INTERNATIONAL BUSINESS STRATEGIES AND THEIR RELATIONSHIP WITH EXPORT RESULTS

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ABSTRACT

The purpose of this study is to examine the strategies used by companies belonging to the Spanish ceramic tile industry in foreign markets and to analyse their relationship with export results. To do this we have adopted a taxonomic approach and examine the export strategy based on three variables: geographical scope, the adaptation of sales policies to foreign markets and the nature of the competitive advantage sought by these companies. The empirical study has been performed using information supplied by 88 companies in the industry, obtained using a questionnaire that was sent out by post. Subsequent analysis of this enabled us to identify three types of export strategy. The first group seeks to simultaneously take advantage of the benefits of efficiency and different models of differentiation, developing an adapted marketing mix, and its behaviour in the international markets is not specifically linked to its presence in a large number of countries. In contrast, the second group configures its export strategy based on its presence in a large number of foreign markets, together with the adaptation of the marketing mix. The third group, with less geographical dispersion and less adaptation of the marketing mix, is characterised precisely because it places less emphasis than the other groups on competitive dimensions. With regard to the relationship between this export strategy and the results obtained from international activities, the analysis carried out has allowed us to highlight the importance of finding strategies in which the company, regardless of the geographical area it chooses, adapts its marketing mix to the markets in which it operates and clearly defines the basis on which it is going to compete.

1. INTRODUCTION

Among the strategic alternatives available to companies for operating in international markets, exports have become a widely used option, as they allow companies to grow and take advantage of international opportunities in a less risky manner, without committing the resources involved in other alternatives such as setting up joint ventures or direct investment abroad. Given the importance of this type of international penetration, the export company's behaviour has been the subject of many research products, a good part of which have set out to identify the influence exerted by different factors on the results of their foreign activities, i.e. their export position.

However, in spite of the abundance of studies carried out and the consensus reached on the influence of some variables in export success, some points are still controversial in the literature. On the one hand, there is a scant agreement reached with regard to the level of success or export position, with differing suggestions regarding which unit of analysis should be used as a reference for the purposes of the study, its one-dimensional or multidimensional nature and objective or subjective nature of the indicators. On the other hand, there are still several aspects, linked to the characteristics of the company and its strategy, whose effect on export efforts are still difficult to understand. With regard to the export strategy, the investigation of variables related to the market expansion strategy and the level of adaptation of the marketing programme do not offer conclusive results on which approach encourages export success. It must also be added that the majority of studies on export strategies have been based on the study of the effects of independent variables on export performance, i.e. on the influence of the different components of the export strategy without taking interrelationships into account (Namiki, 1994). However, what can happen is that certain export strategies can emerge as a result of the combination of different levels of emphasis on the different elements. In this sense, it must be remembered that the strategy can be viewed as the result of integrating multiple dimensions or variables that can be combined in different ways, giving rise to different configurations, which, in certain situations, can be equally effective. In fact, as Miller found (1996), when the relationships between individual variables are not completely understood or are too complex to be modelled using traditional approaches, or when the object of the research is to determine the dominant patterns in organisations, the configurations are especially useful.

Thus, the purpose of this study is to examine, firstly, whether discernable strategic patterns can be identified in the companies' export activities. Secondly, we look at whether there are differences in the companies' export success when expressed by means of a multidimensional measurement, derived from following up a certain strategy. We start with a review of the research on export strategy, which we can use to restrict the elements. We then present the methodology used in this research, followed by a description of the main results obtained from the analysis performed. The final section gathers the conclusions and management implications deriving from our results and offers some suggestions for future research.

2. THE EXPORT STRATEGY

To identify different types of export strategy it is first necessary to establish the elements of which they are comprised. The analysis of the contributions in the field of the export strategy has allowed us to verify a variety of proposals around these elements. While theoretically, different studies show the need to take into account the scope of the strategy and its competitive dimension (e.g. Piercy, 1982; Louter et al. 1991), in the majority of the empirical studies consulted, export strategy has been referred to marketing mix elements applied to foreign markets (as shown in the study by Katsikeas et al, 2000). In this sense, the contributions from the field of strategic management may be useful to identify the elements of export strategy. Chrisman, Hofer and Boulton (1988) suggest that strategy can be conceived as decisions regarding the range, segmentation and competitive weapons. Based on this work, Carpano, Chrisman and Roth (1994) highlighted the importance of segmentation and geographical scope in international strategy at business level, since the specific advantages of the company and the localisation of international companies are, to a great extent, determined by strategic decisions through these two dimensions, and they recognise the relevance of the decision regarding the way the company chooses to compete, through low costs, differentiation, or both. An extension of these contributions to the export company area, as suggested by Aulakh, Kotabe and Tejen (2000), enables us to profile the export strategy through three components: Geographical range, representative of its field of action; (2) the competitive actions or methods used to compete in foreign markets, representative of how companies seek to create a competitive advantage in the markets where they operate; and (3) the degree of adaptation of marketing policies among the different countries, illustrating how a company uses these competitive actions depending on the different markets.

2.1. GEOGRAPHICAL RANGE

The number of markets that an export company supplies is a strategic decision that can have important implications for the export success of the company as a whole (Aulakh et al, 2001). According to Piercy (1982), the selection of the number of markets in which to operate is of great importance as, depending on the number of countries it is wished to supply, this will lead to the concentration or dispersion of the efforts to be made by the company. In the event the companies choose a market concentration strategy, they opt to aim their efforts toward just a few countries. Some of the advantages attributed to a market concentration strategy are reduced transactional costs derived from uncertainty or ignorance of foreign clients and the possibility of encouraging better knowledge of the characteristics of these markets where they operate (Madsen, 1989). On the other hand, companies also adopt a market dispersion strategy if they decide to be present in a wide number of countries. The market dispersion strategy possesses, among others, advantages associated with less dependence regarding the evolution of a certain market. Several studies have shown a positive relationship between market dispersion and the export performance of the company (e.g. Cooper and Kleinschmidt, 1985; Da Rocha et al, 1990; Diamantopoulos and Inglis, 1988). Other research shows favourable results from concentration of markets (e.g. Reid, 1986). With regard to this alternative, Madsen (1989) proposes as a guide for action that companies look to take full advantage the markets where they already have a presence, rather than disseminating their efforts through a wide number of countries. Lastly, a third group of works, with a contingent focus, shows there is no universally optimum strategy and that the preference for one or another is conditioned by an extensive group of factors, which are related to the characteristics of the company, the product and the industry in which it operates (Ayal and Zif, 1979; Louter et al, 1991; Piercy, 1982; Reid, 1987).

2.2. TYPE OF COMPETITIVE ADVANTAGE SOUGHT

The predisposition of a company and its capacity to establish and maintain regular export activity depends on its competitive position in foreign markets and it is possible that the companies may be able to choose between the different methods to compete abroad (Katsikeas, Piercy and Ioannidis, 1996). Each pattern of competitive export strategy is consequentially connected to strategic competitive strategies (Namiki, 1988). In the area of export literature, with the exception of Namiki (1988; 1989; 1994), the majority of works examining competitive methods have focused on the independent effects of the variables representing the competitive superiority of the company, related to attributes of the products or the prices. The results of these investigations show that, in general, there is a consensus with regard to the positive effect on export performance deriving from possessing products with superior characteristics with regard to their uniqueness, design or quality (Louter, Ouwerkerk and Bakker, 1991); Madsen, 1989, Moen, 1999). On the other hand, having competitive advantages deriving from the cost or the price of the products is relevant in other studies (Aulakh, Kotabe and Teegen, 2000; Christensen, Da Rocha and Gertner, 1987) and insignificant or secondary in others (Cavusgil and Zou, 1994; Madsen, 1989; Piercy, Kaleka and Katsikeas, 1998).

2.3. ADAPTING THE MARKETING MIX

A basic question in the literature on international strategy is the level to which clients' needs are homogenous throughout the world and if these needs can be satisfied by means of a standardised strategic focus (Carpano, Chrisman and Roth, 1994). For example, homogenous needs can permit economies deriving from a centralised R&D department and a common marketing focus. Heterogeneous needs, on the other hand, can lead a company to adopt radically different product designs, commercial brands and packaging for each country. Standardisation of the marketing mix can be defined as the degree to which the companies use the same marketing programmes in the different countries in which they operate (Samiee and Roth, 1992). On the one hand, companies can opt to design a fixed marketing programme for all the countries that does not include modifications to products, prices, promotions and distribution. On the other, the companies can decide to adapt their decisions based on marketing mix elements in the countries they are addressing. Empirical studies on the influence of the adaptation of marketing mix on export success illustrates a primarily positive nexus (e.g. Cavusgil and Zou, 1994; Cooper and Kleinschmidt, 1985; Diamantopoulos and Inglis, 1988; Kirpalani and MacIntosh, 1980; Koth and Robicheaux, 1988). However, some studies have shown that successful export behaviour is linked to offering standardised products (Christensen, Da Rocha and Gertner, 1987; Kaynak and Kuan, 1993) and that the adaptation of prices is not associated with the returns received (Bilkey, 1987).

The above paragraphs suggest that, in spite of the importance of geographical scope, when it comes to competitive methods and adapting the marketing mix as aspects of the export strategy, there is no unanimity regarding their impact on export success when their effects are studied as individual variables. We might think that when they are combined in a certain manner, different export models can be identified and, thus provide a clearer picture of their effect on export performance. At the core of the configurative perspective is the assumption that organisational phenomena can be better understood by identifying different groups of companies, internally consistent, than by trying to discover relations found in all the organisations (Ketchen, Thomas and Snow, 1993). Consequently, the following section briefly introduces the configurative approach and reviews the earlier research into export literature regarding this theoretical perspective.

3. THE CONFIGURATIVE APPROACH

The configurative approach suggests that organisations can be better understood as a synthesis of multiple independent characteristics. The configurative approach is especially relevant for the study of business strategy, given that the multidimensional nature of the competitive strategy and the configurations represented by several types and taxonomies of strategy have played a prominent role in the conceptual development of the field (Ketchen, Thomas, and Snow, 1993). From a theoretical point of view, for example, Miles and Snow (1978) develop their strategic typology based on three business problems, while the competitive strategies of Porter (1980) describe usual patterns in the competitive position of the companies in the industries.

In the area of the large international companies, several studies suggest that it is possible to define multiple strategies based on the different combinations of their elements, which are equally viable (Carpano, Chrisman and Roth, 1994; Collis, 1991; Morrison and Roth, 1992; Porter, 1986). In the context of the export company, the possibilities that can be derived from the combinations of the different dimensions of the export strategy and its joint influence on export performance has been analysed by a few authors (for example, Cooper and Kleinschmidt, 1985; Julien et al. 1997; Namiki, 1988, 1989, 1994; Stewart and McAuley, 2000).

Together, these studies illustrate the relevance of the types and the taxonomies to identify strategic patterns in different contexts. Especially, with regard to the export strategy, the results obtained suggest the existence of certain strategies whose influence on export performance is greater than others. However, in spite of the relevance of these results, we understand that the dispersion presented in previous works with regard to the identification of the dimensions of the export strategy, as well as the majority determination of export success by means of one-dimensional indicators, makes it necessary to continue researching this aspect. We therefore propose the following questions for investigation:

- Are there different strategic patterns in the export activity of the company as a result of the combination of different levels of geographical scope, the type of competitive advantage sought and the adaptation of the marketing mix? And if so, what is its nature?
- Can different strategic approaches be equally effective when it comes to examining export success?

4. METHODOLOGY OF THE INVESTIGATION

4.1. AREA OF THE INVESTIGATION AND DATA COLLECTION

The information for the empirical study was obtained from companies belonging to the Spanish ceramic tile industry. Practically all the companies in this industry are involved in international activities, together exporting more than 50% of their production (ASCER, 2000). This heavy commitment towards foreign markets is an attractive factor, as it possibly includes a considerable diversity of behaviours in the international area, an aspect considered essential for conducting the research. Taking into account the characteristics to be researched, the study population was limited to 205 companies, a sample considered appropriate to represent the total. The instrument chosen to obtain the necessary information was a postal survey comprising a questionnaire addressed to company managers. As a stage prior to validating the scales, the questions underwent evaluation by experts in the sector and a pilot test was performed using the questionnaire among different companies. The total number of questionnaires received finally reached 93, from which five were eliminated as they were incomplete. These 88 questionnaires represent a response rate of 43%.

The possible existence of biases derived from not answering was examined comparing the distributions of the companies answering and those who did not answer for the “turnover” variable. The value of the Chi-squared statistic obtained confirmed there was no bias due to non-response. Most of the companies in the sample had fewer than 200 employees. All of them were exporters and seventy per cent had international experience of more than 10 years. Seventy per cent of the companies exported to more than twenty countries, and on average the intensity of exports was almost 50%, with more than 80% of the companies exporting more than 25% of total turnover.

4.2. MEASURING THE VARIABLES

4.2.1. Export performance

The measure of success of export performance is one of the most controversial aspects of export literature, with alternative proposals with regard to the unit of analysis that must be taken, the number and type of dimensions to be included and the objective or subjective nature of the indicators. With regard to the unit of analysis chosen, the majority tendency has been to study the companies’ export performance as a whole (Zou and Stan, 1998). However, some studies (Bilkey, 1987; Cavusgil and Zou, 1994; Madsen, 1989; Piercy, Kaleka and Katsikeas, 1998) took export incursion as the unit of analysis, arguing that it is possible to go deeper into the factors associated with export performance, while avoiding the possible effects of the compensation of results among products and countries that can be seen when the company is considered as a homogenous unit. However, as Zou and Stan (1998) state, company studies can be appropriate in the case of small companies that often have just one line of products.

With regard to the number of aspects gathered, among recent works it seems that there is a high level of consensus in the adoption of measures that include multiple dimensions of the export position of the company, more than the limitation of the single dimension.

With regard to the selection of the dimensions, in general, the export performance has been determined in a predominant manner through measures related to foreign sales: absolute sales figure, growth, proportion of total sales, profitability. However, Aaby and Slater (1989) warn that export success must be valued, taking into account the companies objectives with regard to exports and the progress achieved and Cavusgil and Zou (1994) consider that the export performance should relate to the compliance with the strategic objectives in addition to economics.

With regard to the objective or subjective nature of the indicators, most studies have used objective indicators. However, the use of objective measures in the evaluation of export performance are associated with a series of problems relating to methodological difficulties obtaining data and, furthermore, organisational behaviour has been shown to be more important as managers perceive the internal and external environment of the company than the objective reality of these environments (Katsikeas, Piercy and Ioannidis, 1996). Thus, the results or actions that are considered a success by one export manager may be considered unfortunate by another, hence the relevance of the subjective measures used to gather the managers' perception of the level of export success (Louter, Ouwerkerk and Bakker, 1991).

In our case, the design of the performance measure took the above aspects into account. Firstly, the majority of the companies belonging to the Spanish tile and ceramics industry lack a diversified business portfolio, so we think it is appropriate to use the company as the unit of analysis. The export performance has been expressed on a subjective scale, formed by four items, created by Naidu and Prasad (1994) and in consonance with that used by Piercy, Kaleka and Katsikeas (1998). This collects, on a seven-point scale, the direct appreciation regarding the international action of the company in the last three years in terms of compliance with the objectives of: a) returns, b) market penetration, c) growth in sales, d) image abroad. The value of the Cronbach alpha coefficient, 0.8031 indicates that the reliability of the scale is acceptable.

4.2.2. Geographical range

To measure the geographical scope we asked about the approximate number of countries to which the companies exported their products. This approach has been used in numerous investigations into exporter behaviour (Amine and Cavusgil, 1986; Beamish *et al.*, 1993; Cooper y Kleinschmidt, 1985; Da Rocha, Christensen and Da Cunha, 1990; Diamantopoulos and Inglis, 1988; Domínguez and Sequeira, 1993; Hoang, 1998; Kaynak and Kuan, 1993; Louter, Ouwerkerk and Bakker, 1991).

4.2.3. Type of competitive advantage sought: Competitive methods used

The measurement of the type of competitive advantage that the company seeks to achieve has been approached in the literature mainly through the identification of the different competitive actions or methods that companies can use to compete. In our case, when it came to developing the scale, we based this mainly on the format employed by Morrison and Roth (1992) to measure the competitive position of the companies that compete in global industries. This scale is complemented with items used by Robinson and Pearce (1988). Formed by 21 items, it evaluated, on a seven-point scale, the relative importance that the companies gave to the different competitive methods over the past three years (Appendix 1). The responses obtained underwent a factorial analysis with the aim of identifying the underlying dimensions and condensing the information supplied[1]. The application of the factorial analysis of the main components and the use of the Varimax method allowed us to identify four factors[2]. The final matrix of the rotated components, with an explained variance percentage of 62.97%, yielded four factors the identification of which reflected clearly differentiated patterns of competitive behaviour (Table 1). These were related to the emphasis on efficiency, and differentiation through marketing, service and by means of innovations in products. This factorial structure has allowed us, when it comes to shaping the type of competitive advantages sought by the company, to reflect on the advantages associated with the different types of differentiation suggested in the literature. For example, in accordance with Miller (1986, 1988, 1992), not only should the competitive actions associated with a cost advantage be identified, it is also worth distinguishing others linked to the search for differentiation based on product innovation; based on the decisions related to marketing; and based on quality and the service. Cronbach's alpha values for the constructs were between 0.6449 and 0.8178, which allows us to ensure the reliability of the scales.

4.2.4. Adapting the marketing mix

To evaluate the level of adaptation of the marketing programme, we based our work on others by Cavusgil and Zou (1994), Cooper and Kleinschmidt (1985) and Kaynak and Kuan (1993). A scale of three items was used, in which the companies were asked to indicate the degree to which they adapted to the different foreign markets: a) products, b) promotions, c) prices. A seven-point scale was used, where one represented not having made any adaptations and seven indicated maximum adaptation. Cronbach's α (alpha) reliability ratio (0,6805) suggested the test was reliable.

4.2.5. Analysis of the Data

To identify the export strategies used by the companies, we analysed conglomerates[3]. The dimensions chosen to represent the export strategies were, as has been indicated in the paragraphs above: the scope or geographical dispersion of the sales; (b) the adaptation of the marketing *mix;* and (c) the competitive actions or methods used to compete in the foreign markets, represented by efficiency variables, marketing differentiation, differentiation by service and differentiation by products.

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1 To do this, first we evaluate the significance of the correlations matrix with the contrasts for the variables, individually and together. The MSA of the individual variables indicated that this resulted in inacceptable values for two items (prices equal to or lower than those of the competition and highly qualified labour), prompting us to leave them out. The subsequent analysis offered acceptable values for the individual variables, as well as an appropriate index for the overall matrix.

2 Following the same criteria as Morrison and Roth (1992), with the object of ensuring that we obtained independent factors, of the 19 used, it was decided to eliminate 2 (fostering innovation in manufacturing processes and constant follow up of market opportunities) as they presented elevated weights in more than one factor (in both cases they were similar and higher than 0.52).

3 The measure of similarity we selected was the Squared Euclidean Distance and the variables were standardised, converting them to z scores to avoid possible inconsistencies deriving from the different measurement scales.

	Factor 1	Factor 2	Factor 3	Factor 4	Communal.
	Efficiency (α=0.7857)	Differen-tiation in Marketing (α=0.8178)	Differen-tiation in service (α=0.6449)	Differen-tiation in products (α=0.7001)	
High use of production capacity	0.759	0.049	0.015	0.132	0.597
Efficiency in production processes	0.759	-0.021	0.166	0.251	0.667
Strict control of direct and indirect costs	0.706	0.080	-0.040	0.141	0.527
Possession of a highly-automated plant and facilities	0.663	0.200	0.372	0.295	0.706
Manufacture of high-priced products for niche markets	0.030	0.855	-0.142	-0.060	0.756
Higher-than-industry-average advertising and promotions	-0.113	0.757	0.330	0.235	0.751
Influence/control of distribution channels	0.109	0.649	0.296	0.146	0.542
Development of new commercial techniques	0.412	0.569	0.336	0.118	0.621
Branding among consumers	0.493	0.562	0.175	-0.010	0.589
Reputation within the industry	0.450	0.549	0.125	0.074	0.526
Client service	0.162	0.086	0.855	0.067	0.769
Breadth of range of products	0.025	0.274	0.750	-0.117	0.652
Quality of the product	0.134	0.018	0.580	0.440	0.548
Development of new products	0.210	-0.099	0.002	0.852	0.779
Development of products with differentiated designs	0.173	0.322	0.016	0.729	0.665
Use of highly qualified sales staff	0.401	0.110	0.343	0.561	0.606
Development of products for specialised use	0.120	0.433	0.002	0.449	0.403
Auto values	5,789	2,109	1,486	1,320	
Percentage of explained variance	34,051	12,408	8,743	7,766	62,968

The Kaiser-Meyer-Olkin measure of sampling adequacy: 0,702
Bartlett's sphericity test: 758,320 Significance: 0,000

Table 1. Bases used to compete: Factorial analysis of main components

To obtain the conglomerates, we chose Ward's agglomerative hierarchical procedure, obtaining a three-group solution[4]. With a view to facilitating the interpretation of the resulting conglomerates, we analysed the variance of a factor to examine the differences between the groups in cases where there was compliance with the assumption of variance homogeneity and did multiple *post hoc* comparisons using the Scheffé method. In cases where the equal variance condition between the groups was not satisfied, the groups were compared using the Tamhane T2 test, a

[4] The Ward method, widely used in statistical literature to obtain conglomerates, minimises the differences within the conglomerate and avoids problems with "chaining" of the observations found in other methods. To obtain the conglomerates, we used Ward's agglomerative hierarchical procedure, obtaining a three-group solution. This led us to study three possible solutions, with two, three and four conglomerates. The solution with two groups presented very wide strategic behavioural patterns, making it very difficult to interpret. The solution of three groups appeared to be a simple option to interpret, while the four group solution divided one of the conglomerates in the solution of three in two groups, one of them being difficult to explain.

comparative pairs test of based on the *t* statistic. Table 2 presents the average values of the variables associated with each of the groups[5], the values associated with the Levene statistic, the results of the variance analysis and the application of *post hoc* contrasts. The results indicate that one of the measures differs from the others significantly in all the variables, with the exception of differentiation in service. Together, we can confirm that these results show how companies can be classified according to their export strategies.

Variables	Group 1 (n=28)	Group 2 (n=34)	Group 3 (n=26)	Levene Statistic	F	Post hoc comparisons
Market dispersion	29	78	24	7.203**		1. 3 < 2
Marketing mix adaptation	5.2	5.4	4.4	2.980	13.287***	3 <1. 2
Efficiency	6.5	5.5	5	4.773**		3 < 1. 2 2 < 1
Differentiation in Marketing	5.6	4.9	4.2	9.646**		3 <1. 2 2 < 1
Differentiation in service	6	6.1	5.8	0.708	0.440	
Differentiation in products	5.8	5.4	4.7	2.927	10.157***	3 < 1. 2

** $p < 0.05$ *** $p < 0.01$

Table 2. Analysis of conglomerates for obtaining export strategy groups

From the analysis of the average values presented by the companies belonging to *Group 1* it can be seen that these companies are not looking for geographical diversification of their sales to the greatest possible number of markets and that they are companies that adapt their marketing mix according to the countries where they operate. With regard to the bases used to compete, they give a great deal of importance to efficiency. The relevance they give to the search for differentiation by means of marketing is also significant.

In *Group 2* what basically stands out is the market dispersion strategy. With regard to the level of adaptation of the marketing mix, in the same way as in the *Group I* companies, the companies belonging to this group go beyond minimum requirements, indicating a relatively high level of adaptation. With regard to the basis chosen for competing, they are characterised, with regard to the other groups, by occupying intermediate positions in the emphasis given to efficiency and differentiation related to marketing.

Lastly, *Group 3* follows a conservative market expansion strategy. This is accompanied by an adaptation of the marketing mix, which is significantly lower than that of the other two groups considered, suggesting that the level of adaptation indicated could derive from the need to adapt these minimum levels to the requirements of commercial policy, rather than the desire to adapt to it. With

[5] Following the recommendations of Hair et al. (1999), we have used the original average scores of the variables to create the group profiles.

regard to the bases chosen on which to compete, the companies belonging to this group are characterised by the lower level of emphasis they give to efficiency, to differentiation by marketing and differentiation related to new products.

4.2.6. The influence of export strategies on export performance

To analyse the influence of the export strategy on export performance, we used ANOVA, which showed us the existence of significant differences in the average values of the performance level. Statistic *F* is statistically significant at the 5% level. Furthermore, the later comparisons carried out using the Scheffe test show that the average scores were only statistically different for the companies in cluster 3, and were very similar to the export performance of the companies belonging to groups 1 and 2 (Table 3).

	Group 1 (n=28)	Group 2 (n=34)	Group 3 (n=26)	F	Post hoc comparisons
Export performance	5.08	5.27	4.5	7.355**	3 < 1. 2

*** $p < 0.05$*

Table 3. Export strategy and export performance: ANOVA of a factor

5. DISCUSSION

The application of cluster analysis has enabled us to identify the dominant export patterns in the Spanish ceramic tile industry. Similarly, the results obtained confirm the relevance of the geographical scope variables and adaptation of the marketing mix when it comes to identifying strategic orientations in the international context, an aspect highlighted by Carpano, Chrisman and Roth (1994), as these have served to differentiate the behaviour of the groups identified. With regard to the bases used to compete, these show us, in accordance with different studies on competitive patterns (Hill, 1988; Kim and Lim, 1988; Miller, 1986, 1988; Miller and Dess, 1993; Miller and Friesen, 1986; White, 1986), how the companies can simultaneously gain advantages from efficiency and different forms of differentiation, it being relevant to distinguish between groups of companies, the major or minor importance attached to efficiency and differentiation by marketing.

We believe it is appropriate to highlight the fact that in the earlier classification, all the strategic options combining (1) geographical dispersion with (2) non-adaptation of the marketing mix and (3) with some type of competitive base. The combination of the first two dimensions shows us cases in which the company uses the same sales policy in a large number of countries. This fact could be explained by the characteristics of the ceramic tile industry, which can be characterised by the heterogeneous needs of its clients and different bases of competency in each national market, a feature that brings it closer to multidomestic industries, in which it has been shown that this type of strategic focus is inadvisable. As was pointed out by Carpano, Chrisman and Roth (1994), the efficiency of *mass-market* *strategies* –the name given to these which are comparable to the case in question – is strongly influenced by the characteristics of the industry, and the results of the study suggest that the strategies followed show poor financial results in the multidomestic industries. One possible explanation of the absence of this type of strategy may reside in the knowledge of the characteristics of the industry on the part of the companies that lead them to reject these strategies, as standardisation is not feasible. Furthermore, in this multidomestic context, the viability of strategies that combine the concentration of markets and non-adaptation, as is the case of companies in *Group 3,* which could be understood from the position of the companies that are basically directed at markets that are more similar, which allows them not to adapt their marketing mix.

With regard to the influence of the export strategy on export performance, the fact that no differences are detected between the performance of the companies in *Group 1* and *Group 2* and that these show values in excess of *Group 3* suggest, on the one hand, that, in the context of the Spanish companies belonging to the ceramic industry, it is possible to follow equally effective export strategies, finding to some extent, support in the concept of equifinality. The strategies used by the companies belonging to both groups have something in common in comparison to *Group 3,* the adaptation of the marketing mix and the emphasis placed on the differentiation by product innovations.

With regard to the adaptation of the marketing mix, as has been indicated above, the fact that the industry analysed has characteristics comparable to those of the multidomestic industries contributes to justifying this result. With regard to the role of differentiating products can be interpreted from the fact that it is complementary to geographical scope and the rest of the competitive dimensions highlighted. Thus, in *Group 2*, it would be fair to think that the costs accompanying the emphasis on innovation of products can be shared among a large number of markets. In *Group I,* on the other hand, the companies opt to address a more reduced market, gaining advantages over *Group 3* on combining efficiency with differentiation in marketing and its products. It might be said that, when the corresponding adaptation of the marketing mix has been made, in this type of industries, companies can opt for different levels of market diversification, provided they are combined in a coherent manner with the different competitive bases.

6. CONCLUSIONS

The object of this investigation was to examine company strategies in foreign markets and their impact on export performance. Specifically, it has concentrated on a taxonomic analysis of the export strategies followed by the companies belonging to the Spanish ceramic industry based on combining different elements of their export strategies. To do this we have defined the elements of the export strategy through previous theoretical contributions, both from the export literature and strategic literature, which led us to identify three particularly relevant elements in the export context: the geographical scope, the adaptation of the commercial policy and the competitive advantage sought. With regard to the competitive advantage sought, we have identified four patterns that correspond clearly to the competitive models identified in earlier research, which are based on efficiency and on different types of differentiation, related to service, innovation in products and marketing.

With regard to the exporters' strategies, the analysis carried out has enabled us to identify three types of export strategies. The first group seeks to simultaneously harness the advantages deriving from efficiency and different models of differentiation, developing an adaptation of the marketing mix, and its behaviour in the international markets is not particularly linked to its presence in a large number of countries. In contrast, the second group does configure its export strategy based on its presence in a large number of foreign markets, together with the adaptation of the marketing mix. The third group, with less geographical dispersion and less adaptation of the marketing mix, is characterised precisely because it places less emphasis than the other groups on competitive dimensions.

To be noted in these results, with regard to the methods chosen for competing is, on the one hand, the importance given by all the groups to differentiation in the service, where customer service, the quality of the products and offering a wide range of products are the dominant elements. This allows us to confirm that to compete successfully internationally, these aspects have become a necessary element, but one that is not enough on its own. On the other hand, it is worth mentioning the existence of export strategies that combine the advantages deriving from efficiency with those that are supplied by differentiation. Likewise, the importance of strategic decisions relating to the geographical area and adaptation of the marketing mix is also highlighted, to identify differentiated strategic models in the export context.

With regard to the influence of this export strategy on international returns, the analysis made has allowed us to highlight the importance of finding strategies in which the company, regardless of the geographical area it chooses, adapts its marketing mix to the markets in which it operates and clearly defines the basis on which it is going to compete. It is the companies that put less emphasis on competitive aspects and which adapt their products to a lesser degree, which perform most poorly. On the other hand, we found that the companies that adapted their marketing mix and which, together with this element, combine in their strategy, in a different way, market dispersion and the basis chosen on which to compete, which can be equally effective, corroborating the principle of equifinality. These results agree with the thoughts of Zou and Stan (1998: 345), who indicate that: "the effect of the general export strategy (…) is insignificant in the majority of cases. (...). Multiple strategic approaches can be successful if they are adapted to the specific conditions of export operations".

With regard to the direct implications, the message is that when the interrelations among the components of the export strategy are considered, companies can adopt different strategies to compete in foreign markets. Also, certain combinations of the variables comprising the strategy are more successful than others. In this sense, the taxonomy presented may be useful when it comes to deciding how to combine the export variables to ensure these fit the particular circumstances of the companies, in a manner that enables them to achieve better results.

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ANNEX 1: "COMPETITIVE METHODS" SCALE

Indicate the relative importance the following aspects have had for your company during the last three years (1 = no importance, 7 = extreme importance):

1.	Encouraging the development of new products
2.	Emphasising the quality of the product
3.	Developing products with differentiated designs
4.	Emphasising the development of products for specialised use
5.	Offering a wide range of products
6.	Offering prices equal to or lower than those of the competition
7.	Doing more publicity and promotion than the industry average
8.	Emphasising customer service
9.	Influencing/controlling distribution channels
10.	Developing innovative sales techniques
11.	Manufacturing high-priced products for market niches
12.	Building a reputation within the industry
13.	Creating a brand image among consumers
14.	Constantly following up market opportunities
15.	Using a highly qualified sales force
16.	Strictly controlling direct and indirect costs
17.	Fostering innovation in manufacturing processes
18.	Achieving high levels of use of production capacity
19.	Developing an efficient production process
20.	Using highly qualified labour
21.	Having highly automated plant and facilities