ENHANCING THE EXPORT PERFORMANCE OF MANUFACTURING SMALL AND MEDIUM ENTERPRISES IN ZIMBABWE

By

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ABSTRACT

The increase in globalisation requires small and medium-sized enterprises to also adopt market-driven strategies as they are perceived to enhance the export performance of these enterprises. While much of the studies on market-driven strategies have concentrated on large companies in developed countries, very little research has been conducted in developing countries, with few focusing on small and medium (SME) sized enterprises. Thus, the aim of this research study was to determine the impact of marketing strategies, in particular market driven-strategies on the export performance of SMEs in the manufacturing sector in Zimbabwe. The objectives were to determine the effects of internal factors, namely, customer focus, distinctive capabilities, customer value, and cross-functional cooperation, as well as external factors such as export market and industry characteristics, on the export performance of SMEs. Furthermore, export marketing barriers and the effectiveness of the export marketing strategies currently being employed by these enterprises were determined, to identify strategies that could help the SMEs to enhance their export performance.

A mixed research approach was employed to improve the validity and reliability of the research results. From a target population of 550, structured questionnaires were sent to 345 owner-managers who were stratified according to the products processed. In addition, an interview-guide was developed and four (4) policy-makers and four (4) export business analysts were interviewed. Descriptive and inferential statistical analyses were conducted on the quantitative survey data using SPSS (Version 21). The qualitative data obtained through the interviews was analysed using qualitative discourse and content analysis.

It became evident from this study that the internal factors (customer focus, distinctive capabilities, customer value, and cross-functional cooperation) do not significantly enhance the export performance of SMEs in Zimbabwe, whereas external factors are a major barrier to their export performance. Furthermore, it was ascertained that a niche strategy could enhance exports better than industrial clusters. Evidence from the policy makers and export analysts reveal that the formation of SME consortia, creating an enabling business environment, and an Export Development and Promotion Agency, could enhance exports.

Several recommendations flow from the findings, inter-alia, the need to establish SME export consortia. SME owner-managers should prioritise investing in customer value which would
have a positive influence on their export performance. It was therefore recommended that the management of SMEs should prioritise finding ways to minimise barriers to export performance.

**Key words:** Exports, SMEs, Manufacturing Sector, Market-Driven Strategy
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LIST OF ACRONYMS AND ABBREVIATIONS

RBZ: Reserve Bank of Zimbabwe
GDP: Gross Domestic Product
Zimstats: Zimbabwean Statistics
CZI: Confederation of Zimbabwean Industries
ZMRA: Zimbabwe Revenue Authority
ZNTP: Zimbabwe National Trade Policy
SEDCO: Small Enterprise Development Corporation
MIC: Ministry of Industry and Commerce
RBV: Resource-Based View
SCA: Sustainable Competitive Advantage
TPOs: Trade Promotional Organizations
ZESA: Zimbabwe Electricity Supply Authority
CFT: Cross-functional Team
SMEs: Small and medium-sized enterprises
CHAPTER ONE:
INTRODUCTION TO THE THESIS

1.1. Introduction

Spirig (2011) states that firms which aim to perform better in this global dynamic environment need to be customer focused, possess distinctive organisational capabilities, develop customer value strategies and consider cross-functional cooperation as their strategic intent. The above mentioned researcher further states that market-driven strategies are premised on the notion that, all firms strategic decisions should begin by understanding markets, customers and competitors. In light of the above, this study explores strategies to enhance the export performance of SMEs in the manufacturing sector in Zimbabwe and more specifically, the impact of market-driven strategies and external factors.

1.2. Background to the study

For several decades, Zimbabwe was experiencing economic challenges, these challenges resulted in many businesses closing down and the country’s image was badly affected (Zim Asset, 2013). Foreign investment declined and there was an economic meltdown of about 40% (Confederation of the Zimbabwean Industries (CZI) 2011), and it was highlighted that a number of firms were affected by capacity utilisation. Currently, capacity utilisation is hovering at 45.1% down from 47.4% in 2016 (Herald, 2017).

The Zimbabwe economy depends mainly on exports of processed food, in particularly those from SMEs, as they dominate most industries in the country (RBZ, 2015). It is highlighted that the introduction of globalisation had made it mandatory for companies to export innovative and low priced products that meet international standards (Fariza 2012). Products manufactured by Zimbabwean food processing SMEs among others, are not doing well. Some products are almost non-existent in the international markets such as Britain, and a few are found in African markets, although these products used to dominate these markets (SEDCO, 2012).

Ocloo, Akaba, and Brown (2014) highlight that with the increase in globalization and competition, the survival of firms depends on their ability to create and implement
sustainable competitive marketing strategies. The aforementioned further state that, to facilitate this, firms need to develop comprehensive methods of gathering information related to the status of global markets, a view strongly supported by Ghauri, Tarnovskaya, Elg & Wang (2011) who concluded that firms need to be market-driven to effectively compete in the global market. The above further states that, firms which are equipped with market information are able to anticipate the future needs of the customer and respond better and faster than their competitors. In line with this argument, some researchers (Brondon 2007; Sciarelli 2008) asserted that SMEs should develop an “outside-in” thinking process that which entails scanning the marketing environment to implement strategies that suit the changing environmental conditions and deliver superior value to the customers, thus being market-driven.

It can therefore be inferred that if SMEs are to perform better than their competitors, the need to adopt market-driven strategies. Thus, Boso (2011) submits that for firms to perform better in this global dynamic environment, they need to be customer focused, possess distinctive capabilities, develop customer value strategies, and emphasise organisational cross-functional cooperation as their strategic thrusts.

Customer focus as a market-driven strategy is “a component of market-orientated firms that focuses on putting the customers at the centre of the strategic focus” (Yaacob 2014:2). According to Lengler, Sousa, Perin, Sampaio and Martínez-López (2016:704) “customer orientation refers to the analysis and comprehension of the needs and demands of customers and provides direction in respect of what the firm should be doing in terms of products and services.” The above researchers argue that customer orientation (market-driven) “can be considered as a resource, since it is an intangible property of the firm that will enable it to convert information into action, thereby creating superior value for customers.” Verhoef and Lemon (2013) asserted that firms that are customer focused not only provide products that meet customer specification but place overall attention on the whole supply chain operation such as seeking qualified suppliers, designing customer tailor-made products, timely delivery to the customer, reasonably priced products and a well-thought-out after-sale service. In line with the aforementioned researchers, Tajeddini, Elg, and Trueman (2013:5) also argued that, “customer focus requires firms to continuously update and improve the entire process associated with improving the total welfare of the customer, since customer needs are continuously changing due to the dynamic environment.” As a result, the benefits accruing
from being customer focused are a positive performance by the firm and benefits related to costs (Tajeddini et al., 2013). Thus, the question remains: can manufacturing SMEs in Zimbabwe adopt market-driven strategies to enhance their export performance?

Ghauri et al. (2011:3) argue that “organisational capability is a market-driving strategy which is premised on identifying an organisation’s distinctive capabilities.” Capabilities can also be defined as knowledge generated and skills acquired that enable the organisation to make use of their internal resources profitably (Adrews, Beynon & McDermott, 2015). Some of the resources that are controlled by the firm have the capacity to generate distinctive competences for the firm (Barney, Ketchen & Wright, 2011). However, another question based on this strategy is whether manufacturing SMEs in Zimbabwe fully utilize their internal organisational capabilities to enhance their export performance?

Allahham (2013:2) asserts that customer value is also a market-driven strategy which is premised on the notion that, “customer value is the overall assessment of the utility of the product taking into consideration what is received in comparison with what is given.” Shanker (2012:1) views customer value as “customers’ perceptions of what they receive, in return for what they sacrifice, and it (customer value) comprises desired value and perceived value.” The desired value is defined as the functionality that the customer would want to see when buying a product, while perceived value is the associated advantages that the consumer hopes to receive after purchasing the product. It is argued that “customer value is not just an important aspect in maintaining long-term relationships with customers, but it also plays a significant role in consumer buying behaviour and creating mutual trust” (Zhuang, Cumiskey, Xiao, & Alford, 2010:5). Allahham (2013:2) is of the view that, “companies that deliver higher value to customers have greater chances of satisfying them to increase their loyalty” and consequently resulting in better performance of the company. In line with the above views, the question that needs to be asked is whether manufacturing SMEs in Zimbabwe produce products that yield maximum value for customers in their export markets, which would enhance their export performance?

According to Blindenbach-Driessen (2015:3) “cross-functional cooperation is also a component of market-driven strategies which determine a firm’s performance.” Blindenbach-Driessen (2015:3) defines “cross-functional teams as groups formed with the intention of jointly working together in developing opportunities that require diverse expertise and include personnel from different organisational functions.” In the view of Pimenta, Lago da
Silva and Tate (2014:2) “cross-functional cooperation relates to the use of integrating mechanisms in activities that require expertise from different functions.” However, Pylväis (2012) argues that the existence of cross-functional teams have a positive effect on the customer and financial performance of a firm.

In summary, customer focus, organisational capability, customer value and cross-functional cooperation are market-driven strategies and are internal determinants of export performance.

Ghauri et al. (2011) submit that market-driven strategies are premised on the notion that, a firm’s strategic decisions should begin by understanding markets, customers and competitors. Cravens and Pierce (2008:18) opine that, the prominent feature of market-driven organisations involves “market sensing and better methods of linking customers and this involves learning about customers, channel members, competitors and their present and future markets.”

However, other researchers (Uzoma, Chukwu & Mirdi, 2014; Kim & Mauborgne, 2015; Lengler et al., 2016) argue that it is not only about monitoring the internal environment that makes a firm successful but a combination of the internal and external environment. Thus, this study incorporated contingency factors which are external to the firm namely, export market characteristics, industry characteristics and export marketing barriers, which are regarded as key in determining the export performance of a firm (Islam & Hu, 2012). The external factors were not mentioned by other researchers who studied market-driven strategies.

The ‘Resource-Based View’ (RBV) states that the success of any organisation is based on its ability to utilize its internal resources (Barney, 2012). However, Boso (2010:104) argues that “benefits that accrue to exporters through their export behaviours are contingent on the external environmental forces and organizational characteristics.” Thus, the contingency theory and the RBV have been incorporated to guide the study.

Although much research (Mascherpa, 2011; Islam & Hu, 2012) has been conducted on market-driven strategies in the developed countries, currently there is little evidence of research on market-driven strategies in developing countries in general and Zimbabwe in particular. Damoah (2011:5) provides evidence that, “most of the theoretical frameworks on the export performance of SMEs and export behaviour focused primarily on developed or Western country settings, and there has been little empirical evidence from African
countries.” Moreover, “export marketing strategies were developed based on the export behaviour of the developed countries’ firms and most of the empirical studies on market-driven strategies were also based on SMEs in the developed countries,” (Damoah 2011:5). Therefore, comprehensive empirical research is required to determine the impact of market-driven strategies and external factors on the export performance of manufacturing SMEs in Zimbabwe. Thus, this research will contribute to reducing the knowledge ‘gap’ that seems to exist in this field.

1.3. The Research Problem

The deindustrialisation phenomenon, subsequent low investment, economic sanctions, global competition, low levels of exports and low capacity utilisation in the manufacturing sector which is at 45.1% (Herald, 2017), clearly indicate that there is need for a composite export performance model to guide exporting SMEs to improve their export performance and thus contribute to the development of the Zimbabwean economy. Mudavanhu, Mubata and Mudavanhu, (2014:1) highlight that “SMEs have become so important since they contribute to the growth of the economy and offer alternative sources of employment, thus this justifies the need to support this sector so that it contributes more meaningfully to the development of Zimbabwe.” It is evident that “small businesses are vulnerable in times of economic hardship and this requires SMEs to scan the environment, retain loyal customers and recruit new ones” (Nyanga, Zirima, Mupani, Chifamba & Mashavira, 2013:1).

The “decrease in the export performance of SMEs in general provides justification for rethinking export marketing strategies.” Milner and Kubota (2005:110) highlight that “the success of any company largely depends on how aligned its strategy is with the environment in which it operates.” The internal environment is very important for sustainable performance of a firm (Chidamoyo, 2012), and the most crucial feature of the internal environment is the ability of the management of the SMEs to craft resilient strategies that will enhance their performance. Zindiye (2008) and Yan (2010) argue that SMEs in Zimbabwe lack the necessary knowledge to scan the environment, which result in their failure. Furthermore, customer focus is viewed as one market-driven strategy that enables firms to produce tailor-made products to suit the needs of their customers (Tajeddini, Elg, & Trueman, 2013). This therefore seems to raise doubt as to how SMEs can enhance their export performance if “they rarely search for information” about their customers (Ahimbisibwe & Abaho, 2013:056).
Market-driven strategies enable firms to be well organized to use their organisational capabilities/internal resources (Andrews et al., 2015). The question that needs answering is whether SMEs can effectively utilise their organisational capabilities to develop breakthrough export innovations if their team spirit is low? Manalastas (2009) argues that in a tough environment, SMEs need to scan the external environment and identify opportunities and threats that affect their businesses.

In line with the perspective of strategic marketing, the aim of this study was to explore the marketing strategies that enhance exports in Zimbabwe, particularly by SMEs in the manufacturing sector. Currently there is little evidence of research conducted on market-driven strategies in developing countries in general and Zimbabwe in particular, more especially on SMEs exporting manufacturing products. Damoah (2011:5) provides evidence that “most of the theoretical frameworks on the export performances of SMEs and on export behaviour were mainly focused on developed or Western country settings, and there has been little empirical evidence in African countries.” Furthermore, the above researcher states that, “export marketing strategies and frameworks were developed based on the export behaviour of developed country firms and so most of the empirical studies were also based on SMEs in the developed countries, inter-alia, North America and Europe.” Because “the socio economic contexts of the developed countries differ from developing countries, understanding the export behaviour of the SMEs in a developing country context is still limited in the literature” (Damoah, 2011:5). Therefore, a comprehensive empirical research is required to ascertain the effects of market-driven strategies on the export performance of manufacturing SMEs in a developing economy. Therefore, this study attempted to answer the following question, namely, to what extent can market-driven strategies enhance the export performance of SMEs in Zimbabwe? There is no single strategy which is universal that can fit all companies, thus companies need to consider the effects of internal and external factors when crafting a sustainable strategy (Virvilaitė, Seinauskiene & Sestokiene, 2011; Gabrielsson, Gabrielsson & Seppälä, 2012). Thus, based on the above, this study also aimed to find out the effect of external factors namely export market characteristics, industry characteristics and export marketing barriers on the export performance of manufacturing SMEs in Zimbabwe.
1.4. Research Aim and Objectives

The aim of this research is to determine how to enhance the export performance of SMEs in the manufacturing sector in Zimbabwe, by determining the impact of market-driven strategies and external factors. The research objectives are:-

a) To determine the internal factors that affect the export performance of SMEs.
b) To determine the effect of external factors on the export performance of SMEs.
c) To identify and analyse export marketing barriers faced by SMEs.
d) To evaluate the effectiveness of the export marketing strategies currently being employed by SMEs.
e) To determine export marketing strategies that can help the SMEs to enhance their export performance.

1.5. Research Questions

a) What are the effects of internal factors on the export performance of SMEs?
b) What are the effects of external factors on the export performance of SMEs?
c) What export marketing barriers are SMEs facing?
d) How effective are the export marketing strategies currently being employed by the SMEs?
e) What export marketing strategies can help the SMEs to enhance their export performance?

1.6. Research Hypotheses

The research hypotheses were derived from the literature review related to the research problem. The following hypotheses are proposed for this study.

H₁ There is a significant positive relationship between customer focus and the export performance of SMEs.

H₂ There is a significant positive relationship between distinctive capabilities and the export performance of SMEs.

H₃ There is a significant positive relationship between customer value and the export performance of SMEs.
H₄ There is a significant positive relationship between cross-functional cooperation and the export performance of SMEs.

H₅ Export market characteristics negatively affect the export performance of SMEs.

H₆ Industry characteristics negatively affect the export performance of SMEs.

H₇ Export marketing barriers negatively affect the export performance of SMEs.

1.7. Conceptual Framework

According to some researchers (Koopman, Powers, Wang, & Wei 2011), the way a conceptual framework is designed may be different from one researcher to the next through selecting variables of interest and showing how they are related. Figure 1.1 is a depiction of the conceptual framework which incorporates the hypothesised relationships.

**Figure 1.1: Conceptual model**

Source: Researcher’s Conceptualisation
1.8. Significance of the Study

This research will contribute to the development of SMEs and by implication the economy, assist in policy formulation, as well as in advancing academic knowledge.

SMEs

The study is going to reveal the challenges to enhancing export performance and guide owner-managers to formulate strategies to address specific challenges. Furthermore, this research is going to inform and educate SME associations, management and staff on how to improve export performance.

The economy

According to Chingwaru and Jakata (2015:1) “there is a debate in Zimbabwe currently about the future of exports by SMEs in this era of globalisation.” Thus, this study will contribute to this debate by suggesting strategies that will enable the SMEs to perform better. Furthermore, “understanding the export behaviour of SMEs in a developing country context is limited in the literature” (Damoah 2011:5). Thus, this study would benefit the economy through improving strategies to manage the export performance of SMEs.

Academics

This study may provide opportunities for future studies of a similar nature since researchers may use the findings and limitations of the study.

Policy makers

The government of Zimbabwe has to a large extent committed huge resources for the establishment and sustenance of SMEs (SEDCO, 2012), but their (SMEs) failure rate has remained significantly high. The policy makers may use the recommendations from this study to formulate policies and strategies that will enhance exports by manufacturing SMEs in Zimbabwe. Early researchers (Day 1994; Spirig 2011; Ghauri et al., 2011; Mascherpa 2011) who studied market-driven strategies in developed countries recognised the effect of the external environment but did not incorporate it in their export performance enhancement models. Thus, this study would close this gap by suggesting an export performance model that will factor the effects of external factors on export performance.
1.9. Justification for the Study

Previous research concentrated on marketing strategy and performance in the local market. Very few studies exist on manufacturing SMEs which export their products (Zou and Cavusgil, 2002). Furthermore, most of the research on marketing strategy focused mainly on developed countries, and there has been little empirical evidence in developing (African) countries (Katsikeas, Piercy & Loannidis, 1996). Zimbabwe’s Gross Domestic Product (GDP) is mainly dependent on tourism, agriculture and mining revenues after the decimation of manufacturing from 2000 to 2008. Therefore, diversifying the economy and income sources and increasing exports by SMEs is becoming important to avoid complete economic disaster in Zimbabwe. Research of this nature is required to produce results that will assist government policy makers and Trade Promotional Organisations (TPOs). This will help identify the best export market-driven strategies and policies to bring about a renaissance of Zimbabwean SMEs which export goods and services.

1.10. Overview of the Research Methodology

The research was mainly guided by the social constructivist and pragmatic philosophies and therefore adopted both qualitative and quantitative data collection methods. Pragmatism holds that “knowledge is derived from interaction among groups of individuals and artefacts in the environment which together create reality.” (Creswell, 2013:10). A cross-sectional survey was used due to the nature of the study. The target population comprised manufacturing SMEs from Harare, Zimbabwe which exported their products namely, food processing, leather and textiles. A sample of 345 SMEs was selected from a target population of 550 and this was informed by Krejcie’s model (1970). Stratified random sampling was used to select respondents, since there was a sampling frame provided by the Ministry of SMEs which also contained the SMEs telephone numbers, thus making it easier to contact the participants. In addition, four policy makers and four export analysts were purposively selected and interviewed.

The mixed methodology which was used in this study received wide acceptance from many researchers mainly due to its “ability to bring multiple points of view to research, riding on the advantage of the strengths of each of the different strategies used to explain or resolve complex phenomena or results” (Takhar & Chitakunye, 2012:914). This approach was used
with the purpose of triangulating the findings and ensuring data validity and complementarity (Pinto, 2010).

Qualitative data was collected by targeting policy makers such as SME association representatives, Zimtrade, SEDCO and Zimstats using an interview guide. The quantitative data was gathered through self-administered questionnaires sent to SME owner-managers based in Harare, Zimbabwe. Cronbach’s Alpha statistic was used to ascertain the reliability of the research instrument. Informed consent was obtained from the research participants who included SME owner-managers, policy makers and export analysts respectively. Furthermore, ethical clearance was obtained from the University of KwaZulu-Natal (See EC number HSS/0039/017D in Appendix 4).

1.11. Scope of the Study

The study focused on enhancing the performance of manufacturing SMEs who export and determining the impact of market-driven strategies, with specific reference to SMEs located in Harare, Zimbabwe. Chingwaru and Jakata (2015:2) support the choice of Harare as the location of the study since “it would solicit diverse responses which collectively would be representative of the national views of manufacturing SMEs, since most of the exporting SMEs are concentrated in this city.” The scope of the study falls within the management and marketing fields, since the key variables are marketing strategy and export performance.

The study targeted only formally registered SMEs who are exporting, and who met the definition of SMEs in Zimbabwe, as suggested by Small Enterprise Development Corporation (SEDCO, 2014), namely that the number of employees did not exceed 75 and the asset base was not more than US$500 000 (Chingwaru & Jakata, 2015).

1.12. Assumption of the Study

The study assumed that the sample would be a true representation of the population. It was also assumed that the responses would be unbiased, and that there would be no significant changes in the export performance and strategy orientation of SMEs during the time of the research. It was also assumed that the respondents would participate voluntarily, and provide
accurate information which would be sufficient to generalise the research findings, and that the economic conditions would remain unchanged during the period of data collection and throughout the research period.

**1.13. Overview of the Thesis**

Chapter One comprises the introduction and background to the study, the research problem, research aim and objectives, research questions, research hypotheses, conceptual framework, significance of study, overview of the methodology, scope of the study and assumptions of the study.

Chapter Two provides a review of the literature on export performance and its measurement, internal and external factors affecting the performance of SMEs, export marketing barriers affecting the performance of SMEs in Zimbabwe and the export marketing strategies currently being employed by the SMEs.

Chapter Three explores the theories that underpin the study and results in the development of the research hypotheses, and the development of the conceptual framework of the study.

Chapter Four provides a detailed discussion of the research methodology which includes the research philosophy, research approach, research design, population, and sampling, sampling methods, sample size, research instruments, questionnaire administration, data collection methods, measurement scales, questionnaire design, questionnaire pilot testing. Validity and reliability, ethical consideration and finally, the data analysis and presentation procedures are also explained.

In Chapter Five, the empirical findings are reported, presented and interpreted.

A comprehensive discussion of the research findings will be conducted in Chapter Six. In the next and final chapter, Chapter Seven, the conclusions and recommendations will be presented.
1.14. Conclusion

This chapter provided the background of the study, the research problem, research aim, objectives, questions and hypothesis, conceptual framework, significance and justification of the study, overview of the research methodology, scope and assumptions of the study and an overview of the thesis. The next chapter will focus on the literature review that will embed and provide sound theoretical foundation for the study.
CHAPTER TWO: 
LITERATURE REVIEW

2.1. Introduction

The previous chapter provided an overview of the study. This chapter presents a review of the literature that relates to the research problem, since it is argued that the literature review has to be good enough to create a good starting point which provides an effective platform for advancing knowledge, while also uncovering new frontiers for research and knowledge building (Collis & Hussey, 2013). Furthermore, according to Makanyeza (2014:15) a “literature review guides the researcher in delimiting the research problem and this results in the concept of generativity, which implies that any research must be based on prior research, and it has to be informed and developed from existing related literature.” The purpose of this chapter is to consider the different views on the research problem in order to provide evidence of the existence of a research gap. This chapter discusses the internal and external factors affecting the export performance of manufacturing SMEs, more especially barriers to exporting. It evaluates the effectiveness of the export marketing strategies currently being employed by the manufacturing SMEs, and determines the marketing strategies that can enhance the export performance of SMEs.

2.2. Export Performance Measurement

According to Abdolvand (2016:4) “export performance is perceived as one of the success indicators of a firm.” While “much research has been done to explain export performance and its antecedents, there has been no generally accepted conceptualisation” (Chen, Sousa & He, 2016:3). Papadoponlos and Martin (2010:8) argue that “export performance is the outcome derived from the international firm’s operations.” In the same vein, Navarro, Losada, Ruzo and Diez (2010:6) highlight that, “export performance is the ability of a firm to achieve its stated objectives when it exports products to foreign markets.” However, Chen et al. (2016:3) argue that, “export performance is the outcome of a firm’s activities in the export market.” Maurel (2009:9) notes that “export performance can be assessed through a three-dimensional approach namely, the EXPERF scale (Zou, Taylor and Osland, 1998) or the STEP scale (Lages & Lages, 2004).” Chen et al. (2016:8) argue that “there are 53 ways of measuring export performance, with 23 measures being used only once or twice.”
It is apparent from the above that export performance measurement is still characterised by divergence and discordance (Tan & Sousa, 2011). Furthermore, although a lot of theories have been propounded to explain export performance and its measurements, each theory provides a fragmented view of export performance, thereby augmenting the theoretical basis and framework which adequately explain the drivers of export performance are still absent (Wheeler, Ibeh & Dimitratos, 2008; Tan & Sousa, 2011). However, “the frequently used export performance measures are export profitability, export sales growth, export sales and export intensity” (Chen et al., 2016:8). The aforementioned state that, “non-economic performance measures are goal achievement and satisfaction with export performance, and these are not always used to measure export performance,” (Chen et al., 2016:8). However, Oliveira, Cadogan and Souchon (2012:6) argue that “the use of only one export performance indicator does not capture the different aspects of the export performance construct, since export performance is a multi-faceted phenomenon.” Given the above, this research adopted two of the commonly used indicators of export performance namely “export intensity and export sales growth to define the export performance of firms classified as SMEs in the manufacturing sector in Zimbabwe.” The above two indicators were used in this study due to the fact that “performance data are considered commercially sensitive and SMEs generally exhibit reluctance to divulge such data” (Kahiya & Dean, 2014). Furthermore, the aforementioned affirm that “the adoption of multiple measures is vital because no individual indicator adequately captures the export performance construct.”

2.3. Antecedents of Export Performance

Several researchers (Kumar & Ali, 2011; Serra, 2012; Kahiya & Dean, 2014; Chen, et al., 2016; Abdolvand, 2016) have conducted studies to determine the antecedents of export performance. According to Chen et al. (2016:16) “a large number of these antecedents were determined to have a greater influence on export performance.” Maurel (2009) categorised the antecedents into internal and external variables, which categorisation has also been supported by Sousal and Bradley (2008) and Boso (2010). Internal antecedents include “the firm’s characteristics, which includes the firm size, export experience, and product diversification offer.” Another internal antecedent refers to “management characteristics such as export orientation and entrepreneurship and technological resources such as innovation and creativity are also considered” (Maurel, 2009:10). Moreover, those that relate to the “decision maker characteristics such as age and background broadly include export strategy,
which incorporates the marketing strategy, relationship with partners, product adaptation, geographical diversification or concentration and niche strategy.” External factors include “those that relate to the environment such as the legal, cultural and financial environment.” Again, “industrial export determinants are also a key driver in determining export performance and these include concentration, export barriers and clusters respectively” (Maurel 2009:10), all of which are summarised in Table 2.1.

**Table 2.1: Antecedents of export performance**

<table>
<thead>
<tr>
<th>Category</th>
<th>Determinant</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Internal Determinants</strong></td>
<td></td>
</tr>
<tr>
<td>Firm’s Characteristics</td>
<td>Experience</td>
</tr>
<tr>
<td></td>
<td>Export Experience</td>
</tr>
<tr>
<td></td>
<td>Diversified Product Offer</td>
</tr>
<tr>
<td>Characteristics of Management</td>
<td>Export Commitment</td>
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<tr>
<td></td>
<td>Export Orientation</td>
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<tr>
<td></td>
<td>Entrepreneurship</td>
</tr>
<tr>
<td>“Technological Resources”</td>
<td>Innovation</td>
</tr>
<tr>
<td></td>
<td>Creativity</td>
</tr>
<tr>
<td>Decision-maker’s Characteristics</td>
<td>Age</td>
</tr>
<tr>
<td></td>
<td>Background</td>
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<tr>
<td></td>
<td>Background Level</td>
</tr>
<tr>
<td>Export Strategy</td>
<td>Marketing Strategy</td>
</tr>
<tr>
<td></td>
<td>Relationships with partners</td>
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<tr>
<td></td>
<td>Product Adaptation</td>
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<tr>
<td></td>
<td>Geographical Diversification or Concentration</td>
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<tr>
<td></td>
<td>Niche Strategy</td>
</tr>
<tr>
<td><strong>External Determinants</strong></td>
<td></td>
</tr>
<tr>
<td>Environment</td>
<td>Institutional Environment</td>
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<td></td>
<td>Legal Environment</td>
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<td>Cultural Environment</td>
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<td>Financial Environment</td>
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<tr>
<td>Industry</td>
<td>Concentration</td>
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<td></td>
<td>Export Barriers</td>
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<td>Clusters</td>
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</table>
Boso (2010:24) argues that “it is still possible to categorise the determinants of export performance into two major groups namely, external environmental and internal organisational factors.” The above researcher further highlights that “the external export environmental factors comprise factors that present possible opportunities and threats to firms that are engaged in foreign operations and tend to vary depending on the politico-legal, economic, socio-cultural and technological characteristics of overseas markets,” (Boso 2010:24). These external environmental factors include dynamism, diversity, hostility and munificence. On the other hand, “the determinants of export performance can be internal organisational factors namely export marketing strategies, managerial characteristics and organisational characteristics” (Boso, 2010:24). Consistent with the strategy used by Sousa, Martínez-López and Coelho (2008), the literature clearly shows that “there are so many internal organisational factors that can be identified as determinants of export performance, and this could exceed 20” Chen et al., 2016:16. However, this study focuses primarily on the export marketing strategies as internal determinants affecting the export performance of SMEs in the manufacturing sector, in particular market-driven strategies.

2.4. Internal factors

As alluded to earlier, there are various internal factors that affect the export performance of SMEs, and included among them are the firm’s characteristics, management characteristics, technological resources, decision-makers characteristics and export strategy (Carneiro, Da Rocha & Da Silva, 2011; Beleska-Spasova, 2014). For the purposes of this research, the study was mainly interested in the export strategy as an internal influence affecting the export performance of SMEs, with specific reference to the market-driven strategies.

2.4.1. Market-driven strategies

According to Chen et al. (2016:21) “the strategic exporting decisions are structured taking into account the firm’s resources, management characteristics and external forces and these will determine the export performance of the organisation.” Dagderviren and Mahran (2010) assert that the export marketing strategy used by SMEs has a major influence on the export competitiveness of both the firm and the country at large. In the same manner, researchers (Reis & Forte, 2016; Chen et al., 2016) argue that the marketing strategy is distinguished as one of the most frequently used determinants of export competitiveness. Dragnić (2014:127)
is of the view that, “SMEs should first monitor and analyze the opportunities and threats posed by factors outside the organization before developing a marketing strategy, since the external environment primarily affects the survival and the growth of the business.” Chichoni (2014) states that, firms can actually do better if they decide to be the sole suppliers through targeting niche markets and offer solutions that rivals find difficult to copy. Smit (2010) shows that, SMEs in Africa which export goods and services do not succeed because they fail to craft proper marketing strategies that influence customers. Ghauri et al. (2011) highlight that, for firms to perform, they have to be market-driven, and Vorhies and Harker (2011) state that “Market-driven” firms are known by their ability to predict the trends and events better than their competitors. They are able to anticipate better and more accurately the future actions of their competitors and take appropriate actions in time. As mentioned earlier, researchers are of the view that market-driven firms are time sensitive and respond to any information timeously, because they assume that market information is broadly shared and therefore anyone who acts quicker will win the customer.

Jain, Jain and Jain suggested that (2013:426) market orientation or being market-driven “is the market-sensing capability that provides a knowledge base upon which firms develop a distinctive combination of marketing resources and marketing capabilities in their efforts to outperform competitors.” Ibeh (2010:9) also states that “adopting market-driven strategies is perceived as a vehicle for growth and increased profitability of SMEs.” Marscherpa (2011:32) confirms that “market-driven strategies are about developing a vision about the market, which vision requires a firm to obtain information about the customers and markets, strategize with the information on how to deliver superior value to the customer.” Sciarelli (2008) argues that enhancing value for the customer lies in the ability of a firm to develop “outside-in” thinking that always scans the marketing environment to develop strategies that suit changing conditions. In line with Sciarelli’s (2008) views, Marscherpa (2011:32) argues that “it is not only about the continuous change in consumer preferences that makes organisations to adopt market-driven approaches but it is the competitive arena that keeps on being modified which makes it mandatory for firms to keep on scanning the market in order to adapt their strategies to new ever changing conditions, thus being market-driven.”
Furthermore, Spirig (2011:64) argues that “market-driven strategies exhibit the following characteristics, namely, crafting a shared vision about the market and how it is anticipated to change in the future, selecting ways on how to deliver superior value to the customers; positioning the firm and its brands in the market place using distinctive competencies; recognising the potential value of collaborative relationships with customers, supplies, distribution channel members, internal functions and even competitors; and reinventing organisational designs to manage future strategies.”

The market-driven strategies proposed by Spirig (2011) and Ghauri et al. (2011) are briefly discussed because of their greater relevance to this study.

2.4.2. Customer focus

Customer focus as a market-driven strategy is “a component of market orientated firms that focus on putting the customers at the centre of strategic focus” (Yaacob 2014:2). Lengler et al. (2016:708) argue that “as firms begin to invest in customer-oriented behaviours, export performance will increase as they become more knowledgeable about related needs and demands.” Similarly, Verhoef and Lemon (2013) assert that firms which are customer focused not only provide products that meet customer specifications, but also place overall attention on the whole supply chain operations such as seeking qualified suppliers, designing customer tailor-made products, timely delivery to the customer, reasonably priced products and well thought of after-sales service. Egonsson, Bayarsaikhan and Ly (2013:3) state that “after-sales services for manufactured goods encompass the set of activities taking place after the purchase of the product, devoted to supporting customers in the usage and disposal of goods.” The above researchers highlight that there are three main drivers aimed at supporting customers after the purchase namely, market technical support, service parts, distribution and customer relationship. On the other hand, Saccani, Johansson and Perona (2007:54) argue that “after sales service is a set of activities taking place after the purchase of the product devoted to supporting customers in the usage and disposal of goods and is arguably a component of customer focus.” Nivethika and Yoganathan (2015:1) highlight that “after-sales service plays a pivotal role in strengthening the bond between the organization and its customers.” The aforementioned researchers state that customers have shifted from just asking for a product but require a composite solution, and are therefore “increasingly moving away from requesting for a specific product to requesting for a certain service package (including
the original purchase and all aftermarket needs) instead.” This clearly indicates that the modern customer has become sophisticated therefore, “companies must work much harder in order to capture and understand how to market to their customers more efficiently and effectively,” (Liu, 2010:72). Furthermore, the Liu (2010: 73) argues that “the growth in the sophistication of consumers makes it mandatory for companies to understand the advanced needs and desires of their customers, and how to harness their new found power.”

Verhoef and Lemon (2013) highlight that organisations need to be customer focused, through ensuring timely delivery of the product to the market. Gilaninia, Monsef and Mosaddegh (2013:10) indicate that “timely delivery of products to the market is one of the key tangible factors indicating that the firm is customer-focused and has an impact on a firm’s export performance.” Export pricing as a variable of customer-focus has received considerable attention in literature and a case in point is that “a number of research studies focusing on the determinants of exporting success found that pricing plays a critical role in export performance” (Sousa & Novello, 2014:3). The aforementioned researchers highlight that “pricing decisions are particularly important for SMEs, as they have been identified as one of the key strategic decisions that managers have to make to ensure export profitability.” The pricing strategy adopted by a company is paramount for the sustainable export performance of an organisation and therefore needs to be contingent to the environment in which it operates (Tan & Sousa, 2011). It is argued that “competitive pressures may force managers to adapt their strategies to better meet consumers’ personalized demands in foreign markets, as well as to match price levels of local competitors” (Sousa & Novello, 2014:7). Furthermore, Junaidu (2012:557) argues that “offering satisfactory prices to customers is another factor that is hinged on the marketing function of the firm and insufficient resources could limit the ability of the firm to offer suitable prices compared to competitors, thus affecting the performance of the firm negatively.” Similarly, Tuu and Oslen (2013) assert that organisations which fail to match prices to those of competitors are deemed to fail in the international markets.

In view of Tajeddini, Elg and Trueman (2013:459), “customer-focus requires firms to continuously update and improve all processes associated with improving the total welfare of the customer, since customer needs are continuously changing due to the dynamic nature of the environment, processes and products to meet those customers’ needs also have to change.” As a result, “the benefits accruing from being customer-focused have been reported
to be an increase in a firm’s performance and cost related benefits” (Yaacob 2014:2). This view is supported by researchers such as Anaza and Rutheford (2012) and Alam (2013). Although many researchers have failed to give an account of the benefits that accrue to a firm that focuses on the customer, Yaacob (2014:2) provides evidence on the impact of customer focus and states that, “customer focus has four attributes of performance namely, customer satisfaction, employee satisfaction, and innovation and costs benefits.” In line with the above, Mukerjee (2013) highlights that innovation increases a firm’s performance and is arguably more prevalent in firms which put more emphasis on customer focus. Nevertheless, this previous view has been criticised by Pan, Sheng and Xie (2012) who argue that customer focus compels firms to commit huge amount of resources for a long time, to satisfy the needs of customers and this creates tension for managers who have to satisfy the financial performance of the firm, especially if the results of customer focus do not provide immediate positive results. Steven, Dong, and Dresner (2012) are of the view that the implementation of customer-focus to less performing sectors becomes very de-motivating and unsatisfactory for managers. Nevertheless, the implementation of customer focus as a strategy has received wide attention from various sectors of the economy across the globe (Alam, 2013; Mukerjee, 2013), and customer-focus has been ranked high by most firms who aim to attain sustainable performance (Mokhtar, 2013). Yaacob (2014:3) states that, sustainable performance refers to the capacity of an entity to rapidly and efficiently respond to customer related issues. Therefore, in order to respond swiftly to customer related issues, “the organisation needs customer data, this provides information to the employees so that they can act accordingly” There are so many new entrants into the market every day, with great innovations, with the objective of increasing their profits. When faced with such a scenario, it is ideal to adopt customer focus strategies, which entail creating relationships with customers who are loyal to the business and this is done through focusing on handling consumer complaints and making follow-ups where appropriate (Krivokapic, Vujovic, Jovanovic, Petrovis & Pekovic, 2013). Strokes (2010) argues that customer satisfaction and customer orientation are strongly associated with the success of SMEs, and it is thus vital that SMEs value personal relationships with customers (Kotler, 2008), which relationships can be achieved by a process of elimination, instead of using classical strategies for example, segmentation, targeting and positioning (Cummins, Gilmore & Carson, 2010).

Although the idea of being customer focused is very noble, it is not quite relevant for SMEs in developing countries, since it is difficult to achieve to the fact that “SMEs have unclear
view of the customer, commitment with the status quo, ignorance of market orientation, lack of competitive differentiation, limited resources, perceived inappropriateness and short-term focused” (Mahmoud, 2011:242). This researcher further argues that “the fact that market orientation concept was developed largely from studies of large organizations makes it timely to examine the appropriateness of the construct to SMEs,” (Mahmoud, 2011:242).

2.4.3. Creating distinctive capability

It is viewed that “organisational capability is also a market-driven strategy which is premised on identifying an organisation’s distinctive capabilities” (Ghauri et al., 2011:3). Khan (2013:37) described distinctive organisational capabilities as “activities derived from a combination of organizational vision and organizational structure that a firm does better than any competing firms.” It is affirmed that “capabilities are accumulated knowledge and bundles of skills that enables a firm to make profitable and sustained use of its internal resources to achieve its objectives” (Andrews, Beynon & McDermott, 2015:3). There are so many ways of enhancing a firm’s capabilities and these are depicted below on Figure 2.1.

**Figure 2.1: Sources of Competitive Advantage**

![Diagram](image)

**Source:** Adapted from Day (1994:40)

Based on the Resource Based View (RBV), Freeman and Styles (2014:183) argue that “resources drive a firm’s competitive advantage and form the basis for developing a firm’s
capabilities.” Some types of resources owned by an entity have the capacity to make the organisation more distinctive than others (Barney, Ketchen & Wright, 2011). Freeman and Styles (2014:186) argue that “the combination of the firm’s internal assets (available resources) and market-based assets (capability development) enable exporting firms to identify opportunities and respond quickly to improve export performance.” Khan (2013:36) describes organisational resources as “all assets, capabilities, competencies, organizational processes, firm attributes, information, knowledge, and so forth that are controlled by a firm and that enable the firm to conceive of and implement strategies that improve its efficiency and effectiveness.” These resources are grouped as tangible and intangible resources (Othman, Arshad, Aris & Arif, 2015). Of the above mentioned, human and intangible resources are critical in attaining and sustaining a competitive advantage position, since, because of their nature, it is difficult to copy (Othman et al., 2015). Similarly, Freeman and Styles (2014:182) confirm that “to sustain a competitive advantage a firm’s resources and capabilities must have four attributes namely; be valuable or be able to exploit opportunities and neutralize threats in the environment; be rare among a firm’s current and potential competitors; be difficult to imitate and be distinct from competitors; and there cannot be substitutes for this resource.” Furthermore, Freeman and Styles (2014:185) advocate that “SMEs with experienced managers are likely to perceive less uncertainty in their export venture, have a better understanding of foreign market idiosyncrasies, develop a network of personal contacts and relationships and, consequently design and implement effective strategic export programs.”

Inmyxai and Takahashi (2010) argue that physical resources have the capacity to enhance sustainable performance. Junaidu (2012:557) asserts that “image/reputation related resources are among those unique and firm specific resources that help a firm to attain and sustain competitive advantage simply because they are neither substitutable nor imitable.” A different view related to the above is that, “when a firm or its products lacks good reputation then it will be hard to compete on the basis of differentiation and this could affect its export performance” (Junaidu, 2012:557).

Human resources are pivotal in stimulating positive performance for a firm (Andrews et al., 2015). Kurami (n.d:3) highlights that “the resource-based approach to strategic management considers HR as a unique source of competitive advantage for the firm.” It is argued that for
an organisation to achieve a distinctive advantage from its human resources, there are four basic prerequisites which must be met, namely; “human's capability and commitment, strategic importance of human resources, managing human resources by specialists, and finally, integration of human resource management in the business strategy” (Kurami n.d:4).

Khan (2013) argues that the knowledge possessed by human resources for example human knowledge, skills, aptitudes and capability contribute immensely to the performance of an organisation. The above researcher asserts that if competitors find it difficult to copy the skills, capabilities and knowledge, then a company can be assured of a sustainable distinctive capability which is an ingredient to its performance. Again, Andrews et al. (2015) highlight that the following attributes namely, the quality of leadership and management of the firm, the quality of its strategic management practices and the appropriate strategic links determine the capability of an organisation that can be marshalled to achieve better performance.

Furthermore, a reliable core workforce can also stimulate incremental developments of an indispensable valuable resource of an organisation. However, on the other hand, Inmyxai and Takahashi (2010) argue that selection and training of newly employed staff needs more investments of financial resources and time. This however, may reduce the capacity of a firm to swiftly respond to important customers as financial resources are very crucial in determining the survival and performance of a firm. Financial resources can also assist in explaining the level of organisational readiness to perform (Othman et al., 2015). Other resources such as manufacturing experience and the reputation of the product, can explain better the variation in organisational performance (Andrews et al., 2015). Hassan and McCarty (2011:559) argue that “intellectual market-based assets are also types of knowledge a firm possesses about its competitive environment which also enables the firm to sense and predict the future moves of its competitors.” Conversely, Junaidu (2012:557) is of the view that “based on the resource-based view, lack of marketing resources could affect the ability of the firm to successfully undertake exporting activities.” This informational knowledge of the market is an indispensable asset for a firm in this dynamic environment. Hassan and McCarty (2011:559) confirm that “gathering information for business” is very crucial for SMEs’ sustainability and is also classified as a capability that enables SMEs to compete effectively in the global market. However, the aforementioned researchers argue that SMEs are not capable of gathering information about their customers and the type of products to supply. In light of the above, Kohli and Jaworski (2010) propose that such a lack of business intelligence makes them unaware of customer demands and the appropriate strategy to guide business development. In addition, Freeman and Styles (2014:183) argue that “the RBV can
make a substantial contribution to export performance through its identification of specific knowledge and competences as valuable, unique and difficult to imitate resources that enable a smaller firm to differentiate and do well in export markets.”

However, Khan (2013:46) states that “the disaggregated view of resources focusing on capabilities as distinct from the broad aggregate resources is also further refined in terms of the dynamic and fluid aspects of the market environment.” From this viewpoint, it has been argued that for firms to remain relevant in this era of globalisation, they have to concentrate on the dynamic nature of capabilities (Eisenhardt and Martin, 2000). In the same vein, some research scholars (Teece et al., 1997; Eisenhardt & Martin, 2000; Wang & Ahmed, 2007) support the view that firms need to “convert distinctive capabilities in a dynamic environment to sufficiently capitalise on the available resources” thus, organisations must match their capabilities with the changing environment in which they operate. Khan (2013:46) argues that “this perception of a need to consider the fluid nature of firms in deploying their resources within an on-going, changing environment has led some scholars to contribute to the parallel dynamic capabilities stream.” Dynamic capabilities are referred to as “routines within the firm’s managerial and organizational processes that can be applied to gain, release, integrate and reconfigure resources” (Teece, 2014:14). Kindström, Kowalkowski and Sandberg (2013) highlight that an organisation needs (dynamic) capabilities to respond to the future environmental changes. These “capabilities are not only designed to match a company’s resource base in response to the evolving customer demands and market trends, but also to give a company the chance to reconfigure its business through innovation and collaboration with all its stakeholders to include customers and competition” (Teece, 2014:16). From this viewpoint, Cavusgil and Knight (2015) assert that taking cognisance of the dynamic capabilities is very important, but it is not easy. In line with the above, Vargo and Lusch (2008) also assert that the recognition of dynamic capabilities is usually a ‘mammoth task’ and sometimes ‘difficult to understand’ since this requires an organisation to be closer to its valued customers especially if a better understanding of the customer is required. Furthermore, Freeman and Styles (2014:187) opine that “due to the lack of firm resources, SMEs exhibit a haphazard approach with regards to the acquisition and use of export market information and consequently, the firm’s risk to exporting increases as decisions are often based on purely gut feeling as opposed to informative strategic decision making.”
Given the above, it is questionable whether SMEs in developing countries (such as Zimbabwe) are able to embrace dynamic and distinctive capabilities to improve their export performance. A study conducted in Malaysia by Man and Wafa (n.d:559) on the impact of distinctive capabilities on the performance of SMEs revealed that “there is a significance correlation between distinctive capabilities and the performance of SMEs.” Mascherpa (2011:103) asserts that “SMEs that aspire both to enter into global markets early/rapidly and to outperform their competitors on the global markets should develop a strategic set of dynamic capabilities.” However, by holding a different view, Freeman and Styles (2014:186) argue that “simply acquiring valuable resources is insufficient to ensure a competitive advantage; indeed it is the combination of resources and capability development that is valued in the export market.”

2.4.4. Customer value and organisational capabilities

Customer value is also a market-driven strategy which is premised on the notion that, “customer value is the overall assessment of the utility of the product taking into consideration what is received in comparison with what is given” (Allahham, 2013:2). Furthermore, Shanker (2012:1) views customer value as “customers’ perceptions of what they receive in return for what they sacrifice,” and thus categorised customer value into “desired value and perceived value.” The desired value is defined as the functionality that the customer would want to see when purchasing a product; while perceived value is product associated advantages that the customer believes would receive after purchasing the product. Yu-Shan and Ching-Hsun (2012:6) argue that, “perceived value is defined as a consumer’s overall evaluation of the net benefit of a product or service based on a consumer’s appraisal.”

Customer value is not just an important determinant in building customer relationships, but it also plays a major role in consumer buying behaviour and creating mutual trust (Zhuang et al., 2010). In line with this argument, Smith and Colgate (2007) suggest a value creation framework that has four main attributes that can enhance value creation of a firm for its customers. These four attributes include the functional value or instrumental value, which are the attributes or contents of the product that fulfil the desired needs of the customer; the experiential value, which is the ability of the product to create a long lasting impression, “the experience and emotions of the customer; the symbolic or expressive value, which involves the ability of customer to attach a psychological meaning to the product; cost or sacrifice value, which entails the ability of the product to attract a consumer to an extent that it
becomes indispensable to do without that product, and the cost price of the product must be commensurate with the value offered by the product” Smith and Colgate (2007:10) Shanker (2012:19) asserts that firms need to create “a pre-emptive value creation strategy” to increase their competitive advantage resulting in higher performance. The above researcher also argues that, “a value creating strategy” is made up of the following attributes namely; performance value, pricing value, customer relationship and co-creation (Shanker, 2012:19).

For a firm “to achieve optimum export performance there is a need to match customer value and organisational capabilities” (Ghauri et al., 2011:3). Ngugi, Johnsen and Erdélyi (2010:5) argue that, “SMEs in developing countries may not be able to match customer value and organisational capability due to their size and resource constraints.” However, the previously mentioned researchers state that “these SMEs are compelled to have networks, relationships, partnerships and strategic alliances with larger organisations in order to develop their capabilities.” Ngugi et al. (2010:5) argue that, “through co-creation, resources of companies can be combined and new combinations of capabilities are developed to better satisfy customer value, and this will enable SMEs to operate effectively in meeting market and customer demands,” thus, enhancing their competitive advantage.

2.4.5. Cross-functional cooperation

Cross-functional cooperation is also a component of market-driven strategies which determines business sustainable performance. Blindenbach-Driessen (2015:30) highlights that “cross-functional teams are groups formed with the intentions of jointly working together in tasks that requires an input from each person in an organisation.” In the view of Pimenta et al. (2014:2) “cross-functional cooperation relates to the use of integrating mechanisms in activities that require expertise from different functions.” These researchers state that, “the success of this bond depends on the relationships between functions in an organisation.” Topolšek and Čurin (2012) argue that the aim of creating cross-functional teams in an organisation is to improve relationships among workers which in turn improve organisational performance. Daspit, Tillman, Boud and Mckee (2013:36) confirm that, “for cross-functional teams (CFT) to improve organisational performance, group members must share leadership roles and there is a need for a positive internal environment to generate cohesion among members.” On the other hand, Feng, Jiang, Fan and Fu (2010) argue that the selection of members should hinge on an individual’s capacity to perform as an individual and
collectively as a group. As mentioned earlier, functional knowledge transfer is very important for a number of reasons and among them include; members learn from the experience of others, product improvement and overall firm performance. Daspit et al. (2013) posit that there is need for an effective system that enables knowledge transfer across all departments in an organisation before it can play a critical role as an asset in a cross-functional team-set up. However, Pylvä (2012) maintains that although knowledge may be available among employees, some employees might not be willing to transfer this knowledge across departments and this may impede the success and development of a firm. The abovementioned researcher further argues that this may be caused by inter-functional rivalry in some instances where firms compete for the scarce resources available and therefore might be unwilling to share information thereby preventing the competing function from gaining knowledge. This therefore, seems to raise doubts as to whether competing departments can work together to achieve organisational learning and performance (Blindenbach-Driessen, 2015). However, Pylvä (2012) is of the view that the occurrence of cross-functional teams has a positive customer and financial performance.

There is no single strategy which is universal that can fit all companies, thus companies have to consider both the effect of internal and external influences when crafting a sustainable strategy which affect their own activities and these activities need to be aligned to a strategy (Virvilaite, Seinauskiene & Sestokiene, 2011; Gabrielsson, Gabrielsson & Seppälä, 2012). Many studies recognize that there must be a “strategic fit between the business environment and the marketing strategy”, in order for a firm to produce better results (Virvilaite et al., 2011; Gabrielsson et al., 2012). Other researchers such as Gabrielsson et al. (2012) confirm that the company’s strategy should be aligned to the environment in which the business operates. This seems to suggest that besides internal factors, external factors have a major impact on business strategy, which eventually affects its performance (Kim & Mauborgne, 2015). According to Demoah (2011:76) “it can be assumed that limited research has been undertaken on the impact of the external environment on SME export behaviour.” Thus, this study endeavoured to address the above concern.
2.5. External factors

Although it is perceived that the firm’s internal environment is very crucial in determining a firm’s export performance, the external environment has to be considered as well, since it helps to explain the firm’s competitiveness in the environment in which it conducts its business (Kim & Mauborgne, 2015). Similarly, Lengler et al. (2016:704) concur that “external components in the marketplace are vital to determine firm performance.” The aforementioned researchers affirm that “firms should never be locked into one approach since environmental conditions are transient and fluid.” The external environmental factors effect on strategy has received considerable attention (Nasir & Altinbasak, 2009; Gabrielsson et al., 2012; and Lengler et al., 2016). Recent evidence suggests that “the understanding of external factors on export performance enables an organization to choose the appropriate strategy or strategies that fit the trend in the external business environment” (Uzoma, Chukwu & Mirdi, 2014:29). Beleska-Spasova (2014:68) also argues that “the external factors which influence export performance are categorised into two namely, market characteristics and industry characteristic” This study draws on the Resource-Based View (RBV) to explain the internal determinants of export performance (market-driven variables, namely, customer focus, distinctive capabilities, customer value and cross-functional cooperation), while the Contingency Theory was used to explain the external determinants of the export performance of SMEs, namely, export market characteristics, industry characteristics and export marketing barriers.

Drawing on the assumptions of the Contingency Theory, the following variables are included in this research.

- Export Market Characteristics - environmental turbulence/export market turbulence, cultural similarity and market competitiveness,
- Industry Characteristics - competitor networks vs firm networks, technological intensity, capital intensity, R & D intensity, labour productivity, export concentration, and
- Export Marketing Barriers - exogenous variables, resource barriers, procedural barriers, knowledge and experience of international markets barriers, political, legal, exchange rate and its volatility.
The above three key variables are discussed in more detail below.

2.5.1. Export market characteristics

2.5.1.1. Environmental turbulence / export market turbulence

Reis and Forte (2016:269) argue that the export market characteristics that affect a firm’s performance are “environmental turbulence, cultural similarity, market competitiveness, among others.” Al-Nuiami, Subhi Idris, AL-Ferokh and Abu Joma (2014:113) assert that “environmental turbulence refers to rapid, unexpected change in the organization’s environmental sub dimensions such as technology, customers, competitors, government regulations and new product launches.” Lisboa, Skarmeas and Lages (2013:212) define export market turbulence as “the variability and unpredictability of customer needs and preferences.” Samson and Mahmood (2015:78) define a turbulent environment as “an environment with a high degree of inter-period change that causes dynamism and uncertainty.” As noted by Lisboa et al. (2013:212) “in dynamic markets customer needs shift rapidly and it is difficult to predict such changes, while in stable markets customer preferences do not change a lot and any changes are fairly predictable and certain.” The same researchers affirm that the following characteristics, namely unstable, hostile, uncertain, dynamic, complex and volatile jointly put together, “gives a clear description of a measure of environmental turbulence and this has a serious negative impact on the export performance.” As noted by Sundqvist, Kyläheiko, Kuivalainen and Cadogan (2012:205), “environmental hostility has a negative impact on export performance, since it poses challenges to firms that export especially when they cross the border.” Some researchers (Al-Nuiami et al., 2014:113; Lisboa et al., 2013:212); have found empirical evidence arguing that “turbulent environments affect export performance.” For instance, “environmental turbulence characterised by the unpredictability and the actions of competitors and customers can have a negative effect on export performance, thus firms which survive under such circumstances are those that introduce an array of innovative product solutions to cater for rapidly changing consumer tastes” (Perez-Luno et al., 2011:558).

It is argued that “the success of a firm under market turbulence lies mostly in its ability to look for customer and competitor information in the export market that could decrease the uncertainty of the environment” (Stoian, Rialp and Rialp, 2011:119) Freeman and Styles (2014:187) suggest that “having the resources to
develop capabilities necessary to access market intelligence in more diverse and turbulent environments helps minimize unfamiliarity with export markets and to a greater extent decreases uncertainty in the export venture.” Lisboa et al. (2013:211) suggest that “export market exploration improves export performance under high levels of export market turbulence.” However, Spirig (2011:16) argues that “firms under environmental uncertainty need to be flexible and adapt especially where markets surface overnight.” Samson and Mahmood (2015:78) “propose that SMEs should align with environmental conditions in order to realize superior export performance.” Notably, Jalali (2012:55) asserts that “innovation is considered the most paramount solution for SME's to deal with the hostile environmental condition and enhance their export performance.” Boso, Cadogan and Story (2012) argue that firms who export can only manage to conquer hostile, turbulent and dynamic environments, if they are entrepreneurial oriented. Despite the fact that a number of scholars highlight that unfavourable environmental has a bad influence on export performance, Some researchers such as Samson and Mahmood (2015:78) propose that a “turbulent environment where demand regularly shift, opportunities turn out to be plentiful and performance level is expected to be at peak for firms that have special orientation in chasing after new opportunities since they possess a good fit/match between their orientation’s strategy and the external environment.”

2.5.1.2 Cultural similarity

The “relationship between organizational culture and firm performance is mixed” (Pratono & Mahmood, 2014:286). Hollensen (2010:n.d) argues that “there are several factors from the socio-cultural environment which affect export businesses namely; language, customs, technology, manners and material culture, education, values and attitudes, aesthetics and religion.” Cinkota and Ronkainen (2010:80) affirm that “values, attitudes, manners and customs of a particular country affect the strategy making of a firm and therefore any business which seeks to export must consider these factors seriously before embarking on any export business.” According to Uzoma et al. (2014:27), “the elements of culture which have a direct bearing on marketing are market culture, language, aesthetic, religious beliefs and education.” The ever-changing consumer preferences, attitudes and habits which seem to be different from one region to the other, is a major obstacle in marketing products to consumers as the quest for standardisation increases (Nasir & Altinbasak, 2009). Furthermore, it is very
crucial to have a command of language in international marketing, as this gives the exporting country several advantages, such as; the ability to gather information about potential customers easily, speaking the partners’ language creates trust and improved personal relations that can contribute to further positive cooperation and misunderstanding is reduced and sometimes eliminated, thereby enhancing trade among nations (Cinkota & Ronkainen, 2010). Another element in line with culture is customs, which refers to the established ways of behaving, cascading down from generation to generation (Wild, Wild & Han, 2008). Czinkota and Ronkainen (2010:80) affirm that “it is crucial to have more knowledge about your trading partner’s manners and customs to facilitate business negotiations.” It is clear that “business culture differs in every country and therefore each country have its own ways of making correct interpretation of what is being negotiated and recognising that a business contract has been concluded” (Sorokina, 2012:13). The aforementioned also argues that foreign partners who ignore the customs of a particular country they intend to do business with, have high chances of failure. Pratono and Mahmood (2014:286) opine that “the relationship between organizational culture and firm performance is mixed.” Empirical evidence (Ting, 2011:101) reveals that “organizational culture has the most significant impact on firm export performance.” Nold III (2012:20) also noted the “significant impact of organizational culture on the firm’s performance, and affirms that firms with trust and collective sharing of knowledge grow more effectively.”

An alternative view is that of Slater, Olsom and Finegan (2011:230), who report different results, which show that “there is no significant relationship between a firm’s culture and its performance.” Uzkurt, Kumar, Kimzan and Eminoglu (2013:102) also argue for there being “an insignificant relationship between organizational culture and a firm’s performance.” Although some scholars argue that “there is no significant relationship between culture and a firm’s performance, a number of scholars notably, Hollensen (2010); Cinkota and Ronkainen (2010); Sorokina (2012); and Pratono and Mahmood (2014), affirm that there is indeed a significant relationship between culture and firm export performance.”

2.6. Industry characteristics

Reis and Forte (2016:267) argue that “the structure-conduct-performance paradigm, as a leading theory in industrial organization, states that the characteristics of the external
environment, which are largely represented by the characteristics of the industry, determine a firm’s behaviour and therefore its performance.” In light of the aforesaid, the industrial characteristics that affect firm performance are technological intensity, capital intensity, R & D intensity, labour productivity, export orientation and concentration. Guner, Lee & Lucius (2010) highlight that capital intensity contributes immensely to the technological advancement of operations, reduction of costs, operational advantages and ease of entry into foreign markets and therefore, it is envisaged that there is a positive relationship between capital intensity and export intensity. An alternative view is that, R & D intensity has a positive impact on export performance and “this is explained by the fact that investment in R & D enables a firm to be more competitive in areas such as product development, operational efficiency and cost reduction” (Reis & Forte, 2016:271). In addition, it is argued that industry concentration influences export intensity in that a well-established firm has enough resources to compete internationally (Clougherty & Zhang, 2009). Guner et al. (2010) argue that labour productivity is a salient determinant of cost and competitiveness contributing to the ability of firms to compete with foreign firms. Recent evidence affirms that labour productivity has a “positive influence on a firm’s export intensity” (Reis & Forte, 2016:272).

2.6.1. Competitor networks vs. firm networks and export concentration

Research by Abraham (2010) shows that “competition has a negative impact on the performance of a firm, as it reduces sales volume, and as a result companies which export a variety of goods will be forced to streamline and focus on their core competence.” Lengler et al. (2016:705) argue that “firms operating in export markets under intensely competitive conditions are more likely to emphasize the need for more expertise in monitoring customers and paying special attention to their needs.” Furthermore, the preliminary researchers affirm that “this need to emphasize the understanding of the customer is directly linked to firm survival in the foreign market.” In the same line, Liu (2010:75) confirms that “import competition forces firms to drop peripheral products and refocus on core production.” Grandinetti and Mason (2012:238) assert that “firms that survive under cutthroat competition are those that form strategic networks with foreign companies.” Ricci and Trionfetti (2012:552) advocate that “firms are more likely to export if they benefit from foreign networks (ownership and financial linkages), domestic networks (Chamber of Commerce, links to regulation), and communication networks (E-mail, internet).”
The above authors argue that “foreign network connection reduces fixed exporting costs (the cost of acquiring knowledge about foreign suppliers, foreign consumers, foreign business and regulation practices, and the cultural environment in general), thereby increasing the probability of exporting.” Grandinetti and Mason (2012:239) affirm that “there is a positive effect of performance in companies that network as this enables them to share information and knowledge with other foreign companies through joint ventures and FDI.” Xie and Suh (2014:210) assert that recent evidence confirm that “networking and human resource management of SMEs exert a significant and positive impact on regional and global export performance.” Similarly, evidence from a research carried out by Eberhard and Craig (2013:385) revealed that “inter-personal networking and inter-organisational networking positively influence SME international market venturing.” Garg and De (2012:8465) assert that “the resource based and dynamic capabilities perspectives also suggest that network partnerships are important to many small firms as they provide important social capital.” It is suggested that “these partnerships may be especially important in the emerging markets as they enable firms with relatively weak internal resources especially SMEs to access complementary resources and capabilities within the wider network” (Garg and De, 2012:8465). Freeman and Styles (2014:184) affirm that “SME survival is dependent on a combination of collaboration, co-operation and alliances with industry, government and other SMEs.” Based on this, Garg and De (2012:8465) argue that “it is the sharing of information on these collaborations and networks that facilitates new product development activities enabling SMEs to compete more effectively in export markets.” Monteiro (2013:8) asserts that “firms with foreign ties have better export performance as they are in a better position to mobilise resources.” Similarly, Xie and Suh (2014:211) contend that “location affects the SMEs’ access to networks, resources, and capabilities, thus affecting their export performance.” Furthermore, recent evidence from Chugan and Singh’s (2015:90) study suggests that “the SMEs benefit from clustering in the form of linkages, common supply chain network, labour pooling, information and knowledge sharing, and this acts as a competitive advantage for firms to improve their export performance in environments which are prone to competition.”
However, Garg and De (2012:8469) argue that “in emerging markets, SMEs typically lack relevant embeddedness in international social networks of firms, and rely on social contacts of its owners/managers, which may not be sufficient for the establishment of appropriate partnerships with other firms and might prove to be an impediment to its competitiveness.”

Furthermore, Ricci and Trionfetti (2011:5) argue that “firms experience a lower probability of exporting if they are affected by state or labour networks (public control and unionization).” Notably, Lengler et al. (2016:707) argue that “lack of competition in an export market contributes positively to export performance.”

### 2.6.2. Technological intensity

Uzoma et al. (2014:29) defined technology as “the application of scientific principles to industrial problems, and technology based on the marketing principles as innovation which has to do with the development of new technologies.” Yoganandan, Jaganathan, Saravanan and SenthilKumar (2013:175) are of the view that “the quality of final product is determined by various factors especially two factors that contribute more are raw materials and machinery (technology).” With reference to exports, “the firms’ performance is largely dependent on its ability to pay costs related to technology and how well it can access the technology” (Taneja, 2012:16). Lengler et al. (2016:704) “emphasized technology as one of the main factors contributing to the success of the firm’s international operations.” Moreover, Yoganandan et al. (2013:175) found that “there is a positive relationship between information technology and firm’s ability to achieve greater flexibility in their operations and to manufacture international quality products.”

A study by Beltramello, De Backer and Moussiegt (2012:5) highlights that “emerging countries gain large shares of world exports in high and medium-high technology industries.” Another similar related research is that of Cheptea et al. (2010) which focuses on the export performance of the EU-25 through the use of product-level data; the results confirm that high technology is very crucial in determining export performance. Notably, research by Wierts, Kerkhoff and Haan (2014:930) concludes that “technology seems to be increasingly important in determining export performance in world markets.” Ricci and Trionfetti (2012:557) also confirm that “firms are also more likely to export if they have more advanced
communication technologies.” Nayak, Singh, Padhye and Wang (2015:4) also highlight that “the survival of companies is firmly attached to how well they embrace modern technology to improve the efficiency of their operations and thus gain competitive advantage.”

However, Beltramello et al. (2012:5) argue that “exports not only reflect the embodied technology and relative endowments which characterise a country's domestic production activities, but also the technology and factor endowments of the countries from which the country in question imports intermediate goods.” Chantanaphant, Jirayuth, Md. Noor Un Nabi and Utz Dornberger (2011:2) confirm that “the technological capability of SME firms has been regarded as an important strategic resource, enabling them to achieve competitive advantage within their industry.” The same researchers argue that “the development of technological capability by SMEs is crucial for them to overcome the fast-changing and fiercely competitive global markets.”

Although it may be concluded from the literature reviewed that “much research has been conducted on the effect of technological capability on export performance in emerging countries.” “Most of the above studies emphasised the development of technological capability at industry level, however, the development of technological capability at the firm level is not fully researched” (Chantanaphant et al., 2011:2). Uzoma et al. (2014:28) argue that “it is the ability of a firm to use new technology to innovate products that enables a firm to be competitive in the global markets.”

The advent of globalisation has also put more emphasis on strengthening the value chain which has a positive effect on export competitiveness (Harris & Moffatt, 2011). Recently, Love and Roper (2015:28) reported that “SMEs which have prior innovation experience are more likely to export, more likely to export successfully and more likely to generate growth from exporting than non-innovating firms.” Given the above, it may be assumed that SMEs which invest more on the technological dimension of innovation are more likely to be more competitive in the international markets, than those who do not (Hall, Lotti & Mairesse, 2009). The aforementioned researchers further argue that innovation by SMEs through the use of technology is done without conducting appropriate research, thus it remains questionable how SMEs can innovate without the appropriate knowledge. Hall et al. (2009:15) argue that “since it is not possible to measure the innovative effort of SMEs because of the presence of latent and unobservable variables, one therefore needs to look at
the results of R & D investment namely; training, technology adoption and sales of products new to the market or the firm.” Several researchers (Arteaga-Ortiz & Fernandez-Ortiz, 2010; Fariza, 2012; Kazimoto, 2014) have grouped “the factors affecting export performance as barriers to export marketing”, and this will be discussed briefly.

2.7. Export Marketing Barriers

The study of export barriers is very important as it provides insights on issues that prohibit exporters from gaining a sustainable competitive advantage in international markets (Kahiya, Dean & Heyl, 2014). It is evidenced that SMEs which seek to exploit foreign business opportunities must be ready to manage constraints that exist in both the local market and the export market (Kahiya, 2013). Constraints refer to environmental factors which prohibit or obstruct SMEs from carrying out profitable international operations (Arteaga-Ortiz & Fernandez-Ortiz, 2010). Xie and Suh (2014:210) assert that “SMEs face a variety of challenges and barriers to their international marketing efforts, such as their limited capabilities and resources, insufficient administrative procedures and methods, and inadequate planning and control, in addition to the lack of know-how and access to overseas distribution channels.” Hassan and McCarty (2011:596) contend that “the type of export barriers which SMEs face in developed and developing countries are similar, and these can be grouped as controllable and non-controllable impediments.” Furthermore, Arteaga-Ortiz and Fernandez-Ortiz (2010) argue that, export barriers can be grouped as dynamic or static, whereas Xie and Suh (2014:211) are of the view that “barriers to internationalization can be classified into internal and external barriers.” The aforementioned researchers further argue that “internal barriers can be informational, functional, and related to marketing, whereas external barriers can be procedural, governmental, and environmental” (Xie &Suh, 2014:211). However, Kahiya et al. (2014) on the other hand categorised export marketing barriers as external and internal to the firm, and expanded them as resource barriers, exogenous barriers, procedure barriers, knowledge barriers and experience barriers.

Although the literature alludes broadly to internal and external barriers, this study focused on some internal barriers that are more relevant to the study, with the purpose of enriching the study. However, they were not included in the statistical analysis since the study is about exports and thus primarily concerned with external barriers.
2.7.1. Exogenous barriers

Kahiya et al. (2014:6) highlight that “exogenous barriers include high value of domestic currency, perceived risk of selling abroad, foreign restrictions and regulations and strong competition in foreign markets.” These exogenous barriers are important since SMEs lack the power to circumvent them and therefore require the intervention and support of policy makers (Arteaga-Ortiz et al., 2010). Fariza (2012:110) asserts that “governments should continuously monitor their trade environment so that it is conducive for growth and development of SMEs.” Empirical evidence from studies by Kazimoto (2014) indicate that export marketing barriers for SMEs were a range of international marketing regulations and standards imposed by governments, which prevent SMEs from realising the full benefits of international trade. Figueiredo (2010) also argues that, direct export barriers affecting small to medium-sized exporting firms in many developing countries include; inadequate diplomatic support, protectionist barriers and lack of foreign exchange allocation. Bose (2014:n.d) provides evidence that “the foreign exchange rate policy is a major determinant of the international competitiveness of firms.” Luis (2012) and Bose (2014) concur about which exchange rate policy has an effect on the export financing of a firm and also which determines the probability of getting foreign currency to finance export programs.

2.7.2. Resource barriers

Resource barriers are related to production activities, financially-related issues and managerial focus-related factors, and are largely known by prefixes such as ‘inadequate,’ ‘insufficient’ and ‘lack of.’ These include inadequate materials, lack of expertise in exports, lack of finance, lack of financing banks and inadequate lines of credit to finance exports (Köksal & Kettaneh, 2011). Mambula (2012) asserts that finance is the backbone of any successful business and despite the existing policies; only a few entrepreneurs obtain financial assistance when the need arises. These conclusions were arrived at from research carried out in Nigeria, where it was found that 72% of the Nigerian entrepreneurs indicated that inadequate financial support is a major constraint in enhancing their exports. Biggs and Shar (2013) concurred with Mambula (2012) that lack of financial assistance is a challenge inhibiting SME development. With resepct to Zimbabwe, SEDCO (2010) reports that the organisations which are mandated by the government to disburse financial assistance to SMEs are currently financially paralysed leading to distressed export production, thus affecting the export performance of SMEs.
On the other hand, Wallace (2010) suggests that, there is a lack of training programs for entrepreneurs, compared to other developed countries and these lack in content and are also different (in content) from what is needed. In support of Wallace (2010), SEDCO (2010) reports that the Treasury is failing to provide adequate finance for the distribution of machinery which is aimed at improving the skills base of SMEs in the country. SEDCO (2010) also outlines that with respect to the Indo-Zim project, skills development of SMEs is being affected by the lack of an institution that administers the project focusing on policy, research and development. This is further worsened by the fact that the majority of tertiary institutions have not yet embraced training and education on SMEs in their curricula, thus indirectly affecting the export performance of SMEs (SEDCO, 2010).

In support of the views expressed by SEDCO (2010), Biggs and Shar (2013) suggest that, the challenges facing SMEs in Africa are varied and some include the lack of relevant marketing skills, inadequate financial support, poor infrastructure, inconsistence in policy formulation and a lack of business intelligence. Training and other business support services play an important role in business and can enhance competitive advantage through the learning process (Biggs & Shar, 2013). Consequently, Xie and Suh (2014:209) conclude that “resource deficiency represents a perceived barrier to the internationalization of SMEs-sized firms.”

### 2.7.3. Procedural barriers

Procedural barriers as noted by various researchers (Arteaga-Ortiz & Fernandez-Ortiz, 2010; Matthee & Krugell, 2011; Fariza, 2012; Pietrasinski, 2015; Abdolvand, 2016) refer to export procedures, issues related to the handling of export documentation; scheduling shipping and the transportation of goods; negotiating with reputable foreign agents; repatriating funds, the common language and cultural; adapting innovations to foreign buyers and adapting product usage to foreign customers. Chingwaru and Jakata (2015:645) espouse that “Export regulations increase the costs of exporting and are barriers to internationalisation of SMEs.” They also argue that “these costs to export include documents (fillings of export declarations and supporting documents), administrative fees for customs clearance and technical inspection; customs brokering fees, terminal handling charges, and inland transport and are crucial to the success of exporting” (Chingwaru & Jakata, 2015:645).
2.7.4. Knowledge and experience barriers

Knowledge and experience barriers refer to internal constraints which a firm can control, for example internal resource and skills barriers, which include the lack of technical know-how on the capacity to export and skills on how to export, failure to identify anticipate lucrative foreign opportunities available, the lack of knowledge about foreign cultural practices and foreign marketing tactics to be used (Pinho & Martins, 2010). The success of export marketing tactics used by a foreign firm largely depends on the strategy orientation of the managers (Ibeh, 2010). Export marketing technical know-how problems can be due to the unavailability of technically trained human resources. Aggarwal (2012:330) indicates that “the lack of quality of most manufactured goods in many developing countries such as Venezuela, Argentina and Chile is attributed to low quality human resources.” Ibeh (2010) also reveals that, the pronounced availability of unqualified managers in many SMEs were a barrier to formulating effective export marketing strategies. In this era of globalisation, firms that consider the importance of human resources are the ones that are more likely do better in their export attempts (Gomez, 2013). Katsikeas and Morgan (2010) concurred with Ibeh (2010) that, lack of the commitment of managers to pay attention to export marketing activities is a major stumbling block when it comes to the success of SMEs. Unless SME owner-managers are internationally focused and have defined export strategies, then their performance is likely to be sustainable (Cook, 2011). Table 2.2 summaries export marketing barriers that affect export performance.
Table 2.2: A summary of the export barriers

<table>
<thead>
<tr>
<th>Factors</th>
<th>Barriers</th>
<th>Procedure cont’d</th>
<th>Barriers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge</td>
<td>Lack of knowledge of potential export markets</td>
<td>Cultural differences</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Lack of staff for export planning</td>
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<tr>
<td></td>
<td>Lack of knowledge of export assistance programs</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Ignorance of the financial and non-financial benefits that exporting can generate</td>
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<tr>
<td></td>
<td>General lack of knowledge of how to export</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Lack of information about opportunities for your products/services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exogenous</td>
<td>Barriers</td>
<td>Resources</td>
<td>Barriers</td>
</tr>
<tr>
<td></td>
<td>Strong overseas competition</td>
<td>High financial costs of the means of payment used in international operations</td>
<td></td>
</tr>
<tr>
<td></td>
<td>High value of Euro</td>
<td>Lack of resources to face the period of time needed to re-cover export-related investments</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Risk from variation of the exchange rates</td>
<td>Insufficient product capacity in your firm</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Risk of losing money by selling abroad</td>
<td>Lack of local banks with adequate international expertise</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Political instability in the destination country</td>
<td>Inadequate foreign network of the banks you work with</td>
<td></td>
</tr>
<tr>
<td>Procedure</td>
<td>Transport costs and shipping arrangements</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Documentation and red tape required for the export operation</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Language differences</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Adapted from Arteaga-Ortiz & Fernandez-Ortiz (2010).

Peiris, Akoorie and Sinha (2012) highlight that the barriers reflected in Table 2.2 are not permanent and may change at any time and the change may also influence exports. These changes may include; a change in trade regulations, a change in information and communication technology, a change in competition in the globalisation of product, a change in government subsidies and a change in financial assistance (Peiris et al., 2012).
2.7.5. Exchange rate and its volatility

Auboin and Ruta (2011:3) argue that “exchange rates can in-principle, influence trade in many ways, and the real exchange rates, which are the relative prices of tradable to non-tradable products, have a potentially strong impact on the incentive to allocate resources (e.g. capital and labour), between the sectors producing tradable and non-tradable goods.” The above researchers further argue that “real exchange rates are also a measure of real competitiveness, as they capture the relative prices, costs, and productivity of one particular country vis-à-vis the rest of the world” (Auboin & Ruta, 2011:3). According to Oliver (2013:1), “the exchange rate is a prominent determinant of international trade with regard to export earnings generated there from.” The aforementioned researcher affirms that “a high exchange rate level lowers the receipts that exporters receive thereby decreasing export earnings, on the other hand a low exchange rate level raises receipts that exporters receive thereby improving export earnings” (Oliver, 2013:1). It is clear that a fall in the prices of foreign goods have two major implications on export earnings, namely, on the production and consumption side. On the production side, manufacturers will have a tendency of allocating fewer resources on producing goods for export as these goods becomes expensive for foreigners, whereas on the consumption side, a decline in the prices of foreign goods relative to domestic goods will encourage domestic spending on foreign goods. The aforementioned make exports uncompetitive in foreign markets while at the same time encouraging imports, resulting in overburdening the country’s current account. In such a situation, domestic producers’ incentives and profits will fall, leading to a decline in export volumes (Otieno, Morir & Mudaki, 2011). Early researchers such as Cushman (1983) and Giovannini (1988) concluded that an increase in exchange rate volatility has an adverse effect on export performance. Alternatively, Oliver (2013:5) argues that:

“an increase in foreign exchange fluctuations can create profit opportunities for exports if firms in a sector can protect themselves against negative effects of foreign exchange rate fluctuations by hedging or if they have the ability to adjust trade volumes to movements in the exchange rate.”

In line with the prior argument, Auboin and Ruta, (2011:6) state that:
“firms can adjust factors of production upwards and downwards according to world prices, they are indeed likely to sell more when international prices in foreign currency are high (with a limit set by the production capacity of the flexible factor) and less when such prices are low.”

However, the effect of hedging on exchange rate risk has been relaxed by Cheung and Sengupta (2013) who stated that hedging will result in the accumulation of costs and these costs would end up being passed down to the consumer through price adjustment leading to export price increases; thus rendering exports to become uncompetitive and this will then negatively affect consumption levels, thus affecting export performance. Kantox (2013:6) notes that “many cash-strapped SMEs may find it difficult to meet the collateral involved in hedging, as this tends to consume scarce working capital.” Furthermore, ACCA (2013) highlights that exchange rate hedging only benefits large companies who can effectively forecast demand. Some critics (Auboin & Ruta, 2011:20) have called into question “the appropriateness of hedging mechanisms on the export performance of SMEs as these firms are small and lack foresight on the timing and volume of foreign exchange transactions.” Kantox (2013) highlights that SMEs which export are significantly exposed to foreign exchange risk, since of the 19% revenue generated from activities; only a part thereof is hedged. Furthermore, ACCA (2013) highlights that SMEs are significantly exposed to foreign exchange risk and are insufficiently hedged. The aforementioned affirms that SMEs do not know how to effectively manage foreign exchange risks and this affects their export performance. Kantox (2013:4) asserts that “without access to live market rates and with no in-house foreign exchange expertise, SMEs and mid-caps can find it difficult or impossible to negotiate fair deals with their banks.” Thus, several researchers (Auboin & Ruta, 2011; ACCA, 2013; Kantox, 2013) concur that exchange rate risk has greater impact on the export performance of SMEs, than on larger businesses.

2.7.6. Political and legal

Hashem and Irshaidat (2014:104) state that “Political involvement refers to the governmental intercession in the development and implementation of public policy.” The “legal and political restrictions posed by the ruling governments have a negative bearing on the export performance of a firm as the ruling government can restrict the operations of a business, thereby affecting its performance” (Uzoma et al., 2014:28). Overwhelming evidence suggests
that favourable regulations and consumer stability can enhance firm growth (O'Cass & Weerawardena, 2010). Hashem and Irshaidat (2014:104) submit that “the political-legal environment is a combination of interrelated elements that influence internal commerce as a whole, counting exports.” Furthermore, some researchers (Keim & Hillman, 2008; Khattab, Yatama, Khattab & Aldehayyat, 2012) have indicated that political-legal environments for example political ideology have an impact on the export performance of a business. For instance, governmental foreign policy can have an impact on trade, especially if there are import tariffs levied on exports; these determine the amount of duty paid on goods purchased from a foreign country (Pride & Ferrel, 2010; Jalali, 2012). These leading researchers argue that import tariffs act as an impediment to international trade as they result in price increases of the product purchased and this in turn affects export performance. Furthermore, quotas and embargoes also act as nontariff constraints which affect export performance through restricting quantities of imported products and the trading of particular products in a certain category respectively (Pride & Ferrel, 2010). In line with the aforementioned, Czinkota and Ronkainen, (2010:n.d) argue that “tax regulations, tax rates, government stability, labour legislation or political interference in the form of bureaucracy and corruption are among the political factors also inhibiting export performance.” Similarly, Khattab et al. (2012) and Sorokina (2012) highlight that “political volatility and negative public attitudes against the exporting country or against the product, have a negative bearing on the export performance of a firm, therefore, they must be considered when formulating a strategy of a firm.” For example, “boycotts are observed to be a vital element that impedes international trade, as institutions refuse to conduct business with international organizations due to certain political reasons” (Hashem & Irshaidat, 2014:106). It becomes imperative that, “managers should constantly monitor political changes and governmental regulations to land at suitable decisions” (Hashem & Irshaidat, 2014:105).

2.8. Marketing Strategies Currently Employed by SMEs in Zimbabwe

Dagderviren and Mahran (2010) assert that the export marketing strategy used by SMEs has an impact on the export competitiveness of both the entity and the country at large, and that the marketing strategy is distinguished as one of the most frequently used determinants of export competitiveness. Chadamoyo and Dumbo (2012:29) highlight that “little research has been carried out on the competitive strategy and environmental factors affecting the SMEs in
Zimbabwe.” Gem (2012) affirms that it is very important for managers to consider a comprehensive scanning of the external environment so as to factor in threats and opportunities posed by the external environment before crafting a marketing strategy for an organisation. Chichoni (2014) asserts that SMEs should know which niche markets to target and to provide product solutions that are difficult to copy. Smit (2010) showed that, SMEs which export in Africa have failed to be successful because they did not consider the importance of marketing.

2.8.1. Niche focus strategy

The majority of SMEs in Zimbabwe have adopted a ‘niche focus’ export marketing strategy (Chichoni, 2014). According to Yu and Shen (2011:5) “International niche market occurs where firms become a strong force in a narrow specialized one or two segments across a number of different countries markets.” In the same vein, the researchers highlight that “the segment must be rather small so specialization will not attract the attention of large competitors.” Chichoni (2014) argues that niche strategy is an effective approach because it harnesses the SMEs ability to develop strategic advantages on the basis of flexibility and specialisation. Cooper, Ellram and Poporich (2011:17) confirm that “a ‘niche focus’ strategy has helped SMEs to survive from direct competition triggered by large foreign firms.” Yu and Shen (2011:4) have also supported this idea and state that “SMEs should specialize in serving specific niches in foreign markets that do not face the immediate threat of large competitors from developed countries.” Mundum, Alessandro and Stockhett (2000) argue that, although a niche strategy may seem to be appropriate for firms selling their products in international markets, it is also true that, niche focusing may not be an appropriate strategy especially if there is a global firm existing in the same niche, as it may possibly counterbalance poor performances in one particular market, with better performances somewhere else.

2.8.2. SME industrial export clusters

Semnani, Dadfar and Brege (2015:143) highlight that “a cluster is the concentration of an array of interconnected institutions or companies,” and they argue that “clusters are usually extended forward to distribution channels and customers or sideward with complementary products’ manufacturers and also with companies operating in industries that provide related
technologies, skills or have similar inputs with cluster.” Mahuni and Bonga (2016:31) opine that “meaningful clusters activities requires collaboration with various stakeholders” so that organisations can benefit from each other. Figure 2.2 below depicts the major players who are crucial for the success of an industrial cluster programme.

**Figure 2.2: Key cluster stakeholders**

As depicted in Figure 2.2, stakeholders such as government, universities, vocational centres have to come together to produce the end which is the cluster. Thus, Mahuni and Bonga (2016:31) argue that “the cluster concept is a broader concept requiring bringing in of diverse skills to feed into the overall success of the programme.” To overcome the export marketing challenges resulting from a lack of skills, resources, product knowledge and logistics of international markets, exporting SMEs may capitalise on investing in export clusters in conjunction with their industry competitors (UNCTAD, 2012). Clusters are capable of enhancing productivity, and increasing the rate of innovation and competitive performance of SMEs (UNCTAD, 2012). It is argued that “a single SME in developing countries cannot create competitive advantage alone on the global market, even by increasing efficiency in internal operation but requires the assistance of other firms through export clusters” (Ncube, 2012:11). Furthermore, the Ncube (2012) emphasizes that every SME is already part of a cluster of activities along the global value chain and that the motive for the adoption of clusters as stated in the Zimbabwean Industrial
Policy (2012–2016) are the underlying advantages such as economies of scale, global competitiveness, lower production and transaction costs, development of comparative advantages and distinctive competencies.

According to Chugan and Singh (2015:92), “clustering delivers superior economic advantages via help in exchange of knowledge, sharing of skills and technology, and leads to innovation by the firms.” Indistinguishably, these researchers affirm that “firms operating within industrial clusters have higher potential to compete effectively in international markets and are able to achieve superior export performance” (Chugan & Singh, 2015:92).

The adoption of export clusters as an export marketing strategy by SMEs in Zimbabwe is advantageous in that, “the government already has vowed to invest in these strategies through training and facilitating preferential access to trade finances” (Ncube 2012:12). Hamisi (2011) states that, if the idea of export clusters is adopted well and capitalised on, it can lead to efficiency-enhancement and collaboration amongst SMEs exporters. Furthermore, Chugan and Singh (2015:94) highlight that, “SME clusters with higher level of vulnerabilities can develop synergetic associations with each other and contribute to their growth as well as that of the cluster without the apprehension of being taken over by larger firms.” Similarly, Semnani et al. (2015:138) emphasize that “export clusters can have a positive contribution to the growth of export in companies, especially the SMEs as it enables them to gain better and faster access to foreign market information.” A different thought-related to export clusters is that “export clusters sometimes fail to transparently communicate their objectives to their members thus leaving members with vague expectations” (Semnani et al., 2015:143).

Notwithstanding the positive views espoused above, some scholars have however relaxed the importance of export clusters. In this regard, evidence is found inter alia, in Scheer and von Zallinger (2007); Tambunan and Hendrawan (2004); Venkateswara Rao (2002). However, this does not rule out the importance of SME export clusters, since many scholars have provided evidence in support of such an export marketing strategy, notably, Chugan and Singh (2015); Semnani et al. (2015); Chingwaru and Jakata (2015); Yu and Shen (2011).
2.9. Conclusion

In this chapter, export performance and its antecedents were discussed, as this will provide insight on how the export performance of SMEs in Zimbabwe will be measured. The effect of market-driven strategies as an internal determinant affecting the export performance of SMEs; external influences on export performance and barriers to exporting were also discussed, together with an overview of the export strategies currently being employed by SMEs in Zimbabwe.

A number of issues emerged from the literature review, inter-alia, that there are a number of internal factors that could be categorised as factors affecting the performance of SMEs. However this study focused primarily on the marketing strategies and in particular market-driven strategies as internal determinants affecting the export performance of SMEs. Similarly, it also emerged that SMEs are also affected by the external factors and these can be broadly categorised as external components and the external environment. However, since the study is focusing on exports, the external factors were specifically categorised as market characteristics, industry characteristics and export marketing barriers, a view confirmed by Beleska-Spasova (2014).

Although it also emerged from the literature review that “measuring of export performance is still characterised by divergence and discordance, the frequently used measures of export performance are export profitability, export sales growth, export sales and export intensity.” Specifically in this study, export intensity and export growth were used to measure export performance. It also emerged that “simply acquiring valuable resources is insufficient to ensure competitive advantage, indeed it is the combination of resources and capability development that is valued in the export market.” It became apparent that although functional teams might be very crucial in enhancing the export performance of the SMEs, it is difficult for firms to work together especially in some instances where they compete for scarce resources available.

As an extension of the literature review, the next chapter will discuss the theoretical underpinnings of the study in relationship to the export performance of SMEs.
CHAPTER THREE:
THEORETICAL AND CONCEPTUAL FRAMEWORK

3.1. Introduction

The theoretical framework of this research study is motivated by the contributions of various researchers who have recognised that export performance cannot be adequately explained by the structure-conduct-and-performance (SCP) paradigm but through a combination of theories such as “the resource-based view (RBV), rational choice (RC), perceptual view (PV) and theoretical templates” (Kahiya & Dean 2014:378). Several scholars such as Boso (2010), Kahiya and Dean (2014), Lengler et al. (2016), Chen et al. (2016), Reis and Forte (2016) recognised the importance of an in-depth study on the export performance of firms and provided valuable inputs. Thus, the aforementioned researchers’ contributions provided the platform for this research.

This chapter provides the theoretical and conceptual framework of the study along with a proposed conceptual model for improving the export performance of SMEs in general and Zimbabwe in particular. A number of theories that relate to and serve as a foundation to export performance were briefly discussed, while theories that adequately explain the export performance of SMEs informed the proposed model.

3.2. Export Performance Theories

There has been a wide use of Structure-Conduct Performance (SCP) by scholars such as, Zou and Stan (1998) and Sousa, Martinez-Lopez and Coelho (2008), in describing industrial organisational performance and advancing theories that explain export performance. However, it is argued that “despite the wide use of the SCP model in advancing the knowledge of export performance, six other theories have also gained wide acceptance in literature” (Boso, 2010:103). These include the behavioural theory proposed by leonidou, Katsikeas and Samiee (2002) that links export marketing strategy and export performance variables; Styles and Amber’s (2000) relational theory which relates organisational behaviour to export performance through the producer-distributor relationship; Bocos’s (2010) network theory draws from the discipline of the international marketing and purchasing group (IMP), which theory Boso (2010) argues focuses on buyer and seller communication in international markets. Collis (1991) proposes another theory which states that, the external environment
puts pressure on firms, and as such, firms should adapt to these environments, if they want to survive in a global village.

The Resource-Based View according to Barney (2012) states that the success of any organisation is based on its ability to have and utilise the internal resources of the firm. However Boso (2010:104) argues that “benefits that accrue to exporters through their export behaviours are contingent on external environmental forces and organizational characteristics.” In view of the purpose of this study, namely, to determine “strategies stimulating the export performance of SMEs in the manufacturing sector in Zimbabwe, focusing primarily on market-driven strategies, this study draws heavily on the RBV to explain the internal determinants of export performance and the Contingency Theory will be used to explain the external determinants of the export performance of SMEs. The two theories that underpin the study are explained below.

3.3. Resource-Based View Theory

Boso (2010:105) argues that some “early proponents of the Resource-Based View (Penrose 1959; Barney 1991) state that firms can achieve competitive advantage if they acquire and utilize valuable internal resources which are rare, inimitable and non-substitutable.” In other words, the RBV “aspires to explain the internal sources of a firm’s sustained competitive advantage” (Boso, 2010:88). Jang (2013) highlights that a firm needs to have distinctive competences and dynamic capabilities in order to outperform competitors. Distinctive capabilities are explained as those characteristics that require an organisation to enact preemptive strategies more efficiently than its competitors. Ali and Habib (2012) suggest that a firm needs to have dynamic capabilities which create future value for the organization, and Jang (2013:1) argues that “firms can gain competitive advantage based on the relative superiority of their resources,” and he further states that it is not only about having a superior resource that enables a firm to perform better than others, but the ability of the firm to generate a lead in the accumulation of that resource better than competitors. The idea is to prevent competitors from obtaining your valuable resource, provided that competitors compete based on hiring competent personnel (Barney et al., 2011), which in the view of Jang (2013:2) “can be done through enacting regulations that restrain the transfer of company human resources as these are regarded as the most valuable internal resources of a company.” Foss (2010) argues that, it is the motivation of these human resources that enables the organisation to achieve better performance. Jang (2013:3) further states that “this competitive
advantage can be achieved through strategizing on resource micro-foundations including HR, through HR systems, management of people, human capital and organizational learning.” On the other hand, Lengler et al. (2016:704) assert that customer orientation (market-driven) “can be considered as a resource, since it is an intangible property of the firm that will enable it to convert information into actions, thereby creating superior value for customers.” Similarly, Lee, Olson and Trimi, (2010) have viewed resources of the organisation as its ability to innovate products that have never been produced before, industry architectures, social capital, buyer-seller relations and breakthroughs. Such “innovations are considered a valuable resource to the firm only if they can lower the value of competitors’ resources” (Jang 2013:3). In line with the aforementioned view, Boso (2010:90) highlights that “a firm with rare resources relative to rivals is able to enjoy a comparative advantage in that, it is able to produce market offerings that are perceived to offer superior value, and/or are produced at a lower cost.” Sirmon, Hitt, Ireland and Gilbert (2011:1391) state that “value, rarity, inimitability, and non-substitutability are the commonly cited characteristics that provide the core logic linking resources to competitive advantage.” Resources which are valuable enable an organisation to produce a better offering for the customers and as a result the firm will exploit new market opportunities (Shane & Venkatraman, 2000; Alvarez & Barney, 2007). According to Boso (2010:91) “resources may be valuable and rare and not the source of sustained competitive advantage if they can easily be imitated and duplicated by rival firms, for instance, if valuable and rare resources can be duplicated by competitors then a firm’s ability to obtain competitive advantage from those resources is threatened.”

It is envisaged that “a firms resources are not only confined to tangible assets such as plant and machinery, but also entail anything that is available to a company that have an enabling capacity” (Boso, 2011:90). Furthermore, the above researcher asserts that:

“resources can include intangible assets such as financial (e.g., cash at the bank, access to credits in the financial market), legal (e.g., trademarks, licenses, copyrights, patents), human (e.g. skills, experiences, and knowledge of individual employees and managers), organisational (e.g. competencies, controls, routines, cultures, and behaviours), relational (e.g. relationships with customers, suppliers, competitors, distributors, and regulators), and informational (e.g. intelligence about customers.”
Theingi and Purchase (n.d:36) posit that the resources of a firm can be categorised as tangible and intangible namely, “human resources (for example, knowledge and experience of managers), technological resources, reputation and organisational assets are also categorised as intangible assets.” The above researcher highlights that “human knowledge and skills are the most important resources to many operations.” Similarly, Lengler et al. (2016:704) argue that “managerial experience has to be considered an important intangible resource that affects the export operations of firms, since export market knowledge accumulated through experience constitutes a valuable resource which is difficult to imitate.” Wright and Stigliani (2012:10) advocate that “the strategic entrepreneurship perspective emphasises the need to select and structure human, social and/or network, financial and technological resources in order to exploit opportunities and gain competitive advantage, achieve growth and create value.” Recent evidence on the “Resource-Based View of the firm reveals the need to have a better appreciation of how organisations orchestrate their profound resources and capabilities” (Barney et al., 2011; Sirmon et al., 2011). Notably, Sirmon et al. (2011) highlight that “possessing resources alone does not guarantee the development of competitive advantage; instead, resources must be accumulated, bundled, and leveraged, meaning that the full value of resources for creating competitive advantages is realized only when resources are managed effectively.” In an endeavour to explain the management of resources in the context of the resource-based logic, Sirmon, Hitt, and Ireland (2007) propose a resource management framework that concentrates on how managers respond to actions. Sirmon et al. (2011:1392) highlight that resource management is “the comprehensive process of structuring, bundling, and leveraging the firm’s resources with the purpose of creating value for customers and competitive advantages for the firm.” These researchers argue that the three processes mentioned above have three sub-processes, namely:

“Structuring involves acquiring, accumulating, and divesting resources to form the firm’s resource portfolio, while Bundling, which refers to integrating resources to form capabilities, has three sub-processes, namely, stabilizing, or minor incremental improvements to existing capabilities; (2) enriching, which extends current capabilities; and (3) pioneering, which creates new capabilities, on the other hand leveraging involves a sequence of processes to exploit the firm’s capabilities and take advantage of specific market opportunities; it includes mobilizing, which provides a plan or vision
for capabilities needed to form requisite capability configurations; coordinating, which involves integrating capability configurations.”

Thus, Kraaijenbrink, Spender and Groen (2010) have described the process of resource management as ‘managerial capabilities’. According to Sirmon et al. (2011:1399), “over time, managers need to develop new capabilities, which requires bundling, in order to sustain a competitive advantage or build a new one.”

In summary, it can therefore be inferred that the RBV theory is premised on the notion that a firm can achieve competitive advantage based on the resources that it owns and controls. However, “critics have shown that SMEs have fewer resources, meaning the use of RBV is not quite relevant in explaining their exporting motivation and internationalisation mechanism” (Chen et al., 2016:13). Wright and Stigliani (2012:11) suggest that:

“entrepreneurial firms facing resource constraints in some areas can achieve a competitive advantage by developing complementary resources in others, this emphasises the need for resources to be viewed as bundles, and that different configurations of such may lead to competitive advantage – achieving competitive advantage implies a need for growth.”

Furthermore, these researchers point out that “besides different resource bundles, resource-constrained entrepreneurial firms may need to adopt different modes and patterns of growth to attain competitive advantage.” Thus, Demoah (2011:96) suggests that “internal capacity alone is not enough, especially when considering a firm in a developing African country, and it is a firm’s access to its network relations’ stock of resources that brings it into the position to achieve export success.” However, Wright and Stigliani (2011) have in some instances also relaxed the suitability of resources to enhance the performance of an organisation arguing that the environment may be dynamic, thereby negatively affecting the performance of a firm. Furthermore, Boso (2010:90) also argues that “the performance outcomes of these resources depend on the extent to which they are applied.” Moreover, the RBV theory only explains variance in the export performance of entities that share similar resource endowments (Kraaijenbrink, Spender & Groen, 2010). Again, the theory is static and cannot comprehensibly explain how and why some businesses have gained a competitive advantage in turbulent markets or why other firms fail even when they have adequate resources (Villar, Alegre & Pla-Barber, 2014). In view of the limitations, Chen et al. (2016:24) recommend that
“new theories should be considered to progress in this current theoretical discourse.” For example, the adoption of the Dynamic Capability Theory (DCT) can further extend the knowledge on RBV by capitalising on its weaknesses, since it (RBV) is viewed as static in nature (Villar et al. 2014). The DCT states that, sustainable competitive advantage is acquired through being able to provide prompt, accurate and proper reaction to markets than competitors. Teece (2014:14) argues that, “Dynamic Capability refers to routines within firm’s managerial and processes that can be engineered to gain, release, integrate and re-configure resources.” Chen et al. (2016:24) suggests that “future research based views may give a better understanding of performance in unpredictable environment.”

Melitz (2003) develops a dynamic industry model that incorporates firm heterogeneity in explaining trade on a firm’s export performance, which model is viewed as crucial in explaining the behaviour of firms in the export market, but is not widely understood in explaining export success (Sousa & Tan, 2015). Chen et al. (2016) argue that in light of the individual theory, the RBV on its own may not adequately explain the internationalisation mechanisms of SMEs in emerging economies, since SMEs in such economies are perceived as having inadequate resources (Yi, Wang & Kafouros, 2012). Demoah (2011:96) argues that “to be successful in the export market a firm must be alert to the contingency factors in the external environment.”

Barney (1986) opines that a firm’s internal activities related to culture and social processes are also unique organisational resources which can enhance a firm’s performance. In this sense, any strategy adopted by the organisation in trying to satisfy customers’ needs, becomes an indispensable internal organisational resource. According to Boso (2010:93) “there is a surge among entrepreneurship researchers to draw on the RBV theory to model the impact of organisational attributes on performance.” In a study of 354 technology-based SMEs, Knight and Kim (2009:258) “draw on the resource-based theory to model the association between international business competence and international performance.” Similarly, Lengler et al. (2016:703) assert that “the raw materials available for deployment by a firm’s business units are essential for defining its success in the export market.” Hence, the performance of exporting firms is arguably a function of internally accumulated resources and evidence in this sense is found in the studies of inter alia, Yeoh and Jeong (1995); Zahra and Garvis (2000); Ibeh and Young (2001); Knight and Kim (2009) and Lengler et al. (2016). It is
argued that “these resources enable a firm to implement strategies to improve efficiency and effectiveness” (Theingi & Purchase, n.d:36). Similarly, Ruzo, Losada, Navarro, and Díez (2011:497) state that “the competitive strategies of ‘export firms’ are planned patterns of resource and capability deployments that support choices about how the firm will compete for target customers and achieve its desired goals.”

Ruzo et al. (2011:497) affirm that “the RBV should be the foundation for more conceptually rigorous theory building in the area of export strategy.” In line with this view, conclusion on the use of the RBV was again arrived at through the studies of Morgan, Kaleka, and Katsikeas (2004); Xie and Suh (2014) and Lengler et al. (2016) who also affirm that the resources available at the disposal of a firm on export activity help to position the firm’s distinctive strategy for doing its business in the foreign markets. Furthermore, the RBV was also incorporated into this study because “it is widely applied to the incidence of SME internationalisation” (Demoah, 2011:61). Again Demoah (2011:60) argues that “the determinants of SMEs’ export behaviour are wholly internal factors, without any regard for the influence from the external environment”, hence the use of the RBV.

Given the above arguments, the question remains: Does the RBV theory provide an adequate explanation of the export performance of SMEs? Thus, this research therefore draws on the relevance of the RBV as espoused in the literature to attempt to answer the above question. More specifically, this study endeavours to determine the effect of market-driven strategies namely; customer focus, customer value, cross-functional cooperation and distinctive capabilities on the export performance of SMEs.

Empirical validation of this theoretical proposal includes factors such as customer focus, distinctive capabilities, customer value and cross-functional cooperation as proxies for invaluable resources. There are a number of studies (Pylväs, 2012; Freeman & Styles, 2014:186; Lengler et al., 2016:708) which support the proposition that customer focus, distinctive capabilities, customer value and cross-functional cooperation have an effect on the export performance. Thus, this study applied the RBV to develop H₁, H₂, H₃ and H₄ focusing on customer focus, distinctive capabilities, customer value and cross-functional cooperation as internal factors (market-driven strategies) affecting the export performance of SMEs. Similarly, Lengler et al. (2016:703) have also used the “RBV approach to focus on the internal variables” of SMEs in their study. Figure 3.1 depicts that the resources that SMEs
possess are arguably a function of the internal efforts in the internal environment and they can either be tangible or intangible.

**Figure 3.1: The RBV framework**

![The RBV framework diagram](image)

*Internal environment*

Source: Demoah (2011:62)

Evidence from literature has shown that “the RBV theory has been extensively applied in SMEs export behaviour in many countries such as UK, Nigeria and the USA” (Demoah, 2011:63). Although the Resource Based View theory (RBV) has been extensively used, it still has short comings, since it only explains variance in the export performance of entities that share similar resource endowments (Kraaijenbrink et al., 2010). Again, RBV asserts that:

> “a firm’s resource mobilisation towards its internationalisation activity is achieved by its own efforts and that the influence on a firm towards export activity derives wholly from its internal environment, with no consideration given to the impact of the external environment” (Demoah 2011:72).

The main limitation is that the RBV theoretical framework prevents a comprehensive understanding of the current study. In light of this, Hultman, Katsikeas and Robson (2011) suggest that, a combination of the ‘RBV and contingency’ theories can better explain export performance through focusing on the firm’s resources/capability to the contingency between the firm’s resources and the environment. Furthermore, Chen et al. (2016: 26) supports the
views of Hultman et al. (2011) that, “co-alignment of the firm’s resources/capabilities and environmental forces can adequately explain export performance of SMEs.” Considering the aforementioned views, this study used a combination of both RBV and Contingency Theory, since both have a similar objective in trying to establish how SMEs achieve sustainable export performance. The two theoretical frameworks were combined and applied, given the fact that a number of similar studies (Hall & Cook 2009; Zhang, Tansuhaj & McCullough 2009; Demoah 2011; Xie & Suh 2014; Lengler et al., 2016) on the export performance of SMEs also employed one or more of the theoretical frameworks. Overall, it was envisaged that the combination of the RBV and the Contingency Theory (CT) in explaining the export performance of SMEs was more comprehensive than could be achieved if only one theoretical framework was used. From the aforementioned, it is implied that there is need to discuss the market-driven strategies of the SMEs in the context of the changing external environment. Thus, having briefly discussed the RBV theory, the focus now moves to the Contingency Theory.

3.4. Contingency Theory

According to Demoah (2011:75) “Contingency Theory originates from the organisational management discipline.” “The Contingency Theory is a concept of co-alignment of the business’ internal environment and its external environment or consistency to organisational analysis” (Boso 2010:112). According to Demoah (2011:76), “sample variables of the external environment include competitor action, government action, industry influence, technology and the influence of trade associations.” Islam and Hu (2012:5159) state that the CT is premised on the notion that, “organisational outcomes are as a result of fit or match between two or more contingent factors.” Van De Ven, Ganco and Hinings (2013) argue that in terms of strategic fit, an organisation must adapt to the internal and external environment if it wants to survive. In line with this argument, Islam and Hu (2012:2) state that, “organisational effectiveness and performance are hinged upon strategic fit or a match between the environmental volatility, the size of the organisation, the future of the organisational structure and its information system.” As far as CT and the SMEs export behaviour are concerned, (Demoah, 2011:75) states that “main assumption is that the internationalisation behaviour of the SME is dynamic and multifarious because it is partly dependent on the firm’s capacity and partly the environmental
conditions (e.g. the demand condition, type of industry, industry structure, general technological development and government programmes).”

The aforementioned researcher further argues that “there cannot be an independent emergent and/or strategic approach by a firm, because the structure of the environment and its conditions directly or indirectly shape a firm’s strategy” (Demoah, 2011:75).

Garengo, Biazzo and Bititci (2007) have criticised many studies on organisational performance which have not taken cognisance of the impact of organisational size on the firm’s performance. Bititci, Garengo, Dörfler and Nudurupati (2012) have also criticised such research studies, raising doubt on the credibility of the results, and therefore state that researchers should take note and differentiate between SMEs and larger firms when studying performance. Taylor and Taylor (2013) provide evidence on the effect of firm size on organisational performance, and thus state that, there are six factors which have significant influence on SME’s performance measurement implementation and these are, crafting of the strategy, strategy activation process, organisational learning, quality management and the leadership of senior management. According to CT, “Performance is attributed to the effect of external fit between the demands of the firm’s environment and the design of its internal structure, as well as an internal fit among key design components of strategy, structure, systems, and culture” (Van De Ven et al., 2013:395).

Islam and Hu (2013:5160) highlight that, a study conducted by Hayes (1977) which showed that, the three major contingencies affecting subunits performance were internal factors, interdependency factors and environmental factors.” Boso (2010:96) argues that “It is perhaps a truism that any theory of corporate or business strategy must be, by definition, contingency-based.” Similarly, Van De Ven et al. (2013:396) highlight that “any proposition that contains a moderating variable is a contingency theory” Thus, a fundamental assumption underlying the CT is that there is no one way of organising, and that any one way of organising is not equally effective under all situations or contexts. Thus, the market- driven strategies alone are not sufficient enough to explain the export performance of SMEs, hence the use of the CT. Furthermore, Van De Ven et al. (2013:396) argue that the “Contingency Theory is useful because it helps to explain how firms match resources with the corresponding environment context.” Some researchers (Virvilaite et al. 2011; Gabrielsson, Gabrielsson, & Seppälä, 2012) highlight that there is no one applicable strategy that is
optimal for all firms despite their resource advantages and environment conditions. Given such a scenario “many researchers have concentrated on examining the extent to which organisational characteristics and the broader external environment forces influence the link between organisational strategy and performance” (Boso, 2010:96).

In light of the above, this study has taken into consideration the impact of contingency factors on the export performance of SMEs, namely; export market characteristics (environmental turbulence/export market turbulence, cultural similarity and market competitiveness), industry characteristics (technological intensity, R & D intensity, labour productivity, export concentration, competitor networks vs. firm networks) and export marketing barriers (exchange rate volatility, political, legal and procedural barriers) respectively, as factors contributing to the export performance of SMEs. Furthermore, the use of a combination of theories rather than a specific theory was considered ideal in this study since a single theory could not adequately explain the export performance of the SMEs (Chen et al., 2016). Furthermore, the use of a market-driven model (e.g. customer focus, distinctive capabilities, customer value and cross-functional) alone may not have explained the external variables (e.g. market characteristics, industry characteristics and export marketing barriers), which are potential contributors to the export performance of SMEs. The use of combined theories also helped to bridge the gap between the internal and the external environments. Moreover, the use of moderating variables was envisaged to contribute to the advancement of the market-driven model by incorporating market and industry characteristics, which were not considered by all previous research scholars. The CT states that “organisational performance is largely shaped by the organisation’s external and internal context” (Andrews et al., 2015:3). Organisational capability is mainly concerned with the utilisation of internal resources to generate organisational competencies (Boso, 2010). An alternative view on the role of the internal context within the CT, “may be integrated by stating that there are two main contingencies, task and size” (Islam & Hu, 2013:5159). The two indistinguishable key internal structure contingencies are likely to be the major enablers of development of capability and opportunity to its external environment (Pablo, Reay, James, & Ann, 2007). The CT was also used in other studies (e.g. Andrew & Boyne 2014; Jung & Kim 2014), where “organisational size was a major concern” (Adrews et al. 2015:3). This study was concerned about external factors and marketing strategies (market-driven strategies) which stimulated the export performance of SMEs in Zimbabwe and as such, the use of both the Contingency and RBV theories was deemed desirable, especially when the size of the
organisation (SMEs) was taken into account. Therefore in this context, the empirical validation of this theoretical template utilised a firm’s factors such export market characteristics, industry characteristics and export market characteristics as proxies for contingent factors (external factors). Since several studies (Pride & Ferrel, 2010; Auboin & Ruta, 2011:3; Khattab et al., 2012; Sorokina, 2012; Jalali, 2012; Ricci & Trionfetti, 2012:552; Hashem & Irshaidat, 2014:104; Xie & Suh, 2014:210) advocate that export market characteristics, industry characteristics and export market characteristics have an effect on the export performance of a firm, the CT was used to develop H₅, H₆ and H₇.

3.5. Proposed Hypotheses

The export performance of firms classified as SMEs is determined by internal and external factors and, with regard to the internal determinants export marketing strategy is one of the main factors contributing to the export performance of SMEs (Boso, 2010). Indistinguishably, customer focus is one of the market-driven strategies envisaged to immensely contribute to the performance of firms (Strokes 2010; Gilaninia et al. 2013). Similarly, Lengler et al. (2016:705) asserts that “firms with higher levels of customer-oriented practices will be more able to cope with the intense competition of foreign markets.” Thus, based on the literature and with respect to SMEs in the manufacturing sector in Zimbabwe, the following hypothesis was formulated:

\[ H₁ \quad \text{There is a significant positive relationship between customer focus and the export performance of SMEs.} \]

Andrews et al. (2015) assert that the type of resources that an organisation owns and controls has the capacity to generate distinctive competences which are ingredients for its sustainable performance. Some of the resources which are owned and controlled by the firm, have the capacity to generate distinctive advantages, which then lead to superior firm performance (Barney et al. 2011). For a company to maintain distinctive competences its resources must possess certain characteristics namely, it must be difficult to copy, un-substitutable and rare. Junaidu (2012:557) asserts that “image/reputation related resources are among those unique and firm specific resources that help a firm to attain and sustain competitive advantage simply because they are neither substitutable nor imitable.” Furthermore, Chimhanzi and
Morgans (2005) highlight that marketing strategies become effective if they are aligned with existing company resources, and the firm becomes more competitive. A study conducted in Malaysia on the impact of distinctive capabilities on the performance of SMEs confirmed that there is significant correlation between distinctive capabilities and the performance of SMEs (Man & Wafa n.d:559). However, a similar study done by Man (2009:205) revealed that “there is no significant relationship between distinctive capabilities and the export performance of SMEs.”

It is apparent from the above that the impact of distinctive capabilities on the export performance of SMEs has received mixed views. Thus, in terms of the objective of this study this relationship was further explored in a developing country context by hypothesising follows:

\[ H_2 \quad \text{There is a significant positive relationship between distinctive capabilities and the export performance of SMEs.} \]

Allahham (2013:2) asserts that “customer value is the overall assessment of the utility of the product taking into consideration what is received, in comparison with what is given.” Customer value is a crucial factor in maintaining customer relationships and purchase intentions (Zhuang et al., 2010). Smith and Colgate (2007) argue that customer value is positively related to a firm’s performance, and that firms that perform better if they take into consideration customer focus initiatives, namely; the provision of a product that fulfils the desired needs of the customers, the ability to create a product that generate long lasting impressions on the customer, the ability to manufacture a product that enables customers to attach a psychological meaning after consumption and to provide a product that must be commensurate with the value offered by the product (cost/price relationship). To explore this relationship further and in the context of manufacturing SMEs in Zimbabwe, it was hypothesised that:

\[ H_3 \quad \text{There is a significant positive relationship between customer value and the export performance of SMEs.} \]

Some researches have shown that cross-functional cooperation is positively related to a firm’s performance (Pylväs, 2012; Topolšek & Čurin 2012). For example, Topolšek and Čurin (2012:3) highlight that “Scholars who researched operations suggest that inter-dependence is a “catalyst” for inter-functional integration and is positively related to company success.”
The above researchers affirm that the creation and maintenance of internal relations among the departments, functions and employees in a company is necessary in order to improve company operation and its employees. Thus, this intended to establish the relationship between cross-functional cooperation and the export performance of manufacturing SMEs in a developing country context, by hypothesising as follows:

\[ H_4 \quad \text{There is a significant positive relationship between cross-functional cooperation and the export performance of SMEs.} \]

Reis and Forte (2016) assert that export market characteristics that affect firm performance are environmental turbulence, cultural similarity and market competitiveness among others. Hollensen (2010) highlights that there are also several factors of the socio-cultural environment which affect exporting businesses namely; common language, values, manners, customs, technology and culture, social factors, education, attitudes, aesthetics and religion. However, Slater, Olsom and Finegan (2011) ascertained different results and reported that there is no significant relationship between a firm’s culture and its performance due to overriding focus. Furthermore, results from research done by Uz Kurt et al. (2013) also showed an insignificant relationship between the organisational culture and a firm’s performance. Notwithstanding the aforementioned, recent evidence suggests that industry characteristics have a positive effect on a firm’s export intensity (Reis and Forte, 2016). Although some scholars argue that there is no significant relationship between export market characteristics and export performance some, notably, Hollensen (2010); Cinkota and Ronkainen (2010); Sorokina (2012); Pratono and Mahmood (2014); and Reis and Forte (2016) affirm that there is indeed a significant relationship between export market characteristics and a firm’s export performance. Thus, to explore this relationship further with respect to manufacturing SMEs in Zimbabwe, it was hypothesised that:

\[ H_5 \quad \text{The export market characteristics negatively affect the export performance of SMEs.} \]

Research conducted by Reis and Forte (2016) highlighted that the industrial characteristics that affect firm performance are technological intensity, capital intensity, R & D intensity, labour productivity, export orientation and concentration. A number of scholars notably, Clougherty and Zhang (2009); Ricci and Trionfetti (2012); Ricci and Trionfetti (2012); Eberhard and Craig (2013); Xie and Suh (2014); Wierts et al., (2014); Love and Roper (2015); Reis and Forte (2016); and Lengler et al. (2016), highlight that industry
characteristics have a major impact on the firm’s export performance. Thus, to address the objectives of this study and explore the relationship further in the context of manufacturing SMEs in Zimbabwe, it was hypothesised that:

\[ H_6 \quad \text{Industry characteristics negatively affect the export performance of SMEs.} \]

A study by Kazimoto (2014) reveals that a range of export marketing barriers were preventing SMEs from realising the full benefits of international trade. Cardoso (2010) affirms that trade agreements are also among the marketing trade barriers affecting SMEs in that, trade agreements may open markets to companies in participating nations, but they can also discriminate against third party traders, thereby negatively affecting the export performance. In this study, export marketing barriers refer to the external forces that have an influence on the performance of SMEs, namely, political and legal environment (Hashem & Irshaidat, 2014), exchange rate and its volatility (Auboin & Ruta, 2011). Studies by certain researchers (Keim & Hillman, 2008; Khattab et al., 2012) indicate that political environments namely; political ideology, laws, political regulations and political interferences have an impact on the export performance of a businesses. Similarly, Khattab et al. (2012) and Sorokina (2012) highlight that political instability, attitudes against the exporting country or negative attitude towards the product, and the politicisation of trade unions put unnecessary pressure on the firm’s businesses, thus negatively affecting export performance. In light of the above, it was hypothesised that:

\[ H_7 \quad \text{Export marketing barriers negatively affect the export performance of SMEs.} \]

Figure 3.2 depicts the hypothesised relationships which will be tested using a sample of SMEs in the context of a developing country, namely Zimbabwe.
Figure 3.2: Conceptual Framework for Managing the export performance of SMEs

Source: Developed by the researcher from the literature

3.6 Summary

This chapter consolidated the literature review with the focus being on the development of a conceptual model through postulating several relationships by way of hypotheses to explore their relationships which impact the export performance of manufacturing SMEs. The model suggests that the export performance of SMEs is largely shaped by the external and internal context. The model assumes that in order for manufacturing SMEs to perform better in terms of their exports, they need to be market-driven at the same time, taking into consideration contingency factors.

The next chapter discusses the research methodology employed to test the hypotheses in the conceptual model proposed in this chapter.
CHAPTER FOUR:
RESEARCH METHODOLOGY

4.1. Introduction

This chapter discusses the research methodology which is a description of how the research was conducted in terms of the research philosophy, research design, target population, criteria for selecting the sample, sampling techniques and procedures, data collection and analysis methods. The development and validation of the research instrument to measure the research constructs was also explained, followed by outlining how ethical issues pertaining to the research were managed.

4.2. Research Philosophy

The aim of this research was to determine how to enhance the export performance of the SMEs in the manufacturing sector in Zimbabwe, by focusing on the impact of marketing strategies and in particular the market-driven strategies. The research was mainly guided by the social constructivist and pragmatic philosophies and therefore adopted both qualitative and quantitative research approaches. The assumption of the social constructivists is that, people seek to better understand the world in which they live and work (Creswell, 2013), and are guided by the beliefs that shape their interaction with the world around them (Mkansi & Acheampong, 2012). Creswell (2013) asserts that people attach meaning to objects or things leading the researcher to look for complex associated views that try to explain further rather than narrowing meanings into few categories or ideas. Thus, this study aimed to determine the contribution of marketing strategies and in particular market-driven strategies in enhancing the export performance of manufacturing SMEs in Zimbabwe. Pragmatists on the other hand are of the view that, “knowledge is derived from interaction among groups of individuals and artefacts in the environment which together create reality” (Creswell, 2013:10). This study therefore considered the collection of data from different SME owner-managers in different manufacturing segments namely, food processing, leather and textiles.

4.2.1. Research Approach

A research approach is a general orientation that guides how the study is to be done. Bryman (2008) notes that research approaches are categorised into quantitative, qualitative and mixed methods. Schiffman and Kanuk (2004:27) affirm that “a mixed methods approach is a combination of quantitative and qualitative research approaches” Bryman (2008:607)
highlights that “mixed methods approaches comprise of triangulation, facilitation and complementarity.” In this study, a mixed approach was adopted.

The mixed methodology received wide acceptance from many researchers mainly due to its “ability to bring multiple points of view to research, riding on the advantage of the strengths of each of the different strategies used to explain or resolve complex phenomena or results” (Takhar & Chitakunye, 2012:914). In this study, this approach was used with the purpose of triangulating, ensuring data validity and complementarity (Pinto, 2010). To a greater extent, the mixed methodology enabled exploring relationships between the research variables and to test the research hypotheses. Creswell (2013:10) maintains that “quantitative research makes prediction possible while qualitative research provides a better understanding of the phenomena.” The aforementioned researcher also asserts that “a combination of quantitative and qualitative research results in a richer and more robust profile than either research approach used alone” (Creswell, 2013:10).

4.3. Research Design

A research design is a road map which exposes the relationships between the data and the theory that underpins the research (Babbie, 2015). Bryman (2008:31) asserts that “the choice of a research design is largely influenced by the research problem.” According to Bryman (2008:35) “there are five major types of research designs, namely experimental, cross-sectional (survey), longitudinal, case study and comparative research designs.” In light of the nature of the research problem in this study, the cross-sectional survey research design was chosen. According to Setia (2016:261) a “cross-sectional study design is a type of observational study where an investigator measures the outcome and the exposures in the study participants at the same time.” In other words, the cross-sectional survey design involves measuring a phenomenon at a point in time; hence it is just like a picture that tells the story as it takes place at a specific time (Pentz, 2011). BMJ (2014:2) highlights that “in a cross-sectional study the researcher aims to obtain a representative sample by taking a cross section of the population. The above researcher asserts that “cross-sectional study is particularly suitable for estimating the prevalence of behaviour” (BMJ, 2014: 3). The cross-sectional survey permitted the researcher to employ large samples and investigated far more than two sectors; in this case, samples from leather, food processing and textiles manufacturing sectors were investigated since the study was mainly interested in the variation
of views from participants on each firm. In this study, the respondents were asked to respond to the questions at a point in time. According to Pentz (2011:146) “a cross-sectional survey design permits the use of structured questions” and a number of these questions are reflected in the research instrument (see Appendix 2). Saunders et al. (2009:44) confirm that “when using the cross-sectional survey design, it is also possible to examine relationships only between variables because there is no time ordering to the variables since the data on them are collected more or less simultaneously.” This was in line with the status of the type of the data collected for this study which was mainly quantitative. More so, the adoption of the cross-sectional design was cost-effective and time-conscious since there were no costs of follow up as the participants were only interviewed once (BMJ, 2014:2). This was envisaged as one of the factors that enabled this study to be completed with minimum cost and within the stipulated time frame.

The study aimed to find out what was going on in the SME export manufacturing sector (descriptive research), and why (explorative research). To triangulate the findings, the study also adopted a case study approach where cases of SMEs in different sectors namely, food processing, leather and textiles, were examined in detail. Yin (2013:13) highlights that “case studies seek to understand a social phenomenon within a particular grouping.” The individual SME firms in the manufacturing sector in Zimbabwe were considered a strong case study in this sector however; the study only selected major SMEs in different segments. This is in line with the Zimbabwean perspective as stated by Mupemhi, Duve and Mupemhi (2013:2) who assert that, “the SME manufacturing sectors that lead in internationalization include food and beverages, textiles and leather, and chemicals and pharmaceuticals, respectively.”

Harrison (2012) notes that business research scholars recognise the benefits of adopting qualitative and quantitative research, some other scholars have termed it mixed research, while others have called it triangulated studies. In the view of Cooper and Schindler (2008) qualitative approaches were suitable for this study since the study sought to extract information on the effectiveness of export marketing strategies currently being employed by SMEs, and to determine the strategies that can help these SMEs to enhance their export performance. This information was only available from policy-makers and export business analysts; therefore, this justified the need to conduct personal interviews with the aforementioned.
A quantitative study involves a measurement of something, since it answers questions related to how many, how much, how often, when and who (Cooper & Schindler 2011). In light of this, answers on how much and how many aimed to determine the export intensity and export sales volumes, generated by the sampled SMEs. This study also sought to ascertain how customer focus contributes to the export performance of SMEs, how distinctive capabilities contribute to the export performance of SMEs and how cross-functional cooperation contributes to the export performance of SMEs. Hence, this justified the need to adopt a mixed methodology, which refers to “mixing or combining quantitative and qualitative research techniques, methods, approaches, concepts or language into a single study so as to offset the weaknesses of one method with the strength of the other” (Johnson & Onwuegbuzie, 2004:16).

4.4. Target Population

According to Saruchera (2014:77), the population refers to “the total mix of elements from which inferences are to be made,” and that the “target population refers to the group of research subjects or individuals possessing one or more common characteristics that are of interest and/or value to the researcher.” The target population in this study consisted of Zimbabwean SMEs which exported manufactured products. The (Zimbabwean) Small Enterprise Development Corporation’s (SEDCO) (2014) definition of an SME was adopted in this study, which was “an enterprise employing not more than 75 people with a fixed asset base not exceeding US$500 000.” The sampling frame obtained from the Ministry of SMEs revealed that there are 50 SMEs in leather manufacturing, 200 in food processing and 300 in textile manufacturing. In addition, four SME policy advocate institutions namely; Zimstats, Zimtrade, SME Association (SMEA) board representative, and the Ministry of Small and Medium Enterprise Development Cooperation (SEDCO), and four individual export business analysts were included in the study’s target population. The sample was selected from SMEs based in Harare, the capital city of Zimbabwe, since recent evidence suggests that, “Harare SMEs would provide diverse responses relatively large enough to be representative of the national views” (Chingwaru & Jakata, 2015:2). Furthermore, Makanyeza and Ndlovu (2016:28) confirm that “Harare houses the majority of manufacturing SMEs in Zimbabwe.” However, it is argued that SMEs tend to enter and exit the export business at any time, and; therefore the statistical figures denoted as target population highlighted above, can increase
or decrease any time subject to prevailing environmental conditions. Strong evidence was found by Gono (2006) that the SMEs in the manufacturing sector have encountered severe foreign competition and therefore this affects the period they remain in business.

4.5. Criteria for Selecting Participating Firms

Prior to the questionnaire distribution, prospective respondents were informed that, for them to be eligible to participate in the study, they were supposed to meet the requirements set out below:

The organisation must be an SME employing not more than 75 people with a fixed asset base not exceeding US$500 000 (to adhere to SEDCO’s definition of SMEs as stipulated in 2014).

The organisation must be exporting goods, be based in Harare and exporting processed food, textiles, and leather products; must have been exporting for at least two years, excluding experience from domestic market; should be indigenous to Zimbabwe and not a subsidiary of a large company or partly owned by a foreign company, so as to reduce the influence of strategy orientation from these large organisations or access to resources and export decision-making.

4.5.1. Sample and Sampling

4.5.1.1. The research sample

Although according to Makanyeza and Ndlovu (2016:28), “there are approximately 1 500 registered SMEs in Harare which are exporters,” however, this study was only interested in sampling SMEs in the leather, food processing and textile sector only. Gibbs, Shafer and Dufur (2015) note that research cannot be carried out by interviewing all the elements of the population; therefore a sample should be established. Creswell (2013) asserts that a sample is a proportion from a total number of an element in a population. Sampling is very important as “the choice of the sample influences the research results” (Ibrahim, 2014:85). A sampling frame was obtained from SEDCO, which is a list of all the population elements from which a sample is drawn (Cooper & Schindler 2011). In this study, respondents were stratified based on their products, with group A consisting of leather processing, group B consisting of food
processing, and group C consisting of textiles. The sampling frame was the telephone directory of owner-managers, from which participants were randomly selected, until the desired sample size was reached, namely 44 from group, 132 from group B 132 and 169 from group C, resulting in a total sample size of 345 SME owner-managers. On the other hand, four policy-makers and four export business analysts were selected as guided by Saruchera (2014:80), who highlights that “when the population is low, the researcher will collect data from the entire population as the influence of a single extreme case on subsequent statistical analyses is more pronounced than for larger samples.” The total sample size for the study is reflected in Table 4.1, which conforms to Wilson’s (2010:202) recommendation that “the sample size should consist of at least 30 cases so as to make inferences to the wider population.”

### Table 4.1: Sample size for SMEs, Policymakers and Exports Analysts

<table>
<thead>
<tr>
<th>Population groups</th>
<th>Sampling Frame</th>
<th>Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>GROUP A: Leather processing</td>
<td>50</td>
<td>44</td>
</tr>
<tr>
<td>GROUP B: Food processing</td>
<td>200</td>
<td>132</td>
</tr>
<tr>
<td>GROUP C: Textiles</td>
<td>300</td>
<td>169</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>550</strong></td>
<td><strong>345</strong></td>
</tr>
</tbody>
</table>

Source: researcher’s compilation

This sample size determination reflected in Table 4.1 is also supported by Krejcie and Morgan’s (1970) model (Table 4.2), since the aforementioned argues that when the population size is 10, the sample size will be 10 and when the population size is 20 the sample size will be 19, and so on.
Table 4.2: Sample size determination

<table>
<thead>
<tr>
<th>Population Size</th>
<th>Confidence = 95%</th>
<th>Confidence = 99%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Margin of Error</td>
<td>Margin of Error</td>
</tr>
<tr>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>20</td>
<td>19</td>
<td>19</td>
</tr>
<tr>
<td>30</td>
<td>28</td>
<td>29</td>
</tr>
<tr>
<td>50</td>
<td>44</td>
<td>47</td>
</tr>
<tr>
<td>75</td>
<td>63</td>
<td>69</td>
</tr>
<tr>
<td>100</td>
<td>80</td>
<td>89</td>
</tr>
<tr>
<td>150</td>
<td>108</td>
<td>126</td>
</tr>
<tr>
<td>200</td>
<td>132</td>
<td>160</td>
</tr>
<tr>
<td>250</td>
<td>152</td>
<td>190</td>
</tr>
<tr>
<td>300</td>
<td>169</td>
<td>217</td>
</tr>
<tr>
<td>400</td>
<td>196</td>
<td>265</td>
</tr>
<tr>
<td>500</td>
<td>217</td>
<td>306</td>
</tr>
<tr>
<td>600</td>
<td>234</td>
<td>340</td>
</tr>
<tr>
<td>700</td>
<td>248</td>
<td>370</td>
</tr>
<tr>
<td>800</td>
<td>260</td>
<td>396</td>
</tr>
</tbody>
</table>

Source: Krejice and Morgan (1970)

When the above (Table 4.2) model was used, the same population of 550 produced a sample size of 345, which was also similar to the method used to determine sample size for the study. Having determined the sample size, there was need to ascertain the sampling technique and this is explained in the section below.

4.5.1.2. Sampling techniques and procedures

According to Creswell (2013:12), “a sampling method refers to the way the sample elements are to be selected.” Given the mixed methodology used in this study, probability and non-probability sampling techniques were used to select the respondents. Probability sampling methods include, stratified sampling, systematic sampling, cluster sampling and simple random sampling and non-probability sampling methods are convenience sampling, quota sampling, snow-ball sampling and purposive sampling (Bryman & Bell, 2015). For the purpose of this research, stratified and purposive sampling were selected due to the nature of the respondents. The respondents were stratified based on their production processes, with group A consisting of respondents in leather processing, group B food processing and group C textiles. Having stratified the firms into groups, respondents were then randomly telephoned to avoid bias while following the chosen criteria highlighted in Section 4.4 above, until the desired sample sizes were reached. This definition of SEDCO (2014) helped to place SMEs in their respective appropriate strata using stratified sampling method, again since the
study targeted SMEs in the leather, food processing and textile industries. Placing these respondents into various strata enabled inferences to be made on each stratum. A sample size also supported by Krejcie and Morgan’s (1970) formula was stratified as follows: leather 44, food processing 132, textiles 169, while on the other hand four policy-makers and four export business analysts were purposively sampled and interviewed, given the fact that they involved a small number of informative respondents that gave insightful information to meet the needs of the research (Ibrahim, 2014). It is argued that “the appropriateness of a sample design is largely influenced by the degree of accuracy, the availability of resources, time and the advanced knowledge of the population under consideration” (Creswell, 2013:14). Furthermore, probability sampling techniques also enabled to statistically estimate the population characteristics from the sample, while non-probability sampling technique enabled the study to make some statistical inferences of the characteristics of the population (Saunders, Lewis & Thornhill, 2009).

4.6. The Research Context

As reflected in Figure 4.1, the study was conducted in Harare which is the capital city of Zimbabwe and where the majority of exporting SMEs are located. Only firms meeting SEDCO’s (2014) definition of an SME were included in the sample of the study from the target population in this location.

Figure 4.1: Location of the population of the study

Source: Google Maps, 2016

4.7. Data Collection Methods

Baha (2016:9) highlights that “data collection entails the process of collecting or gathering information.” Since there is a growing concern about how researchers can increase the
reliability and validity of their results, Larsen (2015) recommends that proper planning is essential to ensure the reliability and the validity of the research results. In this study, proper planning to gather the data was ensured through the selection of appropriate data collection instruments. Youngs and Piggot (2013) argue that any research instrument has its own merits and demerits and therefore to collect reliable data, the researchers should adopt a mixture of both qualitative and quantitative data collection methods through triangulation. In this study data was collected through unstructured interviews and structured questionnaires. Prior to selection of data collection instruments, the advice of Saruchera (2014:82) was taken note of, namely,

“the research method or methods be appropriate to your research objective; be able to produce a form of data appropriate to testing your hypothesis/hypotheses or addressing your research question(s); practicable given time, resource constraints and the feasibility of using it within a chosen or given context; and be ethically sound.”

Considering the above, the study used both unstructured interviews and structured questionnaires to collect data and this is explained below.

4.7.1. Interview-guide

Ibrahim (2014) asserts that an interview is a subjective and narrative method that involves the incorporation of verbal communication that enables the understanding of human feelings and social situations. Interviews were chosen as they were flexible and provided rich and comprehensive data (Creswell 2013). Using the interviewer-administered questionnaire (interview-guide), there was an opportunity to do an in-depth probing that provided valuable insight and a holistic understanding of the problem. Moreover, this technique was faster in getting valuable information from informants such as policy-makers and export business analysts. The face-to-face interviews were conducted between February 2017 and March 2017. Using the aforementioned technique encouraged the respondents to raise and discuss related topics pertaining to export marketing strategies adopted by SMEs in Zimbabwe and their export performance. Each interview lasted approximately twenty minutes and targeted four policy-makers from Zimstats, Zimtrade, SMEs Association Representative board (SMEA) and Ministry of Small and Medium Enterprise Development cooperation (SEDCO) and four export business analysts respectively. There has been widespread debate about the
‘guiding principle’ in coming up with the accurate sample size when carrying out qualitative research and this has remained a theory of saturation (Mason, 2010). According to Saruchera (2014:85), although “the concept has been explored in detail by numerous authors, the question remains, how many interviews are enough?” Thus, eight interviews were conducted and were considered sufficient, given the fact that the study adopted mixed methods and that the interviews were aimed at addressing only two research objectives, namely, to evaluate the effectiveness of the export marketing strategies currently being employed by the SMEs, and to determine the export marketing strategies that can help the SMEs to enhance their exporting performance.

All the interview sessions were recorded using audiotapes as this was approved by the interviewees. These audiotapes provided detailed recorded conversations which were an added advantage to the study as the field notes could not provide an accurate verbatim record (Silverman, 2013). Saunders et al. (2009:364) affirm that “a structured interview guide can be used for any population that is selected in the street, by name or organisation.” Furthermore, Makanyeza (2014:152) acknowledges that “the response rate of a structured interview is high; specifying that a 50 to 70% response rate is reasonable.” Moreover, the aforementioned researcher asserts that “despite being expensive, structured interviews can be ideal, especially where high participation is required” (Makanyeza 2014:152). In this case interviewer-administered questionnaires enabled a high response rate of 100% to the study, which is also in line with Saunders et al.’s (2009:364) assertion that “the interviewer administered questionnaire has relatively high response rate.” Moreover, through the use of pre-determined questions (Appendix 3), the responses given by the interviewees were uniform.

4.7.2. Questionnaire

Self-administered questionnaires were used to collect data from the SME owner-managers. Trained research assistants distributed the questionnaires, and they encouraged the respondents to answer all the questions. Some respondents required more time to complete the questionnaire and were given two weeks to complete. Questionnaires offered anonymity, avoided interviewer bias and were effective in that, they had the potential to result in a high response rate (Neuman, 2012). The data was collected from 19 January 2017 to 1 April 2017. The data gathered from owner-managers included internal and external factors that affected the export performance of the SMEs, the export marketing barriers that affected the export performance of SMEs for the past two years (2015 and 2016), as well as export statistics of
export intensity for 2015 and 2016 respectively. The use of questionnaires allowed for the blending of observations with non-verbal clues surrounding the environment.

4.7.3. Measurement scales

Mascherpa (2011:128) states that “measurement refers to the assignment of numbers to objects, and the assignment of numbers is done following certain rules.” This calls for the researcher “to base his/her decision of which concepts to measure on corresponding research questions and hypotheses in a particular research” (Zikmund & Babin, 2012:340). In line with that Mascherpa (2011:128), argues that “issues that are commonly addressed in the study of measurement include concepts, operationalisation, variables, constructs and types of scales.” Zikmund and Babin (2012:310) highlight that “to measure concepts researchers use a process known as operationalisation.” In the same vein, Mascherpa (2011:128) argues that “in some cases a single variable may not be able to capture a concept alone; this requires that multiple variables be employed to measure a concept.”

According to Mascherpa (2011:128), “operationalisation of a concept means making it measurable and translating it to the language of data sources (e.g. survey respondents or interviewees), so that valid and reliable data can be collected.” The above mentioned researcher further states that “a construct can be defined conceptually but cannot be measured directly and perfectly, and as such specific scale items or questions typically measure them appropriately.” (Mascherpa, 2011:128). The research constructs in this study were customer focus, distinctive organisational capabilities, customer value, cross-functional cooperation, export performance, export market characteristics, industry characteristics and export marketing barriers. According to Mascherpa (2011:102) “it is very difficult to measure what a capability is and there are not any unifying scales that allow for the measurement.”

Weerawardena, Mort, Liesch, and Knight (2007:298) argue that “the most critical capabilities in international performance include a market-focused learning capability, internally focused learning capability, networking and marketing capability,” this learning is crucial in providing information to management that will increase organisational performance.

Some researchers (Zhang et al. 2009; Knight & Kim, 2009) have tried to define dynamic capability scales and they suggested that there are no unifying scales to measure organisational capabilities. Mascherpa (2011:102) argues that “measures for core
organisational capabilities are purely summated scales, for example; the international market knowledge capability measures the extent to which market, customers and competitor knowledge is acquired, disseminated, unlearned and integrated into the value creation activities of the firm.” On the other hand, “export performance is perceived as one of the success indicators of a firm” (Abdolvand, 2016:4). While some research had been conducted to explain export performance and its antecedents, there have been no generally accepted conceptualisation on how best it can be measured (Chen et al., 2016). Thus, this study used summated scales to measure the following constructs: customer focus, distinctive organisational capabilities, customer value, cross-functional cooperation, export performance, export market characteristics, industry characteristics and export marketing barriers, since “there are no unifying scales to measure them” (Mascherpa, 2011:128). Therefore, scale items or questions were used to measure the construct, using a five point Likert scale to ‘elicit the degree of agreement or disagreement with each statement’. Figure 4.2, which is an adaptation from Mascherpa, (2011:128), shows how the constructs were measured.

**Figure: 4.2: The operationalisation of the variables in the theoretical framework**

![Diagram showing the operationalisation of variables]

**Source:** Adapted from Mascherpa (2011:128)
As shown in Figure 4.2, when measuring customer focus, “a number of variables were used and these were captured on a scale of 1–5”. In this case variables that measured the ‘customer focus’ construct were export tailor-made products; export timely delivery; reasonably priced products; after-sale export services and continuous improvement. Using the Likert scale, “respondents were asked to indicate the extent to which they agreed or disagreed with statement(s) concerning a particular object.” In this regard, specific questions were used to measure the research construct using a five-point Likert scale to determine the degree of agreement or disagreement with each statement. Having looked at the measurement and scaling, it was then imperative to consider the designing of the research instruments and in particular, the questionnaire.

4.7.4. Designing the questionnaire

Considering the nature of the research objectives and the literature review, it was very appropriate to carry out this study on a fit for purpose questionnaire. Baha (2016:8) asserts that “the design of a questionnaire should be done cognisant of a particular research.” The aforesaid highlights that the questionnaire must follow certain steps namely; “planning what to measure; formulating questions that collect research data; deciding on the order and wording of questions as well as the layout of the questionnaire; pre-testing the questionnaire; and making corrections.” However, in this study the steps were not followed one by one, but instead adapted as a guiding mechanism in developing the final questionnaire.

In an endeavour to measure customer focus, the various suggestions and considerations made by researchers (inter alia, Junaidu, 2012; Verhoef & Lemon 2013; Egonsson et al. 2013; Gilaninia et al. 2013; Tajeddini et al. 2013; Yaacob 2014:2) were considered to develop the questionnaire. These suggestions and considerations included that; customer focused firms make tailor made products, deliver products to foreign customers in time, they reasonably price their products, they provide after-sale services, they solicit customer data and create relationships with customers. By following these suggestions the study measured ‘customer focus’ based on the following distinguishable characteristics which were specific to customer focus namely; timely delivery of products to customers, customer tailor-made products, and after-sale services to customers, continuous improvements, customer intelligence and business customer relationships. Each of these characteristics was measured on a Likert scale, where 1= Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly agree.
Table 4.3: Customer focus measures

<table>
<thead>
<tr>
<th>Item number</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>C1</td>
<td>ACF1</td>
</tr>
<tr>
<td>C2</td>
<td>ACF2</td>
</tr>
<tr>
<td>C3</td>
<td>ACF3</td>
</tr>
<tr>
<td>C4</td>
<td>ACF4</td>
</tr>
<tr>
<td>C5</td>
<td>ACF5</td>
</tr>
<tr>
<td>C6</td>
<td>ACF6</td>
</tr>
<tr>
<td>C7</td>
<td>ACF7</td>
</tr>
<tr>
<td>C8</td>
<td>ACF8</td>
</tr>
<tr>
<td>C9</td>
<td>ACF9</td>
</tr>
</tbody>
</table>

Source: Researcher’s Compilation

There are no universally accepted scales to measure organisational capabilities (Mascherpa 2011:128), thus, a specific scale was developed for this study. Khan (2013:37) asserts that distinctive organisational capabilities are “activities derived from a combination of organizational vision and organizational structure that a firm does better than any competing firms.” In this study a scale was developed to measure distinctive organisational capability by drawing on the insight from a number of scholarly works (inter-alia, Andrews et al., 2015; Othman et al., 2015; Teece, 2014:14; Kindström et al., 2013; Khan 2013; Barney et al., 2011; Mascherpa, 2011:103; Inmyxai & Takahashi, 2010; Kurami n.d:3). Table 4.4 that follows shows the distinctive capability measurement on a 5-point Likert scale, where 1= Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly agree.
Table 4.4: Distinctive capability measures

<table>
<thead>
<tr>
<th>ITEMS</th>
<th>Item number</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our core workforce has manufacturing and export experience.</td>
<td>B1</td>
<td>BDC1</td>
</tr>
<tr>
<td>Our products for exports are inimitable.</td>
<td>B2</td>
<td>BDC2</td>
</tr>
<tr>
<td>Our firm has rare and intellectual based resources to enhance exports.</td>
<td>B3</td>
<td>BDC3</td>
</tr>
<tr>
<td>Our firm export reputable products.</td>
<td>B4</td>
<td>BDC4</td>
</tr>
<tr>
<td>Our reputation in the foreign markets is good.</td>
<td>B5</td>
<td>BDC5</td>
</tr>
<tr>
<td>We have a credible and experienced workforce to execute our exports.</td>
<td>B6</td>
<td>BDC6</td>
</tr>
<tr>
<td>We have marketing resources to successfully undertake exporting activities.</td>
<td>B7</td>
<td>BDC7</td>
</tr>
</tbody>
</table>

**Source:** Researcher’s compilation

Following the insights from the work of Allahham, (2013:2); Shanker (2012); Yu-Shan and Ching-Hsun (2012); O’Cass and Ngo (2011); and Smith and Colgate (2007), a questionnaire was developed to measure customer value based on the following characteristics, namely; experiential value, symbolic value, instrumental value, experiential value, expressive value, sacrifice value, co-creation value, long lasting impression, price/cost relationship and customer-value expectations. These characteristics were thoroughly explained to the target respondents by the trained research assistants and simple phrases were used in the questionnaire bearing in mind that the first language for the respondents was Shona, and not English. This made the collection of data easier as the respondents clearly understood what they were being asked. A questionnaire was developed to measure customer value using the item reflected in Table 4.5, which were expressed on a 5 point Likert scale where 1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly agree.
Table 4.5: Customer value measures

<table>
<thead>
<tr>
<th>ITEMS</th>
<th>Item number</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>We export products that effectively meet value expectations of our target customers.</td>
<td>C1</td>
<td>CCV1</td>
</tr>
<tr>
<td>Our exports encompass the desired and perceived value of our customers.</td>
<td>C2</td>
<td>CCV2</td>
</tr>
<tr>
<td>We export products with attributes or contents that fulfill the desired needs of our customers (instrumental value).</td>
<td>C3</td>
<td>CCV3</td>
</tr>
<tr>
<td>We export products that create long lasting impressions (experiential value).</td>
<td>C4</td>
<td>CCV4</td>
</tr>
<tr>
<td>We export products that enable our customers to attach a psychological meaning to the product (symbolic value or expressive value).</td>
<td>C5</td>
<td>CCV5</td>
</tr>
<tr>
<td>We export products with the value commensurate with the value offered by our customers (cost or sacrifice value).</td>
<td>C6</td>
<td>CCV6</td>
</tr>
<tr>
<td>We invite customer inputs when we manufacture products for exports (co-creation value).</td>
<td>C7</td>
<td>CCV7</td>
</tr>
</tbody>
</table>

Source: Researcher’s Compilation

Blindenbach-Driessen (2015) have demonstrated that cross-functional teams are groups formed with the intention of jointly working together in developing opportunities that require diverse expertise and including personnel from different functions. Pimenta et al. (2014:2) highlight that “the success of this bond depends on the relationships between functions in an organisation.” To measure this cross-functional cooperation in this study, insight was obtained from the publications of various researchers, inter alia Blindenbach-Driessen (2015); Pimenta et al. (2014:2); and Daspit et al. (2013). Drawing from the work of the above researchers, various characteristics that measure cross-functional cooperation were developed, namely, leadership roles sharing, knowledge transfer, organisational learning,
team spirit, diverse expertise and team diversity. These characteristics were then used to develop a questionnaire, to measure the respondents’ views on a 5-point Likert scale where 1= Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly agree. This is reflected in Table 4.6.

**Table 4.6: Cross-functional cooperation measures**

<table>
<thead>
<tr>
<th>ITEM</th>
<th>Item number</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>We have export functional teams in our organisation.</td>
<td>D1</td>
<td>DCFV1</td>
</tr>
<tr>
<td>Our functional teams share leadership roles.</td>
<td>D2</td>
<td>DCFV2</td>
</tr>
<tr>
<td>We have export innovation teams that jointly work together to produce innovative products and export solutions.</td>
<td>D3</td>
<td>DCFV3</td>
</tr>
<tr>
<td>We use diverse expertise from all functions to strategically produce a product for export.</td>
<td>D4</td>
<td>DCFV4</td>
</tr>
<tr>
<td>Our teams are willing to transfer knowledge generated from departments and markets to export-led production activities.</td>
<td>D5</td>
<td>DCFV5</td>
</tr>
<tr>
<td>Effective communication on CFTs improves.</td>
<td>D6</td>
<td>DCFV6</td>
</tr>
<tr>
<td>CFTs create an enabling environment.</td>
<td>D7</td>
<td>DCFV7</td>
</tr>
<tr>
<td>CFTs promote diversity.</td>
<td>D8</td>
<td>DCFV8</td>
</tr>
<tr>
<td>CFTs creates team spirit which increases organisational learning</td>
<td>D9</td>
<td>DCFV9</td>
</tr>
</tbody>
</table>

**Source:** Researcher’s Compilation

To measure export market characteristics, suggestions from previous researchers (Cinkota & Ronkainen 2010; Hollensen 2010; Slater et al. 2011; Sorokina 2012; Uzkurt et al. 2013; Pratono & Mahmood 2014; Reis & Forte 2016) were considered. In an endeavour to come up with an appropriate scale that measured export market characteristics, the following were identified as factors that have an impact on the export performance of SMEs namely; environmental turbulence, cultural similarity, market competitiveness and promotional programmes done by competitors. These factors were then used to design a questionnaire that measured export market characteristics on a 5-point Likert scale, where 1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly agree was used to measure export market characteristics of a firm. Table 4.7 below reflects the export market characteristics.
Table 4.7: Export market characteristic measures

<table>
<thead>
<tr>
<th>ITEM</th>
<th>Item number</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental turbulence hampers export market development.</td>
<td>E1</td>
<td>EEMC1</td>
</tr>
<tr>
<td>Customs affect business negotiations negatively.</td>
<td>E2</td>
<td>EEMC2</td>
</tr>
<tr>
<td>Attitudes of foreign customers reduce export viability (reduce sales volumes).</td>
<td>E3</td>
<td>EEMC3</td>
</tr>
<tr>
<td>Cultural similarity has a negative effect on exports</td>
<td>E4</td>
<td>EEMC4</td>
</tr>
<tr>
<td>Foreign culture negatively affects product acceptance.</td>
<td>E5</td>
<td>EEMC5</td>
</tr>
<tr>
<td>Market competitiveness affects exports viability.</td>
<td>E6</td>
<td>EEMC6</td>
</tr>
<tr>
<td>Lack of language experts lowers the receipts received from exports thereby decreasing export earnings.</td>
<td>E7</td>
<td>EEMC7</td>
</tr>
<tr>
<td>Rivals use promotional programs more to gain both market acceptance and sales growth.</td>
<td>E8</td>
<td>EEMC8</td>
</tr>
</tbody>
</table>

**Source:** Researcher’s Compilation

To develop a holistic scale to measure industry characteristics, a number of research studies were reviewed. These included Clougherty and Zhang (2009); Ricci and Trionfetti (2012); Ricci and Trionfetti (2012); Eberhard and Craig (2013); Xie and Suh (2014); Wierst et al., (2014); Love and Roper (2015); Reis and Forte (2016) and Lengler et al. (2016). The industry characteristics that were considered included international foreign networks, export orientation and concentration, technological intensity, R & D intensity, labour productivity, capital intensity and industry dynamism. These characteristics were then used to develop a questionnaire where items were measured on a 5-point Likert scale, where 1= Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly agree, was then used to measure industry characteristics. Table 4.8 below shows the industry characteristics scale with item number and associated code for each item.
Table 4.8: Industry characteristic measures

<table>
<thead>
<tr>
<th>ITEM</th>
<th>Item number</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supply chain networks in the industry are weak.</td>
<td>F1</td>
<td>FIC1</td>
</tr>
<tr>
<td>Export concentration is weak in the industry.</td>
<td>F2</td>
<td>FIC2</td>
</tr>
<tr>
<td>R &amp; D intensity affects exports.</td>
<td>F3</td>
<td>FIC3</td>
</tr>
<tr>
<td>Communication technology is still behind (e.g. websites, e-mails).</td>
<td>F4</td>
<td>FIC4</td>
</tr>
<tr>
<td>Poor operating technology affects export productivity.</td>
<td>F5</td>
<td>FIC5</td>
</tr>
<tr>
<td>Labour intensity affects export productivity.</td>
<td>F6</td>
<td>FIC6</td>
</tr>
<tr>
<td>Capital intensity affects exports.</td>
<td>F7</td>
<td>FIC7</td>
</tr>
<tr>
<td>Innovation affects exports.</td>
<td>F8</td>
<td>FIC8</td>
</tr>
<tr>
<td>The industry dynamism makes it difficult to predict customer</td>
<td>F9</td>
<td>FIC9</td>
</tr>
<tr>
<td>preferences.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Export orientation affects exports</td>
<td>F10</td>
<td>FIC10</td>
</tr>
</tbody>
</table>

Source: Researcher’s Compilation

To measure the effect of export marketing barriers, some insight was obtained from various researchers such as Arteaga-Ortiz and Fernandez-Ortiz (2010); Matthee and Krugell (2011); Biggs and Shar (2013); Kahiya (2013); Kahiya et al. (2014); Kazimoto (2014); Xie and Suh (2014); Chingwaru and Jakata (2015); and Pietrasienki and Ślusarczyk (2015). The export marketing barriers included lack of foreign exchange allocation, export procedural barriers, export regulations, exchange rate volatility, and procedures of meeting international standards, ‘cut-throat’ competition and inadequate diplomatic support among others. Table 4.9 reflects the items which were measured on a 5-point scale with 1= Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly agree.
Table 4.9: Export marketing barrier measures

<table>
<thead>
<tr>
<th>ITEM</th>
<th>Item number</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of foreign exchange allocation prevents us from producing more and developing our export business.</td>
<td>G1</td>
<td>GEMB1</td>
</tr>
<tr>
<td>Exchange rate volatility adversely affects our exports.</td>
<td>G2</td>
<td>GEMB2</td>
</tr>
<tr>
<td>Export procedural barriers affect our ability to export.</td>
<td>G3</td>
<td>GEMB3</td>
</tr>
<tr>
<td>Export regulations increase the cost of exporting which negatively affects our exports.</td>
<td>G4</td>
<td>GEMB4</td>
</tr>
<tr>
<td>Failure to meet International standards prevents us from exporting more to other countries.</td>
<td>G5</td>
<td>GEMB5</td>
</tr>
<tr>
<td>Cutthroat competition negatively affects our export performance.</td>
<td>G6</td>
<td>GEMB6</td>
</tr>
<tr>
<td>Inadequate diplomatic support hinders our export capability.</td>
<td>G7</td>
<td>GEMB7</td>
</tr>
</tbody>
</table>

Source: Researcher’s Compilation

Export performance is measured in various ways for example, through the use of the EXPERF scale (Zou, Taylor & Osland, 1998) or through the STEP scale (Lages & Lages, 2004). However, Chen et al. (2016) argue that there are 53 ways of measuring export performance, with 23 measures being used only once or twice. Chen et al. (2016:8) further contend that “the frequently used export performance measures are export profitability, export sales growth, export sales and export intensity.” Thus, by following the advice of Chen et al. (2016) export sales and export intensity were used to measure the export performance of SMEs included in this survey. Export profitability was not used as one of the measures of export performance, since it was envisaged that some of the SMEs may not disclose their true export profitability. A questionnaire with items expressed on a 5-point Likert scale was developed which included the items reflected in Table 4.10, where 1= Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly agree.
Table 4.10: Export performance measures

<table>
<thead>
<tr>
<th>ITEM</th>
<th>Item number</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our annual revenue for 2015 was between US$ 1000 and US$300 000</td>
<td>H1</td>
<td>HEP1</td>
</tr>
<tr>
<td>Our annual revenue for 2016 was between US$300 000 and US$500 000</td>
<td>H2</td>
<td>HEP2</td>
</tr>
<tr>
<td>Our sales volume for 2015 was between US$500 000 and 1000 000</td>
<td>H3</td>
<td>HEP3</td>
</tr>
<tr>
<td>Our sales volume for 2016 was between US$1000 000 and 1 500 000</td>
<td>H4</td>
<td>HEP4</td>
</tr>
<tr>
<td>We did not achieve any growth with exports</td>
<td>H5</td>
<td>HEP5</td>
</tr>
<tr>
<td>We achieved growth with exports</td>
<td>H6</td>
<td>HEP6</td>
</tr>
</tbody>
</table>

Source: Adapted from Okpara and Kumbiadis (2008:115).

4.7.5. Pilot test

De Vaus (2013) highlights that there is a need to ensure that the measuring instruments are tested to assess their validity and reliability before any research is conducted. Pilot testing is a small scale replica of the main study that allows the identification of problems with the measuring instruments, to enlighten the study on the approximate time a respondent might take to complete a questionnaire and to note areas of ambiguity in the questionnaire. This was achieved through distributing questionnaires to a small sample of SMEs from Harare who were exporting manufactured goods. The pilot test was conducted in January 2017 on a group of 35 SME owner-managers and 2 on policy-makers who were not included in the final research. The participants in the pilot study were conveniently selected to reduce the cost and time of travelling.

A number of issues emerged from the pilot study which included time spent by respondent to complete the questionnaire was too long, ambiguity of some questions which were not clear and the respondent interpreted some of the questions differently. This was taken into consideration in improving the final study.
4.7.6. Validity and reliability of the research instrument

Reliability is the capability of an instrument to consistently produce the same results in the same manner, every time (Tavakol & Dennick, 2011). Under such circumstances, internal consistency becomes mandatory if the results of the research are to be considered reliable (Bryman & Bell, 2015). Therefore, it is expected that researchers should measure the internal consistence of their research instruments to determine whether the results of their research will be accepted as true and valid (Tavakol & Dennick, 2011).

Cronbach’s Alpha (α), was used to measure internal consistency of the scaled items based on average inter-item correlations. Cronbach’s alpha reliability coefficients normally range between 0 (if no variance is consistent) and 1 (if all variance is consistent), and the closer the coefficient is to 1.0 the greater the internal consistency of the items in the scale and a value less than 0.7 generally indicates unsatisfactory internal consistency reliability (Connelly, 2011). Tavakol and Dennick (2011) are of the view that, acceptable reliability estimates range from 0.70 to 0.80.

With regards to validity, convergent validity, discriminant validity and content validity were considered, since Zikmund and Babin (2012:410) highlight these as “the three major approaches of assessing validity.” According to Zikmund and Babin (2012:410) “face (content) validity is an agreement among experts that a particular scale measures a particular concept,” in this sense, face validity is envisaged to be subjective. However, Ing, Musah, Al-Hudawi and Tahir (2015:196) argue that “content validity is a measure of the degree to which data collected using a particular instrument represents the content of the concept being measured.” As in initial step to assure the contents of the questionnaire and to ensure face validity, the questionnaires were given to business research experts and in particular, those who were acquainted with export knowledge (termed export business analysts), to review and critique it, and suggest ways to improve them and these were not made part of the sample in the final study. Furthermore, to ensure validity of the research results, triangulation was done through the personal interviews to avoid bias and generalisation of the results through using one research instrument.
4.8. Data analysis

Peck, Olsen and Devore (2015) assert that data analysis and presentation refers to synthesising, evaluation, interpretation, categorising, hypothesising, comparing and pattern finding. Figure 4.3 depicts the flow diagram used to explain how data analysis was conducted.

**Figure 4.3: Data Analysis Process**

Source: Sekaran, 2003

4.8.1. Quantitative Data Analysis

According to Denzin and Lincoln (2013:14), “the quality of results from statistical techniques and the interpretation thereof largely depends on the quality of the data from which the analysis was done.” This researcher asserts that “raw data from the questionnaires should be prepared before they can be analysed using statistical techniques” (Denzin & Lincoln 2013:14). Aaker, Kumar and Day (2007:432) suggest a three stage technique for dealing with the data after collection, namely “editing, coding and, if required, statistical adjustment.
of data,” a technique which was used in this study as well. Aaker et al. (2007) argue that there are various factors that influence the selection of the appropriate technique to use for data analysis and these include, type of data, research design and assumptions underlying the test statistic and related considerations. Data editing was mainly concerned with checking and detecting errors or mistakes on the collected data. In this case the completed questionnaire and structured interview-guide were verified with the objective of determining the eligibility of the respondents that is, checking to determine whether the respondent is actually an SME through employing the SEDCO’s (2014) definition of an SME.

It was only after the data was edited, that coding was done. Hair, Wolfinbarger, Ortinau and Bush (2008:224) confirm that “data coding is the process of grouping and assigning values to responses to questions in an instrument, and assert that each individual response or point is given a number that explains the variance of the measure.” In this study, each variable or item on the questionnaire was assigned a code or a numeric value, which enabled the capturing the data using the SPSS computer software. Having coded the data and posted it to SPSS 21, various data analysis techniques were used to analyse the data. Multiple linear regression analysis and Structural Equation Modeling (SEM) were conducted using the Smart PLS software.

4.8.1.1 Descriptive statistics

Creswell (2014) defines descriptive statistics as information that is used to describe the basic characteristics of the data in the study, and it includes simple summaries about the samples and the dimensions of the data. According to Jaggi (n.d:1) “there are two basic descriptive statistics namely numeric and graphical.” The above researcher affirms that “descriptive statistics gives numeric and graphic procedures to summarise a collection of data in a clear and understandable way.” According to Baha (2016:8) “tools which are commonly used for descriptive research in order to analyse and summarise large pile of data into magnitudes are; frequencies, mean, median, mode, standard deviation, correlation, scatter plot, graphs, tables, histogram and so forth.” The descriptive statistics could take the form of pie charts, or tables that show the basic data of the main components of the study for example demographic or biographical data (Jaggi, n.d). In this study frequency, correlations scatter plots, graphs and tables were used to summarise the data into magnitudes so as to make it clear and understandable.
4.8.1.2 Correlation analysis

Gogtay and Thatte (2017:78) affirm that “correlation, also called correlation analysis, is a term used to denote the association or relationship between two (or more) quantitative variables.” Furthermore, Stangor (2011:17) argues that “one particular advantage of correlational research is that it can be used to assess behaviour as it occurs in people’s everyday lives.” However, correlation analysis cannot provide conclusive information about causal relationships among variables, thus in this study correlation analysis was complemented through the use of the multiple linear regression analysis.

4.8.1.3 Multiple linear regression analysis

Hair et al. (2008:296) assert that “multiple regressions are a statistical technique which analyses the linear relationship between a dependent variable and multiple independent variables by estimating coefficients for the equation of a straight line.” Multiple linear regression analysis was conducted to test the relationships between the research constructs namely customer focus, distinctive capabilities, customer value, cross-functional cooperation, export market characteristics, industry characteristics, export marketing barriers and the export performance of SMEs.

In this study multiple regression analysis helped to establish the relationship between a dependent variable (e.g. export performance of SMEs) and independent variables (e.g. customer focus, distinctive capabilities, customer value, cross-functional cooperation, export market characteristics, industry characteristics and export marketing barriers).

Since the multiple linear regression analysis could not “address numerous modelling difficulties namely the endogeneity among constructs and composite underlying data structures found in various phenomena the study further used structural equation modelling (SEM) to robust the study. SEM allows for multiple inferences rather than exploratory data analysis which only allows for descriptive data analysis (Byrne, 2013).

4.8.1.4 Structural Equation Modeling

It is envisaged that “structural equation modelling has gained popularity as a statistical technique used to test theory in several fields of knowledge” (Hair, Anderson, Tatham & Black 1998:5). Qureshi and Kang (2014:3) describe SEM as “a multivariate, statistical technique largely employed for studying relationships between latent variables (or constructs)
and observed variables that constitute a model.” Additionally, Bollen (1989:48) and Hoyle (1995:1) assert that “SEM is a statistical method which can be used by a researcher to create theoretical concepts and validate proposed causal relationships through two or more structural equations.” It is perceived as “being similar to regression analysis but more predominant in that, it assesses the causal relationships among constructs while concurrently accounting for measurement error” (Sarstedt, Ringle, Smith, Reams & Hair 2014:105). SEM has “the ability to address numerous modelling difficulties namely; the endogeneity among constructs and composite underlying data structures found in various phenomena” (Washington, Karlafitis & Mannering 2003:42).

SEM “is fundamentally a framework that involves concurrently solving systems of linear equations and includes procedures such as regression, factor analysis and path analysis” (Beran & Violato 2010; Stein, Morris & Nock 2012:495).

SEM was used in this study because of the following advantages:

- SEM “has the ability to ‘tackle’ research questions related to intricate causal relationships between unobserved variables” (Nusair & Hua, 2010:314); Hair, 2009:81);
- SEM can “extend explanatory power and statistical efficiency for model examination with one complete model” (Hair et al., 1998:12);
- SEM can include “latent constructs in the analysis while accounting for measurement errors in the estimation process” (Hair et al., 1998:12);
- SEM serves two principle purposes namely, it allows for the approximation of a series, but independent, multiple regression equations simultaneously, and it has the ability to incorporate latent variables into the analysis and accounts for measurement errors in the estimation process” (Nusair & Hua, 2010:314);
- SEM as an analysis approach has two essential elements which are causal relationships and is presented by a sequence of structural regression equations and these relationships can be modelled pictorially to facilitate a clear conceptualisation of the theory under investigation (Byrne, 2013); and
- SEM was deemed necessary for the present study as it has numerous advantages as compared to other older multivariate methods. For example, it utilises confirmatory
and allows for multiple inferences rather than exploratory data analysis which only allows for descriptive data analysis (Byrne, 2013).

4.8.2. Qualitative data analysis

According to Denzin and Lincoln (2013:13) “qualitative data are very much explanatory in nature and are usually bulky.” According to Shanthi, Wah and Lajium (2015) “the choice of qualitative analysis that a researcher uses to arrive at the end meaning that people bring to the data, whether by using grounded theory, phenomenological, narrative, discourse analysis, etc., makes the difference in a qualitative study.” Thus, qualitative data in this study was analysed using discourse and content analysis.

4.8.2.1. Discourse analysis

Shanthi et al. (2015:162) highlight that “communication that takes place in different context and genre is called discourse.” Androutsopoulos (2011:47), argues that “discourse is defined as language-in-use or spoken language that comes about from communication that takes place naturally in social context.” According to Wertz, Charmaz, McMullen, Josselson, Anderson and McSpadden (2011:4) “discourse analysis belongs to a family of contemporary approaches that emphasises human language as a socially contextual performance.” It is argued that discourse analysis “shares some of the same analytical methods with other more established qualitative methods such as grounded theory” (Shanthi et al., 2015:161). The aforementioned researchers assert that these analytical methods “include steps such as coding, sorting of categories, identifying themes and relationships and drawing conclusions to answer the research questions” (Shanthi et al., 2015:161). In this study, qualitative data on the export marketing strategies currently being employed by SMEs and data on export marketing strategies that can help SMEs to enhance their export performance, were categorised into major themes and presented through discourse analysis.

4.8.2.2. Content analysis

Bauer, Süerdem and Bicquelet (2014) assert that content analysis is defined as text analysis and it is envisaged as ‘a coding process where the categorisation system is pre-established.’ It is argued that “content analysis can be used on all types of written texts no matter where the material comes from” (Bengtsson, 2016:10). Moreover, the aforementioned researcher
affirms that “there are no specific rules that must be followed for example, deep inter-views, focus group interviews, one single written question, open-ended questions as in a questionnaire, or observations of situations, as well as from pictures and films” (Bengtsson, 2016:10).

Wilson (2010:254) highlights that “qualitative data are very much explanatory in nature and are usually bulky.” Given that it is argued that “there is no single or best way to analyse qualitative data; and that the analysis will depend on the questions to be answered, the needs of people who are to use information” (Shanthi et al., 2015:161).

Data from the interviews and audiotapes were transferred into a word document and the researcher familiarised himself with the data by keeping in mind the objectives of the study which helped in identifying key themes (Easterby-Smith, Thrope, & Jackson, 2012). In the same vein, Bengtsson (2016:10) affirms that “in qualitative content analysis, data are presented in words and themes, which make it possible to draw some interpretation of the results.” Data from both the recorded responses and interviews were analysed through qualitative discourse and content analysis. Having done a comprehensive analysis of qualitative data, the results were presented through the use of words that explain particular phenomena. In summary, qualitative data on the export marketing strategies currently being employed by SMEs and data on export marketing strategies that can help SMEs’ to enhance their export performance, were categorised into major themes and presented through discourse and content analysis.

4.9. Ethical Considerations

Saunders and Lewis (2012) assert that ethics refers to the appropriateness of the researcher’s behaviour when conducting research, taking cognisance of the rights of those who become subjects of their work. The under mentioned issues were addressed.

4.9.1. Informed consent

The researcher requested the participants’ permission to participate in the study and they completed an Informed Consent (Appendix 1), which specified the intention of the researcher and, that the participants were not being forced to be part of the data gathering process. Furthermore, the consent of potential respondents such as policy-makers namely, the Zimstats, Zimtrade, SMEs Association Representative board (SMEA) and Ministry of Small
and Medium Enterprise Development Cooperation (SEDCO), was sought in advance and this is evidenced by the signed gatekeepers consent forms.

**4.9.2. Honesty and trust**

The participants were informed that their personal details were to be treated as confidential. All the questionnaires were clearly labelled ‘private and confidential’; this enabled the participants to participate honestly, knowing that their information was not going to be exposed to external people.

**4.9.3. Ethical clearance**

The researcher obtained ethical clearance from the University of KwaZulu-Natal (See EC number *HSS/0039/017D* in Appendix 4).

**4.9.4. Privacy and anonymity/confidentiality**

The participants were assured that their participation was not going to expose their status or the status of their firm. This was done to ensure that the names of the participants and that of the firms were not published, especially if those participants felt that by publishing their names, they would be exposed. The trained Research Assistants allowed the respondents to ask questions and to seek clarification where possible, to refuse to participate without any consequences and to refuse to answer particular questions. A copy of an introductory letter from the University of KwaZulu-Natal was also submitted to those participants who requested it to maintain in their personal records. The introductory letter contained details namely, the name of the researcher, telephone number of the university and that of the researcher, the address of the researcher, the cell phone number and name of the supervisor, the student ID number and the names of people to contact if any further clarification was required.

**4.9.5. Research standards**

The study adhered to accurate standards in data gathering, data analysis, data interpretation and reporting of the research findings. Ethics in line with academic writing and publishing was strictly ensured. Data omissions and fabrications were strictly avoided.
4.10. Summary

This chapter provided an explanation of the research methodology which described how the research was conducted in terms of the research philosophy, research design, target population, criteria for selecting participating SME firms, sample and sampling, sampling techniques and procedures and the data collection methods. The chapter also explained the construction of the questionnaire used to measure the research constructs as well as the pilot testing thereof. Assurance of the validity and reliability of the research instruments was also explained. Furthermore, ethical issues necessary to conduct the research and data analysis and procedures were also considered and explained. The next chapter presents the research findings.
CHAPTER FIVE:
DATA ANALYSIS AND PRESENTATION OF RESULTS

5.1. Introduction

The aim of this research is to determine how to enhance the export performance of the small and medium-sized enterprises manufacturing (SMEs) in Zimbabwe. The purpose of this chapter is to present the findings and to analyse the data based on the objectives above, and to extract meaningful results. The quantitative data was analysed to determine the internal and external influences that affect the export performance of SMEs, and the export marketing barriers being faced by the Zimbabwean SMEs. The qualitative data was analysed to determine the effectiveness of the export marketing strategies currently being employed by SMEs, and the export marketing strategies that can assist the SMEs to enhance their export performance.

Pie charts, tables and figures were used to reduce the data into information that could be viewed as a snapshot of the findings. The analysis of the quantitative data was done using the Statistical Package for Social Scientists (SPSS) version 21, whereas the qualitative data was analysed through content and discourse analysis.

5.2. Response Rate

As reflected in Table 5.1, a very good response rate of 96.2% was achieved.

Table 5.1: Response Rate

<table>
<thead>
<tr>
<th>Sample Group</th>
<th>Expected Response</th>
<th>Actual Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>GROUP A: Leather processing</td>
<td>44</td>
<td>42</td>
</tr>
<tr>
<td>GROUP B: Food processing</td>
<td>132</td>
<td>130</td>
</tr>
<tr>
<td>GROUP C: Textile</td>
<td>169</td>
<td>160</td>
</tr>
<tr>
<td>Total number of questionnaires</td>
<td>345</td>
<td>332</td>
</tr>
<tr>
<td>Response rate</td>
<td></td>
<td><strong>96.2%</strong></td>
</tr>
</tbody>
</table>

Source: Compiled from Primary Data
5.3. Quantitative Data Analysis

5.3.1. Demographic Data

This section presents the background information on the respondents and their businesses, their designation, and level of education, gender, the general status of the firm and its export status.

5.3.2. Designation

From Figure 5.1 it is evident that 37.7% of the participants were managers.

Figure 5.1: Designation of Respondents

Source: Compiled from Primary Data

5.2.3. Level of education

Table 5.2 below reflects the level of education of the participants. The results reveal that most (22.9%) of the participants had an ‘A’ level qualification.
Table 5.2: Level of Education

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>O' Level</td>
<td>73</td>
<td>22.0</td>
</tr>
<tr>
<td>A' Level</td>
<td>76</td>
<td>22.9</td>
</tr>
<tr>
<td>Diploma</td>
<td>62</td>
<td>18.7</td>
</tr>
<tr>
<td>First Degree</td>
<td>67</td>
<td>20.2</td>
</tr>
<tr>
<td>Post Graduate</td>
<td>54</td>
<td>16.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>332</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

**Source:** Compiled from Primary Data

5.3.4. Gender

It was ascertained that the vast majority (61.7%) of the participants were females.

5.3.5. Firm ownership

The study revealed that 100% of the participants indicated that their businesses were privately owned, thus confirming that all participants were qualified to be part of the study, as this was one of the selection criteria to choose participants from food processing, textile firms and leather products producing firms.

5.3.6. Firm registration

It became evident that 100% of the participants' businesses were formally registered, and this meets the selection criteria used to qualify the respondents for participation in the study.
5.3.7. SME industry sector

From Table 5.3 it is evident that most (48.2%) of the participants were in the textile sector.

Table 5.3: Industry sector

<table>
<thead>
<tr>
<th>Industry Sector</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food Processing</td>
<td>130</td>
<td>39.2</td>
</tr>
<tr>
<td>Leather and Leather Products</td>
<td>42</td>
<td>12.7</td>
</tr>
<tr>
<td>Textile</td>
<td>160</td>
<td>48.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>332</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

**Source:** Compiled from Primary Data

5.3.8. Firm’s asset base

The study employed SEDCO’s (2014) definition of an SME, which states that an SME should have a fixed asset base not exceeding US$500 000. Figure 5.3 below indicates that there is only one SME with the highest asset base of US$90 000 which constitutes 0.3%. Thus, the results demonstrate that the 332 SMEs in the food processing, textile and leather sector fall within the selection criteria for participation in the study.

Figure 5.2: Firm’s asset base

**Source:** Compiled from Primary Data
5.3.9. Number of employees

The study also employed SEDCO’s (2014) definition of an SME which states that an SME should employ not more than 75 people. The results in Table 5.4 confirm that there is only one SME which employed a maximum of 18 people and this constitutes 0.3% of the total sample.

Table 5.4: Number of employees

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1.2</td>
</tr>
<tr>
<td>2</td>
<td>2.1</td>
</tr>
<tr>
<td>3</td>
<td>9.6</td>
</tr>
<tr>
<td>4</td>
<td>14.8</td>
</tr>
<tr>
<td>5</td>
<td>10.8</td>
</tr>
<tr>
<td>6</td>
<td>19.9</td>
</tr>
<tr>
<td>7</td>
<td>10.8</td>
</tr>
<tr>
<td>8</td>
<td>10.5</td>
</tr>
<tr>
<td>9</td>
<td>6.9</td>
</tr>
<tr>
<td>10</td>
<td>5.4</td>
</tr>
<tr>
<td>11</td>
<td>2.4</td>
</tr>
<tr>
<td>12</td>
<td>3.0</td>
</tr>
<tr>
<td>13</td>
<td>.9</td>
</tr>
<tr>
<td>14</td>
<td>.6</td>
</tr>
<tr>
<td>15</td>
<td>.3</td>
</tr>
<tr>
<td>17</td>
<td>.3</td>
</tr>
<tr>
<td>18</td>
<td>.3</td>
</tr>
<tr>
<td>Total</td>
<td>332</td>
</tr>
</tbody>
</table>

Source: Compiled from Primary Data

5.3.10. Mode of entry into foreign markets

Figure 5.4 which reveals the mode of entry of products into foreign countries shows that the vast majority (84%) of the participants used direct exporting.
5.3.11. Export designation

Table 5.5 which shows the export destination for most products, reveals that most (68.7%) of the exported markets are regional. The results also highlight that most of the SME’s products are being exported to regional markets, most probably within the SADC region, and this may be due to lack of market information or export constraints.

Table 5.5: Export Destination

<table>
<thead>
<tr>
<th>Destination</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional</td>
<td>228</td>
<td>68.7</td>
</tr>
<tr>
<td>International</td>
<td>68</td>
<td>20.5</td>
</tr>
<tr>
<td>Regional and International</td>
<td>36</td>
<td>10.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>332</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Source: Compiled from Primary Data
5.4. Internal factors on the export performance of SMEs

5.4.1 Customer focus

Table 5.6: Tailor-made products

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly disagree</td>
<td>196</td>
<td>59.0</td>
</tr>
<tr>
<td>Disagree</td>
<td>42</td>
<td>12.7</td>
</tr>
<tr>
<td>Neutral</td>
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<td>4.8</td>
</tr>
<tr>
<td>Agree</td>
<td>29</td>
<td>8.7</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>49</td>
<td>14.8</td>
</tr>
</tbody>
</table>

Source: Compiled from Primary Data

Table 5.6 above reveals that the majority (59%) of the participants ‘strongly disagreed’ with the statement.

SME-owner managers were also asked questions to indicate whether they delivered their products to foreign customers on time, so as to ascertain whether they were truly customer focused. The responses are shown on Figure5.4.

Figure 5.4: Delivering products to foreign customers on time

Source: Compiled from Primary Data

Figure 5.4 illustrates the response to the following statement: “We deliver products to our foreign customers on time.” The majority (46.1%) of the participants ‘disagreed’ with that
statement. The SME owner-managers were also asked whether their exports were reasonably priced and their responses are reflected in Figure 5.5.

**Figure 5.5: Pricing of export products**

Source: Compiled from Primary Data

Figure 5.5 illustrates the response to the statement “Our exports are reasonably priced.” It is evident that the majority of the participants ‘strongly disagreed’ with the statement, which may imply that most of the exported products are priced beyond the expectations of the customer. Customer focus requires SMEs to provide export after-sale service so as to determine whether the customers are happy with the product and to help customers with any queries related to their exports.

Table 5.7 reveals that the majority (51.2%) of participants ‘strongly disagreed’ with the statement which read “We provide export after sales services to our customers.” The results clearly demonstrate that the majority of SMEs in the food, leather and textiles do not provide any extra attention to their customers after the customer has purchased products.
Table 5.7: Impact of after sale services

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
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<td>170</td>
<td>51.2</td>
</tr>
<tr>
<td>Disagree</td>
<td>76</td>
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</tr>
<tr>
<td>Neutral</td>
<td>11</td>
<td>3.3</td>
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<tr>
<td>Agree</td>
<td>38</td>
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<td>Strongly agree</td>
<td>37</td>
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</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>332</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

**Source:** Compiled from Primary Data

To ascertain whether the SMEs were customer focused, the owner-managers were probed on their ability to continuously improve their products, and their responses are given in Figure 5.6.

**Figure 5.6: Export after-sale services to customers**

![Pie chart showing responses](image)

**Source:** Compiled from Primary Data

As reflected in Figure 5.6, the majority (50.9%) of the participants ‘strongly disagreed’ with the statement which stated “We continuously improve our products for export.” These results suggest that the majority of the SMEs do not improve their products for export and there is no re-visiting of manufacturing formulas to produce a product that is tailor-made to suite the changing consumer preferences.
For the SMEs to be customer focused their final exports had to meet the quality expectations of the target customers and therefore suppliers of the raw materials had to be credible. Thus, the SME owner managers were asked questions to determine whether they seek qualified suppliers to enhance their export quality. Their responses are reflected in Figure 5.7 below.

**Figure 5.7: Credibility of suppliers**

![Credibility of suppliers chart](chart.png)

**Source:** Compiled from Primary Data

Figure 5.7 illustrates that the majority of the participants ‘strongly disagreed’ with the statement which stated that **“we seek qualified suppliers to enhance the production of quality products for export.”** Thus, the results imply that the quality of the manufactured products for export becomes poor, leading to poor export performance. Again in the process of manufacturing the product, customer focused firms should solicit information about the design and make-up of the product from customers (core creation) so that the product is tailor-made to suite the specific requirements of the customers. SME owner-managers were asked questions to determine whether they sought customer input before manufacturing their products for export, and Table 5.8 reflects their responses.
Table 5.8: Impact of soliciting of customer data

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly disagree</td>
<td>161</td>
<td>48.5</td>
</tr>
<tr>
<td>Disagree</td>
<td>86</td>
<td>25.9</td>
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<tr>
<td>Neutral</td>
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<td>3.6</td>
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<tr>
<td>Agree</td>
<td>56</td>
<td>16.9</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>17</td>
<td>5.1</td>
</tr>
<tr>
<td>Total</td>
<td>332</td>
<td>100.0</td>
</tr>
</tbody>
</table>

**Source:** Compiled from Primary Data

Table 5.8 reflects that the majority (48.5%) of the participants ‘strongly disagreed’ with the statement “We solicit customer data to enhance our export performance.” The results highlight that the products manufactured by SMEs lack co-creation value, and that there is generally a lack of research to improve product value. In an endeavour to establish this, SME owner managers were asked whether they created relationships with their foreign customers and their responses are depicted in Figure 5.8.

**Figure 5.8: Customer relationships to enhance loyalty to products**

![Pie chart showing responses]

**Source:** Compiled from Primary Data

Figure 5.8 illustrates that the majority of the participants ‘strongly disagreed’ with the statement “We create customer relationships to enhance loyalty to our products”. The
result demonstrates that the relationships created by SMEs are more inclined to transaction only (transactional relationships), and no relationships are created after the transaction.

Customer focused firms should have a feedback platform to handle customer queries and as such, managers of SMEs were asked about their capacity to handle customer queries and their responses are reflected in Figure 5.9.

**Figure 5.9: Feedback platform to handle customer complaints**

[Bar chart showing frequency distribution of responses regarding the presence of a feedback platform]

**Source:** Compiled from Primary Data

Figure 5.9 illustrates that the majority (46.7%) of the participants ‘strongly disagreed’ with the statement “We have a feedback platform to handle customer complaints.” As indicated from Figure 5.9, a number of respondents have no feedback platform and this means that the majority of SMEs are not fully capable of handling customer complaints and this has a negative effect on the export performance of a firm.

**5.4.2. Distinctive Organisational Capabilities**

Distinctive capabilities are one of the internal influences that affect the export performance of SMEs and are one of the market driven strategies that enhances a firm’s performance. In this study there were seven statements that were used to measure this construct (organisational distinctive capabilities). For SMEs to perform better than competitors in the export market, it is envisaged that they possess manufacturing experience which is better and unique compared
to rivals in the market. Thus, in this study the SMEs owner-managers were asked to ascertain the level of manufacturing experience they possess and this is depicted in Figure 5.10.

**Figure 5.10: Core workforce manufacturing experience**

![Core Workforce Manufacturing Experience](image)

**Source:** Compiled from Primary Data

Figure 5.10 illustrates that the majority (62.7%) of the participants ‘strongly disagreed’ with the statement “Our core workforce has manufacturing and export experience.” Distinctive capabilities mean that a firm has to have a more reliable workforce with distinctive experiences than its rivals. In this case the results demonstrate that the majority of SMEs lacks distinctive capabilities.

The SME owner-managers were also asked to determine the inimitability of their products in the export market as this is one of the characteristics of market-driven firms, and their responses are reflected in Table 5.9.
Table 5.9: Our products for exports are inimitable

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
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<tbody>
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</tr>
<tr>
<td>Disagree</td>
<td>96</td>
<td>28.9</td>
</tr>
<tr>
<td>Neutral</td>
<td>13</td>
<td>3.9</td>
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<tr>
<td>Agree</td>
<td>61</td>
<td>18.4</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>13</td>
<td>3.9</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>332</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

**Source:** Compiled from Primary Data

Table 5.9 reflects that the majority (44.9%) of the participants ‘strongly disagreed’ with the statement which stated that “Our products for exports are inimitable.” The results revealed that most of the products of SMEs can easily be copied and this generally reduces their distinctive advantages over competitors and perhaps leads to their failure in foreign markets. Distinctive capability also implies that a firm has to possess rare and intellectually-based resources which enable it to compete favourably with other firms, and as such SME owner-managers were asked to ascertain whether they had these resources and their views are reflected in Figure 5.11.

**Figure 5.11: Intellectually-based resources**

Source: Compiled from Primary Data
Figure 5.11 above illustrates the response to the statement “Our firm has rare and intellectually-based resources to enhance exports.” It became evident that the majority (53.6%) of the participants ‘strongly disagreed’ with the statement, implying that the majority of the SMEs do not have unique resources to manufacture distinctive products for export.

Since the reputation of the product in the market also determines the distinctive capability of a firm and is perceived as one of the ingredients of the export performance of a firm, the views of the respondents in regard to the aforementioned are highlighted in Figure 5.12.

**Figure 5.12: Reputation of products in the foreign markets**

![Bar chart showing the frequency of responses regarding the export of reputable products.](chart)

Source: Compiled from Primary Data

Figure 5.12 illustrates that the majority (49.1%) of the respondents ‘strongly disagreed’ with the statement “Our firm exports reputable products.” The results revealed that the reputation of the majority of the products exported is poor and this has a negative implication on the success of a firm.

Having discovered the reputation of the product in the foreign market, there was also a need to find out the reputation of the firm in the market in which it conducts its business, and the response is summarised in Table 5.10.
Table 5.10: Reputation in the foreign markets

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
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<td>Disagree</td>
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<td>3.6</td>
</tr>
<tr>
<td>Agree</td>
<td>44</td>
<td>13.3</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>24</td>
<td>7.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>332</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Source: Compiled from Primary Data

Table 5.10 indicates that the majority (53.9%) of the respondents ‘strongly disagree’ with the statement “Our reputation in the foreign markets is good.” It is clear from the results that the reputation of the product and the reputation of the firm are both poor.

Distinctive capabilities also imply having a credible and experienced workforce that work towards a common goal. In this regard, the SME owner-managers were asked to determine whether they had a credible and experienced workforce to improve exports. Their responses are given in Figure 5.13.

**Figure 5.13: Credible and experienced workforce**

Source: Compiled from Primary Data

Figure 5.13 illustrates the response to the statement “We have a credible and experienced workforce to execute our exports.” The majority (50.9%) of the participants strongly
disagreed with the statement, which implies that the majority of SMEs do not employ experienced people who have relevant distinctive competencies to do the work.

Furthermore, distinctive capabilities also revolve around having unique and adequate marketing resources that enables a firm to undertake creative marketing to entice customers and as such SMEs owner-managers were asked to determine this ability. Table 5.11 captures the responses that were highlighted.

Table 5.11: Marketing resources to successfully undertake exporting activities

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly disagree</td>
<td>154</td>
<td>46.4</td>
</tr>
<tr>
<td>Disagree</td>
<td>93</td>
<td>28.0</td>
</tr>
<tr>
<td>Neutral</td>
<td>20</td>
<td>6.0</td>
</tr>
<tr>
<td>Agree</td>
<td>47</td>
<td>14.2</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>18</td>
<td>5.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>332</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Source: Compiled from Primary Data

Table 5.11 reflects the response to the statement “We have marketing resources to successfully undertake exporting activities.” The majority of the participants strongly disagreed with the statement representing (46.4%) of the respondents. The results indicate that the majority of the participants do not have marketing resources to successfully undertake marketing activities and as such, the ability to influence customers towards liking their products is subdued and this is seen as contributing to the export performance of SMEs.

5.4.3. Customer value

Customer value is an internal influence that affects the export performance of SMEs and is a market-driven strategy that enhances a firm’s performance. In this study there were seven statements that were used to measure this construct (customer value) and the responses are summarised in Figure 5.14.
Figure 5.14: Exports that meet value expectation of target customers

![Pie chart showing responses to the statement: 62.4% disagree, 14.7% neither, 10.5% agree, 8.6% strongly agree.]

Source: Compiled from Primary Data

Figure 5.14 illustrates the response to the statement “We export products that effectively meet value expectations of our target customers.” It became clear that the majority (58.4%) of the participants ‘strongly disagreed’ with the statement, which demonstrates that large proportions of the products manufactured by SMEs are far below the expectations of the target customers.

The literature highlighted that the ‘desired’ and ‘perceived’ values are subsets of customer value and are very crucial in determining the export performance of a firm. In light of this, the SME owner-managers were asked to provide information on whether their products have customer value components and their responses are reflected in Figure 5.15.

Figure 5.15: Exports encompassing desired and perceived value

![Bar chart showing frequency of responses to the statement: Most disagree, few agree.]

Source: Compiled from Primary Data
Figure 5.15 illustrates the response to the statement “Our exports encompass the desired and perceived value of our customers.” It is evident that the majority of the participants ‘disagreed’ with the statement, highlighting that the perceived value of the products are not the same as the product functionality (desired value), thereby creating dissatisfaction.

It has also been noted that customer value also entails producing a products with instrumental value and as such managers of SMEs were asked whether their products being exported had instrumental value and Table 5.12 illustrates their responses.

Table 5.12: Exports with instrumental value

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
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<tr>
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<tr>
<td>Agree</td>
<td>48</td>
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</tr>
<tr>
<td>Strongly agree</td>
<td>20</td>
<td>6.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>332</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Source: Compiled from Primary Data

Table 5.12 illustrates the response to the statement “We export products with attributes or contents that fulfil the desired needs of our customers (instrumental value).” The results indicate that the majority (43.7%) of the participants ‘strongly disagreed’ with the statement.

The SME owner-managers were also asked about the ability of their exports to create a long lasting impression (experiential value) in the minds of target customers as this is perceived as one way of generating consumer interests and brand ambassadors. Figure 5.16 depicts the responses generated from the SMEs owner-managers.
Figure 5.16: Exports with experiential value

Source: Compiled from Primary Data

Figure 5.16 illustrates the response to the statement “We export products that create long lasting impressions (experiential value).” It is evident that the majority (44.6%) of the participants ‘strongly disagreed’ with the statement.

Furthermore, customer value also revolves around producing a product that enables a customer to attach psychological meaning to the product and this is perceived as one way of making the customers remember the product and consequently generating interest which will then lead to making a purchase. In this regard, SMEs owner-managers were asked to determine if their products have symbolic/psychological meaning, and the responses are depicted in Figure 5.17.
Figure 5.17: Attachment of psychological meaning to the product

Source: Compiled from Primary Data

Figure 5.17 illustrates the aggregate response to the statement “We export products that enable our customers to attach a psychological meaning to the product (symbolic value or expressive value).” It is evident from Figure 5.27, that the majority (54.8%) of the participants ‘strongly disagreed’ with the statement.

Furthermore, customers attach value to a product before engaging in the final purchase of the product and therefore for a business to win the customer, the value offered by the product has to be commensurate with the value offered by the customer. In order to ascertain information on the aforementioned, the participants were asked to indicate the value of the products they exported. The responses are captured in Table 5.13.
Table 5.13: Exports with the cost or sacrifice value

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly disagree</td>
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<tr>
<td>Disagree</td>
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</tr>
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<td>Neutral</td>
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<td>4.8</td>
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<tr>
<td>Agree</td>
<td>46</td>
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</tr>
<tr>
<td>Strongly agree</td>
<td>21</td>
<td>6.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>332</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Source: Compiled from Primary Data

Table 5.13 reflects the response to the statement “We export products with the value commensurate with the value offered by our customers (cost or sacrifice value).” The majority (52.1%) of the participants ‘strongly disagreed’ with the statement.

In order to produce a product commensurate with the value offered by the customer, there is no option except to invite customer inputs before the product is manufactured. To determine the aforementioned with respect to the study sample, participants were requested to respond to the following statement: “We invite customer inputs when we manufacture products for exports (co-creation value),” and Figure 5.18 highlights their responses.

Figure 5.18: Exports with co-creation value

Source: Compiled from Primary Data
It is evident from Figure 5.18 that the majority of participants ‘strongly disagreed’ with the statement.

### 5.4.4. Cross-functional cooperation

Cross-functional cooperation is an internal factor that affects the export performance of SMEs and is also one of the market driven strategies that enhances the firm’s performance. In this study there were nine statements that were used to measure this construct (cross-functional cooperation) and the response to the statements is depicted in Figure 5.19.

**Figure 5.19: Availability of export cross-functional teams in SME firms**

Source: Compiled from Primary Data

Figure 5.19 illustrates that the majority (61.5%) of the respondents ‘strongly disagreed’ with the statement “**We have export functional teams in our organisation.**”

It is not only about having cross-functional teams that enables firms to perform, but the ability to share leadership roles as the alternating of these roles acts as motivational tool which is an ingredient to enhance a firm’s performance. In this regard, SMEs owner-managers were asked to indicate their teams’ shared leadership roles and their responses are reflected in Figure 5.20.
Figure 5.20: Sharing of leadership roles in cross-functional teams

Source: Compiled from Primary Data

Figure 5.20 illustrates the response to the statement “Our functional teams share leadership roles.” The majority of the participants ‘strongly disagreed’ with the statement.

The SME owner-managers were also asked whether their firms had export innovation teams that produce innovative export solutions and their responses are given in Figure 5.21.

Figure 5.21: Export innovation teams

Source: Compiled from Primary Data

Figure 5.21 illustrates the response to the statement “We have export innovation teams that work to produce innovative products and export solutions.” Figure 5.21 illustrates that the majority (50.9%) of the participants ‘strongly disagreed’ with the statement. For these innovation teams to be effective, cooperation should be the centre stage of sustainable performance and all members from each department should strategically cooperate in the
manufacturing processes. In order to probe the aforementioned with respect to the SMEs in Zimbabwe, the owner-managers were asked about the ability of their functional teams to cooperate and accept each other’s ideas in coming up with the final product for export. The following responses were given as shown by Table 5.14.

**Table 5.14: Diverse expertise from all functions**

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly disagree</td>
<td>175</td>
<td>52.7</td>
</tr>
<tr>
<td>Disagree</td>
<td>77</td>
<td>23.2</td>
</tr>
<tr>
<td>Neutral</td>
<td>13</td>
<td>3.9</td>
</tr>
<tr>
<td>Agree</td>
<td>43</td>
<td>13.0</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>24</td>
<td>7.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>332</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Source: Compiled from Primary Data

Table 5.14 reflects responses to the statement “**We use diverse expertise from all functions to strategically produce a product for export.**” It is evident that the majority (52.7%) of the participants ‘strongly disagreed’ with the aforementioned statement, which clearly demonstrates that, the majority of the functional department do not strategically cooperate with their workmates to produce products for export.

It became apparent from a review of the literature that for cross-functional teams to be successful, departments must be willing to transfer knowledge to export-led production centres and this will then determine the export performance of a firm. In an effort to probe this with respect to the sample, the SMEs owner-managers were asked whether their departments practised the transfer of knowledge to export-led production centres and the responses are depicted on Figure 5.22 as follows.
Figure 5.22: Departmental transfer of knowledge to export-led production centres

Source: Compiled from Primary Data

Figure 5.22 illustrates the response to the statement “Our teams are willing to transfer knowledge generated from departments and markets to export-led production activities.” It is evident from Figure 5.22 that the majority of the participants ‘strongly disagreed’, which implies that the SMEs are not willing to share their knowledge with the desired export production centres. Thus, this could probably better explain why most of the SMEs in Zimbabwe are not exporting innovative products.

Cross-functional cooperation is not only about the willingness of the departments to transfer knowledge generated but it also involves effective communication of the generated knowledge among the group members. The owner-managers were asked about the aforementioned and their responses are highlighted in Figure 5.23.
Figure 5.23: Cross-functional effective communication

Source: Compiled from Primary Data

Figure 5.23 which illustrates the response to the statement “our teams communicate effectively,” reveals that the majority (48.5%) of the participants ‘strongly disagreed’ with the statement. Since team spirit is pronounced by creating an enabling environment that works towards a common goal. To explore this further, the respondents were asked to provide an input regarding the aforementioned and their responses are depicted in Table 5.15.

Table 5.15: Create an enabling environment

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly disagree</td>
<td>150</td>
<td>45.2</td>
</tr>
<tr>
<td>Disagree</td>
<td>98</td>
<td>29.5</td>
</tr>
<tr>
<td>Neutral</td>
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<td>4.2</td>
</tr>
<tr>
<td>Agree</td>
<td>47</td>
<td>14.2</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>23</td>
<td>6.9</td>
</tr>
<tr>
<td>Total</td>
<td>332</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Compiled from Primary Data

Table 5.15 reflects the response to the statement “cross-functional teams create an enabling environment” It is clear that the majority (45.2%) of the participants ‘strongly disagreed’ with the statement.
The promotion of diversity is one of the key elements of cross-functional teams that enhance the export performance of a firm and as such the study was keen to determine whether SMEs in the selected category, namely food processing, textiles and leather products in Zimbabwe work to promote diversity. The responses obtained from SME owner-managers are depicted in Figure 5.24.

**Figure 5.24: Promotion of diversity at the work place**

Source: Compiled from Primary Data

Figure 5.24 which captures the response to the statement “**cross-functional teams promote diversity**,” illustrates that the majority of the participants ‘strongly disagreed’ with the statement.

One of the components of cross-functional teams is team spirit, which is very crucial in maintaining togetherness which in turn boosts exports. The SME owner-managers were therefore asked about the level of team spirit in their firms, and their response are captured in Figure 5.25.
Figure 5.25: Team spirit among workers

Source: Compiled from Primary Data

Figure 5.25 illustrates the response to the statement “Team spirit increases organisational learning in our firm.” It became clear that the majority (46.4%) of the participants ‘strongly disagreed’ with the statement, which implies that the majority of the SMEs lack team spirit and they have an individual approach towards work.

5.5. External factors on the export performance of SMEs

5.5.1. Export market characteristics

Export market characteristics are one of the external influences that affect the export performance of SMEs and they include market environmental turbulence, foreign culture and market competitiveness. In this study six statements measured this construct (export market characteristics) and Figure 5.26 depicts the participants’ responses obtained in response to the impact that market environmental turbulence had on the performance of SMEs.
Figure 5.26: Impact of market environmental turbulence

Source: Compiled from Primary Data

Figure 5.26 illustrates the response to the statement “Environmental turbulence hampers export market development,” and it indicates that the vast majority of the participants ‘strongly agreed’ with the statement.

Since customs were identified as one of the factors that affect the export performance of SMEs, the owner-managers were asked if customs affected their export performance. Figure 5.27 reflects the responses from the research participants.

Figure 5.27: Impact of customs

Source: Compiled from Primary Data
Figure 5.27 reflects the response to the statement “customs affects business negotiations negatively.” It is evident that majority (50.6%) of the participants ‘strongly agreed’ with the aforementioned statement.

The attitudes of foreign customers may be more ruinous to the performance of SMEs and as such, the study sought to determine the impact of attitudes on the operations of SMEs. Figure 5.28 shows the response to the aforementioned question.

**Figure 5.28: Impact of attitudes on the profitability of SMEs**

![Bar chart illustrating the response to the statement “Attitudes of foreign customers reduce export viability (reduce sales volumes),” reveals that the vast majority of the participants strongly agreed with the statement.]

Source: Compiled from Primary Data

Figure 5.28 which illustrates the response to the statement “Attitudes of foreign customers reduce export viability (reduce sales volumes),” reveals that the vast majority of the participants strongly agreed with the statement.

It became apparent from the literature review that foreign culture has a negative impact on the export performance of SMEs. This was probed with respect to the sample of SMEs in Zimbabwe and is reflected in Figure 5.29.
Figure 5.29: Impact of foreign culture on exports

Source: Compiled from Primary Data

Figure 5.29 which illustrates the response to the statement “Cultural similarity has a negative affect on exports,” reveals that the majority (64.5%) of the participants ‘strongly agreed’ with the aforementioned statement, implying that the majority of Zimbabwean SMEs are being affected by foreign culture when they export their products.

The foreign culture is one of the external factors that affect the export performance of SMEs and as such the managers of SMEs were asked to provide input on how the aforementioned factor is affecting their export performance, and their responses are reflected in Table 5.16.

Table 5.16: Impact of foreign culture on product acceptance

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly disagree</td>
<td>12</td>
<td>3.6</td>
</tr>
<tr>
<td>Disagree</td>
<td>6</td>
<td>1.8</td>
</tr>
<tr>
<td>Neutral</td>
<td>5</td>
<td>1.5</td>
</tr>
<tr>
<td>Agree</td>
<td>87</td>
<td>26.2</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>222</td>
<td>66.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>332</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Source: Compiled from Primary Data
Table 5.16 which reflects the response to the statement “Foreign culture negatively affects product acceptance,” shows that the majority (66.9%) of the participants ‘strongly agreed’ with the statement.

Besides market characteristics being one of the external influences that affect the export performance of SMEs, there are also industry characteristics which affect the export performance of SMEs, and the results are discussed as follows.

5.5.2. Industry characteristics

Industry characteristics are one of the external factors affecting the export performance of SMEs and in particular include foreign distributorship networks, supply chain networks, capital intensity, operating technology, R & D intensity, labour productivity, communication technology, industry dynamism, export orientation and concentration. In this study ten statements were used to measure this construct (industry characteristics), and these are discussed below. Figure 5.30 which illustrates the response to the statement “Supply chain network in the industry is weak,” reveals that the majority (59.3%) of the participants ‘strongly agreed’ with the aforesaid statement.

Figure 5.30: Impact of supply chain networks on the export performance of SMEs

Source: Compiled from Primary Data

Since it was also previously suggested that R & D intensity may influence export intensity of SMEs who export products, this was probed among the participants and the findings are reflected in Table 5.17 as follows.
Table 5.17: R & D intensity

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
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<td>1.5</td>
</tr>
<tr>
<td>Disagree</td>
<td>12</td>
<td>3.6</td>
</tr>
<tr>
<td>Neutral</td>
<td>2</td>
<td>.6</td>
</tr>
<tr>
<td>Agree</td>
<td>109</td>
<td>32.8</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>204</td>
<td>61.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>332</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Source: Compiled from Primary Data

Table 5.17 above which reflects the response to the statement “R & D intensity affects exports,” reveals that the majority (61.4%) of the participants ‘strongly agreed’ with the statement.

It was also apparent from the literature that export concentration is one of the industry characteristics that affect export performance, and as such the participants were probed to determine how it affected them. Figure 5.31 which illustrates the response to the statement “Export concentration is weak in the industry,” reveals that the majority (62%) of the participants ‘strongly agreed’ with the statement.
The participants were also asked to provide their response on how labour intensity affects their firm’s operations, and the response is reflected in Figure 5.32.

Figure 5.32 which illustrates the response to the statement “Labour intensity affects export productivity,” reveals that the majority (64.2%) of the participants ‘strongly agreed’ with the statement.
Furthermore, it was envisaged that capital intensity is one of the industry characteristics that affect export productivity. Thus the participants were probed and their response is reflected in Table 5.18.

**Table 5.18: The effect of capital intensity on export productivity**

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
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</tr>
<tr>
<td>Disagree</td>
<td>5</td>
<td>1.5</td>
</tr>
<tr>
<td>Neutral</td>
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<td>1.5</td>
</tr>
<tr>
<td>Agree</td>
<td>122</td>
<td>36.7</td>
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<tr>
<td>Strongly agree</td>
<td>192</td>
<td>57.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>332</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Source: Compiled from Primary Data

Table 5.18 which illustrates the response to the statement “Capital intensity affects export,” reveals that the majority (57.8%) of the participants ‘strongly agreed’ with the statement.

Communication technology is also a key component of export performance and the participants were asked to provide insight on how communication technology is affecting them, their responses are captured in Figure 5.33.

**Figure 5.33: Effect of communication technology**

Source: Compiled from Primary Data
Figure 5.33 which illustrates the response to the statement “communication technology affects export productivity (e.g. websites, e-mails),” reveals that the majority (61.5%) of the participants ‘strongly agreed’ with the statement.

Competition is intensifying in this global dynamic environment and those who win the battle have the ability to bring innovative technology to produce tailor-made products to suit the specific requirements of the target customers. In light of the above, SME owner-managers were surveyed on their views and their responses are capture in Figure 5.34.

**Figure 5.34: Capability of bringing innovative technology**

Source: Compiled from Primary Data

Figure 5.34 which illustrates the response to the statement “Innovation affects exports,” reveals that the majority (55.7%) of the participants ‘strongly agreed’ with the statement. The SMEs were also asked if they exported innovative products to their customers and Figure 5.35 shows their response.
Figure 5.35: Exportation of innovative products

![Figure 5.35](chart.png)

Source: Compiled from Primary Data

Figure 5.35 which illustrates the response to the statement “We rarely export innovative products to our customers,” reveals that the majority (58.7%) of the participants ‘strongly agreed’ with the statement.

In this era of globalisation, markets have become so dynamic to the extent that it is difficult to predict customer preferences and to perform better, SMEs are supposed to know how to predict customer preferences in a dynamic environment. In this sense, SME owner-managers were asked whether they were capable of predicting customer preferences before the manufacturing and exporting the product. Figure 5.36 provides a summary of the responses.

Figure 5.36: Impact of Industry dynamism

![Figure 5.36](chart.png)

Source: Compiled from Primary Data
Figure 5.36 which illustrates the response to the statement “The industry dynamism makes it difficult to predict customer preferences,” reveals that the majority (54.8%) of the participants ‘strongly agreed’ with the statement.

SME owner-managers were also asked to provide inputs on the effect of export concentration on the export performance and their views are tabulated in Table 5.19.

Table 5.19: Effect of export concentration

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
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<tr>
<td>Disagree</td>
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<tr>
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<td>31.6</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>196</td>
<td>59.0</td>
</tr>
<tr>
<td>Total</td>
<td>332</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Compiled from Primary Data

Table 5.19 which illustrates the response to the statement “Export concentration affects exports,” reveals that the majority (59.0%) of the participants ‘strongly agreed’ with the statement.

5.6. Export marketing barriers influencing the export performance of SMES

5.6.1 Export marketing barriers

Export marketing barriers are one of the external influences that affect the export performance of SMEs and in this case the study looked at the export procedural barriers, export regulations, export international standards, export diplomatic support, foreign exchange allocation, and exchange rate volatility among others. Figure 5.37 depicts the responses obtained from the participants.
Figure 5.37: Foreign exchange allocation

Source: Compiled from Primary Data

Figure 5.37 which illustrates the response to the statement “Lack of foreign exchange allocation prevents us from producing more and developing our export business,” reveals that the majority (70.8%) of the participants ‘strongly agreed’ with the statement.

SMEs owner-managers were asked whether exchange rate volatility affected their exports and Figure 5.38 depicts their responses.

Figure 5.38: Exchange rate volatility on export performance

Source: Compiled from Primary Data

Figure 5.38 illustrates the response to the statement “Exchange rate volatility adversely affects our exports.” It is evident that the majority (60.2%) of the participants ‘strongly agreed’ with the statement.
Furthermore, export procedural barriers are some of the export marketing barriers that affect the export performance of a firm and given that, the SMEs owner-managers were asked to respond in relation to the aforementioned, Figure 5.39 reflects the response.

**Figure 5.39: Impact of export procedural barriers**

![Graph showing impact of export procedural barriers](image)

Source: Compiled from Primary Data

Figure 5.39 illustrates the response to the statement “Export procedural barriers affect our ability to export.” It is evident that the majority (69.3%) of the participants ‘strongly agreed’ with the statement.

Export regulations are also part of the export marketing barriers that affect the export performance of SMEs and in this regard, the managers of SMEs were contacted to find out the influence of export regulations on the firm export performance. The response obtained is shown in Table 5.20.
Table: 5.20: Impact of export regulations

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
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</tr>
<tr>
<td>Neutral</td>
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<td>2.1</td>
</tr>
<tr>
<td>Agree</td>
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<td>29.5</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>222</td>
<td>66.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>332</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Compiled from Primary Data

Table 5.20 reflects the response to the statement “Export regulations increase the cost of exporting, which negatively affects our exports.” It became evident that the majority (66.9%) of the participants ‘strongly agreed’ with the statement.

Again, international standards are one of the export marketing barriers that affect export performance and in this regard, SME owner-managers were asked to indicate the products they exported met international standard. Figure 5.40 depicts the response obtained.

**Figure 5.40: Impact of international standards**

Source: Compiled from Primary Data

Figure 5.40 which illustrates the response to the statement “Failure to meet international standards prevents us from exporting more to other countries,” reveals that the majority (65.1%) of the participants ‘strongly agreed’ with the statement.
SME owner-managers were asked whether competition affected their export operations and Figure 5.41 below highlights their response.

**Figure 5.41: Impact of competition**

![Bar chart showing the impact of competition on export performance.]

Source: Compiled from Primary Data

Figure 5.41 which illustrates the statement “**Competition negatively affects our export performance**,” reveals that the majority (59.3%) of the participants ‘strongly agreed’ with the statement.

Diplomatic support is very crucial especially the support given by embassies in support of exports, which can have a strong influence on the export performance of a firm and as such, SME owner-managers were contacted to verify whether they received any support from the related diplomatic people and the response is given in Table 5.21.
Table 5.21: Inadequate diplomatic support

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
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<tbody>
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<td>Disagree</td>
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</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>332</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Source: Compiled from Primary Data

Table 5.21 which reflects the response to the statement “Inadequate diplomatic support hinders our exporting capabilities” reflects that the majority (59.6%) of the participants ‘strongly agreed’ with the statement.

5.6.2. Export performance in general

To ascertain the real export performance of each firm, further questions were asked, such as; indicate whether you surpassed the expected sales volumes targets and in particular US$500 000 and also to ascertain whether they achieved growth from 2015-2016, and to show how much they exported annually, This was done to show exactly the export intensity and export sales volume of each firm respectively per year. Figure 5.42 highlights the results obtained.
5.7. Relationship among the research variables

5.7.1. Correlation analysis results

Table 5.22 reflects the outcome of correlation analysis conducted to explore the relationships between customer focus, distinctive capabilities, customer value, cross-functional cooperation and involvement, export market characteristics, industry characteristics, export marketing barriers and export performance.
Table 5.22: Results of correlation analysis

<table>
<thead>
<tr>
<th></th>
<th>CF</th>
<th>DC</th>
<th>CV</th>
<th>CFC</th>
<th>EMC</th>
<th>IC</th>
<th>EMB</th>
<th>SEP</th>
</tr>
</thead>
<tbody>
<tr>
<td>CF</td>
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<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pearson correlation Sig. (2-tailed)</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DC</td>
<td>.701**</td>
<td>.000</td>
<td>.701</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pearson correlation Sig. (2-tailed)</td>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CV</td>
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<td>.000</td>
<td>.554</td>
<td>.769**</td>
<td>.000</td>
<td>.769</td>
<td></td>
<td></td>
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<tr>
<td>Pearson correlation Sig. (2-tailed)</td>
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<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CFC</td>
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<td>.724**</td>
<td>.000</td>
<td>.724</td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
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<td>.591</td>
<td>- .030</td>
<td>- .032</td>
<td>.556</td>
<td>.556</td>
<td>- .024</td>
<td>.556</td>
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<tr>
<td>Pearson correlation Sig. (2-tailed)</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>IC</td>
<td>- .029</td>
<td>.605</td>
<td>- .029</td>
<td>- .032</td>
<td>.582</td>
<td>.582</td>
<td>- .024</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>EMB</td>
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<td>.063</td>
<td>.102</td>
<td>.075</td>
<td>.172</td>
<td>.172</td>
<td>.020</td>
<td>.172</td>
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<tr>
<td>Pearson correlation Sig. (2-tailed)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SEP</td>
<td>.704**</td>
<td>.000</td>
<td>.704</td>
<td>.609**</td>
<td>.000</td>
<td>.609</td>
<td>.532**</td>
<td>.000</td>
</tr>
<tr>
<td>Pearson correlation Sig. (2-tailed)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

**Note:** CF = Customer Focus; DC = Distinctive Capabilities; CV = Customer Value; CFC = Cross-Functional Cooperation; EMC = Export Market Characteristics; IC = Industrial Characteristics; EMB = Export Marketing Barrier; SEP = Export Performance of SMEs.

From the results in Table 5.22 it can be deduced that there is a positive association between the export market characteristics (EMC), industrial characteristics (IC), export marketing barriers (EMB), except customer focus (CF), distinctive capabilities (DC), customer value (CV) and cross-functional cooperation (CFC). A positive association, for example between customer focus and export performance, implies that as one variable increases or decreases, the associated variable also increases or decreases, and conversely, a negative association for example between export marketing barriers and export performance indicates that the variables have an inverse relationship – that is, the variables move in the opposite direction, as one increases, the other decreases.

All the associations between EMC and CF, DC, CV, CFCI, EMB and SEP were insignificant p<.005 except, the relationship between EMC and IC and EMB. Another insignificant pair of relationships was found between CF, DC, CV, CFCI and CI p<.702. In addition, CF, DC, CV, CFC have an insignificant association with EMB p<.000. SEP had an insignificant association with IC and EMC p<.000. All other associations between the research variables were significant with a p-value that is less than 0.005 or 0.01.

### 5.7.2. Regression Analysis Results

Table 5.23 presents the results of regression analysis that was conducted to examine the relationship between the dependent variable and the independent variables of the study. In the regression model there are 10 independent variables and one dependent variable. Below was the initial proposed model:

\[ SEP = \alpha + \beta_1CF + \beta_2DC + \beta_3CV + \beta_4CFCI + \beta_5EMC + \beta_6IC + \beta_7EMB + \epsilon \]

**Note:** CF = Customer Focus; DC = Distinctive Capabilities; CV = Customer Value; CFC = Cross Functional Cooperation; EMC = Export Market Characteristics; IC = Industrial Characteristics; EMB = Export Marketing Barrier; SEP = Export Performance of SMEs.
The regression results in Table 5.23 indicate that DC, CFCI and EMB have a negative effect on SEP, whereas all other variables have a positive relationship with SEP, as proposed in the regression model. It is also apparent that CF has the strongest effect on SEP ($\beta=0.532$), followed by CV ($\beta=0.427$), CFC ($\beta=-0.073$), DC ($\beta=-0.042$), EMB ($\beta=-0.042$), IC ($\beta=0.001$), and EMC ($\beta=0.30$) respectively. However, CF - SEP ($p=0.005$) and CV - SEP ($p=0.005$) relationships are the only significant relationships in this regression model. All other proposed relationships in the regression model are insignificant since the $p$-values are greater than 0.005.

**Table 5.23: Regression analysis results**

<table>
<thead>
<tr>
<th>Model</th>
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<th>Standardized Coefficients</th>
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</thead>
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<td></td>
<td>B</td>
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<td>(Constant)</td>
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<td>EMC</td>
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<td></td>
<td>IC</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>EMB</td>
<td>-.042</td>
</tr>
</tbody>
</table>

Dependent Variable: SEP

The regression results presented in a p-p plot (Figure 5.43) indicate that indeed there is by and large a linear relationship between the dependent variable and the independent variables.
5.7.3. A component based approach to SEM

In an endeavour to assess the structural model, this study made use of the Smart PLS software for the Structural Equation Modeling (SEM) technique (Ringle, Wende & Will, 2005). The use of SEM, has gained considerable acceptance by many scholars as the structural model captures the hypothesised causal relationships among the research constructs (Chin & Newsted, 1999). The study utilised Smart PLS as it has been used by many researchers in studies of export performance. It is envisaged as a powerful tool in studying causal models that involve a number of constructs that have multiple indicators, for example, in the case of this study. Furthermore, Smart PLS involves the use of the regression analysis and therefore it became simple for this study to test the relationships that existed between the independent variables and the dependent variable using one technical tool (Chinomona & Surujal, 2012).

Smart PLS is capable of dealing with latent constructs that are uncontaminated by measurement error under conditions of non-normality. Furthermore, it has the capacity of handling sophisticated predictive models in studies involving small and relatively medium sample sizes. In this case, the study sample is small (345), thus the use of the Smart PLS
technique was considered a necessary tool giving more value to the current study. In this regard, bootstrapping re-sampling technique was used to test the statistical significance of the relationships. This method was started by generating 200 sub-samples which were randomly selected, while making replacement from the initial data.

5.7.4. Assessment of measurement model

When the appropriate overall fit was established, the following procedure was used to assess reliability and validity, under the guidance of previous literature (Nusair & Hua, 2010). As advocated by Chinomona (2011), the squaring of factor loadings was performed in order to assess the item reliability. Item reliability recognizes “the amount of variance in an item due to underlying construct rather than to error” (Chau, 1997:324). In this study, “discriminant and convergent validity were also examined by using the Average Variance Extracted (AVE)” following a suggestion by Fornell and Larcker (1981:39). According to Nusair and Hua (2010:316) “a low-cross correlation signifies discriminant validity while the strong loading of items on their familiar construct is an indication of convergent validity.”

Sarstedt et al. (2014:108) assert that “discriminant validity is the degree to which a construct is empirically different from other constructs in the model, both in terms of how it links with other constructs and in terms of how specifically the items represent only this single construct.” Convergent validity, in other words, refers to “the degree to which a construct is represented by its measurement items” (Sarstedt et al., 2014:108). Table 5.24 reflects a summary of scale accuracy analysis.
Table 5.24: Scale accuracy analysis

<table>
<thead>
<tr>
<th>Research constructs</th>
<th>Scale item</th>
<th>Cronbach’s test</th>
<th>Item-&gt;total</th>
<th>α value</th>
<th>CR</th>
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<td>0.889</td>
<td>0.690</td>
<td></td>
<td></td>
<td>0.574</td>
</tr>
</tbody>
</table>

Note: CF = Customer Focus; DC = Distinctive Capabilities; CV = Customer Value; CFC = Cross Functional Cooperation; EMC = Export Market Characteristics; IC = Industrial Characteristics; EMB = Export Marketing Barrier; SEP = Export Performance of SMEs.

SD = Standard Deviation      CR = Composite Reliability    AVE = Average Variance Extracted

* Scores: 1 – Strongly Disagree; 3 – Moderately Agree; 5 – Strongly Agree
5.7.4.1. Cronbach’s Alpha test

The literature confirms that a higher Cronbach’s coefficient alpha indicates higher reliability of the measurement scale” (Chinomona, 2011:108). Evidence from the research results reflected in Table 5.24 reveal that the Cronbach’s Alpha values for each research construct ranges from 0.781 to 0.899, and as these are above 0.6 as recommended by Tavakol and Dennick (2011), reliability of the model is indicated. Furthermore, the item to total values were from 0.795 to 0.943 and are therefore above the cut-off point of 0.5, which was closer to a recent study done by Stylidis, Shani and Belhassen (2017) that adopted a Cronbach’s alpha coefficient of 0.85. The Cronbach’s Alpha results shown in Table 5.24 therefore validate the reliability of measures used in this research.

5.7.4.2. Composite Reliability (CR)

The composite reliability test was performed to examine the internal reliability of the research constructs (Chinomona, 2011:108). Bryman and Bell (2015) assert that a composite reliability index (CRI) that is greater than 0.7 signifies sufficient internal consistency of the construct. Similarly, Alwi, Abu Bakar, Talib (2012:140) affirm that “the acceptable value of CRI is 0.7 and above.” To calculate the composite reliability, the following formula was used in this study:

\[
CR = \frac{(\sum_{i=1}^{n} \lambda_{yi})^2}{(\sum_{i=1}^{n} \lambda_{yi})^2 + (\sum_{i=1}^{p} var(\epsilon_i))}
\]

Where:

\(CR\) = Indicates composite reliability

\(\lambda_{yi}\) = The standardised factor loading

\(var(\epsilon_i)\) = The variance due to the measurement error

Source: Alwi et al., (2012:140)

Table 5.24 confirms that there is internal reliability for all the research constructs since the results of the composite reliability were ranging from 0.831 to 0.942.
5.7.5. Validity

The validity of the measurement model was determined by evaluating convergent and discriminant validity, the results of which are discussed as follows.

5.7.5.1. Convergent validity

5.7.5.2. Factor Loadings and Item-to-total correlation values

It is argued that “convergent validity determines the degree to which a construct converges on its indicators by giving an explanation of the items’ variance” (Sarstedt et al. 2014:108). Besides “assessing the convergent validity of items through checking correlations in the item-total index” (Nusair and Hua, 2010:316), factor analysis was also performed so as “to identify convergent validity of measurement items” as put forward by Sarstedt et al. (2014:108). According to Nusair and Hua (2010:316) “items exhibit good convergent validity when they load strongly on their common construct.” The literature highlights that “a loading that is above 0.5 signifies convergent validity” (Anderson et al. 1988:411).

In this study, the final items used loaded exceptionally well on their respective constructs with the values ranging from 0.540 – 0.952 (see Table 5.24). This therefore indicates good convergent validity since the items are explaining more than 65% of their respective constructs. Furthermore, since CRI values are above the recommended threshold of 0.7, this clearly explains that convergent validity was ensured in this study (Anderson et al., 1988).

5.7.5.3. Average Variance Extracted

Chinomona (2011:109) asserts that “the average variance extracted (AVE) estimate reflects the overall amount of variance in the indicators accounted for by the latent construct.” In this case “a good representation of the latent construct by the item is identified when the variance extracted estimate is above 0.5” (Sarstedt et al., 2014:109; Fornell et al. 1981:39). Similarly, Alwi et al. (2012:140) affirm that “values more than 0.7 are considered very good, whereas, the values of 0.5 and above are acceptable.” Since in this study, the AVE ranged between 0.507 to 0.675 (Table 5.24), it was considered to be a good representation of the latent construct by the items. The following formula was used to calculate AVE;

\[
AVE = \frac{\sum_{i=1}^{n} \lambda_i^2}{n}
\]

Where:
$AVE = \text{Average variance extract}$

$\lambda_i = \text{The standardised factor loading}$

$N = \text{The number of items}$

3.4.2 Discriminant Validity

**Source:** Alwi et al. (2012:140)

5.7.5.4. Discriminant validity

*Inter-Construct Correlation Matrix*

Hair, Hult, Ringle and Sarstedt (2014:18) assert that “when determining if there is discriminant validity or not, what must be done is to identify whether the observed variable displays a higher loading on its own construct than on any other construct included in the structural model.” Furthermore, a recommendation made by Chinomona (2011:110) affirms that “to check if there is discriminant validity is to assess if the correlation between the researches constructs is less than 1.0.” Table 5.25 shows that the inter-correlation values for all paired latent variables are less than 1.0, hence confirming the existence of discriminant validity.
Table 5.25: Correlation between the constructs

<table>
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<th>CF</th>
<th>CFC</th>
<th>CV</th>
<th>DC</th>
<th>EMB</th>
<th>EMC</th>
<th>IC</th>
<th>SEP</th>
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</table>

Note: CF = Customer Focus; DC = Distinctive Capabilities; CV = Customer Value; CFC = Cross Functional Cooperation; EMC = Export Market Characteristics; IC = Industrial Characteristics; EMB = Export Marketing Barrier; SEP = Export Performance of SMEs.

5.8. Structural model assessment

5.8.1. Path Modelling

The next phase of the data analysis involved the use of SEM and in particular involved path analysis (Beran & Violato, 2010; Stein et al., 2012:497). Path modelling describes “the relationship between observed or measured variables and theoretical constructs” (Roche, Duffield & White, 2011:1480) and “tests the structural paths of the conceptualized research model” (Anderson & Gerbing, 1988:411). The SEM procedure was performed in order to test the theoretical underpinnings of the study and the significance of the relationships between the model’s constructs. The structural model was evaluated by examining the p-values as well as standardised regression coefficients. While conducting path modelling, standardised
regression coefficients were explained as well as their predictive ability. Figure 5.44 depicts the structural model for the study.
Note: CF = Customer Focus; DC = Distinctive Capabilities; CV = Customer Value; CFC = Cross-Functional Cooperation; EMC = Export Market Characteristics; IC = Industrial Characteristics; EMB = Export Marketing Barrier; SEP = Export Performance of SMEs.
5.8.2. Model fit assessment

Table 5.26 provides the t-statistics for the hypothesised relationships. The minimum t-statistic is 4.445, which exceeds the recommended threshold of 2 (Hulland 1999). This confirms that all the hypothesised relationships are statistically significant and hence supported. Overall, the R² for LI and SMEP indicates that the research model explains more than 56% of the variance in the endogenous variables. Following the formulae provided by Tenenhaus, Vinzi, Chatelin and Lauro (2005), the global goodness-of-fit (GoF) statistic for the research model was calculated using the equation:

\[ \text{GoF} = \sqrt{\text{AVE} * R^2} \]

Following the above formula, the calculated global goodness of fit (GoF) is 0.69, which is above the threshold of GoF>0.36 as confirmed by Wetzels, Odekerken-Schröder and Van Oppen (2009). Thus, it is concluded that the research model has a good overall fit.

5.9. Hypothesis testing

Further to assessing the hypothesised relationships and structural model, the next step was to examine causal relationships among the latent variables through path analysis (Nusair & Hua, 2010). According to Nusair and Hua (2010:316) SEM reveals that “particular latent variables directly or indirectly influence certain other latent variables with the model, resulting in estimation results that portray how these latent variables are related.” The estimation results elicited through hypothesis testing are indicated in Table 5.26 below.

Table 5.26 indicates the proposed hypotheses, path coefficients, t-statistics and whether the hypothesis is rejected or supported. Chinomona, Lin, Wang and Cheng (2010:191) highlight that “t >1.96 are indicators of relationship significance and that higher path coefficients indicate strong relationships among latent variables.”
### Table 5.26: Hypothesis test results

<table>
<thead>
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<th>Proposed relationship</th>
<th>Hypothesis</th>
<th>Path Coefficients</th>
<th>T-Statistics</th>
<th>P-Values</th>
<th>Rejected/Supported</th>
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</tbody>
</table>

*Note: CF = Customer Focus; DC = Distinctive Capabilities; CV = Customer Value; CFC = Cross-Functional Cooperation; EMC = Export Market Characteristics; IC = Industrial Characteristics; EMB = Export Marketing Barrier; SEP = Export Performance of SMEs.*

It is evident from the results in Table 5.26 that H2 (t=0.681), H3 (t=0.753), H4 (t=0.234) and H6 (t=0.384) are rejected. The relationship is insignificant since the t statistics is less than 1.96. However, the relationships with regard to H1 (t=2.663), H5 (t=1.981) and H7 (t=-5.985) are strong and supported, since the t statistics are above 2. Finally, the relationship postulated by H7 (t=5.985) is more significant than all other relationships, and the hypothesis is fully supported.

**5.9.1. Discussion of the Hypotheses**

The results obtained following the testing of H1 confirmed that there is an association between customer focus and export performance, since a path coefficient of 0.247 was realized. Furthermore, the results indicate that customer focus and the export performance of SMEs are positively related in a significant way (t=2.663), hence the hypothesis H1 is accepted.

With regard to H2, a path coefficient of 0.092 which was realized confirmed that there is an association between distinctive capabilities and export performance. However, although the results indicate that the relationship between distinctive capabilities and the export performance of SMEs is weak, the hypothesis is still supported due to the significant t statistics value of 0.681.
performance of SMEs is positive, it is insignificant (t= 0.681), hence the hypothesis H2 is rejected.

The results confirmed that there is an association between customer value and export performance, since a path coefficient of 0.082 was realized. However, the results also indicate that the relationship between customer value and export performance is insignificant (t=0.753) hence, the hypothesis H3 is rejected.

The results confirmed that there is a relationship between cross-functional cooperation and involvement and export performance, since a path coefficient of 0.042 was realized after testing H4. Furthermore, the results indicate that cross-functional cooperation is positively related to export performance in an insignificant way (t=0.234), hence hypothesis H4 is rejected.

Following the testing of H5, it became evident that there is an association between export marketing characteristics and export performance of SMEs, since a path coefficient of -0.203 was realized. This means that export marketing characteristics have a negative influence on the export performance of SMEs. Furthermore, the results indicate that the relationship between export marketing characteristics and the export performance of SMEs is negative in a significant way (t=1.981), hence hypothesis H5 is accepted.

With regard to H6, a path coefficient of 0.087 was realized after testing H6, which confirmed that there is a relationship between industrial characteristics and the export performance of SMEs. This means that industrial characteristics have a positive influence on the export performance of SMEs. However, the results indicate that industrial characteristics and the export performance of SMEs are positively related in an insignificant way (t=0.384), hence the hypothesis (H6) is rejected.

The results obtained following the testing of H7 confirmed that there is an association between export marketing barrier and the export performance of SMEs, since a path coefficient of -0.509 was found. This confirms that export marketing barriers have a negative influence on the export performance of SMEs. Furthermore, the results indicate that the relationship between the export marketing barriers and the export performance of SMEs is negatively related in a very significant way (t=5.985), hence the hypothesis (H7) is accepted.
In summary, the individual path coefficients of H1, H2, H3, H4, H5, H6, and H7 were 0.247, 0.092, 0.082, 0.042, -0.203, 0.087 and -0.509 respectively, which results indicate that all the latent variables have a positive relationship with each other.

Export marketing characteristics and export marketing barrier emerged to have a negatively strong relationship with the export performance of SMEs as indicated by the path coefficient value of -0.203 and -0.509 respectively.

5.10. Analysis of qualitative data

According to Baha (2016:8) “qualitative data are very much explanatory in nature and are usually bulky.” The qualitative data in this study was analysed using discourse and content analysis.

5.10.1. Discourse analysis

After the collection of the data, it was scrutinised based on the information on statements made by the policy makers and export analysts during the interviews, in order to ascertain the divergence and/or convergence of their responses. This is termed ‘framing of views into systematic coherent categories’ (Makasi, 2015). Having ascertained how the responses were presented, the study swiftly moved on to the analysis of responses in the form of phrases, words, and sentence.

5.10.1.1. Views on the export performance of SMEs

Evidence from the results of the interviews carried out with policy makers and export analysts revealed mixed feelings among the respondents. Policy makers and export analysts concurred about the major factors affecting the export performance of the SMEs, while others had different views on the subject. Export analysts highlighted that the major factor affecting the export performance of SMEs is the cost of doing business. The specific findings are tabulated in the form of simplified ‘agreement matrices’ summarised in Table 5.27.
Table 5.27: Views of Policy Makers and Export Analysts

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Response</th>
<th>Analysis of the Responses</th>
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<tbody>
<tr>
<td>Policy maker (1)</td>
<td>“A lot of competition is affecting SMEs who export which is coming from Chinese manufacturers. Chinese manufacturers are a major exporter of many products to the markets also being targeted by Zimbabweans. These markets include countries in the region: South Africa, Namibia, Zambia, Malawi, Tanzania, and countries in the E.U as well as Asia. The low pricing policy of the Chinese means their products are more competitive and for Zimbabweans to compete their pricing needs to be in line with that of China, something that is currently impossible to achieve due to the high operational costs in Zimbabwe.”</td>
<td>It is clear testimony that products being exported by SMEs are facing severe competition emanating from pricing models used by Chinese firms which are more competitive than the Zimbabwean SMEs.</td>
</tr>
<tr>
<td>Export Analyst (1)</td>
<td>“It is difficult to find markets for other products especially leather products. Breaking through into export markets is difficult and there is a lot of competition. With the low quality leather being used in local production competing against countries like Ethiopia, Sudan, Kenya, Italy and South Africa is difficult. Countries such as the U.S.A, France, Germany, Italy and Spain have well established leather goods industries and their strength is from their fashion-making abilities. This makes it possible for them to be innovative in their designs. SMEs in Zimbabwe need to be innovative in terms of the designs they are producing so that their products can appeal to the target markets. SMEs need to</td>
<td>The Export Analyst concurs with the previous Policymaker that competition is the major hurdle to enhancing the export performance of Zimbabwean SMEs. Furthermore, although competition is a major challenge, the quality of leather products are not attractive thereby, deterring potential customers leading to poor export performance by SMEs.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>It appears from the export</td>
</tr>
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</table>
understand the markets they want to sell to, the products they like as well as their buying patterns so as to produce what can be sold. As already mentioned above, there is a lot of competition in the sector and in order to survive, companies need to produce items that can compete with those of their competitors. Fashion tastes are changing forever changing rapidly and this has to be taken into consideration by local players. Again the textile sector has collapsed owing to a number of challenges and among them is the use of outdated technology either in producing the product or in marketing the product.”

<table>
<thead>
<tr>
<th><strong>Policy maker (2)</strong></th>
<th>“Due to the insufficient power supply in the country, huge power cuts are experienced and these affect production, as ZESA can switch off electricity without notification and at times for nearly the whole day, meaning production lost, and at times companies are forced to throw away some raw materials that will have been affected by the power outage.”</th>
<th>The views of the Policy maker clearly show that the lack of a reliable power supply is negatively impacting the export performance of SMEs in Zimbabwe. Without reliable electricity supply, nothing can be manufactured and as a result this situation is further adversely affected by loss of inputs wasted due to the unavailability of electricity supply.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Export Analyst (2)</strong></td>
<td>“Cost of production is too high which results in high uncompetitive prices on the foreign markets. Electricity, rentals and water tariffs are too high leading to high production costs.”</td>
<td>The cost of production is too high for SMEs to be profitable and these costs have a tendency of increasing prices up,</td>
</tr>
<tr>
<td>Policy maker (3)</td>
<td>“Due to inherited exorbitant costs of production on the local manufacturing front, SMEs products from Zimbabwe cannot compete on the regional as well as international markets as their prices are on the high side. Zimbabwean finished and semi finished products are priced high to recoup costs which are ten times more than regional costs of production for the same products. Furthermore, in some instances the US dollar may be firmer than other trading currencies, making our exports expensive. Again a poor credit ranking is a major factor affecting Export performance of SMEs as many suppliers are demanding cash upfront from Zimbabwe companies.”</td>
<td>Costs and high prices have a negative relationship to the SMEs’ export performance. This is further compounded by the appreciation of the US dollar against major trading currencies since it has the effect of pushing the prices higher, making the exports expensive, thereby rendering Zimbabwean SMEs uncompetitive in the foreign markets.</td>
</tr>
<tr>
<td>Export Analyst (3)</td>
<td>“Dilapidated transport infrastructure system is among the major factors affecting Export performance of SMEs. The sector relies on railway transport system for their raw materials and products distribution via Maputo to Asian markets. The transport system is currently very inefficient as it takes longer than normal lead times (+/-90days) for finished products and raw materials to be delivered. This is against the backdrop of credit purchase schemes by retailers on the local market, thereby rendering the whole system dysfunctional.”</td>
<td>It is confirmed that ‘time’ is contributing to poor performance, in Asia and Europe where time matters most. The failure to meet deadlines and schedules in these countries is a major and serious loss to the SMEs, since customers can look to another supplier if the lag-time between ordering and supply is not met.</td>
</tr>
<tr>
<td>Policy</td>
<td>“SMEs are failing to buy state of the art Technology upgrading and</td>
<td></td>
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</tbody>
</table>

159
maker (4)  technology to compete with other regional and international firms. Furthermore, redundant, old machinery is increasing downtime thereby pushing costs of production up. The past economic meltdown compounded the situation as the sector has really lagged behind their regional counterparts. ‘We are almost 10 years behind’, perennial water shortages and power cuts are compounding the situation thereby rendering SMEs uncompetitive in the international markets.”

Export Analyst (4)  “The lack of information amongst most SMEs means they cannot fully participate in international trade. There is a need for information on markets, entry strategies and requirements to be obtained and forwarded to these SMEs.”

The export analyst is of the opinion that SMEs are not exposed to information on international trade. In Zimbabwe, Zimtrade is the only organisation mandated to distribute such information, thus it is difficult either to train SMEs or to disseminate such information to the whole of Zimbabwe.

Source: Primary Data

5.10.1.2. The impact of the export marketing strategies

The interviewees were asked to evaluate the export marketing strategies that are currently being adopted by SMEs which manufactured and exported goods. Their views revealed that there are two major export marketing strategies currently being used by SMEs, notably, the niche focus strategy and the industrial cluster strategy. Some of the views expressed by the interviewees are summarised in Table 5.28.
Table 5.28: The Impact of export marketing strategies

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Response</th>
<th>Comments/Analysis of Responses</th>
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</thead>
<tbody>
<tr>
<td>Policy maker (1)</td>
<td>“Niche focus strategy. Some SMEs have managed to be successful in Zimbabwe particularly those in the textiles targeting South Africa as they offered unique textile products that competitor could not produce. However, the majority of SMEs targeting export markets did not benefit much from this niche focus strategy as their products could easily be imitated by local firms making it difficult to sell as local competitors modified and advertised these products in their preferred social media thereby enabling them to be superior to their customers, thus disadvantaging our SMEs products. Sometimes our SMEs could not meet orders from foreign customers due to their size, thus further leading to poor export performance.”</td>
<td>Niche strategy requires firms to produce innovative products that make even small and big companies difficult to copy, otherwise if the product is simple it might be difficult to sustain exports in that market.</td>
</tr>
<tr>
<td>Export Analyst (1)</td>
<td>“Niche focus strategy and SME industrial export clusters are strategies that have been tried and tested in many developing countries and can work. In Zimbabwe niche focus strategy is widely used by SMEs to promote their exports and is actually encouraged by the government. SMEs are known to have shortage of marketing skills and as such we encourage them to come together to share export expertise, export success and frustration. By so doing they learn from the experience from their counterparts. Concentrating on the niche market helped most SMEs to fight competition”</td>
<td>Niche markets have benefitted SMEs through concentrating on areas not being considered by large companies.</td>
</tr>
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</table>
by concentrating on strategic areas not being served by large companies.”

| Policy maker (2) | “SME industrial export clusters are a good export strategy that can stimulate export in Zimbabwe. The government has tried to coordinate SMEs into production centres but the problem is that some may register today and tomorrow they quit making it difficult to have a sustainable number (critical mass) to operate with. Some of the SMEs fear that if they get registered they may be forced to pay operating taxes and as a result they don’t feel comfortable in becoming part of the cluster. However, the operation of industrial clusters did not yield positive results as it required committed SMEs who are committed to work together for their own benefits, in this case there were not forthcoming.” |

| Export Analyst (2) | “The adoption of niche focus strategy is quite commendable especially given the capacity of SMEs to break bulk. Most SMEs were able to penetrate the export market easily and fight competition as some orders might even be too small for a large company to concentrate on and this gives SMEs the capacity to push volumes although you would find out that the orders might be too small. Those SMEs that exported more times are the ones that we perceive to have done better. However the adoption of the SME industrial export cluster is still a formidable cliff in Zimbabwe as many SMEs adopted traditional ways of doing business that they don’t want to be moved from |

|  | Industrial clusters are applicable when we have a relative large number of SMEs in the same line of operation. This did not benefit more SMEs as the majority of them feared registering their entities for fear of paying operating levies. |

|  | Statements made by export analyst (2) is a clear testimony that niche markets for SMEs is the way to go as it enables SMEs to supply products even when the quantities are too small, however, there is still a challenge in adopting industrial export clusters as more SMEs still need to be concertized about its benefits. |
their traditional business centres, sometimes it may be near their homes or within their homes. Taking them away from these areas is a mammoth task which is difficult to achieve.”

**Policy maker (3)***

“The formation of SMEs’ export industrial clusters is a noble idea but the implementation of this strategy is still pen and papers as most of the SMEs are not aware of such a policy and its benefits. Generally, most SMEs are quite familiar with the home and light industries rather than export industrial clusters. I feel that there is need to carry out an awareness campaign so that we may increase the number of SMEs in related fields, so that it can benefit the country. As of now positive results from SMEs industrial export clusters are still few.”

There is a problem of information dissemination to the SMEs for export industrial clusters to be adopted by many SMEs. The government need to increase their campaign to these groups so that at the end positive results are achieved.

**Export Analyst (3)***

“Niche and SMEs export industrial clusters are quite good strategies particularly for SMEs considering their size. Niche focus strategy has been more helpful in this sector as SMEs were better able to position themselves in the market ahead of competitors. However, SMEs industrial clusters are promised to bear fruits as more and more SMEs get information about them.”

Export analyst (3) and policy maker (3) coincide in terms of their views that there is still need to increase information dissemination to SMEs increase the adoption of industrial clusters by SMEs. Although there is still a challenge in this strategy, the niche focus strategy has helped SMEs more to establish in the international markets.

**Policy maker (4)***

“Niche markets strategy created an advantage to SMEs as they were able to sell their products at lower prices. By focusing on niche markets SMEs are better able to create a

Statements made by policy maker (4) seem to suggest that the ability to charge low prices and ability of
**Export Analyst (4)**

"Niche focus strategy allows SMEs to offer specialised goods in small quantities which large companies find it difficult to provide for the small number of customers. This advantage made it possible for SMEs to penetrate the markets easily. In Zimbabwe it helped to a greater extent as SMEs were better able to customise their offerings. Furthermore, niche focus strategy enabled SMEs to directly compete with larger firms and also gave SMEs the ability to anticipate customers’ value function easily in a narrow segment. In terms of SMEs clusters, I think the government need to come up with an incentive structure that reward SMEs to join clusters for it to bear fruits, otherwise it may remain a strategy on paper but no implementation.”

The statements made by export analyst (4) is a clear testimony that niche focus strategy was more beneficial to SMEs as SMEs were better positioned to cater for the needs of their customers and to compete with competitors in a narrow segment as they were able to specialise on products that gave value to customers. The export analyst concurred with other policy makers and export analyst that the implementation of SMEs industrial clusters is still lagging behind in Zimbabwe.

Source: Primary Data
5.10.1.3. The impact of market-driven strategies

One of the objectives of this study was to determine the impact of market-driven strategies (internal factors) on the export performance of SMEs in a developing country context and in particular in Zimbabwe. The views of the respondents are summarised in Table 5.29.

Table 5.29: The impact of market-driven strategies

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Response</th>
<th>Comments/Analysis of Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Policy maker (1)</strong></td>
<td>“Market driven firms are characterised by their ability to do market sensing, customer linking, channel bonding and technology monitoring better than their competitors and are able to understand emerging customer needs, to fulfil not-sufficiently satisfied needs and to provide the market with superior customer value. SMEs which are capable of doing this are at an advantage as they are able to monitor the environment in which they do business to provide superior value to the customer and this is poised to improve export performance of SMEs.”</td>
<td>The policy maker (1) has indicated that market-driven strategies can improve export performance of SMEs only if they are capable of monitoring the activities of their competitors, capable of linking with their customers; this means they must be good at networking with them to create mutual relationship with them.</td>
</tr>
<tr>
<td><strong>Export Analyst (1)</strong></td>
<td>“The adoption of a market-driven management approach at full intensity may promote exports in Zimbabwe especially if the SME firms jointly participate in resource mobilisation and forming strategic alliances with other SMEs in the same line of production. This will enhance their capacity to meet export order demands, thus enhancing their export performance.”</td>
<td>Export analyst (1) has made it clear that Market-driven approach requires firms with resources and that he suggested that SMEs should collaborate in resource mobilisation so that they can be in a position to produce more for export since individual SME capacity is very limited to satisfy customers.</td>
</tr>
<tr>
<td><strong>Policy maker (2)</strong></td>
<td>“Market-driven approach requires firms to act on information in a timely and in a coherent manner. This approach enables SMEs to be sensitive to competitor actions through research and will keep SMEs updated on any changes in the international markets and will help them to continuously improve their products based on consumer preferences and competitor intentions and this in the long run will improve Export performance of SMEs.”</td>
<td>The statements made by the policy maker (2) shows that SMEs need to be able to research more about their export markets and this also need to be done in time so that they are kept updated about consumer tastes and competitors’ actions and this will make them relevant and viable in the environment they do business.</td>
</tr>
<tr>
<td><strong>Export Analyst (2)</strong></td>
<td>“Market-driven strategies requires firms to develop a sense of organisational learning, all this requires firms to have a sense of team spirit, a sense of togetherness if they are to be successful in the export market. The sense of team spirit helps SMEs to jointly share expertise and this enables them to produce a product which is better than if the product has been produced by an individual and in the long run produces better export results for SMEs.</td>
<td>People who work as a team have the capacity to share new knowledge about their area of expertise, this increases productivity and in the long run increases export performance.</td>
</tr>
<tr>
<td><strong>Policy maker (3)</strong></td>
<td>“The most important guiding principle is ‘customer focus’ when we are looking at market-driven strategies. Customer focus resembles on producing the product which has been requested by the customer. If our SMEs are capable of producing a product which is tailor-made to the specific requirements of its customers, then we will not have problems of export performance in Zimbabwe because the product will automatically sell easily in the international markets without more marketing.</td>
<td>The statements made by policy maker (3) is a clear indication that if SMEs adopt market-driven strategies they will improve their export performance since they consult customers what to produce first before production and this will improve their market targeting which will</td>
</tr>
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</table>
or promotional effort needed.”

| Export Analyst (3) | “Market-driven strategies entail producing products that are difficult to copy. The major advantage of producing a product which is difficult to copy is that it locks competitors out of business and the fact that you will be the only supplier of that product in the market give you more mileage in terms of export sales volumes, export profitability or favourable margins than any other competitor because you are the only sole producer of that particular product. I assume that this gives SMEs more competitive advantage which if managed properly will enable the SMEs to be more successful in their endeavour to promote their exports. However, in Zimbabwe SMEs are still lagging behind in adopting these strategies.” |
| Policy maker (4) | “Being market-driven requires firms which are better able to create long lasting relationships with customers, in fact it calls for organisations which can create a bond between the organisation and the customer, however our SMEs are known for creating transaction relationships, this therefore brings a strong doubt as to whether our SMEs are capable of doing that?” |
| Export Analyst (4) | “When we talk about market-driven we are talking about the superior skills to serve the definitely improves their export performance as customers buy what they have core-created. |
| | The creation of products which are difficult to copy enables SMEs to create a barrier to entry by competitors as they will find it difficult to copy the product and this create a competitive advantage for SMEs which will enable them to increase their export performance as they can sell more without fear of competitors. |
| | Policy maker (4) highlights that the creation of relationships with your customers is the way to go since it will enable your customers to like the product you are selling and the end result is that you will sell more and more leading to export performance. |
| | Statements made by the export analyst (4) conform to |
customer, issues to do with, resource utilisation to meet the demands of the customer and the ability to research about the needs of the customer. However, these strategies have less impact in Zimbabwe as many SMEs lack the appropriate skills and resources to satisfy the intended needs of the customers.”

the previous policy makers that SMEs in Zimbabwe lack adequate resources and skills and this seems to suggest that market driven strategies are more proper to adopted by larger companies as they have adequate resources to satisfy customers.

Source: Primary Data

5.10.1.4. SMEs’ capability in embracing market-driven strategies

A number of policy makers have concurred that SMEs in Zimbabwe are not capable of embracing market-driven strategies as the strategy requires more resources which SMEs do not have. The creation of bonded relationships with customers is also something which SMEs are not able to do, thereby stifling their capacity to embrace market-driven strategies. A number of views were highlighted by the interviewees and these are summarised in the Table 5.30.

Table 5.30: SMEs’ capability in embracing market-driven strategies

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<tr>
<td><strong>Policy maker (1)</strong></td>
<td>“Market driven firms are characterised by their ability to do market sensing, customer linking, channel bonding and technology monitoring better than their competitors and are able to understand emerging customer needs, to fulfil not-sufficiently satisfied needs and to provide the market with superior customer value. Therefore, given such a background our SMEs lacks financial resources to undertake valuable researches especially researches to ascertain the future motives of their competitors, worse off if it</td>
<td>Policy maker (1) disagreed and states that SMEs in Zimbabwe are not capable of embracing market-driven strategies highlighting that resource for SMEs are too few to undertake researches about the needs of their customers rather they need to be capacitated first.</td>
</tr>
</tbody>
</table>
comes to technology upgrading, and this has become a thing of the past given their inadequate financial background. In short, I can say our SMEs still need to be capacitated first before we are confident enough to say they can embrace market-driven strategies to improve their export performance.”

| Export Analyst (1) | “The adoption of a market-driven management approach at full intensity requires investments in resources and capabilities. SMEs are generally incapable of embracing such an approach especially when it comes to the investment in resources (financial resources, trained and competent employees, material inputs, machineries, etc) that enables the deliverance of superior value to the customer, all requires a strong investment in resources. If ever there is one SME who have done that then the firm might have been under the influence of a big corporate where resources are in abundance and under strict management.” |
| Policy maker (2) | “Market-driven approach requires firms to act on information in a timely and in a coherent manner. However, the majority of our SMEs are not time sensitive and therefore this makes it difficult to outwit rivals in international markets who are time sensitive especially those in advanced countries like UK, U.S.A, China and others. SMEs must be time conscious and be able to sense any minute moves of its competitors and all this requires a firm which is time conscious and competent in research to be able to predict either any change in |

Export analyst (1) concurred with policy maker (1) that SMEs in Zimbabwe are not capable of embracing market-driven strategies, the reason being that of resource constrains to undertake various initiatives.

There is need to have a sense of urgency in acting upon any information received from the market, however this sense of urgency is not available in most SME firms leading to their failure in their export endeavours.
consumer preferences or competitor tendencies, otherwise if SMEs are not like that the end result is the exportation of products that have lost their relevancy to customers and the end result is failure in international markets.”

**Export Analyst (2)**

“SMEs need to develop a sense of organisational learning, all this requires firms to have a sense of team spirit, a sense of togetherness if they are to be successful in the export market. However, in the Zimbabwean context our majority of SMEs lack team spirit, they have an individualistic approach to everything, and they lack fruitful synergies which is an ingredient to export performance across the organisational functions.”

Statements made by export analyst (2) is a clear testimony that SMEs rarely work together as a team in Zimbabwe rather they work as individuals thereby creating a barrier to organisational learning which consequently hampers their export performance.

**Policy maker (3)**

“In pursuit to be market-driven, the most important guiding principle is ‘customer focus.’ The customer is the king. The guiding question is that did I produce the product which is required by my customer? When we look at customer focus, we are concerned with the whole supply chain of the product until the product is consumed by the customer and this involves the production of a quality product, the price-quality relationship of the product must be there, the lag time between placing an order up to the delivery time of the product and the follow up services after the product has been consumed need to be over emphasised. These involve a lot of time and effort which our SMEs are not prepared to

The management of the whole supply chain by SMEs seems to be a daunting task for SMEs since SMEs want to make short cuts in the provision of their product to customers. However, there are no short cuts to success; SMEs need to sacrifice time and resources in order to be successful in business.
| Export Analyst (3) | “Market-driven firms are known by their ability to be distinctive among other firms. This entails producing products that are difficult to copy. The question is can our SMEs be able to do that or they have done it before? The answer is definitely No unless the SME is a subsidiary of a large corporation. The majority of our SMEs are capable of copying what others have done before, there is generally lack of entrepreneurship amongst them in Zimbabwe, and this therefore raises doubt as to whether our SMEs can be market-driven?” | Export analyst (3) state that SMEs are good at copying their counterparts and this prevents them from gaining competitive advantage over their competitors leading to their failure in international markets. |
| Policy maker (4) | “SMEs in Zimbabwe are capable of championing their own innovations but the problem lies in their ability to take up such innovations to greater heights to realise their full potential due to lack of adequate resources or sometimes their innovations are copied by large corporate organisations who have resources who in turn take up their innovations pretending as if they are the custodians of such big brains. This therefore prevents SMEs from becoming successful strong giants in the international markets since the success of any firm in the international markets is largely dependent on the product value recognition.” | Export analyst (3) disagreed with policy maker (4) in that it is argued that SMEs are good at innovation but the problem lies in their ability to take their innovations further due to lack of resources, rather it is those big companies who copy their innovations since they are strong giants in terms of resources to take up those innovations to greater heights. |
| Export Analyst (4) | “Being market-driven requires firms to be able to create long lasting relationships with customers, in fact, it calls for organisations to create a bond between the organisation and SMEs are known for creating transactional relationships (once off relationships) different from |
the customer however, our SMEs are known for creating transactional relationships only, this therefore brings a strong doubt as to whether our SMEs are capable of doing that?. SMEs are losing a lot of customers as they do not keep databases of their customers and are not capable of embracing market-driven strategies.”

market-driven firms which are capable of creating long lasting and strong bond relationships, hence SMEs in Zimbabwe are not capable of becoming market-driven firms.

Source: Compiled from Primary Data

5.11. Strategies that can be employed by SMEs to enhance their export performance

A number of strategies were suggested by policy makers and export business analysts, although most of them tend to focus more on cost saving techniques and the creation of sustainable networks (international linkages), such as networks or linkages to resources and to customers as the cornerstone of export performance of SMEs. Some of their views in respect to strategies that can be employed by SMEs to enhance their export performance are summarised in Table 5.31.

Table 5.31: Strategies that can be employed by SMEs to enhance their exports

<table>
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<tr>
<th>Respondent</th>
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<tbody>
<tr>
<td>Policy maker (1)</td>
<td>“In order to stimulate exports, strong and specialised export promotion institutions must be established”. In Zimbabwe, these institutions are necessary and if well resourced then SMEs will not have any problem at all, the only Zimtrade that we have still need to be fully resourced.”</td>
<td>The suggestions made by policy maker (1) indicate that SMEs and big firms are being assisted by one export promotional institution which becomes inadequate in the provision of export information.</td>
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<tr>
<td>Export Analyst (1)</td>
<td>“Establishment of SMEs consortia and export consortia are a necessary requirement in building critical mass in both production and exports. This is again a critical requirement”</td>
<td>The creation of the SMEs consortia is a good export marketing strategy as this will enable SMEs in the</td>
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for Zimbabwe particularly now since the economy is much more informal than before and SMEs are now a dominant feature. Creating industrial clusters will help the country to formalise the informal sectors which will both help Government collect revenue while at the same time help our industry compete with the global players.”

<table>
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<tr>
<th>Policy maker (2)</th>
<th>“In order to generate exports, there is need to create an enabling business environment by improving the ease of doing business, designing policy and legal framework which is in line with global developments.” “This is again an important lesson from India, Zimbabwe economy is suffering from multiple factors such as rigid labour laws, high cost of utilities (electricity and water), and unnecessary legal requirements which inhibit business which were put in place by the Smith regime such as company registration requirements, multiple tax regimes and unproductive levies from regulatory authorities”. “Most of these cost drivers can be addressed by pen and paper.”</th>
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<tr>
<td>Issues highlighted by policy maker (2) clearly shows that the Zimbabwean government needs to simplify the procedures, legal requirements and the way business is done particularly for SMEs so that they become productive.</td>
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<tr>
<th>Export Analyst (2)</th>
<th>“To promote exports in Zimbabwe, there is a need to establish an SME Export Development and Promotion Agency. This will promote export business namely; export marketing, trade and investment missions, participation in international fairs and expositions, trade agreements, training, and seminars, and export market information dissemination and search tools and to assist</th>
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<td>The sentiments made by export analyst (2) conforms to the statement made by policy maker (1) that, Zimbabwe should not rely on one export promotion organisation rather it should have many export promotion organisations and in</td>
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<tr>
<td>Policy maker (3)</td>
<td>“Developing export infrastructure, the government should help insetting up infrastructure like export industrial estates, export processing zones, and bonded production centres for SMEsto provide a real boost to export development. In Zimbabwe the problems are at a more basic level such as electrical power, water, roads, shipping and telecommunication.”</td>
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<tr>
<td>Export Analyst (3)</td>
<td>“Strengthening marketing channels, many small enterprises are unable to market their goods effectively in existing markets. Small firms continue to lack knowledge of marketing channels and fail to establish marketing networks, or have not entered into strong market relationships with existing customers and as such if marketing channels are strengthened through establish vibrant marketing networks, then SMEs in Zimbabwe may become competitive in international markets or as an option SMEs can work with trading companies to facilitate export marketing or it can act as the marketing channel for a large number of SMEs.”</td>
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<tr>
<td>Policy</td>
<td>“Adopt cost saving techniques, tough</td>
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**maker (4)** economic times call for a lean and resource efficient business model. Outdated technology may lower quality and raise cost, making the product uncompetitive in the international markets. Many old technologies in many SME firms have become highly polluting. Sooner or later these SMEs may face exclusion from the market. Furthermore, Knowledge, skills and experience of SMEs have become obsolete and need continuous upgrading. While opportunities for academic qualifications proliferate, SMEs in Zimbabwe have little access to practical training they really need and as such it is advisable that they continuously update their machines and skills to reduce costs of manufacturing.

**Export Analyst (4)** “Linkages with transnational companies (TNC-SME linkages), there is need to create a linkage between SMEs and Transnational Companies. The linkage can be backward linkages with suppliers where the TNC will source materials, service parts, appropriate technology from suppliers in the host country on behalf of SMEs or it can be linkages with technological partners where the TNC can start a project together with SMEs in the form of either strategic alliance, joint venture or licensing agreement in which TNC can acquire latest technology or licensing agreements on behalf of SMEs. Furthermore, TNC can link with SMEs through forward linkages with customers. In this case the TNC can link with

**maker (4)** clearly show that redundant technology is a major inhibiting factor for the export performance of SMEs and for SMEs to perform better, those machines need to be upgraded and that there must also be appropriate training commensurate with the modern technology so as to reduce cost of doing business since some of the machines are to slow or waste resources in production leading to high cost of doing business.

Statements made by export analyst (4) concur with those made by policy maker (3) that SMEs have no appropriate networks that link them to relevant customers, to resources and therefore need to link with appropriate partners so that they improve their export performance.
host distributors, marketing outlets and industrial buyers and this enables SMEs to penetrate the market easily, thus improving their export performance. Again linking with TNCs will have spill-over effect such as human capital spill over effects (SMEs training), demonstration effects, more efficient ways of doing things can be learnt. The TNC can also set standards that may improve the export performance of the SME firm in the long run or can gain access to new export markets.”

Source: Compiled from Primary Data

5.12. Content analysis

Content analysis is very crucial in the analysis of qualitative data. Content refers to sub-themes or specific issues explaining the major themes (Bengtsson, 2016:10). From the data extracted from the interviews which were captured in the various Tables, several themes emerged. Notably, the first theme pertained to issues of ‘competition.’

The study probed reasons for the failure of SMEs to break into the markets and issues that came up are: “due to inherited exorbitant costs of production on the local manufacturing front, SMEs products from Zimbabwe cannot compete on the regional as well as international markets as their prices are on the high side.” Thus, in a nutshell the cost of doing business is pushing up prices leading to the failure of SMEs to break into international markets.

The second theme concerned evaluation of the export marketing strategies that are currently being employed by SMEs in the manufacturing sector. This was the view of the participant: “In Zimbabwe niche focus strategy is widely used by SMEs to promote their exports and is actually encouraged by the government and statements such as “SME industrial export clusters are a good export strategy that can stimulate export in Zimbabwe.”

With respect to the ‘SME export industrial cluster strategy’ prominent view was as follows: “The formation of SMEs’ export industrial clusters is a noble idea but the implementation of this strategy is still pen and papers as most of the SMEs are not aware of such a policy and
its benefits” and sentiments such as “However, it is too early to comment on SMEs industrial cluster” and “otherwise it may remain a strategy on paper but no implementation.”

The above is clear testimony that the ‘SME export industrial cluster’ is a good export strategy, but it is not yet benefiting SMEs in Zimbabwe.

The third theme was the impact of market-driven strategies (customer focus, distinctive capabilities and customer value, cross-functional cooperation and involvement) on the export performance of SMEs and the capability of SMEs to embrace it to improve their export performance. On this theme a number of views were raised and a case in point is that a number of policy makers echoed sentiments such as:

“The adoption of a market-driven management approach at full intensity may promote exports in Zimbabwe especially if the SME firms jointly participate in resource mobilisation and forming strategic alliances with other SMEs in the same line of production. This will enhance their capacity to meet export order demands, thus enhancing their export performance.”

“If our SMEs are capable of producing a product which is tailor-made to suit the specific requirements of its customers, then we will not have problems of export performance in Zimbabwe because the product will automatically sell easily in the international markets without more marketing or promotional effort needed.”

This clearly shows that the adoption of market-driven strategies can promote the export performance of SMEs in Zimbabwe.

However, the inputs from policy makers and export analysts such as:

“I can say our SMEs still need to be capacitated first before we are confident enough to say they can embrace market-driven strategies to improve their export performance” and also statements notably, “the majority of our SMEs are capable of copying what others have done before, there is generally lack of entrepreneurship amongst them in Zimbabwe, and this therefore raises doubt as to whether our SMEs can be market-driven?” clearly indicate that SMEs require adequate resources to be capable of embracing market-driven strategies in Zimbabwe.
The final theme was based on strategies that can be employed by SMEs to enhance their export performance. The participants expressed different views on this subject, but they concurred as follows: “The establishment of SME consortia and export consortia are a necessary requirement in building critical mass in both production and exports.” The establishment of SME export consortia may help in the mobilisation of critical resources necessary to create sustainable exports. For example, banks in Zimbabwe find it easy to finance SMEs if they are organised in groups.

Some participants expressed views such as: “In order to stimulate exports, strong and specialised export promotion institutions must be established.” These views are in line with other policy makers who made statements such as: “To promote exports in Zimbabwe, there is a need to establish an SME Export Development and Promotion Agency.” The idea behind a specialised SME promotion agency is that, it helps to create a conducive environment that facilitates movement of information pertinent for SMEs, such as the facilitation of appropriate export linkages with trading partners, mobilisation of relevant resources to stimulate export production and organising inwards and outwards buyer missions with the relevant SMEs stakeholders only.

5.13. Summary

The chapter reported and presented an analysis of the quantitative and qualitative research findings. With respect to the quantitative data, both descriptive and inferential statistical analyses were conducted and the results captured in the form of Tables and Figures. The demographic data was presented mainly on background information about the respondents, the general status of the firm and its exports. Data on the internal factors affecting the export performance of SMEs was also presented, particularly on market-driven strategies namely; customer focus, distinctive capabilities, customer value and cross-functional cooperation. Thereafter, data on the external factors affecting the export performance of SMEs, on export market characteristics and industry characteristics was presented and analysed. Data on export marketing barriers affecting the export performance of SMEs was presented, followed by data on export intensity and export sales volumes.

In the chapter which follows, further analysis is conducted by making reference to the literature.
CHAPTER SIX: DISCUSSION OF THE RESEARCH FINDINGS

6.1. Introduction

This chapter discusses the research findings in relation to the literature discussed in Chapters 2 and 3. The aim of this research was to determine how to enhance the export performance of the SMEs in the manufacturing sector. The discussion of the research findings revolves around the following areas, namely, internal and external factors on the export performance of SMEs, the effectiveness of the current export marketing strategies and export marketing strategies that could assist the SMEs to enhance their export performance.

6.2. Internal factors on the Export Performance of SMEs

The findings reveal that customer focus is significantly positively related with export performance (t=2.663). This finding is consistent with that reported by other researches, inter-alia Marscherpa (2011), Asikhia and Binuyo (2012), Alam (2013), Mukerjee (2013), Verhoef and Lemon (2013), and Yaacob (2014).

However, the results need to be tempered by the views of Mahmoud, (2011) who argues that the idea of being customer focused is very noble, but it is not quite relevant for SMEs in developing countries as it is difficult to achieve. Nevertheless, Mahmoud (2011:242) further asserts that “the fact that the market orientation concept was developed largely from studies of large organizations makes it timely to examine the appropriateness of the construct to SMEs.”

Despite the above contrary results, it can be concluded that H1 which was stated as ‘There is a significant positive relationship between customer focus and the export performance of SMEs in Zimbabwe,’ is supported by the findings of this study.

Drawing from the results of this study, it can be pointed out that by being ‘Customer Focused’ manufacturing SMEs in Zimbabwe could improve their export performance.

It was also ascertained that the relationship between distinctive capabilities and the export performance of SMEs is positive, albeit not in a significant way (t= 0.681). This was evidenced by the fact that the majority of respondents stated that they do not have manufacturing experience, their products are imitable and not quite reputable, they do not
have credible reputation in the export market and, they do not have marketing resources to undertake exports. All of the aforementioned were regarded as being necessary distinctive capabilities to enhance export performance (Junaidu, 2012; Freeman & Styles, 2014; Othman et al., 2015).

The results of this study therefore reveal that the above mentioned scenarios have implications on the export performance of SMEs, albeit not significantly. However, this was expected since some researchers inter-alia, Freeman and Styles (2014:187) opine that “due to the lack of resources, SMEs exhibit a haphazard approach with regards to the acquisition and use of export market information and consequently, the firm’s risk in exporting increases, as decisions are often based on pure ‘gut feeling’ as opposed to informative strategic decision making.” Furthermore, there is a notion that firms should selectively target different marketing capabilities to improve their export performance (Al-Aali, Lim, Khan & Khurshid, 2013). Thus, the results confirm that this notion cannot specifically apply to SMEs’ in the developing countries as capable and reliable human resources are needed to target different marketing capabilities that will result in enhanced export performance (Khan, 2013). Freeman and Styles (2014:186) also argue that “the combination of the internal firm assets (available resources) and market-based assets (capability development), enable exporting firms to identify opportunities and respond quickly to improve their export performance.” However, these resources are not available to an SME, thus confirming that the results are insignificant. Therefore, based on the results it is apparent that although distinctive capabilities play a pivotal role in enhancing the export performance of SMEs; its impact on Zimbabwean manufacturing SMEs is not significant. Thus, the findings do not support the hypothesis (H2), which was stated as ‘There is a significant positive relationship between distinctive capabilities and the export performance of SMEs.’

Another objective of this study was to determine the influence of customer value on the export performance of SMEs, since customer value was identified as one of the internal influences and part of the market-driven strategies that could enhance export performance of SMEs.

The findings revealed that there is a positive relationship between customer value and the export performance of SMEs, however the relationship is insignificant (t= 0.753). This could have been attributed to the fact that the majority of the respondents highlighted that they do not export products that effectively meet the expectations of the target customers, their
exports do not encompass desired and perceived value, they do not export products that create long lasting impressions and their products have no co-creation value. All of the aforementioned are requirements for the creation of customer value and improving export performance (Ching-Hsun, 2012; Shanker, 2012; Allahham, 2013).

The relationship explored in this study was positive yet insignificant, implying that the products produced by Zimbabwean SMEs for export are not adequately meeting customer needs in the foreign market. The findings of this study differ somewhat from those reported by other researchers (Shanker, 2012; Yu-Shan & Ching-Hsun, 2012), which were positive and significant. This could be attributed to the availability of resources and location of the study; for example, developed countries tend to have adequate resources to finance exports compared to developing countries, more especially Zimbabwe, a country which does not have adequate resources. The aforementioned is supported by Ngugi et al. (2010) who argue that SMEs in developing countries may not be able to match customer value and organisational capability due to the nature of their size and resource constraints. Thus, the findings confirm that the direct effects of customer value on the export performance of manufacturing SMEs in Zimbabwe are insignificant (t= 0.753). Thus, H3 which was stated as ‘There is a significant positive relationship between customer value and the export performance of SMEs’ in Zimbabwe’, is not supported.

This study also endeavoured to determine the effect of cross-functional cooperation, on the export performance of SMEs. It emerged from this study that cross-functional cooperation influenced the export performance of SMEs; however the results of the study (t= 0.234) reveal that the influence is insignificant, implying that the effect of cross-functional cooperation and involvement on the export performance of manufacturing SMEs in Zimbabwe is minimal. These findings are different from that reported by some other researchers (Topolšek & Čurin, 2012), who reported a positive and significant relationship between cross-functional cooperation and a firm’s performance. This could be linked to the size of the firms considered for the study as indicated by Mahmoud (2011). Drawing from the research findings, it can be pointed out that the surveyed SMEs in Zimbabwe have not fully embraced cross-functional cooperation to enhance their export performance. Thus, H4 which was stated as “There is a significant positive relationship between cross-functional cooperation and the export performance of SMEs’ in Zimbabwe,” is therefore not supported.
6.3. External Factors on the Export Performance of SMEs

It became evident from the literature review that, although the firm’s internal environment is very crucial in determining its export performance, the external environment also has to be considered, since it helps to explain the capacity of a firm’s competitiveness in the environment in which it conducts business (Uzoma et al., 2014; Kim & Mauborgne, 2015; Lengler et al., 2016). Thus, besides having looked at the effect of internal influences and in particular market-driven strategies, on the export performance of SMEs, this study also attempted to determine the effects of external factors on the export performance of SMEs. The external factors were categorised into three, namely, market characteristics and industry characteristics and export marketing barriers.

The findings confirmed a positive and significant relationship (t=1.981) between export market characteristics and the export performance of the SMEs surveyed, which results are similar to that reported by Gul et al. (2011), Hashem and Irshaidat (2014), and Uzoma et al. (2014). Upon further analysis, a path coefficient of -0.203 was realized after testing hypothesis H5, which means that the export market characteristics have a negative influence on the export performance of the SMEs surveyed. Based on these findings, it can therefore be confirmed that when there is more environmental turbulence, cultural similarity and lack of market competitiveness, the export performance of SMEs is likely to be subdued. Thus, H5 which was stated as “The export market characteristics negatively affect export performance of SMEs in Zimbabwe” is supported.

Furthermore, drawing on the assumptions of the contingency theory which were applied to guide the study, the impact of industrial characteristics was also considered since it was perceived to have an influence on the export performance of SMEs (Eberhard & Craig, 2013; Lisboa et al., 2013; Samson & Mahmood 2015). The results indicated a positive relationship between industrial characteristics and the export performance of the SMEs surveyed, however, the influence is insignificant (t=0.384). This implies that although the industry characteristics (labour productivity, export concentration, capital intensity, competitor networks, technological intensity and export orientation), influence the export performance of SMEs, the influence is insignificant. These results are different to that reported by Grandinetti and Mason (2012), Ricci and Trionfetti (2012), Yoganandan et al. (2013), Uzoma et al. (2014), Reis and Forte (2016) and Lengler et al. (2016), all of who confirmed a
significant relationship. Thus, H6 which was stated as “Industry characteristics negatively affect the export performance of SMEs in Zimbabwe,” is rejected.

The study also sought to determine the influence of export marketing barriers on the export performance of SMEs. Although the barriers tend to be internal and external, in this study only the external barriers were considered since these are a major drawback to export performance (Abdolvand, 2016). The research results revealed a path coefficient of -0.509 after testing H7, which was stated as “The export marketing barriers negatively affect the export performance of SMEs.” This means that export marketing barriers have a negative influence on the export performance of the SMEs surveyed. Further analysis indicated that export marketing barriers and the export performance of SMEs are negatively related in a very significant way (t=5.985). The above results are similar to what Madsen (1989) reported, namely that there is a negative association between commercial barriers and export performance, once the collinear relationship between commercial barriers and external market growth rate have been controlled. Thus, H7 which was stated as “The export marketing barriers negatively affect the export performance of SMEs,” is accepted.

6.4. Effectiveness of the Export Marketing Strategies Employed by the SMEs

One of the objectives of the study was to determine the effectiveness of the current export marketing strategies employed by SMEs in Zimbabwe. Four policy makers and four export analysts were interviewed on the above matter. The results revealed that there are two main strategies that were being adopted by SMEs to enhance their exports and these are the niche focus strategy and export industrial cluster. The majority of the policy makers and export analysts are in full support of the niche focus strategy, which findings are also in line with Chichoni (2014). Cooper, Ellram and Poporich (2011) also affirm that a ‘niche focus’ strategy has helped SMEs to survive direct competition from large foreign firms. Notably, a number of interviewees highlighted that export industrial clusters are not ideal for SMEs to promote exports, as there are an insufficient number of SMEs exporting in each segment namely; food processing, textile and leather and leather products, in any given place. Thus, the findings affirm that a niche focus strategy is better than an industrial cluster strategy, as it can easily be adopted by SMEs and enhance export performance through protecting these enterprises from direct competition from large companies.
6.5. Export Marketing Strategies that can help SMEs

Having evaluated the applicability of the strategies being adopted by SMEs exporting from Zimbabwe, the task was then to interview the policy makers and export analysts to determine their suggested strategies that could possibly assist SMEs to enhance their export performance.

Different views emerged about the relevant strategies that could stimulate the export performance of manufacturing SMEs in Zimbabwe. Strategies suggested include the formation of specialised institutions such as SME consortia, creating an enabling business environment, the establishment of an SME Export Development and Promotion Agency, developing export infrastructure, strengthening marketing channels, adopting cost saving techniques and transnational company linkages (TNC-SME linkages). The majority of respondents have however concurred that the establishment of “SME consortia and export consortia” is a necessary requirement for building critical mass in both production and exports. Notably, the creation of SME consortia will help in the mobilisation of critical resources necessary to create sustainable exports and to satisfy foreign markets better. Sella (2015:2) confirms that the creation of a consortium helps SMEs to “obtain more information regarding the markets where they will participate and they prepare better to satisfy the demands of these markets.”

It also became evident that the majority of respondents supported the establishment of a relevant enabling Board that coordinates the activities of the SMEs, mobilises resources and the creation of profitable linkages to resources.

6.6. Summary

This chapter discussed the findings from this study and made reference to previous studies which either confirmed or disagreed with the current findings. The significance of the external factors focusing mainly on export market characteristics and industry characteristics was discussed, while export marketing barriers was considered separately. The effectiveness of the export marketing strategies being employed by SMEs and the export marketing strategies that can enhance the export performance was also discussed. The next chapter provides the conclusions and recommendations flowing from the key findings and the research objectives.
CHAPTER SEVEN:
CONCLUSION AND RECOMMENDATIONS

7.1. Introduction

The purpose of this chapter is to draw conclusions from the research results presented in Chapter 5 and discussed in Chapter 6. This chapter will first provide an overview of the key findings, and thereafter link the findings to the objectives, and make recommendations flowing from the findings. In the last section of the chapter, the limitations of the study are outlined, including suggestions for future research.

7.2. Summary of the Findings

Seven hypotheses were developed through a critical review of the related literature and tested through a survey among a sample of SME owner-managers and personal interviews with SME policy-makers and export analysts. The findings are summarised below.

7.2.1. Customer Focus and Export Performance of SMEs

Since it became evident that Customer Focus (CF) has a positive relationship with the Export Performance (SEP) of the SMEs surveyed, it may be concluded that being customer focused can assist the SMEs in improving their export performance.

7.2.3. Distinctive Capabilities and Export Performance of SMEs

It emerged that Distinctive Capabilities (DC) has a positive relationship with sustainable competitive advantage, thus confirming the notion that firms should selectively target different marketing capabilities to improve their export performance. Based on these findings, it can therefore be affirmed that for SMEs to perform better in the export market they need to possess Distinctive Capabilities.

7.2.4. Customer Value and Export Performance of SMEs

A positive relationship between Customer Value (CV) and the Export Performance of SMEs was evident, however the relationship was insignificant. It can be confirmed that SMEs in Zimbabwe are lagging behind in terms of providing customer value, resulting in their subdued export performance. Thus, this study confirms that CV is one of the market-driven strategies that is not helping to enhance the export performance of SMEs in Zimbabwe.
7.2.5. Cross-Functional Cooperation and Export Performance of SMEs
The findings indicate that Cross-functional Co-operation (CFC) have a positive relationship with the Export Performance of SMEs; however, the influence is insignificant. Drawing from the results, it can be pointed out that cross-functional cooperation which is a market-driven strategy has not been quite beneficial to improve the export performance of SMEs in Zimbabwe.

7.2.6. Export Market Characteristics (EMC) and the Export Performance of SMEs (SEP)
The study established that export market characteristics and the export performance of SMEs are negatively related in a significant way, and that export market characteristics have a strong impact on the export performance of SMEs. However, the influence is negative; thus it can therefore be confirmed that export market characteristics have a negative influence on the export performance of SMEs in Zimbabwe.

7.2.7. Industrial Characteristics (IC) and Export performance of SMEs (SEP)
The results revealed a positive, yet insignificant relationship between industrial characteristics and the export performance of SMEs. It can therefore be confirmed that industrial characteristics (perceived competition, competitor networks etc.) have an insignificant impact on the export performance of SMEs in Zimbabwe.

7.2.8. Export Marketing Barrier (EMB) and Export performance of SMEs (SEP)
It emerged from this study that a negative and significant relationship exists between the export marketing barrier and the export performance of SMEs, implying that the export marketing barriers have the strongest impact on the export performance of SMEs in Zimbabwe. It can therefore be concluded that when there are more export marketing barriers, the export performance of SMEs is likely to negatively be affected.

7.3. Conclusions and Recommendations
7.3.1. Research Objective 1: To investigate the influence of customer focus on the export performance of SMEs.
The findings show that customer focus has to some extent a direct effect on the export performance of SMEs. However, the influence is not very significant, compared to that of export marketing barriers and export market characteristics. Therefore, it can be concluded that adopting a market-driven strategy (customer focus) is also applicable to manufacturing SMEs in Zimbabwe who are striving to improve their export performance. Hence, when compared to other constructs in the conceptual model, customer focus is important in influencing the export performance of SMEs in Zimbabwe.

The linkage between customer focus and the export performance of SMEs could also be used to motivate the SMEs that have not yet accepted customer focus as their philosophies.

7.3.2. Research Objective 2: To investigate the influence of distinctive capabilities on the export performance of SMEs.

The findings show that distinctive capabilities have a positive influence on the export performance of SMEs. It also became evident that the relationship between the two variables is insignificant. Thus, it is clear that the distinctive capabilities have a minimum constructive effect on the export performance of SMEs in Zimbabwe. Therefore, it can be concluded that this market-driven strategy is not applicable to the manufacturing SMEs in Zimbabwe which would like to improve their export performance.

It is therefore recommended that in their efforts to enhance export performance, the SME owner-managers should pay more attention in utilising distinctive capabilities. Furthermore, SMEs should be compelled to have networks, relationships, partnerships and strategic alliances with larger organisations in order to develop their resource capabilities.

7.3.3 Research Objective 3: To investigate the influence of customer value on the export performance of SMEs.

It emerged from the study that customer value has a positive and strong influence on the export performance of SMEs. It can therefore be concluded that customer value has a potent effect on the export performance of SMEs. From the findings, it also became clear that the relationship between the two variables is insignificant. Therefore, it can be concluded that this market-driven strategy is not applicable to the manufacturing SMEs who would like to improve their export performance in Zimbabwe.
It is therefore recommended that SME owner-managers should prioritise having customer value by investing on producing more products with customer desired values namely; experiential value, symbolic value, sacrifice value which in turn will have a positive influence on the export performance of SMEs.

**7.3.4 Research Objective 4:** To investigate the influence of cross-functional cooperation on the export performance of SMEs.

The findings show that cross-functional cooperation has a positive influence on the export performance of SMEs, but the relationship between the two variables is insignificant. Therefore, it is now clear that cross-functional cooperation has not much effect on the export performance of SMEs in Zimbabwe. Hence, it can be concluded that this market-driven strategy is not applicable to the manufacturing SMEs in Zimbabwe who would like to enhance their export performance.

Thus, it is recommended that the SME owner-managers should attempt to develop vibrant teams with diverse expertise that create an enabling environment to boost exports; hence, this will result in sustainable export competitive advantage of SMEs. Moreover, SME owner-managers are encouraged to form strategic innovation teams that work towards a common understanding through functional synergies which in the long run, this will enhance their export performance. Furthermore, SMEs should improve their internal relationships so that each employee is influenced to make a meaningful contribution to enhance export performance. SME owner-managers should also create an effective system that enables free transfer of knowledge across all departments in an organisation and this will help in enhancing export performance.

**7.3.5. Research Objective 5:** To investigate the influence of export market characteristics on the export performance of SMEs.

It emerged from the study that export market characteristics has a negative and significant effect on the export performance of SMEs. Therefore, it is now understood that when compared to the direct effects of cross-functional cooperation on the export performance of SMEs, market characteristics have a stronger and significant effect on the export performance of SMEs than on the former. Hence, it can be concluded that export marketing barriers have a strong negative influence on the manufacturing SMEs who export in Zimbabwe
It is therefore recommended that SME owner-managers should be investing more on strategies that can help to reduce the effects of export market characteristics (environmental turbulence, market competitiveness and cultural similarity) in order to influence the export performance of SMEs. SME owner-managers should take into consideration the negative effect of export market characteristics on their export performance so as to mitigate these by developing strategies that are resilient to the negative environmental impact.

7.3.6. **Research Objective 6**: To investigate the influence of industry characteristics on the export performance of SMEs.

It emerged from the study that industrial characteristics (technological intensity, capital intensity, R & D intensity, labour productivity and export concentration) have a positive influence on the export performance of SMEs, and the relationship between the two variables is insignificant. It can therefore be concluded that the industrial characteristics have a negative effect on the export performance of SMEs. When compared to the direct effects of export market characteristics on the export performance of SMEs, industrial characteristics have a stronger and more significant effect than on the former.

SME owner-managers should therefore take into consideration export market characteristics so as to enhance their export performance.

7.3.7. **Research Objective 7**: To investigate the influence of export marketing barriers on the export performance of SMEs.

It emerged from this study that export marketing barriers have a negative influence on the export performance of SMEs. Thus, by implication, the export performance of SMEs is strongly influenced by the export marketing barriers. Therefore, when compared to the direct effects of industrial characteristics on the export performance of SMEs, export marketing barriers have a stronger and more significant effect on the export performance than on the former.

The owner-managers of SMEs should therefore prioritise finding ways to minimise the negative effects of export marketing barriers in order to improve their export performance.
7.4. Overall Recommendations

7.4.1. Recommendations regarding the internal factors that affect the export performance of SMEs.

It emerged that some of the market-driven strategies namely; distinctive capabilities, customer value and cross-functional cooperation have an insignificant impact on the export performance of SMEs. Thus, drawing from these results it is apparent that the benefits accruing to SMEs from these market-driven strategies are insignificant. It is therefore recommended that the government of Zimbabwe should help SMEs with resources to establish their new capabilities that will enable them to implement market-driven strategies and enhance their export performance. Furthermore, it is highlighted that for firms to perform better they need to be customer focused and this implies that the SMEs should focus on activities and products demanded by the consumer. In other words, this entails that consumer wants are the drivers of all strategic marketing decisions. Therefore, it must be mandated that no strategy is pursued until it passes the test of consumer research. Also, the manufacturing of products should be driven by the needs of potential consumers and the starting point is always the consumer. Furthermore, SME-owner managers should create an enabling environment were customers are more engaged with the firm, although it might require substantial investment, it has the potential to generate more profits in the long run. Also, since organisational capabilities are one of the internal factors that contribute to the export performance of a firm, it should be made clear that SMEs should pay particular attention in reconfiguring their assets to boost their exports. Similarly, government in its effort to develop and reconfigure capabilities, it should introduce entrepreneurial training facilities; that emphasise on science, practical and technological studies at all levels of educational system. There should be education department to facilitate public enlightenment and training of exporting entrepreneurial SMEs, most especially on required technological and marketing skills to enable them to have appropriate linkages to the source of raw materials, plant and machinery and spare parts that would give rise to standard products that can penetrate to the global market.

Lastly, SMEs should create functional teams to facilitate team work in areas that require diverse expertise such as manufacturing, distribution, pricing and after sale services.
7.4.2. Recommendations regarding the effect of external factors that affect the export performance of SMEs.

Furthermore, since it is now understood that the export performance of SMEs is largely affected by the external influences, it is recommended that policy makers, industrialists and SME owner-managers should be cognisant when crafting export marketing strategies and market-driven models should incorporate external influences. Exporting SME owner-managers should consider risk taking decisions in turbulent environment especially if they want to improve their performance. SMEs therefore, should be pro-active, innovative, and should have risk seeking posture to mitigate the uncertainty of turbulent environment. In this sense, SME owner-managers should be pro-active in monitoring and conducting environmental scanning always. It emerged from the study that industrial characteristics (technological intensity, capital intensity, R & D intensity, labour productivity and export concentration) have a positive influence on the export performance of SMEs, and the relationship between the two variables is insignificant. It can therefore be concluded that the industrial characteristics has a negative effect on the export performance of SMEs. Therefore it is recommended that SMEs should invest more in advanced technology in manufacturing and communication, invest in R & D, and also more on productive labour force to improve their exports. The results show that the labour is not productive and therefore it is recommended that SME owner-managers should consider recruiting specialised personnel with manufacturing and export experience so that they are quite specific on what to produce and in the right quantities and at the right time. Thus, it is envisaged that this will enhance their export performance in the long-run. Furthermore, drawing from the results on industry characteristics, it was quite evident that R & D (research and Development) is still at its primitive stage and therefore, SMEs could partner with large companies in R & D and take advantage of the availability of resources and experience from these large companies to improve their research skills.

7.4.3. Recommendations regarding the export marketing barriers being faced by the Zimbabwean SMEs.

Since the export marketing barriers have the strongest impact on the export performance of SMEs when compared to other research constructs, it is therefore recommended that the management of SMEs should prioritise finding ways to minimise the negative impact of
export marketing barriers in order to influence the export performance of SMEs. It is recommended that SMEs should hedge against possible international risks (exchange rate risks, political risks). Similarly, unfavourable exchange rates make the product more expensive and this reduces the product competitiveness and therefore it is recommended that SMEs should hedge against unfavourable exchange rate to avoid making unprecedented losses. Furthermore, the political, economic, technological and social-cultural barriers which affect SMEs exports require the intervention of the government and policy makers to overcome these hurdles. In this sense, it is recommended that the SME owner-managers should keep on lobbying for good corporate governance from relevant authorities. Barriers related to trade agreements can be alleviated through trade negotiations between ruling governments and associated export specialists in respective countries. Evidence from the results has indicated that customs procedures are also a major barrier to the export performance of SMEs. In this regard, the government has to provide export related seminars, workshops targeting exporters so that SMEs can improve their skills on export procedures, export marketing strategies and commercial legislation. Also, SMEs face the product quality barrier and this has an impact on competition, therefore it is recommended that SME owner-managers should make sure that their products are manufactured with qualified personnel and must be quality certified before exporting them.

7.4.4. Recommendations regarding the effectiveness of the export marketing strategies currently being employed by the SMEs.

One of the objectives of the study was to determine the effectiveness of the export marketing strategies employed by SMEs in Zimbabwe and four policy makers and four export analysts were interviewed on the above matter. The results revealed that there are two main strategies that were being adopted by SMEs to enhance their exports and these are the niche focus strategy and the export industrial cluster. The majority of the policy makers and export analysts are in full support of the niche focus strategy. Therefore, it is therefore recommended that due to the insufficient number of SMEs in the textile, leather and food processing sector, the niche focus strategy should be adopted. However, SME owner-managers ‘must not put eggs in one basket’ and therefore should lobby for financial assistance from the government to try and adopt industrial cluster strategy as well. Creating industrial clusters is envisaged to assist the Zimbabwean government to formalise the informal trading which at the same time
will assist to collect revenue thus, helping the industry to compete with the global players. Therefore, in the same manner, the task of SME owner-managers is to take this agenda forward to the relevant ministries.

7.5. Managerial implications

The current Zimbabwean business environment requires managers who are market-driven and places the customer as a strategic thrust. It is therefore imperative that managers should conceptualize their businesses and re-align marketing strategy to the business environment in which they operate. In the contemporary context of marketing, unlike in the past, where individuals just produced anything in any quantity and sell it everywhere without consumer input. In this modern day, firms have to be market-driven; this begins by identifying the consumer and provides tailor made products to suit specific requirements. However, this is not enough especially for exporters and as such firms have to scan the internal and the external environment in order to enact strategies which are resilient to environmental torment. Thus, for SMEs the survival challenge is to craft competitive export marketing strategies which take a global stance and in this case market-driven strategies. This will enable them to recognize threats and opportunities on that level. In order to recognize and exploit such opportunities, firms need to reconfigure their businesses through innovation and collaboration with all its strategic stakeholders.

Therefore there are seven issues that are closely aligned to the research hypotheses and these have to be addressed by management:

a) For SMEs to be viable, they have to be market-driven. Market-driven firms are recognized by their ability to be customer focused, have distinctive capabilities, put customer values first and embrace cross-functional cooperation in their daily operations. In this regard, in order to be competitive, products for export have to be tailor made to meet customer specifications, have to be priced right and delivered to the market on time, qualified suppliers must be invited into the logistical system of the firm, customer relationships must be maintained and there must be a feedback platform to ensure effective communication between the firm and its strategic business stakeholders.

b) Also, the SME firms must be distinctively positioned through inter-alia; work force must have an exceptional manufacturing knowledge, have the capacity to produce un
inimitable product, produce reputable products for the foreign market and have un
disputable international marketing technical know-how.

c) Furthermore, for SMEs to be competitive in the foreign markets, owner-managers
should put more emphasis in meeting customer values and this involves; producing
products that effectively meet value expectations of target customers, produce
products which create long lasting impressions (experiential value), manufacture
products that enable customers to attach a psychological meaning to the product
(symbolic value or expressive value) and invite customer inputs when manufacture
products for exports (co-creation value).

d) Furthermore, SME-owner-managers should foster team spirit among its workforce so
that they can actively participate in areas that require diverse expertise.

e) SMEs owner-managers must not only consider the internal environment, rather there
must be a balance between the internal and the external environments. In this sense,
considering the effect of the internal environment alone without the external
environment does not position the firm competitively especially in the face of
globalization. In this regard, firms must consider the effect of export market
characteristics namely; environmental turbulence, cultural similarity and market
competitiveness. Foreign culture affects product acceptance in the foreign market and
as such it is advisable that the customs and language of the foreign country must be
learnt and all employees must be familiarized with these before engaging
internationally.

f) It is believed that the industry characteristics (technological intensity, capital
intensity, R & D intensity, labour productivity and export concentration) have a
positive impact on firm export performance and therefore, SMEs are encouraged to
capitalize on these to enhance their exports. SMEs may take advantage of cheap and
new technology to communicate and market their products especially on social media
platforms such as Facebook, watsup, twitter, etc. SMEs should form strategic
alliances to mobilize capital. Strategic alliances are long-term collaborative
arrangements between two or more firms designed to execute specific transactions for
mutual gains and to maximize performance through cost reduction, knowledge
acquisition, and/or market. The current developing country situation more
specifically on Zimbabwe requires SMEs to cooperate for mutual gains.
g) Export marketing barriers are among the external factors that affect the export performance of a firm. These export marketing barriers includes; lack of foreign exchange allocation, export procedural barriers, export regulations, exchange rate volatility, and procedures of meeting international standards, ‘cut-throat’ competition and inadequate diplomatic support etc. These barriers have a negative impact on export performance and as such SME owner-managers should hedge against some of the possible effects of these barriers in order to avoid unprecedented losses.

7.6. Limitations and Future Studies

Initially, the study sought to focus on all the Zimbabwean sectors of the SME economy, however, because of the challenges related to the data collection in the industry – the study limited itself to the manufacturing sector notably; the food sector, leather and textiles and in particular, targeting SMEs which were registered and operating from Harare. Perhaps, future studies should consider surveying unregistered SMEs and from all the SME sectors in Zimbabwe. The current research only investigated the relationships between the internal influences and in particular the market-driven strategies, and the external influences, on the export performance of SMEs in Zimbabwe. Therefore, generalisation of the study findings was limited to only Zimbabwean SMEs. Future studies should consider other countries in Africa and also expand the current research model and include other research variables or other marketing strategies without concentrating on market-driven strategies only. Such an expanded conceptual model can be expected to yield more interesting insights to practitioners studying the export performance of SMEs, as well as generating and adding new knowledge to the existing body of academic literature on the antecedents’ of the export performance of SMEs.

7.7. Contribution of the study

There are so many contributions in this study. This study combined the internal factors and external factors to develop a research framework for enhancing the export performance of SMEs in developing countries. Similarly, this study has also extended the research on market-driven strategies to incorporate external factors which were previously ignored by other researchers. There is no theoretical model on market-driven strategies which
incorporates external factors particularly on SMEs in developing countries. In other words, this research contributes by extending the concept of market-driven strategies through incorporating external factors such as industry characteristics, market characteristics and export marketing barriers. Damoah (2011:5) provides evidence that “most of the theoretical frameworks on the export performances of SMEs and on export behaviour were mainly focused on developed or Western country settings, and there has been little empirical evidence in African countries.” Also, the study has contributed to the current debate in Zimbabwe about the future of exports by firms classified as SMEs in this era of globalisation. Thus, this study contributed to this debate through suggesting potential survival strategies that are envisaged to make SMEs perform better. Furthermore, “the understanding of the export behaviour of the SME from developing country contexts (e.g. Zimbabwe) is limited in the literature” (Damoah, 2011:5). Thus, this study has contributed through extending this knowledge to the economies of developing countries.

Again, researches have shown that “several authors have addressed the issue concerning the factors that influence export performance; however, few studies have analyzed the influence of industry characteristics on the firm’s export intensity” (Reis & Forte, 2016:267). In this regard, this study has also contributed to filling this knowledge gap that seemed to exist particularly in a developing country context.

7.8. Conclusion

This chapter provided a snap-shot of the findings, drew conclusions and made recommendations. The chapter was structured under five main headings, namely a summary of the findings was provided, followed by a highlight of the managerial implications that these findings have on the export performance of SMEs in Zimbabwe. The chapter concluded with a discussion of the limitations of the study, contribution of the study and suggestions were made for future studies.
REFERENCES


APPENDICES

Appendix 1: Informed Consent

UNIVERSITY OF KWAZULU-NATAL
School of Management, IT and Governance

Dear Respondent,

PhD Research Project

Researcher: Godwell Karedza (Telephone number: 0777481907 (Email: kgodwell@yahoo.com)
Supervisor: Prof Krishna Govender (Telephone number: +27 (0)81 3333 712)

Email: govenderkrishna@gmail.com

Research Office: Humanities & Social Sciences Research Ethics Administration, Govan Mbeki Building, Westville Campus, Tel: + 27 (0)31 260 8350, Email: hssreclms@ukzn.ac.za

I, Godwell Karedza am a PhD student in the School of Management, IT and Governance, at the University of KwaZulu-Natal. You are invited to participate in a research project titled Enhancing the export performance of manufacturing small and medium enterprises in Zimbabwe.

The aim of this study is to examine the influence of market-driven strategies on the export performance of SMEs in the manufacturing sector in Zimbabwe.

Your participation in this project is voluntary. You may refuse to participate or withdraw from the project at any time with no negative consequence. There will be no monetary gain from participating in this research project. Confidentiality and anonymity of records will be maintained by the researcher and the School of Management, IT and Governance, UKZN. All collected data will be used solely for research purposes and will be destroyed after 5 years. This study has been ethically reviewed and approved by the UKZN Humanities and Social Sciences Research Ethics Committee (approval number HSS/0039/017D).

The questionnaire should take about 20 minutes to complete. Thank you for your time.

Sincerely

Researcher's signature................................................ Date..........................
UNIVERSITY OF KWAZULU-NATAL
School of Management, IT and Governance

Research Project

Researcher: Godwell Karedza (Telephone number: 0777481907 (Email: kgodwell@yahoo.com))

Supervisor: Krishna Govender (Telephone number: +27 (0)81 3333 712)
Email: govenderkrishna@gmail.com

Research Office: Humanities & Social Sciences Research Ethics Administration, Govan Mbeki Building, Westville Campus, Tel: 27 31 2604557, Email: HSSREC@ukzn.ac.za

CONSENT

I_________________________________________________________(full names of participant) hereby confirm that I understand the contents of this document and the nature of the research project, and I consent to participating in the research project. I understand that I am at liberty to withdraw from the project at any time, should I so desire.

___________________                                       ___________________
Signature of Participant                                      Date

This page is to be retained by researcher
Appendix 2: Survey Questionnaire

QUESTIONNAIRE FOR SME-OWNER MANAGERS

Please use a pen to indicate your responses by placing a cross (x) on the appropriate block, or fill in the open spaces provided as illustrated below. In section B below, please choose an answer on a scale ranging from 1 to 5 with ‘1’ representing an answer to a statement which you ‘Strongly Disagree’ and ‘5’ representing an answer to a statement which you ‘Strongly Agree’.

Remember to answer ALL the questions.

<table>
<thead>
<tr>
<th>Indicate your gender.</th>
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<tr>
<td>Male</td>
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<td>Female</td>
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In this section, the study seeks background information about the respondent, the general status of the firm and its export status. The information is going to be treated as confidential as possible. I appreciate your support in this research.

SECTION A: DEMOGRAPHIC DATA

1. What is your designation?
   - CEO [1]
   - Department Manager [2]
   - Export Officer [3]
   - Others

2. What is your Education Level?
   - ‘O’ Level [1]
   - ‘A’ Level [2]
   - First Degree [4]
   - Post Graduate [5]
   - Diploma [3]

3. Gender
   - Male [1]
   - Female [2]

4. Is the company privately owned?
   - Yes [1]
   - No [2]

5. Is your business formally registered?
   - Yes [1]
   - No [2]
6. *Indicate your firm’s sector*

Food Processing 1  Leather and leather products 2  Furniture 3  Textile 4  Others specify 5

7. *Indicate your asset base (US$).*

8. *What is your current total number of employees?*

9. *What is the mode of entry for your product into foreign countries?*

Direct exporting 1  Through an agent 2  Through subsidiary 3  Other 4

10. *What are your most export markets?*

Regional 1  International 2  Regional and International 3

SECTION B: Internal factors affecting the export performance of SMEs

11. *Please indicate the extent to which you agree with the following statements which relate to customer focus in your organisation.*

<table>
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<tr>
<th>ITEMS</th>
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<th>3</th>
<th>4</th>
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<tbody>
<tr>
<td>Our products are export tailor made to meet customer specifications</td>
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<td>We deliver products to our foreign customers on time</td>
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<td>Our exports are reasonably priced</td>
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<td>We provide export after-sale services to our customers</td>
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<tr>
<td>We continuously improve our products for export</td>
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<td>We seek qualified suppliers to enhance the production of quality products for export</td>
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<tr>
<td>We solicit customer data to enhance our export performance</td>
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<tr>
<td>We create customer relationships to enhance loyalty to our products</td>
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<td>We have a feedback platform to handle customer complains</td>
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</tbody>
</table>
12. Indicate the extent to which you agree with the following statements on how organisational distinctive capabilities impact your exports.

<table>
<thead>
<tr>
<th>ITEMS</th>
<th>1 Strongly disagree</th>
<th>2 Disagree</th>
<th>3 Neutral</th>
<th>4 Agree</th>
<th>5 Strongly agree</th>
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<tbody>
<tr>
<td>Our core workforce have manufacturing and export experience</td>
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<td>Our products for exports are inimitable</td>
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<td>Our firm has rare and intellectually-based resources to enhance exports</td>
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<td>Our firm export reputable products</td>
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<td>Our reputation in the foreign markets is good</td>
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<td>We have a credible and experienced workforce to execute our exports</td>
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<td>We have marketing resources to successfully undertake exporting activities</td>
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13. Indicate your agreement with the following statements regarding how customer value impacts your exports.

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<thead>
<tr>
<th>ITEMS</th>
<th>1 Strongly disagree</th>
<th>2 Disagree</th>
<th>3 Neutral</th>
<th>4 Agree</th>
<th>5 Strongly agree</th>
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<tbody>
<tr>
<td>We export products that effectively meet value expectations of our target customers.</td>
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<td>Our exports encompass the desired and perceived value of our customers.</td>
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<tr>
<td>We export products with attributes or contents that fulfil the desired needs of our customers (instrumental value).</td>
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<td>We export products that create long lasting impressions (experiential value).</td>
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<td>We export products that enable our customers to attach a psychological meaning to the product (symbolic value or expressive value).</td>
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<td>We export products with the value commensurate with the value offered by our customers (cost or sacrifice value).</td>
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<td>We invite customer inputs when we manufacture products for exports (co-creation value).</td>
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14. Indicate your agreement with the following statements regarding how cross-functional cooperation affects your exports

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<td>We have export functional teams in our organisation.</td>
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<td>Our functional teams share leadership roles.</td>
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<td>We have export innovation teams that work to produce innovative products and export solutions.</td>
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<td>We use diverse expertise from all functions to strategically produce a product for export.</td>
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<td>Our teams are willing to transfer knowledge generated from departments and markets to export-led production activities.</td>
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<td>Our teams communicate effectively</td>
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<td>CFTs create an enabling environment.</td>
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<td>CFTs promote diversity.</td>
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<td>Team spirit increases organisational learning in our firm.</td>
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SECTION C: External factors affecting the export performance of SMEs

15. Please indicate the extent to which you agree with the following statements regarding how export market characteristics affect your exports.

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<th>ITEMS</th>
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<tr>
<td>Environmental turbulence hampers export market development</td>
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<td>Customs affect business negotiations negatively.</td>
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<td>Attitudes of foreign customers reduce export viability (reduce sales volumes).</td>
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<td>Cultural similarity has a negative effect on exports</td>
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<td>Foreign culture negatively affects product acceptance</td>
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<td>Market competitiveness affects export viability.</td>
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<td>Lack of language experts lowers the receipts received from exports thereby decreasing export earnings.</td>
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<td>Rivals use promotional programs more to gain both market acceptance and sales growth.</td>
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16. Indicate your agreement with the following statements regarding how the industry characteristics affect your exports

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<td>Supply chain networks in the industry are weak.</td>
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<td>Export concentration is weak in the industry.</td>
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<td>R &amp; D intensity affects exports.</td>
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<td>Communication technology is still behind (e.g. websites, e-mails).</td>
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<td>Poor operating technology affects export productivity.</td>
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<td>Labour intensity affects export productivity.</td>
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<td>Capital intensity affects exports.</td>
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<td>Innovation affects exports.</td>
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<tr>
<td>The industry dynamism makes it difficult to predict customer preferences.</td>
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<td>Export orientation affects exports</td>
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</tbody>
</table>

SECTION D: Export marketing barriers affecting export performance.

17. Indicate to what extent the following export marketing barriers affect your exports.

<table>
<thead>
<tr>
<th>ITEMS</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of foreign exchange allocation prevents us from producing more and developing our export business.</td>
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<tr>
<td>Exchange rate volatility adversely affects our exports.</td>
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<td>Export procedural barriers affect our ability to export</td>
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<tr>
<td>Export regulations increase the cost of exporting, which negatively affect our exports.</td>
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<td>Failure to meet international standards prevents us from exporting more to other countries.</td>
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<td>Competition negatively affects our export performance.</td>
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<tr>
<td>Inadequate diplomatic support hinders our exporting capability.</td>
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</tbody>
</table>
SECTION E: Export performance in general.


<table>
<thead>
<tr>
<th>ITEMS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Our annual revenue for 2015 was between US$ 1000 and US$300 000.</td>
<td></td>
</tr>
<tr>
<td>Our annual revenue for 2016 was between US$300 000 and US$500 000.</td>
<td></td>
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<tr>
<td>Our sales volume for 2015 was between US$500 000 and US$1000 000.</td>
<td></td>
</tr>
<tr>
<td>Our sales volume for 2016 was between US$1000 000 and US$1 500 000.</td>
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<tr>
<td>We did not achieve any growth with exports.</td>
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<tr>
<td>We achieved growth with exports.</td>
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</tbody>
</table>
Appendix 3: Interview Guide

UNIVERSITY OF KWAZULU-NATAL
School of Management, IT and Governance

Dear Respondent,

PhD Research Project

Researcher: Godwell Karedza (Telephone number: 0777481907 (Email: kgodwell@yahoo.com))
Supervisor: Prof Krishna Govender (Telephone number: +27 (0)81 3333 712)

Email: govenderkrishna@gmail.com

Research Office: Humanities & Social Sciences Research Ethics Administration, Govan Mbeki Building, Westville Campus, Tel: + 27 (0)31 260 8350, Email: hssrecrms@ukzn.ac.za

Enhancing the export performance of manufacturing small and medium enterprises in Zimbabwe

The aim of this study is to solicit information from policy makers regarding their thoughts on strategies that affect the export performance of SMEs in the manufacturing sector in Zimbabwe. From this view point, the study expects to obtain comprehensive information about export marketing strategies that are currently being employed by SMEs and strategies that can be employed to enhance the export performance of SMEs in Zimbabwe. The findings are intended to contribute to the sustainability of exports in the SME sector in Zimbabwe.

The interview is expected to take only 20 minutes to complete. In this regard, the researcher is asking you to contribute to this research to the best of your ability and to remember that there are no perfect or imperfect answers to any question.

Thank you for your contribution

Researcher's signature:......................................................... Date:.........................................................
CONSENT

I_________________________________________________________________(full names of participant) hereby confirm that I understand the contents of this document and the nature of the research project, and I consent to participating in the research project. I understand that I am at liberty to withdraw from the project at any time, should I so desire.

Additional consent, where applicable:

I hereby provide consent to:

Audio-record my interview/focus group discussion: YES / NO

Video-record my interview focus group discussion: YES / NO

Use of my photographs for research purposes: YES / NO

_________________________________________  _________________________
Signature of Participant                                                     Date

This page is to be retained by researcher
Interview Guide

Major questions for the interview

1. What can you say about the export performance of SMEs in the manufacturing sector in Zimbabwe?
2. What can you say about the export marketing strategies that are currently being employed by SMEs in the manufacturing sector in Zimbabwe?
3. Do you think these strategies have an impact on the export performance of SMEs’?
4. What is the impact of market-driven strategies (customer focus, distinctive capabilities and customer value, cross-functional cooperation and involvement) on the export performance of SMEs?
5. Is there any SME firm which has embraced market-driven strategies in Zimbabwe?
6. Are SMEs’ capable of embracing market-driven strategies to enhance their export performance?
7. Which strategies can be employed by SMEs to enhance their export performance?

This page is to be retained by participant.
Appendix 4: Ethical Clearance

17 January 2017

Mr Gcicwell Karedza (Z16072154)
School of Management, IT & Governance
Pietermaritzburg Campus

Dear Mr Karedza,

Protocol reference number: HSS/D038/0170
Project Title: Enhancing the Export Performance of the SME Manufacturing Sector in Zimbabwe: The Impact of Marketing Strategies

Full Approval – Expedited Application

In response to your application received on 05 January 2017, the Humanities & Social Sciences Research Ethics Committee has considered the abovementioned application and FULL APPROVAL was granted for the protocol.

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number.

PLEASE NOTE: Research data should be securely stored in the discipline/department for a period of 5 years.

The ethical clearance certificate is only valid for a period of 3 years from the date of issue. Thereafter Recertification must be applied for on an annual basis.

I take this opportunity of wishing you everything of the best with your study.

Yours faithfully

Dr Sheneka Singh (Chair)

Cc: Supervisor: Professor Krishna Govender
Cc: Academic Leader Research: Professor Debbie Vigar-Ellis
Cc: School Administrator: Ms Debbie Cunynghame

Humanities & Social Sciences Research Ethics Committee
Dr Sheneka Singh (Chair)
Westville Campus, Gomani Ntombela Building
Postal Address: Private Bag X293, Durban 4000
Telephone: +27 (0) 31 265 3988/3989/3992/3993 Fax: +27 (0) 31 260 4556 Email: HSS.ethics@ukzn.ac.za
Website: www.ukzn.ac.za

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### Appendix 5: Turnitin Report

**Enhancing the Export Performance of Manufacturing Small and Medium Enterprises in Zimbabwe**

**Originality Report**

<table>
<thead>
<tr>
<th>Similarity Index</th>
<th>Internet Sources</th>
<th>Publications</th>
<th>Student Papers</th>
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<tr>
<td>9%</td>
<td>5%</td>
<td>4%</td>
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</tbody>
</table>

**Primary Sources**

1. Submitted to De La Salle University - Manila (Student Paper) 2%

2. Submitted to University of KwaZulu-Natal (Student Paper) <1%

3. dspace.lboro.ac.uk (Internet Source) <1%

4. icem.lt (Internet Source) <1%

5. Mandy Mok Kim Man, Syed Azizi Wafa. "The ..." <1%
Appendix 6: Language Editing Confirmation

33 Alan Paton Avenue
Scottsville
Pietermaritzburg
3201
Tel: 033 345 6844
Email: admin@kznlanguageinstitute.com
Website: www.kznlanguageinstitute.com
Registration number: 131 804 NPO

30/01/2018

Report on thesis by: Godwell Karedze

Thesis title: Enhancing the export performance of small and medium manufacturing enterprises in Zimbabwe

This serves to confirm that the above thesis was language edited by a member of the KZN Language Institute’s professional English language editing team. The document was returned to the author with tracked changes and suggestions for improvement. It was the author’s responsibility to attend to these. The final corrected version of the thesis was not proofread by a KLI editor.

Ms G. Coetzee MSc (Culture, Communication and Media Studies)
Communications Manager
geri@kznlanguageinstitute.com

Ms J. Kerchhoff BEd (Hons), MA (Applied Language Studies), CELTA
Director
jenny@kznlanguageinstitute.com

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Pietermaritzburg 3201
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Tel: +27 (03) 33 345 6844

KZN Language Institute – Transforming Words
ENHANCING THE EXPORT PERFORMANCE OF THE SMEs IN THE MANUFACTURING SECTOR IN ZIMBABWE

Godwell Karedza, University of KwaZulu-Natal
Krishna K Govender, University of KwaZulu-Natal

ABSTRACT

Zimbabwean SMEs which export processed products are not doing well presently and some of their products are almost non-existent in international markets such as the UK and even in some African markets, although these products used to dominate these markets between 1980-1999. A survey using a questionnaire was thus conducted among a convenience sample of 345 SME owner-managers in food processing, textiles, footwear and furniture manufacture, to determine the relationship between marketing factors and export performance. The data from 345 respondents was analysed using Structural Equation Modelling to examine the relationship (expressed as hypotheses) between several factors, inter-alia, customer focus, customer value, export marketing barriers and industrial and export marketing characteristics and the export performance of SMEs.

Keywords: Developing Country, SMEs, Manufacturing, Export Performance, Zimbabwe.