The Effect of International Marketing on Competitiveness of Industrial Products Export Expansion (Case Study Iran)

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ABSTRACT

Marketing is a type of social and managerial process by which individuals and groups can satisfy their needs and demands through producing, manufacturing and exchanging products and values with others. If we want to attend and compete in international markets of industrial and consuming goods, basic skills on export marketing can guaranty our continuous presence in international market. Having knowledge and sciences related to marketing, being aware and analyzing the international environment, knowing controllable variables and their appropriate combination and being familiar with monetary and banking systems of the target market are among important skills needed for export marketing. The aim of this research is evaluating the effect of international marketing on the competitiveness of industrial products export expansion.

Keywords: *International marketing, export expansion, industrial products.*

I. INTRODUCTION

The increase in exports has been caused by the globalization of the world economy with tariffs reduction and trade liberalization policies. The governments are interested in the help firms to increase export and the governments in the developed countries have implemented the different export promotion programs. The governments are interested in promoting the export of their companies. Since exports are the driving force behind economic growth (Zou, 1998).Usually the governments spend a lot of sources on export promotion programs of their small and medium-sized companies, for this reason that the exports of such companies play an important role in the national economy. The export promotion programs of the government cause that the exports of small and medium-sized companies increase compared to large companies that may be export-oriented. So it can be concluded the export behavior of the small and medium-size dcompanies and the factors that have the important rule in their export success are important and the effort to recognize these factors are the valuable guide for managers and policy makers to formulate and implement the export policy (Katsikeas, 1996).

The main purpose of the managers from making the organization profitable is to maximize the long-term performance (Powers, 2004). The researchers show that the main concern of the

international companies is to improve the export performance (Fiegenbaum and Schendel, 1996). One of the basic and the main factors in determining the export performance is an international marketing strategy (O'Cass, 2003).In the literature of international marketing, there are different and contradictory results about the relationship between international marketing strategies and the export performance. Some researchers have shown that the use of the international marketing strategy standardization improves the export performance. And some other researches show that there is no significant and meaningful relationship between the standardization strategy and export performance. Also, some studies argued that adaptation of international marketing strategy will lead to the improvement of export performance. Ignoring the importance of the strategic coordination in the international marketing and its effect on the export performance is the main reason for the contradiction of the results of the relationship between international marketing strategies and expert performance. If it is accepted that the non-oil exports are the most effective and the most important way to improve the economic conditions of the Iran, the country should move with a systematic planning and patterns of the countries that have been successful in the development way (Najafi Majd, 2009). Since the oil reserves of the Iranare limited, so there is no way except development and improvement of non-oil export performance through interaction with global markets in order to reach economic growth and employment development (DehdashtiShahrokh, 2008).

The perspective of the increase in the non-oil export is presenting by Iranian governors for many years. Although the governments have always tried to take this perspective, but the comparison of the country's non-oil export figures with other countries shows that little success has been achieved and a broader planning is needed. This indicates that managers have not been able to identify the factors that are effective in the non-oil exports practically to improve export (Nahavandian, 2002).

Based on this view, it can be assumed that the environment determines managers in what factors in their own organzation they have to invest and pay attention to achieve the necessary success in the competitive environment. So, according to this perspective, identifying the environment and requirements derived from it is necessary for the success of the companies. On the other hand, since the resources of the organization are limited, so identifying the areas and parts, which the organization could earn lower capital returns through investing and creating agood performance in those parts, are important and vital (HosseiniToli, 2011).

As a result, according to the mentioned items, it is important to identify these factors and areas for the managers of the organizations. Because by recognizing them in addition to allocating optimal resources, the success of the organization in the competitive environment will be guaranteed. Because of the importance of this subject in different countries, various researches in different industries have been conducted to identify effective factors on the export performance. In each of these studies, the variables, which according to the opinion of the researcher had been directly or indirectly effective on export performance, were considered. The number of the examined variables had been somewhat broad. This extent is so high that it even contribute to the contradictory conclusion, ambiguities and findings. Most primary export research has been conducted to identify exporters from non-exporters, which means that most of the company's internationalization process is considered.

II. Methodology

The present study can be considered as a survey and goal-oriented research and is conducted based on a series of fundamental and basic research that develops and extends knowledge and theories in general. The purpose of this study was to investigate and analyze the effective factors in the choice of direct export strategy for entering international markets from the point of view of the experts and managers of the export sector in "Hamvatan Company" Iran. To know how these factors influence, the poll method through the survey questionnaire has been used as the objective and quantitative method.

The statistical population of this research consists of all senior managers and middle managers of the export sector and international marketing and all decision makers and policy makers of the issues related to the exports and determining the strategies of entering foreign markets at Hamvatan company that were 37 individuals. Therefore, according to available statistical population, census method is used and the Cronbach's alpha was equal to 0.835 (which is

satisfactory in humanities research), SPSS software has been used. In addition to descriptive statistical methods such as the frequency table to examine the frequencies, inferential statistical methods such as t-test and Friedman rank test have been used. In this study, in order to examine the normality of the data, the Kolmogorov test was used and according to the central limit theorem, these data are normal because the number of data was more than 30, also based on the results of this test to examine normality of data, the assumption of the normality of the data has been proven that the results will be presented in the following.

III. RESULT AND DISCUSSION

First hypothesis:
Table 1 show that the t-statistic is2.289 and this value is greater than 1.96. Also p-value is 0.000, which is less than 0.05, so attractiveness of the place is an effective factor for this company in choosing a direct export strategy to entry into the market.

Table 1 Output of t-test to analyze the first hypothesis of the research

Evaluation criterion (t=3)						H₁ is accepted
t-statis tics	Degr ee of freed om	Criter ion of decisi on	Sum of differe nce of means	95% confidence interval for thedifference		
				Minim um	Maxim um	
2.289	36	0.000	2.719 91	0.616 5	2.8233	*

Second hypothesis:
According to the results of table 2, since the value of the t-statistic is 2.099 and p-value is less than 0.05, it can be concluded that, from the perspective of managers of Hamvatan Company, the linguistic difference is an effective factor for the company in choosing the direct export strategy to enter a foreign market.

Table 2 Output of t-test to analyze the second hypothesis of the research

Evaluation criterion (t=3)						H₁ is accepted
t-statis tics	Degr ee of freed om	Criter ion of decisi on	Sum of differe nce of means	95% confidence interval for the difference		
				Minim um	Maxim um	
2.099	36	0.000	2.793 98	2.700 1	2.8879	*

Third hypothesis:
According to the results of the analysis of data of third hypothesis, table 3 shows that the value of

the t-statistic is more than1.96and it can be concluded that, from the view point of managers of Hamvatan company, the uncertainty of the destination country is an effective factor for the company in choosing the direct export strategy to enter a foreign market.

Table 3 Output of t-test to analyze the third hypothesis of the research

Evaluation criterion (t=3)						H₁ is accep ted
t-statis tics	Degr ee of freed om	Criter ion of decisi on	Sum of differe nce of means	95% confidence interval for the difference		
				Minim um	Maxim um	
2.7779	36	0.000	2.631 94	0.450 6	2.8132	*

Fourth hypothesis:
Table 4 shows that the t-statistic is 2.078 and this amount is more than 1.96 and p-value is equal to 0.001 and this value is less than 0.05, then it can be concluded that from the perspective of managers of Hamvatan company, competitive uncertainty is an effective factor for the company in choosing the direct export strategy to enter a foreign market.

Table 4 Output of t-test to analyze the fourth hypothesis of the research

Evaluation criterion (t=3)						H₁ is accep ted
t-statis tics	Degr ee of freed om	Criter ion of decisi on	Sum of differe nce of means	95% confidence interval for the difference		
				Minim um	Maxim um	
2.078	36	0.001	2.793 98	2.700 1	2.8879	*

Fifth hypothesis:
Table 5 shows that the t-statistic is 2.254 and this value is more than 1.96 and p-value is equal to 0.000 and this value is less than the common alpha level of 0.05, then it can be concluded that from the view point of managers of Hamvatan company, the uncertainty about product market is an effective factor for the company in choosing the direct export strategy to enter a foreign market.

Table 5 Output of t-test to analyze the fifth hypothesis of the research

Evaluation criterion (t=3)						H₁ is accep ted
t-statis tics	Degr ee of freed om	Criter ion of decisi on	Sum of differe nce of means	95% confidence interval for the difference		
				Minim um	Maxim um	
2.254	36	0.000	2.258 74	0.420 5	2.8214	*

Sixth hypothesis:

The results of the analysis of the sixth hypothesis are stated in table 6 and this table shows that the t-statistic is 2.588 and this amount is more than 1.96 and p-value is equal to 0.000 and this value is less than 0.05, then it can be concluded that from the viewpoint of managers of Hamvatan company, the uncertainty about the behavior of potential competitors is an effective factor for the company in choosing the direct export strategy to enter a foreign market.

Table 6 Output of t-test to analyze the sixth hypothesis of the research

Evaluation criterion (t=3)						H₁ is accepted
t-statistics	Degree of freedom	Criterion of decision	Sum of difference of means	95% confidence interval for the difference		
				Minimum	Maximum	
2.588	36	0.000	2.7004	0.6547	2.8002	*

Seventh hypothesis:

Table 7 shows that the t-statistic is 2.105 and this value is more than 1.96 and p-value is equal to 0.003 and this value is less than the common alpha level of 0.05, so it can be concluded that from the viewpoint of managers of Hamvatan company, international experience is an effective factor for the company in choosing the direct export strategy to enter a foreign market.

Table 7 Output of t-test to analyze the seventh hypothesis of the research

Evaluation criterion (t=3)						H₁ is accepted
t-statistics	Degree of freedom	Criterion of decision	Sum of difference of means	95% confidence interval for the difference		
				Minimum	Maximum	
2.105	36	0.003	2.5847	1.025	2.3587	*

Eighth hypothesis:

The results of the analysis of the eighth hypothesis are stated in table 8 and this table shows that the t-statistic is 2.895 and this amount is more than 1.96 and p-value is equal to 0.000 and this value is less than 0.05, then it can be concluded that from the viewpoint of managers of Hamvatan company, the size of parent company is an effective factor for the company in choosing the direct export strategy to enter a foreign market.

Table 8 Output of t-test to analyze the eighth hypothesis of the research

Evaluation criterion (t=3)						H₁ is accepted
t-statistics	Degree of freedom	Criterion of decision	Sum of difference of means	95% confidence interval for the difference		
				Minimum	Maximum	
2.895	36	0.000	2.785254	0.3654	2.7833	*

Ninth hypothesis:

The results of the ranking based on the Friedman test show that the effect of each of variables on choosing the direct export strategy to enter international markets is different, but there is a little difference between effects of each of the variables. The results are presented in table 9.

Table 9 the result of Friedman test to rank the variables

Rank	Variable	Sum of difference of means
1	Marketing skill	2.8952
2	Nature of activity	2.82299
3	Linguistic difference, competitive uncertainty, industry competitive intensity	2.79298
4	The size of the company	2.785254
5	Technical knowledge	2.76593
6	Attractiveness of place	2.71991
7	The behavior of potential competitors	2.7004
8	Investment volume	2.658790
9	Uncertainty of the destination country	2.63194
10	International experience	2.5827
11	Being related to the factor	2.54128
12	Uncertainty about product market	2.25844

IV. CONCLUSION

If we want to attend and compete in international markets of industrial and consuming goods, basic skills on export marketing can guaranty our continuous presence in international market. Having knowledge and sciences related to marketing, being aware and analyzing the international environment, knowing controllable variables and their appropriate combination and being familiar with monetary and banking systems of the target market are among important skills needed for export marketing. The aim of this research is evaluating the effect of international marketing on the competitiveness of industrial products export expansion. Thematic literature of previous researches and studies are used to answer to the first and second question of the

research that with a full review of the research literature on the subject, different types of methods and strategies for entering international markets and different important variables which are affecting them were determined. In order to answer the third question of the research and to test the first to ninth hypotheses, one sample t-test has been used. The results of the analysis of the first to the ninth hypotheses of the research indicate that the individuals of the study community agree that the attractiveness of the place, linguistic difference, uncertainty of country, competitive uncertainty, the uncertainty about product market, the uncertainty about the behavior of potential competitors, industry competitive intensity, investment volume, nature of activity, technical knowledge, being related, marketing skill, international experience, size of the company will be the effective factors in choosing the direct export strategy for Hamvatan Company to enter the international market. The companies can influence these markets with a coherent marketing plan. Meanwhile, the Iraqi and Afghan markets are among the emerging markets where the speed of access to these markets has great importance. Also, the managers of this company can pay more attention to personal interactions and communicate with foreign distributors and maintain positive relations with these distributors.

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