of the export venture in comparison with your main competitor?		

(continued)

Construct	Item	Scale	Source
Export market experience	Number of years the firm has been active in the exporting country		OÒCass and Julian (2003)
Competitive intensity	Competition in the exporting country is cutthroat There are many "promotion wars" in the exporting country *(excluded)* Price competition is a hallmark of our industry in the exporting country Anything that one competitor can offer, others can match readily Our competitors are relatively weak in the exporting country *(excluded)* One hears of a new competitive move almost every day in the exporting country *(dropped)*	Six-point scale (strongly disagree-strongly agree)	Jaworski and Kohli (1993)
Product adaptation	Product brand name Product design Product labeling Variety of the main exporting product line Product-related services	6-point scale (no adaptation - extensive adaptation)	Conceptually following Lages *et al.* (2008), Shoham (1999), Sousa and Bradley (2005)
Promotion adaptation	Advertising theme/message Advertising and promotion budget size Advertising material *(excluded)* Advertising media Sales promotion tools	Six-point scale (no adaptation-extensive adaptation)	Conceptually following Lages *et al.* (2008), Shoham (1999), Sousa and Bradley (2005)

(continued)

Table I.

Table I.

Construct	Item	Scale	Source
Price adaptation	Determination of pricing strategy Price discounts policy *(excluded)* Payment conditions Margins	Six-point scale (no adaptation-extensive adaptation)	Conceptually following Lages *et al.* (2008), Shoham (1999), Sousa and Bradley (2005)
Distribution adaptation	Distribution channels Distribution channels Transportation strategy	Six-point scale (no adaptation-extensive adaptation)	Conceptually following Lages *et al.* (2008), Shoham (1999), Sousa and Bradley (2005)
Commitment	There was substantial planning for this export venture There was a significant amount of human resources involved in the exporting activity There was a significant degree of management commitment to exporting Greater financial resources were dedicated to exporting compared to those used for the domestic market	Six-point scale (strongly disagree-strongly agree)	Conceptually following Lages *et al.* (2008), Nakos *et al.* (1998), Cavusgil and Zou (1994)

Formative constructs

According to Diamantopoulos and Winklhofer (2001) and Jarvis *et al.* (2003), in the field of IB, from a methodological point of view, it is important to differentiate whether constructs are measured reflectively or formatively. In our study, formative measurement models were used to assess product, promotion, price and distribution adaptation, as well as international commitment, because the indicators are viewed as defining dimensions of the construct (Jarvis *et al.*, 2003).

International commitment

We conceptually operationalized the international commitment construct with four indicators, following the work of Cavusgil and Zou (1994), Lages *et al.* (2008) and Nakos *et al.* (1998). Thus, in this study, we assume that managers of SMEs demonstrate international commitment through the provision of sufficient resources (financial resources, number of involved employees and planning in marketing), as well as through personal involvement in an export venture.

Export marketing strategy

Based on our extensive review of the literature and discussions with experts in the course of the pre-tests, the dimensions of product, promotion, price and distribution adaptation were identified and refined in terms of measuring techniques. The degree of product adaptation related to the target country (in comparison to the home country) was measured using established scale items (Lages *et al.*, 2008; Shoham, 1999; Sousa and Bradley, 2005). Overall, five items were used to capture different dimensions of product adaptation. To measure the degree of promotion adaptation, we used five formative indicators modified from the study by Shoham (1999) and Sousa and Bradley (2005). To operationalize the degree of price adaptation, a construct comprising four indicators was developed on the basis of previous works of Lages *et al.* (2008) and Shoham (1999). To measure the distribution adaptation related to the target country, a formative measuring model with three indicators was specified using established scale items (Shoham, 1999; Sousa and Bradley, 2005), adjusted to the specific context of SMEs.

Analysis and results

Reliability and validity

Content validity of the empirical study is established through an extensive literature review and discussions with practitioners and experienced researchers. Prior to testing our hypotheses, we subjected reflective measures to exploratory factor analysis, confirming the unidimensionality of all reflective constructs. We used a minimum value of 0.7 for Cronbach's alpha (Nunnally, 1978).

The Partial Least Squares (PLS) outer model indicates that the values for composite reliability and average variance extracted exceed the recommended level of 0.6 and 0.5, respectively. Convergent validity is confirmed in our study by significant factor loadings for each indicator on the respective construct (Bagozzi and Yi, 1988). The results are reported in Table II.

The quality criteria used for reflective measurement models are not applicable for the evaluation of formative constructs. In accordance with the work conducted by Diamantopoulos and Winklhofer (2001), formative indicators can only be eliminated from formative measurement models when substantial multicollinearity exists, as opposed to reflective constructs. Thus, in line with this premise, only two items were eliminated from our formative measurement models due to multicollinearity (see Table III for the excluded items). Following Bollen and Lennox (1991), in the present study, none of the formative indicators were eliminated based on insignificant weights, as this would result in an unacceptable loss of important facets of a construct's content. Table III presents findings of the analysis of the formative measurement models.

Table II. Reflective measurement models‡

Constructs/items	PLS – outer model λ	*t*-value	AVE	α
Competitive intensity			0.75	0.72
Competition is cutthroat	0.84	17.94		
Price competition is a hallmark	0.91	36.32		
Anything others can match readily	0.85	17.80		
Overall performance				
Success of the export venture	0.92	58.56	0.71	0.73
Success in comparison with the main competitor	0.77	16.96		

Notes: ‡; $^{\lambda}$Loading, AVE: Average variance extracted, α: Cronbach's alpha

Table III. Formative measurement models†

Constructs/items	Multicollinearity VIF	CI	PLS - outer model Weight	*t*-value
Commitment		13.90		
Substantial planning	1.12		0.11	0.94
Human resources	1.31		0.27	1.89
Management commitment	1.09		0.50	2.38
Financial resources	1.22		0.21	0.94
Product adaptation		6.94		
Product brand name	1.78		0.24	1.01
Product design	2.24		0.57	2.34
Product labeling	2.09		0.03	0.12
Product line	2.12		0.10	0.35
Product-related services	1.30		0.13	2.22
Promotion adaptation		6.33		
Advertising theme/message	1.65		0.16	0.88
Advertising and promotion budget size	1.90		−0.04	0.19
Advertising media	1.96		0.31	1.40
Sales promotion tools	1.79		0.68	5.08
Price adaptation		6.79		
Determination of pricing strategy	2.08		0.48	2.25
Conditions of payment	2.11		0.22	2.35
Margins	2.33		0.40	2.05
Distribution adaptation		4.87		
Budget for distribution	1.40		0.46	1.99
Channels of distribution	1.05		0.38	1.76
Transportation strategy	1.35		0.24	2.05

Notes: † VIF: Variance inflation factor; CI: Condition index

Testing of hypotheses

The relationships between the model constructs were tested by applying structural equation modeling using SmartPLS2.0. PLS provides two important advantages. First, the PLS approach was used due to the possibility of specifying both formative and reflective measurement models without any issues. Second, it requires less strict distribution assumptions. We summarize the study's results in Table IV, while the correlation matrix is presented in Table V.

Consistent with the study's theoretical foundation, export market experience has a positive influence on the extent to which SMEs adapt their export marketing strategies. The results indicate that export market experience significantly influences price adaptation ($\beta = 0.12, p < 0.05$) and distribution adaptation ($\beta = 0.23, p < 0.05$), while it is insignificant for product adaptation and promotion adaptation. Hence, *H1c* and *H1d* are supported by our analysis.

The analyses results provide further support for *H2a*, *H2b*, *H2c* and *H2d*. This implies that commitment to internationalization also significantly exerts a positive effect on product adaptation ($\beta = 0.27$, $p < 0.05$), promotion adaptation ($\beta = 0.35$, $p < 0.00$), price adaptation ($\beta = 0.28$, $p < 0.05$) and distribution adaptation ($\beta = 0.33$, $p < 0.05$).

As expected, our findings show that competitive intensity is positively related to product adaptation ($\beta = 0.50, p < 0.00$), promotion adaptation ($\beta = 0.29, p < 0.05$), price adaptation ($\beta = 0.45, p < 0.00$) and distribution adaptation ($\beta = 0.36, p < 0.05$). These results support the argument that firms in competitive target markets are forced to adapt "more" to reach a better fit between the firm's offering and the external environment. Hence, *H3a*, *H3b*, *H3c* and *H3d* are supported.

Not surprisingly, depending on specific measures of export success (sales growth, profitability, goal achievement and overall success), support for different hypotheses is evidenced. We calculated the arithmetic means to prevent a bias caused by possible outliers in time series and increase the reliability of the performance measurements of sales growth and profitability. For the construct of goal achievement, we developed a composite index[1]. Our data indicate that market experience has a direct effect on export success. This is confirmed by measuring export success via sales growth ($\beta = 0.17, p < 0.05$), profitability ($\beta = 0.12, p < 0.05$) and goal achievement ($\beta = 0.18$, $p < 0.05$), thus supporting *H4a*, *H4b* and *H4c*.

In terms of the success implications of international commitment, we found that international commitment is positively related to sales growth ($\beta = 0.17, p < 0.10$), goal achievement ($\beta = 0.27, p < 0.10$) and the overall success ($\beta = 0.25, p < 0.05$) of an export venture. Thus, *H5a*, *H5c* and *H5d* are also supported by the empirical data.

These results indicate that product adaptation has a significant positive effect on both measures of export success profitability ($\beta = 0.24$, $p < 0.05$) and overall success ($\beta = 0.28, p < 0.05$), thus providing support for *H6b* and *H6d*. However, contrary to our expectations, we found no significant influence of a target market-induced promotion adaptation on sales growth, profitability, goal achievement and overall success of an export venture. Thus, *H7a*, *H7b*, *H7c* and *H7d* are not supported.

Surprisingly, we found evidence that SMEs pricing strategy adaptation is positively associated with sales growth only ($\beta = 0.23$, $p < 0.05$), while having no effect on profitability, goal achievement and overall success. Thus, our data offer empirical support for *H8a* only. Similarly, a significant positive association between target

Independent variable	Dependent variable	Hypothesis			β	t-value	p-value
Export market experience		*H1a*	+	×	0.04	0.93	0.18
Commitment	Product adaptation	*H2a*	+	✓	0.27	1.87*	0.03
Competitive intensity	($R^2 = 0.56$)	*H3a*	+	✓	0.50	3.91***	0.00
Export market experience		*H1b*	+	×	0.05	0.92	0.18
Commitment	Promotion adaptation	*H2b*	+	✓	0.35	2.88***	0.00
Competitive intensity	($R^2 = 0.38$)	*H3b*	+	✓	0.29	2.52*	0.01
Export market experience		*H1c*	+	✓	0.12	1.86*	0.03
Commitment	Price adaptation	*H2c*	+	✓	0.28	1.88*	0.03
Competitive intensity	($R^2 = 0.56$)	*H3c*	+	✓	0.45	3.12***	0.00
Export market experience		*H1d*	+	✓	0.23	2.27*	0.01
Commitment	Distribution adaptation	*H2d*	+	✓	0.33	1.84*	0.03
Competitive intensity	($R^2 = 0.46$)	*H3d*	+	✓	0.36	2.45*	0.01
Export market experience		*H4a*	+	✓	0.17	2.30*	0.01
Commitment		*H5a*	+	✓	0.17	1.31†	0.09
Product adaptation		*H6a*	+	×	0.00	0.02	0.49
Promotion adaptation		*H7a*	+	×	−0.02	0.23	0.41
Price adaptation		*H8a*	+	✓	0.23	1.71*	0.04
Distribution adaptation	Sales ($R^2 = 0.44$)	*H9a*	+	✓	0.22	1.39†	0.08
Competitive intensity		*H10a*	+	×	0.02	0.15	0.44
Export market experience		*H4b*	+	✓	0.12	1.83*	0.03
Commitment		*H5b*	+	×	0.13	1.04	0.15
Product adaptation		*H6b*	+	✓	0.24	1.75*	0.04
Promotion adaptation		*H7b*	+	×	−0.01	0.14	0.44
Price adaptation		*H8b*	+	×	0.15	1.07	0.14
Distribution adaptation	Profitability ($R^2 = 0.32$)	*H9b*	+	×	−0.12	0.96	0.17
Competitive intensity		*H10b*	+	×	0.16	1.19	0.12
Export market experience		*H4c*	+	✓	0.18	2.30*	0.01
Commitment		*H5c*	+	✓	0.27	1.69†	0.05
Product adaptation		*H6c*	+	×	0.09	0.85	0.20
Promotion adaptation		*H7c*	+	×	0.08	0.66	0.25
Price adaptation		*H8c*	+	×	−0.02	0.12	0.45
Distribution adaptation	Goal achievement	*H9c*	+	×	−0.13	0.88	0.19
Competitive intensity	($R^2 = 0.39$)	*H10c*	+	✓	0.27	1.70*	0.04
Export market experience		*H4d*	+	×	0.07	1.52†	0.06
Commitment		*H5d*	+	✓	0.25	2.23*	0.01
Product adaptation		*H6d*	+	✓	0.28	1.97*	0.02
Promotion adaptation		*H7d*	+	×	−0.06	0.95	0.17
Price adaptation		*H8d*	+	×	−0.03	0.25	0.40
Distribution adaptation	Overall success	*H9d*	+	×	0.04	0.39	0.35
Competitive intensity	($R^2 = 0.63$)	*H10d*	+	✓	0.34	2.13*	0.02

Table IV.
PLS – total structural model

Notes: † $p < 0.10$; * $p < 0.05$; *** $p < 0.001$

country-induced distribution adaptation and export success is only confirmed by the measurement of export success via sales growth ($\beta = 0.22$, $p < 0.10$), supporting *H9a*.

In terms of competitive intensity, our results reveal that local competitive context is positively related to goal achievement ($\beta = 0.27$, $p < 0.05$) and overall success ($\beta = 0.34$, $p < 0.05$). On the other hand, we found no significant impact of export market

Table V. Correlations matrix of latent variables

Variable	Commitment	Market experience	Overall success	Promotion adaptation	Price adaptation	Product adaptation	Profitability	Sales	Distribution adaptation	Competitive intensity	Goal achievement
Commitment	1										
Market experience	−0.040	1									
Overall success	0.102	0.015	1								
Promotion adaptation	0.136*	−0.067	0.087	1							
Price adaptation	0.562**	−0.073	0.151*	0.135*	1						
Product adaptation	−0.007	−0.052	0.267**	0.191**	0.052	1					
Profitabiltiy	0.085	0.134	0.158*	−0.013	0.079	−0.020	1				
Sales	0.029	−0.073	0.144*	0.074	0.031	−0.019	0.339**	1			
Distribution adaptation	0.395**	−0.083	0.117	−0.009	0.317**	0.237**	−0.024	−0.012	1		
Competitive intensity	−0.028	−0.052	0.215**	0.104	−0.088	0.389**	−0.094	−0.026	0.073	1	
Goal achievement	−0.079	0.036	−0.020	−0.003	−0.129	−0.055	0.231**	0.196**	−0.067	−0.049	1

Notes: $^{*}p < 0.05$; $^{**}p < 0.01$

competition on sales growth and profitability of an export venture. Thus, *H10c* and *H10d* are confirmed.

Finally, the analysis results indicate that the predictors examined in this study explain significant amounts of variance in export venture success. More specifically, sales growth $R^2 = 0.44$; profitability $R^2 = 0.3$; goal achievement $R^2 = 0.39$; and overall success $R^2 = 0.63$. In addition, our model also explains a reasonable proportion of variance in marketing strategy adaptation, with product adaptation $R^2 = 0.56$; promotion adaptation $R^2 = 0.38$; price adaptation $R^2 = 0.56$; and distribution adaptation $R^2 = 0.46$.

Conclusion

This empirical study aimed to identify determinants affecting the success of Austrian SMEs' export initiatives. In addition, the study findings contribute to the understanding of how firm-specific and environmental factors influence country-specific marketing strategy adaptation. With respect to the degree of country-specific adaptation of a particular export marketing strategy, our findings indicate that different effectiveness is achieved depending on which marketing mix element is adapted. Our results specifically show that product adaptation to market-specific characteristics has a positive effect on the export success measured in terms of profitability and the overall success of an export venture. Despite posing a greater challenge for management, using product adaptation strategy that is specific to a target country leads to a better product-target market fit to the regulatory, socio-cultural and technological environment. However, this finding is not surprising, as managers have to adapt their products to foreign countries to enhance customer satisfaction and create more leeway in the pricing. Successful modification of export products to local conditions implies higher profitability and overall success of an export venture from a better exploitation of country-specific requirements (Hultman *et al.*, 2009). Concerning the relationship between country-specific price adaptation and export success, our findings confirm a positive impact of price adjustment on the sales growth of an export venture. Thus, we can posit that managers can derive beneficial effects in sales from adapting their price strategy to meet country-specific conditions, such as purchasing power, variations in exchange rates, pricing practices of competitors and so forth (Lages and Jap, 2002). Another plausible explanation for this finding could be that the adapted pricing strategies pursued by SMEs should reflect the economic conditions in the target country because these conditions determine the demand potential for firm's products (Theodosiou and Katsikeas, 2001). We also found evidence that distribution adaptation relates positively to sales growth of SMEs. Thus, it seems more advantageous to Austrian SMEs to align their distribution policies to the specific distribution infrastructure, economic environment, physical conditions and other pertinent factors, in each target country. From these results, it can be derived that export success is within the scope of influence of a firm's management. Thus, managers of Austrian SMEs should adapt their marketing strategies in terms of product, price and distribution to the idiosyncrasies of each target country to achieve a better export success. Firms can realize an increase in sales by adapting the price and distribution strategy in an appropriate way to the requirements of foreign markets. In particular, a price strategy adapted to market-specific characteristics can be implemented easier and faster than would be possible under other marketing strategies (Lages and Montgomery, 2005). In addition, we advise managers to analyze and evaluate the foreign environment thoroughly to be able to select appropriate export marketing strategies. If a firm adjusts extant marketing strategy to particular idiosyncrasies of the target country, then it can better satisfy the needs of the consumers, which is conducive to export success.

In accordance with the arguments of CT, our results indicate that SMEs can achieve higher performance if they fit their marketing strategies to relevant external and internal conditions. A decisive role for distribution and price policy adaptation is played by the experience of the firm specific to the target country, as particular knowledge of the market is necessary to be able to adapt distribution and price to the local circumstances. One plausible explanation for this finding is that managers require specific market knowledge to identify ways to appropriately tailor the price and distribution strategy to the market conditions. This argument is supported by Navarro-García *et al.* (2014), who emphasized that the generation and exchange of knowledge play a central role in finding a suitable marketing strategy adapted to the local market needs.

Our results also indicate that international commitment to exporting exerts a direct effect on the degree of product, promotion, price and distribution adaptation. One possible explanation for this finding is that through planning activities and extensive market research, a marketing strategy can be adapted more easily and implemented more effectively. Furthermore, correct allocation of the resources required for exporting is regarded as a basic requirement for the adaptation of the export marketing strategy (Lages *et al.*, 2008).

Empirical evidence indicates that whether a firm follows an adjusted marketing strategy is contingent on the external environment. According to contingency reasoning, no single structure is appropriate for all types of tasks or all environmental conditions (Ruekert *et al.*, 1985). This is in line with the view of contingency theorists, who argue that firm performance is determined by the extent to which a firm's strategic choice fits with its external context (Anderson and Zeithaml, 1984; Hofer, 1975). The findings yielded by our study highlight the importance of achieving a fit with the external environment to improve firm's export success. This study shows that competitive pressure in an export market is positively related to product, promotion, price and distribution adaptation. It can be argued that the more intense the competition in the target market, the stronger the need for firms to adjust the marketing strategies to export market characteristics. We also found that a strong competition in the target market has a positive influence on goal achievement and overall success. A plausible explanation for this result was offered by Lages and Montgomery (2005), following their study of 519 Portuguese firms. Based on their findings, the authors argued that, in a competitive environment, firms need to react and commit comprehensive resources to achieve competitive advantage over rivals, with positive implications for performance in export ventures. This implies that firms operating in a highly competitive environment are more alert to market conditions and trends and are, thus, more likely to react to potential threats caused by rivals.

Our results demonstrate that target market-specific experience is the key to acquiring a comprehensive knowledge base about environmental conditions required for success in export markets. This finding is consistent with the results reported by Johanson and Vahlne (1977), who argued that in particular markets, specific knowledge represents the critical kind of knowledge in explaining the firm's internationalization process. According to the Uppsala School, "experience builds a firm's knowledge of a market," and this market-specific knowledge influences how firms conduct their business in target markets (Johanson and Vahlne, 2009, p. 1412). Furthermore, Johanson and Vahlne (1977, 2009) emphasized that knowledge is also derived from performing current activities. Hence, firms that are active in foreign markets gain greater and more in-depth knowledge about conducting business abroad, which positively affects their internationalization success. Our results show that a market-specific experience is particularly valuable to SMEs because it enables the manager to better understand the local conditions and the particular needs of the customers, which is directly translated into positive export success implications. Therefore, managers of SMEs should try to accumulate as much international experience and market-specific knowledge as possible. For instance, managers can gain target market-specific experience by participating in international trade fairs and making numerous business trips to countries where they are planning to export their products and services. Austrian SMEs would also benefit from hiring staff with international experience and organizing training programs that increase the international knowledge of existing employees. Furthermore, managers can also acquire relevant overseas knowledge by partnering with other internationally experienced firms.

An important assumption of the Uppsala model is that commitment is a key factor in the internationalization process of firms and has a positive effect on the "perceived opportunities and risk" in a target country (Johanson and Vahlne, 2006, p. 167). In the case of Austrian SMEs, a firm's commitment to exporting plays an important role in determining export success. One rationale for this result is that committed managers are willing to devote adequate financial, managerial and human resources to the planning and managing of exporting activities, which has a positive influence on export success. Therefore, managers of SMEs should invest in exporting activities by allocating more financial and non-financial resources to their export ventures. The provision of sufficient resources to an export venture enables better planning of the market entry and assists in the implementation of a marketing strategy adapted to the requirements of the local conditions.

Although our findings provide several interesting insights into the drivers of export success, we should note some limitations. First, as the sampling consists of Austrian SMEs from the manufacturing industries, there is a need for further research focusing on Austrian service companies. Another possible limitation of our study is that the research context comprises only SMEs from a single country, which limits the generalizability of the findings reported here. In terms of the particularities of our research sample of Austrian SMEs, replication studies conducted in other cross-cultural settings would be beneficial, as this would provide insights into whether the observed results are specific to Austrian SMEs or can be generalized to firms in other countries. In our study, we examined the relationships among international commitment, market-specific experience, competitive intensity, export marketing strategies and export success. Thus, in future studies in this field, it would be beneficial to explore other factors, such as specific managerial experience, firm-specific resources and characteristics of the export product. Future studies that adopt a longitudinal research design may provide much better understanding of the dynamic relationships in our theoretical model.

Note

1. Therefore, each degree of sub-goal achievement was weighted by its relative importance. The so-weighted sub-goal dimensions were subsequently summarized to an overall goal achievement index.

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