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**FACTORS INFLUENCING SUCCESSFUL EXPORT PERFORMANCE: AN  
EMPIRICAL INVESTIGATION ON MALAYSIAN EXPORTING  
MANUFACTURING FIRMS**



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## ABSTRACT

The most common question that has attracted much attention among scholars and practitioners is why some firms perform better while others do not. To probe further, this study focused on the key determinants of successful exporting firm performance. In spite of numerous literature on this subject, a need remains for investigating the performance of Malaysian exporting manufacturing firms. This study examines two major influences of export success: the organizational resource profile and marketing resource profile of the firm. This research explores the relationships among the firms' resources, the firms' external factors and export performance. It is guided by a model framework based on the resource-based view. The findings of this study are based on the responses obtained from a cross-sectional survey of one hundred and fifty five (155) exporting manufacturing firms throughout Malaysia. In general, the results indicate that influence of some categories of resources enables the firms to obtain superior levels of performance. Specifically, the key results of this study suggest that firm size; export experience; export marketing resources and communication management competency; export market and industry competency; export pricing of new product competency; and export information usage efficiency are the major factors that can determine the firms to achieve superior performance. Several recommendations are also presented to enable future researchers and policy makers to have greater insight in their endeavor to develop more effective policies and programmes to enhance competitiveness and greater success for Malaysian exporters.

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## CHAPTER 1

### INTRODUCTION

#### 1.1 Background of Study

Exporting has been the subject of numerous studies in the past but due to the proliferation of global business, it has not been given due attention by researchers. However, it has lately received a renewed emphasis on international business topic as exporting activity is preferred by most small and medium-scale firms. This is largely due to its prominent role as an opportunity for gradual corporate growth and increased profitability among these firms in many emerging countries. Exporting as a mean to corporate growth is particularly appropriate for manufacturers of industrial goods with innovative advantages, and for smaller firms without the financial and managerial resources necessary for more extensive international operations such as joint ventures and foreign direct investment. For exporting venture to be successful, various factors have been found to be the main catalyst for many firms. Besides the external environmental factors, internal firm-level factors are also important as determinants to firms' success. The firms' marketing management knowledge and competencies are key success factors that have been found in recent years to be the main factors the firms' development and sustainable growth. Against this background, this study is undertaken to analyze the various factors that are expected to have an effect on the firms' growth and success. This study is explained using the resource-based view (RBV) that focuses on internal organizational resources to identify the determinants of a firm's international marketing performance.

#### 1.2 Problem Statement

In Malaysia exporting has always been important because of its relatively small home market. Malaysia meteoric rise as a new industrialized country can be attributed to the country's great dependence on export. Malaysia exports were worth 52830.0 Million MYR in June of 2010. Malaysia is one of

## CHAPTER 2

### LITERATURE REVIEW

#### 2.1 Introduction

The objective of this chapter is to present the underlying theory as well as a review of the existing marketing literature in order to show the relevance and significance of the research questions and objectives outlined in Chapter One. A review of previous studies had identified a wide range of variables associated with a firm's success in exporting from the works of previous and current studies in this field.

#### 2.2 Theoretical Background

The succeeding section describes the key theoretical approach, the resource-based view (RBV) to researching international firms' international performance which becomes the basis for the present study theoretical framework.

##### 2.2.1 Resource-Based View (RBV)

The theoretical framework for augmenting the conceptual analysis on the effect of a firm's stock of resources on its performance is the resource-based of the firm which links the competitive advantage of organizations with resources and capabilities that are firm-specific, and difficult to imitate or substitute. The resource-based view (RBV) focuses on internal organizational resources to identify the determinants of a firm's international marketing performance (Williamson, 1985; Zou & Cavusgil, 2002; Zou & Zhao, 2003) in contrast with the two earlier theories.

The RBV has become a popular explanation of performance heterogeneity at the firm level in the past years. The underlying idea of RBV is to view the firms' bundles of resources, not its product market strategy to be