

## **Exploring Export Culture**

### **Abstract**

This report describes a preliminary exploratory research undertaken with the purpose to explore the meaning and content of the construct Export Culture as it relates to the Australian business context. Initiating, sustaining and increasing exports is usually considered a key to continuing national prosperity. Therefore exporting has traditionally being strategic priority for governments around the world, especially governments of countries with small domestic markets, like Australia, which are dependent on international markets to achieve vital scale economies of production, and related competitiveness. One of the fundamental factors determining the propensity of companies of a country to get actively involved in exporting is the existence in the country of strong export culture (Shaw & Owen, 2001). This research aims to clarify the meaning and dimensions of the construct Export Culture. This would enable further research into the operational definition of the construct and its measurement.

**Keywords:** export culture, exports, small to medium enterprises

### **Introduction**

The paper explains first the background of the research problem, followed by review of literature on export culture and export orientation. It then outlines the research problem and the research questions. The research design is introduced next as well as a rationale for choosing it. Following this section, attention is shifted to the analysis of the collected data. Finally – the findings and conclusions are presented, and research limitations are discussed.

## **Background**

“As I’ve said, in recent years our trade performance has been woeful. An export culture is something that has been lacking for a long time in Australia and it has had a detrimental effect on economic growth. It’s been a drag on our economy. We want to do better.” (Crean, S. Hon., Australian Minister for Trade, 2008)

Reflecting on the above quote makes one realise the importance Australian business leaders attach to exporting. The quote describes the lack of export culture in Australia as a drag on the economy, which has negatively impacted economic growth of the country. This is by far not the only instance Export culture is mentioned in documents by Australian government offices and agencies. In fact the term is found in many such documents dealing with Australian exports (e.g. Ministry of Trade, 1996; Austrade, n.d.; Lateral Economics, 2008, etc.) produced in the last 10-15 years. These documents communicate a positive association between volume of Australian exports and export culture, i.e. export culture drives export performance. However, the documents mentioned above do not define what exactly export culture means. Besides, there is only extremely limited academic literature on export culture (to be discussed in the next section). This leaves the important construct of export culture unexplored and not well defined. No attempt has been made to measure export culture and establish quantitatively its impact on export performance. As conceptual definition of EC is missing, it is impossible to construct an operational definition, in order to measure it. It is a management science’s maxim, that one can not manage something, unless one is able to measure it first. That is why this research aims to explore the meaning of export culture using the Australian business context as a background against which the construct is examined. It is anticipated that the results will provide foundation for further, more rigorous study of export culture, including operationalising and measuring it quantitatively, which would be beneficial for both, furthering academic research in the important field, and government agencies modelling purposes.

## **Literature Review**

Australian export performance has been in the centre of attention of the Australian government, the state governments and industry associations in the last 15-20 years. Exports are important for each economy, and this has been recognised long ago, and has been the subject matter of various theories of international trade, i.e. mercantilism and neo-mercantilism, Adam Smith's theory of absolute advantage, David Ricardo's comparative advantage theory, Heckscher-Ohlin relative factor endowment theory, and a number of more modern theories (Mahoney et al, 2001). Increased exports are typically positively associated with job creation (McNaughton & Bell, 2001), higher wages, increase of sources for foreign exchange, incentives to innovate, increased standards of living (Leonidou & Spyropoulou, 2007) and lead to overall national prosperity (South Australian Export Council [SAEC] 2005). Governments around the world have been launching export promotion activities aimed at lifting export performance and international competitiveness of their companies (McNaughton & Bell, 2001). The Australian government has also implemented a diverse range of export promotion policies, initiatives and activities (e.g. elimination of import protection measures, commencing the Export Market Development Scheme, assistance to exporters in different other ways) which have had a very beneficial effect on export generation. Yet the Australian export performance is still perceived as insufficient, and even woeful (Crean, 2008). That is, Australian companies do not engage in exports proportionally to their export potential. This is especially true for small to medium enterprises (SME) , that represent the majority of Australian business community, and have the largest potential for export generation (Austrade, n.d.), yet only 4% of them engaged in exports in 1999. This low participation rate positions Australia at the bottom of 22 OECD-member economies on this economic indicator (Austrade, n.d.). Given Australia's factor

endowment (i.e. minerals, land, highly educated and capable leaders and workforce) and highly developed economy, such exports participation levels are surprising.

Searching to explain such performance Shaw and Hughes (2001) argue that it is mainly due to the Australian exports structure. While gradually changing, the composition of Australian exports is still dominated by the more traditional exports of minerals and agricultural products that historically have accounted for the bulk of the Australian exports (Fletcher & Brown, 2002). To illustrate, in 2006 these commodities contributed 47% of all Australian exports (Murphy, 2006). A small number of large Australian companies handle these exports (Austrade, n.d.). To reduce the dependence on traditional commodities for exports, the Australian export structure needs to be diversified and more companies to get actively involved in exporting. Despite certain progress in this direction achieved in the last few years, more effort is needed. To facilitate the achievement of such targets, a stronger export culture is seen as a prerequisite (Shaw & Hughes, 2001). That is, a cultural change is needed, the community at large and the SME top management need to change the way they think about exporting.

Culture is defined in different ways, for example a popular definition is “a pattern of assumptions, values and beliefs, whose shared meaning is acquired by members of a group.” Hofstede (1980), “collective programming of the mind” which separates one group of people from another (Hofstede, 2001, p. 9), or as "the total, generally organized way of life, including values, norms, institutions, and artefacts, that is passed on from generation to generation by learning alone" (Dictionary of Modern Sociology). Cultures tend to evolve over time, but this happens slowly and gradually. Naturally, it takes time for a system of new assumptions, values and beliefs (such as these shaping export culture, for example) to

diffuse among the members of a large group. The process through which a new culture is learnt is known as acculturation (Widing et al, 2003, p.211). Using the language of Hofstede (2001) culture change will account to a re-programming of the mind, which is a process that takes long time to occur (SAEC, 2005). That is to say, efforts in changing export culture made today are not likely to show immediate results, i.e. growing export participation rates and higher export volumes.

Explaining the Australian export performance as a function of export culture then makes sense. As export culture gradually evolves, Australian exports seem to follow suit and grow. Yet, currently they appear to still remain below desirable level. This is probably so because the assumptions, values and beliefs of export culture have not yet been fully diffused among the businesses and community in general. That is, the number of SME managers that understand the benefits of exporting and believe that there is a cause and effect relationships between exporting and enhanced wellbeing has not reached critical mass among the Australian SME business community. Thus, evaluating the Australian export performance through the export culture lens explains why many business leaders in Australia have been talking about enhancing export culture for so long, and have been implementing variety of initiatives to boost it, but the desired performance has not been achieved yet.

The academic literature on export culture is very scarce. There is virtually no scholarly work published on the topic. Only two academic papers, both originating in Australia, have been located. Shaw and Hughes (2001, p.3) provide a definition of export culture as “an attitude that recognises the importance of exporting for wealth generation and an acceptance that Australian firms and industries need to be competitive with the rest of the world.” In a similar vein, the second study, by Tajzadeh-Namin et al, (1996, p.319) sees export culture as

“knowledge of the potential rewards from exporting, and the barriers to exporting that need to be overcome, by means of innovative and entrepreneurial activities”.

Other published sources focus on the role of education in forming a strong export culture. For example, do Rosario (1993) argues that Japanese authorities recognising the importance of exporting for the Japanese economy, have made a very consistent effort to ingrain export culture at the very fabric of the society, by systematic education on importance of exports of all school children from very young age. “Every Japanese child at primary school has one fact drilled into its mind: “Japan is a small island with few resources. We must export to survive” (do Rosario, 1993, p. 46). The author associates the high Japanese export success and trade surpluses in the last 20 years with the widely spread understanding by the Japanese population and business community of the instrumental role of exporting.

In a similar fashion, education has been seen as instrumental in laying the foundations of sound export culture in Canada. Unlike larger economies such as USA and China, Canada (similarly to Australia) has relatively small local market therefore it is paramount to search for business opportunities beyond domestic borders. This ensures export growth and the related to it job and wealth creation, as well as improved scale economies, without which “the majority of Canadian companies will be unable to resist internationally more competitive businesses” (Gillespie, 2001) even in its own market. This creates a risk of losing Canadian business to foreign companies that are more internationally competitive. Thus it is important to teach young people to think about international trade, “to formulate opinions and solutions, and to prepare themselves to be active proponents of an export culture” (Gillespie, 2001).

In a similar fashion in recent years Austrade has attempted to influence schools in Australia to include export education and export based project work in the Australian schools curricula (SAEC, 2005), with most school embracing the idea.

Internalising the idea of exports' beneficial role for job creation and as a key to prosperity is crucially important in building export culture. When such a belief or conviction exists among the business leaders, the business community and the community in general, it creates the motivation for potential exporters to seek ways to overcome potential export barriers and to succeed in the international marketplace.

SAEC Report (2005) stresses another characteristic of export culture, i.e. its entrepreneurial nature. This implies SME managers' ability to innovate, adapt and constantly search for opportunities in the global marketplace, as well as willingness to take risk. However, according to SAEC (2005), the business culture in Australian is dominated by risk aversion. "To the extent that export is seen as higher risk, this affects corporate commitment to export development....The problem is compounded by the lack of positive views in the business and general community of the benefits of trade" (SAEC, 2005, p.5). This statement identifies that two important obstacles to developing stronger export culture, tendency for risk aversion and lack of understanding by the broader community of the role of exporting, interact to reinforce each other, which has a very detrimental effect on building the Australian export culture.

Another important aspect of export culture, identified by the same report, is the need to manage export culture strategically. The federal and state governments need to exercise leadership in this respect, by formulating an export vision, then communicating it through

all possible channels to the broader community, as well as providing assistance in implementing it.

A second stream of literature that is also related to the topic of interest to this paper, consist of published research conducted in USA, Australia, Britain, Greece, Spain, Scandinavia and Canada. It deals with various factors affecting firm's export orientation as described below. Export orientation and export performance are related to export culture, in fact they seems to form part of the export culture construct. For this reason the factors that affect export orientation and performance will also affect export culture diffusion.

By and large the second stream of reviewed literature has as a main thrust the identification of factors that either facilitate exporting and commencing to export, or are seen as barriers to exports. The reviewed studies often organise these factors into causal models, and test them to estimate the magnitude of influence of each factor on export performance. Thus empirical evidence emerges about a range of variables that have strong influence on exporting. These factors typically fall in a few broad groups:

a) Firm-related factors (e.g. firm's international competence and number of well-trained export employees, differential firm advantages, foreign ownership of the firm, firm size, firm age, product characteristics, degree of adaptation of products to foreign markets, firm's export marketing strategy, etc) influence positively export performance (Tajzadeh-Namin et al, 1996; Nakos et al, 1998; Babakus et al, 2006; Louter et al, 1991; Cavusgil and Zou, 1994; Lopez, 2007; Lu and Julian, 2008);

b) Manager/owner-related factors (e.g. personal characteristics of the decision maker such as cosmopolitanism, expectations from exporting, level of commitment to export marketing, strength of managerial aspirations related to exporting, manager's educational level and experience, knowledge of foreign languages, prior residence in foreign countries, management's motivation, making regular visits to foreign markets and meetings with respective importers/distributors have strong positive impact on export performance (Ellis & Pecotich, 2001, Louter et al, 1991, Cavusgil and Nevin,1981, Cavusgil and Zou, 1994).

c) Government and industry level export incentives and export promotion activities, such as low cost export credits, providing market intelligence and market information on overseas markets, etc. (McNaughton et al, 2001)

d) There are also many barriers to exporting (such as lack of cross-cultural awareness, inadequate foreign representation and selection of distributors, high transportation cost, mismatch between foreign demand and available export supply; adaptation and servicing of the exported products, exporters intimidated by foreign competition; lack of thorough market information and intelligence; lack of export procedure knowledge, extensive export paperwork, difficulty in obtaining export credits, etc., leading to with unwillingness to undertake exports; (Tajzadeh-Namin et al, 1996, Lopez, 2007).

e) Geographical location was identified as an especially strong barrier to exports for Australia, due to its physical isolation from the concentration of world GDP. This remoteness increases the costs of trading, which in turn lowers the extent of international trade (Ewing & Battersby, n.d.).

To summarise, the reviewed literature defines Export Culture as knowledge of the benefits of exporting and a positive attitude toward exports because they are beneficial in building national wealth. Companies can be successful exporters if they understand they need to achieve and maintain international competitiveness. However businesses also need to be aware of the multiple barriers to exporting and how to overcome them using innovation and entrepreneurship. Export orientation needs to be cultivated at a very broad national level, starting with educating consecutive generations of students in secondary and high school about the role that exports play in the economy. Parallel to it, the broader community needs to be made aware of the latter, so that a new, positive attitude toward exporting is gradually developed at a national level. Export culture is also associated with entrepreneurship and innovation, two characteristics necessary to counterbalance the inherent among Australia businesses risk aversion. Governments need to play leadership role in cultivating export culture. Formulating an export vision at highest level of government (national and state), provides a good starting point for developing and/or enhancing export culture. This vision needs to be communicated through all available avenues to businesses and the community in general, so that businesses can understand it, embrace it and act upon it for the benefit of each party involved.

Clearly, export culture is a complex, multidimensional construct, and the fact that there is no dedicated studies, and no established definition of the construct warrants researching it in a more systematic and rigorous fashion.

### **Research Problem and Research Questions**

The research problem of this study is the identification of the definition and dimensions of the construct export culture.

Based on the literature review this research aims to answer the following research questions:

- *What exactly is the meaning of export culture? Can the tentative definition of export culture derived from the literature be defended by an empirical research? Do any other dimensions of export culture exist?*
- *What factors shape (i.e. contribute to or hinder the development of) export culture in Australia?*

## **Methodology**

As export culture is virtually unexplored academically category, the content of the construct as inferred above from the review of the available sources needs to be subjected to a validity check. This preliminary research serves as a triangulation tool for the construct's dimensions and definition.

Unlike most other studies, that use the SME as a source of data, this research makes use of an experience survey (Hair et al, 2003). With this approach the researcher aims to discover what individuals, thought to be knowledgeable (i.e. experts) in the field of research, think about the phenomenon of interest. It is hoped that the experts will provide a richer, more objective perspective of the elements of export culture, than the actual exporters. This is because the latter are highly involved in exporting, which might lead to certain emotional colouring of their opinions, and in turn might possibly affect the extent of their objectivity. Even more important, the experts are able to offer a "bird's view" of exporting activities in Australia, are abstract thinkers and are therefore very well positioned to make higher level generalisations and conclusions, in line with the purposes of this research.

In-depth interview technique was used for this research. This technique was chosen because it allows thorough exploration of the issues of interest, by means of asking series of relevant questions, in a relaxed, one-to-one environment. This choice is also congruent with the theory of qualitative research (Denzin and Lincoln, 1998) and with the exploratory nature of this study.

With respect of the five qualitative traditions of inquiry proposed by Creswell (1998) this research design can be qualified as a Phenomenological Study. According to Creswell (1998), under the phenomenology research approach the participant “describes the meaning of the lived experiences” s/he has had with the phenomenon of interest. That is, the research aims to tap on the experiences the informants have had with export culture in Australia.

For the in-depth interviews a semi-structured interview protocol was used. Based on literature review and the researcher’s own extensive exports and international marketing work experience, the questions in the interview protocol were chosen to tap into the respondents’ knowledge and experiences, opinions and ideas. In constructing it an attempt has been made to include sufficient number of questions addressing the study of export culture from many different perspectives. Having some interview structure ensures comparability across interviews. At the same time, in the spirit of phenomenology the interview protocol had to be flexible enough to allow sufficient opportunity for the participant to reveal their own subjective understanding of export culture, so that any new dimensions could emerge. For this reason most questions were open-ended.

## **Sample Description**

In line with the preliminary, small-scale exploratory nature of the research, the sample consisted of three carefully chosen participants. Informants were chosen who have had experience with exports and international trade at either academic level, or in a role of export facilitating agents. This ensured that the informants had the appropriate knowledge necessary to contribute to such a research. That is, the sample was a purposive one.

Two of the respondents were academics, researching and teaching in the area of interest (i.e. international trade and export marketing). One of these had had previous experience as an exporter in a trading company in another country. The third respondent was a managing director of a company, which provides export advice to new or existing exporters, mainly small businesses. The company specializes in helping prepare application forms for Export Development Grants. The respondent is familiar with all aspects of this study from a more hands-on, practical point of view, through his long time involvement with assistance to small exporters.

## **Data analysis**

The analysis of the data collected through the interviews was done in two stages: intra-interview analysis, followed by inter-interview analysis. Essentially, the purpose of these is to identify the important findings and to extract the needed information from the irrelevant data by gradually reducing the data. Initially, in the inter-interview analysis stage, the transcripts have been considered one by one. Focusing on one transcript at a time enables the researcher to grasp better its unique content, based on the respective informant's personal conceptualisations of export culture and the factors shaping it. At this stage of data analysis some of the collected data that contribute little to the research are eliminated. In the second stage, all the transcripts are considered simultaneously and by focusing on the

similarities and differences among them the researcher identifies common themes, or categories (Walsh, 2000) that emerge, which in turn makes it possible at the end to arrive at the final conclusions.

## **Results and discussion**

The essential information extracted from the interviews is best presented by organising it in two major groups of factors that affect positively or negatively the propensity of SME to engage in exports. Intertwined within the discussion of these factors are various aspects of export culture, as seen by the informants. After presenting the factors, a discussion of export culture, based on the literature review, augmented by the findings of this research is presented.

The two main groups of influences on Australian companies export propensity are internal, or company-related and external factors.

### **Internal to the company factors**

#### *1. Strategic orientation of the company*

This factor is related to whether or not the SME sees its future as an exporter or as a local business. If firm's management is open to the idea of undertaking exports sometime in the future, then chances are the business will actually make it to the international market. Such companies are much more likely to develop as exporters. According to the informants, these businesses are more proactive, and able to secure the necessary resources to commence and sustain exporting. External assistance of financial and advisory character is extremely effective for them and serves as a catalyst to the process.

One example of such type of companies, the “born global” businesses (Pink & Jamieson, 2000) was also mentioned. These are small businesses that undertake exporting very early in their life cycle. Many of these businesses belong to the new information economy and operate in truly global industries, such as IT. They use Internet in a most versatile fashion - as market intelligence tool, communication and advertising medium, as well as for online transactions, customer service, and often for product (i.e. digital products) delivery purposes. Typically businesses of such sort are owned and/or managed by younger, educated, dynamic, and highly committed to succeed managers, who tend to be well travelled, cross-culturally aware and rather cosmopolitan. The informants placed a lot of hope and trust for the future of the Australian exports growth on this type of businesses.

On the other hand, if the company is only interested in developing its domestic operations, there is almost no chance for it to ever become an exporter. This type of businesses needs the most encouragement, education and actual real assistance in order to change their attitudes from passive exporters to active ones. Any cultural change in this category of businesses is likely to take rather long time to occur.

There is yet another group of companies that gets occasionally involved in exports. This is typically driven by the outside environment – being contacted by an importer in another country, or by a local representative of foreign import companies, or by various brokers, agents, etc. These so called “accidental exporters” (Austrade, n.d.) have very good chances to develop into regular exporters over time, and this depends on many factors, most importantly, whether there is sufficient demand for their products to substantiate investment in regular exporting. This finding is consistent with the literature, which argues that “accidentals” represent 50% of all new exporters in Australia (Austrade, n.d.)

## *2. Having a product worth exporting*

Despite their perceptions that Australian products overall are internationally competitive, the informants believed that not so many Australian small businesses had export worthy products. These are products that are results of application of innovative technologies, creative, unique designs, or are very price-competitive internationally. Hence the role of innovation, creativity and higher productivity for successful exporting. That is, if a business is really committed to exporting, then the managers should be constantly searching for opportunities to either reduce production cost, or be at the forefront of innovation/creativity in their business field. This is consistent with the literature on internationalisation and export culture reviewed above (e.g. Tajzadeh-Namin et al, 1996)

## *4. Management attitude to exporting and motivation to export*

Management attitude and motivation for exporting was one of the most important factors for commencing and sustaining successful exporting. Consistent with the literature review, the informants believed that such motivation is a function, firstly, of understanding the nature of exporting and how profitable it can be in the long term, secondly, the degree of awareness of international business opportunities among key personnel in the firm, thirdly, being entrepreneurial, willing to try a new thing (i.e. exporting), and ready to take the risk, fourthly, knowing how to search for, find and interpret valuable information on international markets and opportunities, and lastly, being able to communicate effectively in a cross-cultural setting. What also contributes to motivation for exporting is prior international experience of any kind (travel, education, business, etc), knowledge of foreign language, cross-cultural sensitivity. This boils down to being educated about exporting and the global marketplace and being entrepreneurial and knowledgeable person, keeping an open mind and be able to adapt and learn new skills.

To summarise, manager's attitude and motivation to export is directly influenced by the manager/s level of education in international marketing and exporting, and his/her level of entrepreneurship. The consequences of such attitude/motivation are proactively looking for export opportunities and willingness to allocate resources to export markets development, despite the barriers and risk involved.

### *3. Financial and other resources*

More profitable domestic companies are more likely to be able to allocate resources to exporting, than less profitable, undercapitalized ones. Typically the former are more mature businesses, which have been existing for about 10-12 years. Low interest export credits and other incentives could be of help for the less resourced companies with a product that is export worthy.

The informants stressed the difficulties a small business owner/manager had in dealing with the numerous demands and tricky aspects of commencing exports, parallel to managing the day-to-day business operations in Australia. As Informant 1 put it, "*How do you manage one thousand things at a time?*" Typically these small companies are under-staffed and struggle as it is, let alone allocate resources to explore export opportunities. Commencing exporting requires a lot of resources and time to be invested, often years before any results can become available. Travelling overseas for researching a market, making contacts with overseas potential buyers, or for negotiations is a major time and financial commitment for a small business owner, often with no one to run the business while the owner is overseas.

This, coupled with the fact that most of these managers lack export management and international marketing skills makes it even clearer why Australia ends up with so few small businesses willing to try exporting. Without a firm commitment to exports, there is simply no chance for such businesses to get involved in exporting.

This finding is consistent with the literature, which indicates that small business are more likely to become export active only after being in existence for about 10 years (Shaw & Hughes, 2001). That is, more mature and established small businesses are more likely to have the necessary resources required for developing export markets.

#### *4. Ability to exploit comparative advantages*

The next issue that has emerged relates to the opportunity for Australian SME to utilise Australia- specific natural advantages for exporting purposes. An example was given how the abundant solar energy available in Australia can be used to design, test, manufacture and export energy efficient solar technologies. It was noted that the current market leader in such solar energy technology is a firm from Scandinavia, a geographic region receiving much less sunshine, compared to Australia. A positive example of using such advantages was the increasing number of successful Australian wine exporters, including some very small wineries. Production of quality wines is an industry in which Australia benefits from the favourable climate conditions and accumulated over time technological skills.

### **External factors**

#### *1. The role the government and its export promotion organisation Austrade*

The active involvement of the Australian government is seen by all informants as crucially important in a number of different ways, e.g. providing and administering Export Market Development Grants (EMDG) and New Exporters Development Program (Commonwealth of Australia, 2008), making available information on overseas markets, organising events, such as International Business Weeks in some states, etc (SAEC, 2005). Austrade web-site was also mentioned as a great source of all sort of information on exporting, reports, links,

etc. The conducted by Austrade, the government export promotion organisation, different activities were recognised and their contribution appreciated, but at the same time all respondents thought there was a scope for further improvement. This is consistent with the quoted in the beginning statement by the Trade Minister Crean (2008) that export culture is lacking in Australia. An opinion was expressed by the informants that despite trying, Austrade is unable to reach the larger majority of SME, with potential for exports, and to communicate effectively with them. This inability of Austrade to reach the small businesses was successfully labelled by Informant 2 as a “Disconnect”: “... *there is a disconnect between Austrade and the majority of small businesses...*”. The major reason for this Disconnect is seen to be the limited financial resources Austrade has been allocated by the Government for export promotion. All of the respondents argued that if the government wanted to increase the number of SME exporters, it should allocate more financial resources for export promotion and various forms of export-stimulating support.

Secondly, the informants believed that it will be useful if Austrade could facilitate more network opportunities for potential exporters and could conduct more PR, seminars, and other events showcasing Australian small business exporting successes. The latter represent real examples of what is achievable by small businesses, and show how it has been achieved, thus inspiring and encouraging intending exporters. Demonstrating business models for export that work, acts as an encouragement for potential exporters.

Government policies for increasing the overall competitiveness of the Australian products, which makes these more internationally competitive and the ability of Government to spot ad-hoc business opportunities in the global marketplace, and to draw Australian exporters’ attention to these were also mentioned. The leadership that industry associations can

exercise to promote exports within the industry have also been underlined. It was highlighted that some industries seem to be more proactive and to provide more information, examples, networking opportunities for their member companies than others. Very good examples of such industry- level export leadership is provided by the Australian wine and tourism industry. The level of participation in exporting in these two industries, according to the informants, is significantly higher, than the average for Australia. They associated these results with consistent industry-level efforts to encourage exporting. This only proves that indeed export vision, leadership and assistance do actually produce real results, i.e. export generation.

#### *5. Awareness of the community in general of the long term effects of exporting*

The respondents believed that higher general awareness of the benefits of exporting would result in improved export culture in Australia. Currently the community is largely unaware of these. The role of early education in school was stressed.

#### *6. The role of Internet*

This new, very affordable source of information on export opportunities, export procedure, cultural issues and market information has great potential in facilitating export commencement, especially for small businesses.

#### *7. Geographic isolation*

Australia's remoteness was seen as the largest impediment to exports. The fact the European countries are so close geographically to each other was considered instrumental in facilitating exchange of goods across borders for many centuries. Australia is at a big disadvantage on this attribute – being too far away from the major world markets.

#### *8. Gaps in the export training and education market in Australia,*

The informant by and large believed that there is need of more short-term, intensive, affordable, export marketing and management, and international marketing courses for small business owners/managers, subsidised by the Government; these courses can be quite useful, as they can teach interested managers the necessary skills in a convenient, evening classes or modules, over relatively short periods of time, making it possible for these people to acquire the necessary export marketing skills on the go, without having to leave their daily jobs.

#### *9. Lack of entrepreneurial skills training*

The idea that “*in universities we train employees, not entrepreneurs*” was repeatedly communicated by one of the informants. That is, students in tertiary level international marketing courses are not taught skills in entrepreneurship. This finding is fully compatible with the opinion expressed by SAEC (2005) about entrepreneurial character of export culture, where more entrepreneurship is needed to succeed in the international market environment.

How these finding address the research questions?

***Question 1: Can the tentative definition of export culture derived from the literature be defended by an empirical research? Do any other dimensions of export culture exist, apart from these implied by the literature? What exactly is the meaning of export culture?***

As mentioned before, there is no agreement in the relevant literature about the definition and content of the construct export culture. In the beginning of this paper a definition of export

culture was composed on the basis of the reviewed literature. The conducted interviews confirmed the elements of this definition, presented earlier. Apart from this, a contribution of this research is identification of additional salient dimensions of the construct, as described below.

First of all, the need to have export worthy products was noted. These products have to be either very innovative, or result of original, creative designs, or cheaper than similar products in the export markets (i.e. internationally competitive), to be demanded by overseas buyers. Second, export culture is not only an attitude and belief, but it also comprises the knowledge of how to approach international markets, and how to manage export operations, both of which are consequences of studying international marketing, international trade and export procedure courses, typically at tertiary level. They could have been acquired through previous work experience in the field of exporting. Third, exporting can thrive only if there is a supporting infrastructure for it to grow, i.e. education, regulatory, institutional and logistics infrastructure. Availability of high quality export infrastructure communicates that a nation understands the importance of exporting and has allocated the needed resources to build such an infrastructure. That is, appropriate export facilitating and enabling infrastructure is part of export culture of a country.

To recap, export culture implies a belief that exporting is a very beneficial long term strategy for achieving economic prosperity, held by the community in general, and the business community in particular, which is either transferred from generations to generation, or is acquired as a result of systematic education, training and involvement in export ventures. It also implies the possession of export marketing and management knowledge skills, cross-cultural communications skills, and use of entrepreneurship and product

innovation, requires motivation and commitment to exporting as well as constant search for export opportunities, and maintaining international competitiveness. Understanding the barriers to exporting and the risks involved makes it possible to search for ways to overcome the obstacles and minimise the risks. An appropriate educational, physical, institutional and regulatory export infrastructure facilitates the development of export culture. The government should be responsible for managing export culture by formulating an export vision and a national export strategy, communicating it to the broader community through all possible channels, and providing support for and promotion of exports in order to implement this strategy successfully. The ultimate result of export culture is achieving a critical mass of businesses, especially SME involved in exporting, so that the export potential of the country is fully realised.

***Question 2: What factors shape (i.e. contributes to or hinder the development of) export culture in Australia?***

A comprehensive discussion of all factors affecting export culture and export performance was presented above.

Export culture can be enhanced by managing all of the factors that act to enhance or undermine it, in a respective way. That is, try to minimise the impact of the forces working against export culture, i.e. the barriers to export, while taking maximum advantage of the favourable factors (e.g. Internet, products in which Australia has comparative advantage, the increasing prosperity in Asian markets, which are somewhat closer to Australia, etc).

In answering this question one should also pay attention to the time frames for building export culture. In general culture is slow to change. Somewhat faster results can be achieved by a stronger government assistance, as discussed above. Long lasting results can result from a more strategic approach to building export culture, stressing export education at all levels, starting with developing awareness of exporting and its role among students at primary and high school, introducing well designed international marketing and export management programs at university, and parallel to this, various short duration export management courses for the full-time employed.

A major positive factor shaping export culture is the Internet. This new medium makes it easier to showcase a company's products to the world, at a relatively very low cost. SME intending exporters are set to benefit from such exposure tremendously.

The literature and the interviews agree that the way to enhance export culture is through consistent education to build a positive attitude among the community and specialist knowledge among the business community, as well as support and leadership by the government and its agencies. This includes first and foremost low cost export credits for small businesses with real export potential. Also – assistance with collecting market intelligence, obtaining market information, providing for domestic networking among intending and actual small business exporters, as well as foreign networking, providing advice, PR for export “heroes” and so forth.

For longer term results the Governments should push for education in all schools, so that the belief in export benefits becomes deeply ingrained in each young person. This way the attitude for exporting will spread gradually among the whole community, providing for a real broad-based, national level export culture.

## **Conclusions and limitations**

This study has reviewed and analysed the scattered literature on export culture that has emerged in Australia in the last 20 years, mostly from the political, economic and managerial domain, and from very limited academic research. This background analysis, along with an overview of broader exporting and export performance literature made it possible to identify the domain of the construct export culture (i.e. dimensions and scope), as implied by the literature. A preliminary exploratory research was then conducted as a triangulation tool to confirm empirically the dimensions and scope of the tentatively defined construct. The empirical study had also the purpose to explore possible additional dimensions associated with this complex construct that might exist. The findings are consistent with the literature and confirm the tentative dimensions of the construct. A few new dimensions have also emerged from the exploratory research. Thus an extended definition of export culture was proposed, which results in an enriched meaning of the construct. This new definition can be a useful starting point for future research, aiming to design context-specific conceptual definitions and respective operational definitions of export culture that will allow quantitative measurement of the construct, and subsequent more effective management of export culture.

As a preliminary, exploratory research using qualitative research methodology, this study provides only an orientation into the meaning and dimensions of the researched construct. The small scale of the study is a limitation. More rigorous and larger sample based research can provide for higher validity of results.

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