

## **IDENTIFY THE DETERMINING FACTORS OF EXPORT PERFORMANCE OF TEA EXPORTING COMPANIES**

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### **ABSTRACT**

This study seeks to investigate the export performance of tea exporting companies according to importance of promoting non-oil exports and measure the effect of these factors on export performance. Hence tea exporting brand owner companies have been selected as a sample statistical to gather the necessary information from them be answered the main research question what are the determinants of export performance of tea product. This research method is practical from the aim and on the method is research and descriptive survey that the required data is collected by using of questionnaires, data bases and computer networks, 19 tea exporting companies as statistical population were chosen and the sample size was estimated to be equal to 111. Data collected was examined by SPSS and linear regression analysis. The findings indicate a significant positive relationship between the integrated marketing tactics and export performance, integrated the competitive tactics and perceived competitive advantage, perceived competitive advantage and export performance, managers export experience and integrated marketing tactics, managers export experience on export performance of tea exporting companies.

**Keywords:** *Export Performance, Competitive Advantage, Tea, Export*

### **INTRODUCTION**

Because of our tendency to the global economy, and attention to non-oil exports, the export performance of companies is considered one of the key issues in this area. Export as the engine of the economy plays the key survival of the nation in the global market. As the successful business firms with in the national borders depends on the proper and effective marketing, as well as when the scope of a firm expanding in to overseas, access to success depends on a correct understanding of the external market coordinates and adopting strategies to manage it (Doaee and Hosseini, 2008). In this regard, the fundamental question which is facing any company that is active in the international market, is that what factors influenced the companies' export performance? In the field of effective factors on the export performance have been conducted numerous studies. Literature review revealed that among the many factors that may affect export performance integrated marketing tactics, export experience and the perceived competitive advantage is more prominent (Hosseini and Mirjahan, 2011). This study is also in line with Hosseini and Mard's research. Iran tea product as an item that can supply and sales at Common wealth of Independent states (cis) markets need to develop and expand export activities in this field. Tea export was \$27million in value and about 25 tons in weight in 1391 that in compared with the year before, 6/54% by value and 23% by weight is increased. However, there is over 100 thousand tons of annual tea in the stocks that should be taken for their exports. The present study attempts to identify the effective factors in export performance of tea exporting companies and provide solutions to improve export performance.

A review of the research literature: Marketing Tactics: the degree which exports marketing tactics been adapted with Environmental differences in foreign markets (Hosseini and Mard, 2011). In this study, variable integrated marketing tactics are done by indicators such as product adaptation strategy (the degree which a company makes its products identical or matching them with the target market), adaptation strategy pricing (this indicator related to homogenization or integrated of international pricing policies, export channels strategy (Distribution) (export channel strategy is divided into two parts, directly or indirectly, a) better understanding of export markets, and b) increase the export profitability by the part of net income. Export experience which is a guiding force in the internationalization of companies, is the

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empirical knowledge about foreign markets and operations (Navarro *et al.*, 2010). Export experience variable is measured by indicators such as: work experience abroad, history of country’s goods exports and understanding foreign cultures of managers. Perceived competitive advantage is a value that the organization provides to its customers, so that at the time the value is not supplied by the actual and potential competitors (Mehri and Hosseini, 2004).

Competitive Advantage includes factors or capabilities that enable the company to show better performance than competitors (Sadri & Lees, 2001). Thus, an organization to achieve a competitive advantage, should also consider own external position and internal capability (Appelbaum, 2000).

Perceived competitive advantage variable is measured by indicators such as: product quality, uniqueness, competitive price, distribution, communication, Advertising, production, capabilities and capacities and data collection channel Export performance: The success rate of a company in export scan be evaluated its export performance.

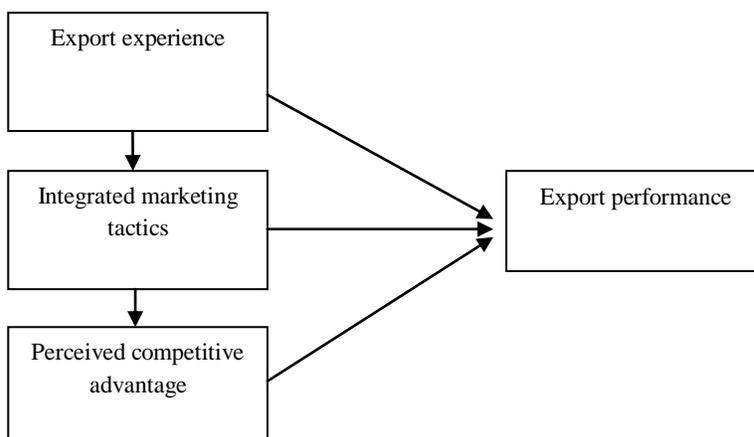
Cavusgil & Zou (1994) defined export function the extent of the achievement of the goals, when the company has exported its products to market.

Madsen (1998) suggested that the export function as a basic dimension of decision-making in international trade. Export performance variable is measured by indicators such as: export sales growth, export profitability, achieves expectations.

**Research Conceptual Models**

<b>Results</b>	<b>year</b>	<b>Researcher</b>
There is a positive significant relationship between competitive advantage dimensions and export performance of exporter of decorative tones companies.	(2005)	<b>Deh Yadegari et al.</b>
There isn't a positive relationship between integrated marketing tactics and export performance, however there is a positive relationship between integrated marketing tactics and company's perceived competitive advantage, the company's perceived competitive advantages and export performance, managers 'export experience and company's integrated marketing tactics, managers' export experiences and the company's export performance.	(2011)	<b>Hosseini &amp; Mir Jahan Mard</b>
Findings the study showed that there is a significant positive relationship between environment and price, experience and price, experience and performance. However, according to the findings the relationship between environment and performance, price and performance, experience and prices is not significant.	(2002)	<b>Cadogan et al.</b>
The findings showed that brand image, product quality and cost of goods sold in export markets as the most important factors of competitive advantage will lead to success in export markets, while the ability to understand the needs and demands of consumers and develop strong relationships with consumers in the market was recognized the most important skills for success in export markets. This paper also shows that knowledge of export managers is a key factor in the success and failure of export companies.	(2010)	<b>Haluk Köksal &amp; Özgü</b>

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**Figure 1: The research conceptual model is presented in line with Hosseini and Mir Jahan Mard’s (2011) research**

Research objectives include Main objectives: Identify the determining factors of export performance of tea exporting companies, and Sub objectives:

- 1) Measuring the impact of integrated marketing tactics on export performance of tea exporting companies in Iran
- 2) Measuring the impact of integrated marketing tactics on perceived competitive advantage of tea exporting companies in Iran
- 3) Measuring the impact of perceived competitive advantage on export performance of tea exporting companies in Iran
- 4) Measuring the impact of managers' export experience on of integrated marketing tactics of tea exporting companies in Iran
- 5) Measuring the impact of managers' export experience on export performance of tea exporting companies in Iran

Research Hypothesis are:

- First hypothesis: integrated marketing tactics has a positive effect on export performance of tea exporting companies.
- Second hypothesis: integrated marketing tactics has a positive effect on the perceived competitive advantage of company.
- Third hypothesis: Perceived competitive advantage of the company has a positive effect on export performance of tea exporting companies.
- Fourth hypothesis: Managers' export experience has a positive effect on integrated marketing tactics of tea exporting companies.
- Fifth hypothesis: Managers' export experience has a positive effect on export performance of tea exporting companies.

This research objective is practical and descriptive analytical survey methodology is used. This paper can be considered a library and field studies in categories of research in materials (places) and the discovery of relationships between variables which collected data in field among the companies. The statistical population consists of a collection of individuals or units that have at least one common trait. The statistical population of this study includes all tea exporting companies, including the 19 companies owner brands in Iran. The sample is called a statistical population who data obtained from them and represent the main features of community. The sample size was estimated to be equal to 111 that is the number of these companies senior managers, manufacturing sector managers, quality control, marketing and sales department. These managers were selected due to the fact what have accurate information about the performance, especially their own organizations export performance. Hence 111 questionnaires were distributed and finally 88 questionnaires were collected and based on the analysis of the research. In this

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study, the main tools to collecting data are data bases, computer networks and questionnaire. The survey questionnaire is a standard questionnaire that is combination of questionnaires Sousa and Bradley (2008) and Shamsoldoheh and Ali (2006), and also Farahshoor (2013) has used it in his work. Questions is based on Likert scale 7 point (strongly weak=1 to strongly good=7). Likert is an ordinal scale that is constructed from a set of regular expressions has been developed in a particular way. In this study, a questionnaire is used as a measuring tool. Therefore, it can be verified in validity because the used inventory was a standard questionnaire which has been approved either inside or outside the country and have used a large number of researchers and experts. But in order to increase the validity of research, 30 questionnaires distributed among samples and was calculated Cronbach's alpha. The Cronbach's alpha values obtained on 0/80 in all variables so the validity of the sample is ensured. When the researcher wants to measure a complex concept by various means, to assess the internal consistency of Cronbach's alpha can be used Likert scale. Whatever the percentage obtained is closer to 100%, indicating a higher reliability of the questionnaire. Calculated Alpha value what actually show that reliability study in independent variables is as follows: Alpha coefficient of marketing tactics variable was 0/903 with 10 items, export experience variable with 3 items was 0/844 and competitive advantage variable with 14 items was 0/918, and finally the export performance dependent variable with 4 items was 0/901. Therefore, we can say that the present study has acceptable reliability. In this study the descriptive analysis was used. Thus the researcher categorized the data collected using descriptive statistics and to prepared frequency distribution table summarizes them and then displays by chart and finally analyze them using statistical indicators. In addition to testing hypotheses research hypotheses were tested in inferential statistics by Software SPSS19 and regression testing.

To analyze the data collected first questionnaires were completed by respondents are collected and the raw data needed to test hypotheses using computers and software are recorded and then these data are analyzed by software spss19 and were converted to the data used in this study in two stages. In the first stage which is a descriptive analysis, the data collected is presented in a table of descriptive statistics and histograms and in the second stage, which is inferential analysis, hypotheses are tested using regression techniques. Finally, we can consider that about the acceptance or rejection of any statistical hypotheses.

Describe demographic variables: Sex of respondents: It was observed that among 88selected samples, 6 people (6.8%) were women and82 persons (2/93 percent) were male. Age of respondent: It was observed that among 88selected samples, 4 people (4.5%) were between 31to 40 years old and59 people (59 percent) were between41 to 50years old and 25 persons (4.28 percent) were more than50years old. Respondents Education: It was observed that among 88selected samples, 7 people(8%), had Diploma, 25 people (28.4 percent) Associates Degree, 32 people(36.4%) of the Bachelor's degreeand24 persons (27.3 percent) Master's Degree or higher. The history of Respondents: It was observed that among 88selected samples 6persons (6.8 percent) less than 5years, 13persons (14.8%) between 6 to10years, 40persons (45/5%) between 11 to15, 28 persons (31.8%) were between 16 to20and 1 person (1/1%) has served more than20yearsexperienceinexporting.

Description of integrated marketing tactics variable: It was observed that the lowest value of integrated marketing tactics variable was 3.2, the highest value was7, the average was 5.49, the standard deviation0.849andvariance was 0.721.

Description of export experience variable: It was observed that the lowest value of export experience was 2 and the highest value was7, the average was 5.36, the standard deviation 1.02664 and variance was 1.054.

Description of perceived competitive advantage variable: It was observed that the lowest value of perceived competitive advantage variable was 3.21 and the highest value was 6.6, the average was 5.18, the standard deviation 0.818 and variance was 0.670.

Description of dependent variables: export performance: It was observed that the lowest value of export performance variable was 2 and the highest value was 7 , the average was 5.36, the standard deviation 1.111 and variance was 1.234.

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Research hypothesis testing:

Main first hypothesis: Integrated of marketing tactics has a positive effect on export performance.

**Table 1: Analysis of regression testing variance between Integrated of marketing tactics and export performance**

Model		Sum of Squares	D f	Mean Square	F	Sig.
1	Regression	40.746	1	40.746	52.613	.000 <sup>a</sup>
	Residual	66.603	86	.774		
	Total	107.349	87			

According to the significant level value is less than 0/05, thus the impact of integrated of marketing tactics variable on export performance is significant at 95percent confidence level. The intensity of this effect was equal to 61/6 percent. The coefficient of determination between two variables is equal to 0/380 that is integrated marketing tactics can predict 38 percent of export performance of Iran tea exporting brand owner companies.

**Table 2: Regression coefficients between the integrated of marketing tactics and export performance**

Model	Un standardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
1 (Constant)	.938	.617		1.521	.132
Integrated of marketing tactics	.806	.111	.616	7.253	.000

According to Beta, this effect has a direct and positive direction.

Main second hypotheses: Integrated of marketing tactics has a positive effect on perceived competitive advantage of the company.

**Table 3: Analysis of regression testing variance between Integrated of marketing tactics and perceived competitive advantage**

Model		Sum of Squares	D f	Mean Square	F	Sig.
1	Regression	21.978	1	21.978	52.102	.000 <sup>a</sup>
	Residual	36.277	86	.422		
	Total	58.254	87			

According to the significant level value is less than 0/05, thus the impact of integrated of marketing tactics variable on perceived competitive advantage is significant at 95percent confidence level. The intensity of the impact was the 0/4961 percent.

**Table 4: Regression coefficients between the integrated of marketing tactics and perceived competitive advantage**

Model	Un standardized Coefficients		Standardized Coefficients Beta	T	Sig.
	B	Std. Error			
1 (Constant)	1.936	.455		4.254	.000
Integrated of marketing tactics	.592	.082	.614	7.218	.000

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The coefficient of determination between two variables is equal to 0/377, that is integrated marketing tactics can predict 37/7 percent of perceived competitive advantage of Iran tea exporting brand owner companies.

According to Beta, this effect has a direct and positive direction.

Main third hypotheses: perceived competitive advantage of the company has a positive effect on export performance.

**Table 5: Analysis of regression testing variance between perceived competitive advantage and export performance**

Model		Sum of Squares	D f	Mean Square	F	Sig.
1	Regression	59.008	1	59.008	104.976	.000 <sup>a</sup>
	Residual	48.341	86	.562		
	Total	107.349	87			

According to the significant level value is less than 5 percent, thus the impact perceived competitive advantage variable on export performance is significant at 95percent confidence level. The intensity of the impact was 74/1 percent. The coefficient of determination between two variables is equal to 0/550, that is, perceived competitive advantage variable can predict 55 percent of export performance of Iran tea exporting brand owner companies.

**Table 6: Regression coefficients between perceived competitive advantage and export performance**

Model		Un standardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients Beta		
(Constant)		.143	.515		.277	.782
Perceived competitive advantage		1.006	.098	.741	10.246	.000

According to Beta, this effect has a direct and positive direction.

Main fourth hypotheses: Managers export experience has a positive effect on the integrated of marketing tactics of the company.

**Table 7: Analysis of regression testing variance between managers export experience and integrated of marketing tactics**

Model		Sum of Squares	D f	Mean Square	F	Sig.
1	Regression	27.818	1	27.818	68.486	.000 <sup>a</sup>
	Residual	34.932	86	.406		
	Total	62.751	87			

According to the significant level value is less than 0/05 percent, thus the impact managers export experience variable on integrated of marketing tactics is significant at the 95 percent confidence level. The intensity of the impact was 66/6 percent.

**Table 8: Regression coefficients between managers export experience and integrated of marketing tactics**

Model		Un standardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients Beta		
1 (Constant)		2.531	.363		6.965	.000
Export experience		.551	.067	.666	8.276	.000

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The coefficient of determination between two variables is equal to 0/443, that is, managers export experience variable can predict 44/3 percent of integrated of marketing tactics of Iran tea exporting brand owner companies.

According to Beta, this effect has a direct and positive direction.

Main fifth hypotheses: managers' export experience has a positive effect on export performance of the company.

**Table 9: Analysis of regression testing variance between managers export experience and export performance**

Model		Sum of Squares	D f	Mean Square	F	Sig.
1	Regression	49.265	1	49.265	72.942	.000 <sup>a</sup>
	Residual	58.084	86	.675		
	Total	107.349	87			

According to the significant level value is less than 0/05 percent, thus the impact managers export experience variable on export performance is significant at the 95 percent confidence level. As the intensity of the impact was 67/7 percent. The coefficient of determination between two variables is equal to 0/459, that is, managers export experience variable can predict 45/9 percent of export performance of Iran tea exporting brand owner companies.

**Table 10: Regression coefficients between managers export experience and export performance**

Model	Un standardized Coefficients		Standardized	t	Sig.
	B	Std. Error	Coefficients Beta		
1 (Constant)	1.427	.469		3.044	.003
Managers export experience	.733	.086	.677	8.541	.000

According to Beta, this effect has a direct and positive direction.

**RESULTS AND DISCUSSION**

- Analysis of main first hypothesis: Integrated marketing tactics have a positive effect on export performance of tea exporting companies. In comparing the results obtained from the above hypothesis with previous studies, we can say that this result is consistent with the results of studies, Lee and Grifis (2003), Navarro *et al.*, (2009), Haghghi *et al.*, (2008), and in contrast with Hosseini and Mard(2011).

- The main second hypothesis: Integrated marketing tactics have a positive effect on perceived competitive advantage of tea exporting. The hypothesis was confirmed based on the results of the linear regression testing at the 95 percent confidence level. Therefore, integrated marketing tactics is influenced on the perceived competitive advantage exporting companies and the intensity of relationship between two variables were determined 61/49 percent. Also, according to the results 7/37% of perceived competitive advantage of review exporting companies is explained by integrated marketing tactics. In comparing the results obtained with other studies on examining the effects of these two variables, we can say that the above result is consistent with the results of the study, Shoham (1999), Kaleka (2002), Aulakh *et al.*, (2002), Navarro *et al.*, (2009) and Hoseini and Mard (2011).

- The main third hypothesis: Perceived competitive advantage of companies have a positive effect on export performance of tea exporting companies. The hypothesis was confirmed based on the results of the linear regression testing at the 95 percent confidence level. Therefore, perceived competitive advantage is influenced on the export performance of tea exporting companies and the intensity of relationship between two variables were determined 74/1 percent. Also, according to the results 55 percent of export performance of review exporting companies is explained by perceived competitive advantage. We can say

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that the above result is consistent with the results of the study, Yadegari *et al.*, (2005), Haghghi *et al.*, (2008), Hoseini and Mard (2011), Navarro *et al.*, (2009) and Hoseini and Mard (2011), Karampour *et al.*, (2012), Köksal and Özgü (2010), in comparing the results obtained with other studies.

- The main fourth hypothesis: Managers' export experience have a positive effect on integrated marketing tactics of tea exporting companies. The hypothesis was confirmed based on the results of the linear regression testing at the 95 percent confidence level. Therefore, managers' export experience is influenced on integrated marketing tactics of tea exporting companies and the intensity of relationship between two variables were determined 66/6 percent. Also, according to the results 44/3 percent of integrated marketing tactics of review exporting companies is explained by management experience. We can say that the result is consistent with the results of the study, Doleh and Lovv, (2004) and Hoseini and Mard (2011) in comparing the results obtained with other studies.

- The main fifth hypothesis: Managers' export experience have a positive effect on export performance of tea exporting companies. As expected, managers with international experience affect the performance of companies in foreign markets positively what was confirmed in the present study. Therefore, managers' experience is influenced on export experience and the intensity of relationship between two variables were determined 67/7 percent.

Also, according to the results 45/9 percent of export performance of review exporting companies is explained by management experience. In comparing the results obtained with other studies can be noted that the findings of Rocha *et al.*, (1990), Zou and Stan (1998), Cadogan *et al.*, (2002), Susa and Bradlly (2008) and Haluk Köksal and Özgü (2010), Haghghi *et al.*, (2008) and Hoseini and Mard (2011). Because they're also found in their study that manager's export experience enrich the company and increases the performance of the company in foreign market. They believed that the international experience of managers to enable companies to identify international opportunities and to apply them and also avoid international threats.

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