

THE RELATIONSHIP BETWEEN MARKETING ORIENTATION AND
EXPORT SUCCESS AMONG MANUFACTURING COMPANIES IN THE
WESTERN CAPE

by

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Cape Town, in fulfilment of the requirements for the degree
of Master of Business Science.

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DECLARATION

I declare that this dissertation is my own, unaided work. It is being submitted for the degree of Master of Business Science in the University of Cape Town. It has not been submitted before for any degree or examination in any other University.

----- day of March, 1988.

In memory of my late Mother
and to my Mom and Dad - thanks!

PREFACE

In 1985, the writer joined the Department of Trade and Industry (DTI) as an export trade advisor in the Western Cape Regional Office. The function of this position is to encourage companies to export and to assist companies registered as exporters with their export endeavours. In this capacity, the writer came into contact with more than 1,000 companies covering a wide range of products, problems, attitudes and situations.

It became apparent to the writer that a large number of these companies lacked a marketing orientation in their export activities. There also appeared to be a poor success rate among these exporters in that probably as many as half of the number of registered exporters never achieved any export sales and of the remaining exporters, only a few obtained substantial, ongoing and profitable sales abroad.

The writer believed that if these companies approached their export activities in a more marketing orientated fashion, their success rate would be significantly improved.

This begged the question as to whether a relationship actually exists between export marketing orientation and export success.

It is the abovementioned relationship that this study primarily addresses.

It was decided to keep the scope of this study confined to manufacturing companies in the Western Cape registered as exporters with the DTI.

In the research methodology, use was made of a stratified random sample of 130 sample elements and the relevant information was extracted from the respondents, in personal interviews, using a questionnaire designed for this purpose.

The study began in earnest in 1986 and took approximately two years to complete.

The results of the study suggest that a relationship indeed exists between export marketing orientation and export success, although this relationship should not be seen in isolation. Other variables such as the size of the company, the seriousness of the management towards the company's export activities and the export education of the executive in charge of exports, also play an important role in determining export success.

If export success is to be improved among manufacturing exporters in the Western Cape therefore, cognizance will have to be taken of the abovementioned variables.

An earlier study by Sandra van der Merwe which also focused on the relationship between marketing orientation and company performance, provided valuable guidelines for the basis of this study.

The writer felt that he was in a unique position to undertake such a study as only he and a few other people in the DTI have access to the information found in the records of registered exporters, which provided the sampling frame for this study. In this regard, the writer would like to express his thanks to the DTI for allowing him the opportunity to undertake this study.

The writer also wishes to express his sincere appreciation to the following persons for the valuable assistance they gave him:

Mrs Helen Brice: As supervisor, her guidance, patience and wisdom were decisive in this study.

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Margaret Schäffer and Rita Botes: Two ladies whose assistance helped the writer process the large number of records of registered exporters, a task which would otherwise have been daunting.

My wife Christine: The one to whom I owe so much; for the late nights, weekends and holidays spent typing; for enduring my impatience and irritability; and for the enormous assistance given, without complaint, in being the 'sounding-board' for this study.

Thank you!

LIST OF ABBREVIATIONS

BoP	Balance of Payments
CPI	Consumer Price Index
DEP	Directorate of Export Trade Promotion
DTI	Department of Trade and Industry
EEC	European Economic Community
EMDA	Export Market Development Assistance
GATT	The General Agreement on Trade and Tariffs
GDP	Gross Domestic Product
IDC	Industrial Development Corporation
IMF	International Monetary Fund
KWV	Ko-operatiewe Wynmakers Vereeniging
MOI	Marketing Orientation Index
MOOI	Marketing Orientation Outlook Index
NPI	National Productivity Institute
PWV	Pretoria-Witwatersrand-Vereeniging region
S.A.	Republic of South Africa
SAFTO	South African Foreign Trade Organisation
SBDC	Small Business Development Corporation
SeI	Seriousness Index
SITPROSA	Simplification of Trade Procedures in South Africa
SuI	Success Index
U.S.A.	United States of America
U.S.	United States (of America)

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PART A

BACKGROUND
AND
LITERATURE SURVEY

CHAPTER 1

INTRODUCTION

1.1 THE NATURE AND EXTENT OF EXPORTS IN SOUTH AFRICA

Although Southern Africa has been inhabited for some fifty thousand years the first significant step towards industrialisation of the region began when, on the 6th of April 1652, Jan van Riebeeck, an officer in the service of the Dutch East India Company, arrived in Table Bay with instructions to develop a vegetable and fruit farm to replenish Dutch ships on route to the Far East (Spilhaus 1966, p.1).

These early trading activities may be seen as a simple form of exporting and it is interesting that exports can be identified at this early stage in the development of modern South Africa.

Today, some three hundred and thirty-six years later, the economic future of South Africa relies heavily on the growth of its export sector (Clewlow 1987, p.3).

In 1986, total South African foreign trade¹ amounted to just over R67.3 billion. This represented 52,6 percent of Gross Domestic Product (GDP) which was R127,9 billion in the same year. Exports alone (R41,8 billion) represented almost 32,7 percent of GDP and the net surplus on the current account totalled R7,2 billion (see Table 1.1) (S.A. Reserve Bank Quarterly 1987, p.65).

These figures support the assertion that South Africa has an open economy and is therefore influenced quite considerably by its foreign trade (Matthews 1987, pp.30 - 31 and McCrystal 1987, p.1). This economic interdependence of South Africa with the rest of the world is not likely to abate, as foreign trade tends to grow with a country's industrial development (Matthews 1983, pp.157 - 175).

Because of this critical role that exports play in the South African economy, growth in exports is considered to be of particular importance (Preece 1987). Clem Sunter, for example, suggests that the export of manufactured goods is a corner stone of South Africa's future growth potential (Sunter 1987 pp.88 - 90).

1. Excluding service receipts and payments.

While merchandise exports have shown a dramatic increase in value over the past 3 to 4 years (from R10,2 billion in 1983 to R25,1 billion in 1986 - see Table 1.1), if one considers that in the same period, the average annual inflation rate (reflected in the Consumer Price Index (CPI)) was 14,7 percent and that the U.S.dollar/rand exchange rate fell by more than 50 percent, this growth in the value of exports seems less dramatic.

In comparison, the seasonally adjusted export volume indices only indicate an 11 percent growth in exports since 1980, representing an average annual growth rate in export volumes of less than 1,8 percent. Considering the large fall in the value of the rand compared with the U.S.dollar (more than 65 percent since 1980), which should have resulted in far greater volumes because of lower export prices, export performance has been quite poor.

It should be kept in mind, however, that trade sanctions have been introduced against South Africa since the second half of 1985, and these have no doubt had an effect. Almost illogically, the greatest increase in export volumes since 1980 occurred just prior to and after the introduction of sanctions (a 17,1 percent increase from 1984 to 1985 and a 3,8 percent increase from 1985 to 1986), albeit from a lower base than in 1980.

Table 1.1 South Africa's foreign trade in R billions - 1980 to 1986.¹

	1986	1985	1984	1983	1982	1981	1980
	R ²	R	R	R	R	R	R
Merchandise exports	25,1 (24,9)	20,1 (55,8)	12,9 (26,5)	10,2 (1,0)	10,1 (5,2)	9,6 (-2,0)	9,8
Net gold exports	16,7 (7,7)	15,5 (32,5)	11,7 (18,2)	9,9 (15,1)	8,6 (3,6)	8,3 (17,8)	10,1
Total exports ³	41,8 (17,4)	35,6 (44,7)	24,6 (22,4)	20,1 (7,7)	18,7 (4,5)	17,9 (-10,1)	19,9
Merchandise imports ⁴	25,5 (10,4)	23,1 (7,4)	21,5 (35,2)	15,9 (-11,7)	18,0 (-0,6)	18,1 (27,5)	14,2
Total foreign trade ⁵	67,3 (14,7)	58,7 (27,3)	46,1 (28,1)	36,0 (-1,9)	36,7 (1,9)	36,0 (5,6)	34,1
Net service payments	-9,5	-7,3	-5,7	-4,7	-4,5	-4,3	-3,2
Current acc balance	7,2	5,9	-2,2	-0,1	-3,4	-4,1	2,8
GDP	127,9 (16,1)	110,2 (13,1)	97,4 (16,9)	83,3 (14,1)	73,0 (10,1)	66,0 (13,8)	58,0
Export volume index (gold excl) 1980=100	111,1	107,3	90,2	81,9	91,3	91,7	100
Export volume index (gold incl) 1980=100	102,8	104,9	96,5	89,1	94,2	94,2	100
Total foreign trade as a % of GDP	52,6	53,3	47,3	43,2	50,3	54,5	58,8
Tot exp as % of GDP	32,7	32,3	25,3	24,1	25,6	27,1	34,3
Tot imp as % of GDP	20,0	21,0	22,1	19,1	24,7	27,4	24,5
\$/R exchange rate ⁶	0,44 (-2,2)	0,45 (-33,8)	0,68 (-24,4)	0,90 (-2,2)	0,92 (-19,3)	1,14 (-10,9)	1,28
Ave increase in CPI ⁷	18,6	16,2	11,7	12,3	14,7	15,2	- ⁸

(S.A. Reserve Bank Quarterly 1987, pp.65 - 108)

1. The figures in the brackets represent the percentage increase over the previous year.
2. Rand values unless otherwise indicated.
3. Excluding service receipts.
4. Excluding service payments.
5. Excluding service receipts and payments.
6. \$ = U.S.dollar.
7. Percent increase per annum.
8. Because 1980 is the base year for this table, no percentage increase over the previous year is indicated.

Perhaps the reason for this can be explained as follows:

- a. A stock-piling of merchandise from South African suppliers by overseas importers in view of the expected sanctions announcements, especially considering the attractively low (for the foreign importer) value of the rand.
- b. A throughflow of existing supply contracts from 1984 and 1985 which were allowed to run their course after the introduction of sanctions.

Besides this relatively poor export performance, if one looks at the nature of South African exports, it becomes apparent that a large percentage of these exports are either mining or agricultural¹ products (63,7 percent of total exports including gold, or 36,8 percent excluding gold) (Bulletin of Statistics 1986, pp.9.5, 9.7 and 9.9). This fact alone is worrisome. It indicates;

- a. South Africa's reliance on gold exports. This dependance on a single, commercially volatile

=====
1. Including products of the fishing industry.

product does not augur well for South Africa's future growth. The economy is tied too closely to the international gold market and fluctuations in this market have a direct and considerable impact on the South African economy.

- b. South Africa's general reliance on primary products. Developed nations are users of primary products and exporters of finished value-added goods. If South Africa wishes to enter the league of developed nations it should place greater emphasis on higher value-added goods (Sunter 1987, pp.85 - 86).

Of concern is the fact that only a small part of South Africa's manufacturing exports consists of high value-added products. This point is highlighted if one divides South African exports into primary products, low value-added manufactured products and high value-added manufactured products.

In Table 1.2 those export products that are commonly classified under the heading of manufactured goods have been further divided into two groups, namely low value-added

Table 1.2 The level of value-added in South Africa's export products (1985 figures).

	Primary product (R)m	Low value-add product (R)m	High value-added product (R)m
Inedible raw materials			
Hides and skins	177		
Coal	3127		
Metal ores	1318		
Wool	677		
Other raw materials	1272		
Food, beverages & tobacco			
Beverages and tobacco		46	
Fruit	697		
Other food and livestock		994	
Animal/veg oils and fats		74	
Chemicals		1016	
Manufactured goods			
Textiles			234
Rough diamonds		1745	
Cut and polished diamonds			390
Metals and metal products		4020	
Machinery/transport equip			903
Miscell manufd products			
Clothing			118
Other manufd products			827
Unclassified (incl arms)			3200
Sub-total	7268	7895	5672
Gold bullion and coins	15467		
Total	22735	7895	5672
Percentage of total expts	62,6%	21,8%	15,6%
Total exports	36302		

(Bulletin of Statistics 1986, pp.9.5 - 9.7)

manufactured products and high value-added manufactured products. The primary product column includes both mining and agricultural products.

The classification of low and high value-added products was determined by the writer. Although there may be some disagreement with this classification, its main purpose is to support the contention that South Africa does not export enough high value-added products.

Products from the chemical industry, for example, are classified as low value-added as they are usually used in subsequent manufacturing processes. This is also the case with metals and metal products. The semi-processed steel products manufactured by Iscor are indeed 'manufactured goods', but they are then exported overseas where other countries add a great deal of further value to the steel to produce finished products.

Ratcliffe (1983, pp.127 - 156) suggests that South Africa's manufactured exports are closely tied to its natural resources. Processed food products and basic metal and chemical manufactures (all relatively low value-added products), represent well over two thirds of all exports of manufactures.

With a few exceptions, she adds, exports of manufactures are low in relation to domestic manufactures. Exports in 1980 only represented approximately 15 percent of the sales of local manufactures.

It is clear that South Africa will have to focus greater attention on the export of higher value-added products¹ in order to;

- a. break her reliance on volatile primary products;
- b. maintain employment opportunities within her borders;
and
- c. utilize the opportunity to earn foreign exchange which is being lost to countries abroad.

An illustration of the problem that exists can be seen by Iscor's exports of steel to Taiwan (at greatly reduced prices) and the subsequent import of bicycles from Taiwan at prices with which the South African manufacturer cannot compete, because of the relatively high domestic price of steel supplied by Iscor.²

- =====
1. This consideration is acknowledged by Government. In the recent 'White Paper on Industrial Development Strategy in the Republic of South Africa', the following point was noted: "Greater export assistance for industry than for the primary sectors of production is justified" (1986, p.18).
 2. This scenario was described to the writer by Mr M Gahagan, Managing Director of Bartons (Tvl), South Africa's leading supplier of metal tubing products.

In the above discussion, the nature and extent of exports within the South African economy was examined. It is equally important to understand the benefits of exports to the economy as a whole.

1.2 THE BENEFIT OF EXPORTS TO THE SOUTH AFRICAN ECONOMY

Exports benefit the growth of the economies of most countries for the following reasons:

- a. Exports are a means of money-creation. Foreign earnings are new inputs into the money supply equation (Goedhuys 1978, p.28 and Samuelson 1980, p.306).
- b. A growing export sector contributes to the creation of new jobs within the economy (Reynders 1972, p.94).
- c. Exports increase the demand for the country's currency, which in turn contributes to a healthy exchange rate and a stronger currency (Lipsey 1979, pp.643 - 647).
- d. Exports increase a country's productivity and competitiveness because of the exposure of companies to international competition.

e. In developing countries where technology needs to be imported to maintain industrial growth (such as is the case in South Africa), exports represent a means of compensating for import payments (Meyer 1979, p.1).

In South Africa, the role of exports is equally important.

As Messrs H J J Reynders and J C van Zyl (1969, p.93)

observed:

"The country has evidently reached a ... stage of growth ... in which exports will have to play a more important role in the growth process [of South Africa]."

D J de Villiers (1985, p.5), a previous Minister of Trade and Industry, supported the above statement when he said:

"It is essential,... that our exports - particularly of secondary products - be dramatically increased, if we are to create more employment and show consistent economic growth in the years to come. An increase in exports is also essential for a strong currency and a healthy balance of payments."

The findings of the recent White Paper on industrial development strategy in the Republic of South Africa also emphasise the importance of exports within the South African economy (White Paper. 1986, p.16). These findings are:

- a. Import replacement [as an alternative to export promotion] has decreased in significance as a growth factor and is accompanied by increasing problems and costs.
- b. Although the local demand for industrial products will probably be a very important growth factor in the long term, it could be subject to certain restrictions in the short and medium terms [largely because of limited size]. Increasing export markets can be seen as a possible solution to this problem by increasing market opportunities for industrial concerns.
- c. The availability of foreign capital for industrial development has become less certain owing to economic and political factors. Foreign earnings through exports are a way of filling this gap.
- d. Exports of industrial products can make a substantial contribution to increased economic growth, employment and the improvement of the Balance of Payments (BoP) without contributing to inflation.

In addition, South Africa's net foreign liabilities have increased from approximately R13 billion in 1980 to almost R50 billion in 1986. The surplus of exports over imports has helped considerably in reducing this debt over the past two years (the 1986 debt figure, for example, was R10 billion less than in 1985, paid for mainly out of the BoP surplus) (S.A. Reserve Bank Quarterly 1987, p.78).

The above points outline the value of exports to the South African economy. Besides the benefits to the economy at large, exports also benefit individual companies.

These benefits, however, will be elaborated on in Chapter 4, section 4.5.

1.3 THE INCREASING SOPHISTICATED AND COMPLEXITY OF THE WORLD MARKET AND THE NEED FOR A MARKETING ORIENTATION

The world market is becoming increasingly sophisticated and complex. Satellite communication, technology, aggressive competition, consumerism, social awareness, improved living standards, computerisation and world events (for example, the Gulf war), are all factors that have contributed to this situation (O'Reilly 1985, pp.11 - 12 and Suchard 1983, pp.75 - 79).

It is not possible for firms to take their 'home-grown' products and to simply sell them abroad. It is necessary against this backdrop of market sophistication and complexity, to satisfy the exact wants and needs of the consumer (the ultimate goal of marketing), against overseas competition who are striving to do the same.

Sophisticated and complex international markets require the South African firm, indeed any exporting firm, to be properly equipped with a plan of action which;

- a. is based on information about the target market;
- b. integrates all the resources of the firm;
- c. orientates the effort of the firm towards satisfying the wants and needs of the foreign consumer; and
- d. is directed towards achieving the profit objectives of the firm (McDaniel 1979).

Such a plan of action is characteristic of a marketing orientated firm and, in the writer's opinion, is essential if South African exporters are to achieve greater success in international markets.

1.4 THE LACK OF A MARKETING ORIENTATION AMONG SOUTH AFRICAN COMPANIES

Studies undertaken in South Africa indicate that companies generally lack a marketing orientation. Almost fourteen years ago, in her doctoral thesis, Van der Merwe (1974, p.347) observed that;

"...the average marketing orientation outlook...is not high...[and] is rather mediocre"

A year later, Prassas (1975, p.197) in his MBA dissertation suggested that;

"...the degree to which at present the marketing concept is adopted and implemented by...companies in South Africa is rather low"

More recent studies indicate that the situation as far as marketing orientation is concerned, has not improved.

In a paper presented by Abratt (1984, pp.116 - 120) on the marketing orientation of industrial companies, he suggests that while these companies appear to be more marketing orientated than in the past, marketing has still not yet found a formal footing.

Norman Blem (1984, p.38), a former national vice-president of the Institute of Marketing Management, writes that;

"Often considered to be a more glorified name for selling, and poorly practised by some, marketing to many remains nothing more than an incomprehensible philosophy."

It is interesting to note that the situation overseas does not appear to be better. A survey of 128 European companies undertaken by the European Strategic Marketing Institute, indicates that marketing is little more than good intention, although there appears to be a recent resurgence of an acceptance of the marketing philosophy among corporate executives (Larreche, Powell and Ebeling 1987, p.79).

As far as marketing in the field of exports is concerned, the Commission of Enquiry into the Export Trade of the Republic of South Africa found that;

"...there seems to be a general lack of appreciation of the fact that in modern dynamic marketing the products designed, manufactured and sold are those wanted and preferred by consumers" (Reynders 1972, p.553).

All of the above statements suggest an insufficient marketing orientation among South African businesses. The writer's research supports this assertion.

As an export trade advisor in the Department of Trade and Industry (DTI), it is the writer's function to assist new as well as established exporters to find markets for products and to overcome any problems they may be experiencing in their export endeavours.

Over the past three years, the writer has been involved with more than 1 000 companies in the Western Cape and it has become apparent during this time that these companies (especially the manufacturing companies) are generally not marketing orientated.

At the same time, it also became apparent to the writer that only a few of those manufacturing companies investigating export markets, ever actually achieve success in these markets. The writer suggests that this poor export success rate is largely due to the general lack of marketing orientation among these companies (which implies a relationship between marketing orientation and export success).

If this is so, a serious problem exists. No country can afford its exporters to perform poorly, since failure has an economic cost attached to it in terms of money wasted and potential revenue lost.

potential revenue lost.

In view of the important role that exports play in the South African economy, the writer believes it is necessary to undertake research into the export sector in order to understand the nature and extent of the export industry and to examine the various relationships that are believed to exist.

This particular study is intended to add to the research that has already been undertaken in this field, by primarily examining a possible relationship between marketing orientation and export success.

1.5 THE OBJECTIVES OF THIS STUDY

1.5.1 Main objective

1. This study aims to establish whether a relationship exists between the marketing orientation of an export company¹ and the company's success in exports.

1. In this section, where the term 'export company' is used, it should be understood to mean 'export manufacturing company'

1.5.2 Secondary objectives

2. To examine whether the variables company Size and the Seriousness of the management of a company towards its exports (measured by the emphasis, commitment and budget allocated to these exports), influence the company's success in exporting.
3. To develop a definition of an 'active exporter' using the Delphi method which would then be used to classify export companies as either active or non-active exporters.
4. To develop a model using discriminant analysis which can be used to predict the potential that a new export company has of falling into either the active or non-active export groups, depending on certain selected variables.
5. To establish whether the marketing orientation of the company, as well as the seriousness of the company's management towards exports, is greater for large export companies than for small export companies.
6. To examine whether a relationship exists between the company's marketing orientation and certain selected variables.

7. To examine certain variables considered to be relevant to and to influence the export process.

The abovementioned objectives will be expounded upon in Chapter 5, section 5.2 of this study.

1.6 POSSIBLE IMPLICATIONS OF THIS RESEARCH

If a link can be found between export success and marketing orientation, then by focusing on the marketing activities of export companies, these companies could be encouraged to become more marketing orientated. This should result in an improved export success rate which in turn should have a marked effect on the South African economy as a whole.

Greater success in exports could mean a more stable economy, improved foreign exchange earnings, less unemployment and generally a more efficient and prosperous economy.

Because the DTI controls the registration of new exporters and administers a series of export incentive schemes, it is in a good position to encourage export companies to introduce a marketing perspective to their export activities. Perhaps incentives which reward firms that embrace a marketing approach, as well as additional training programmes, could be introduced.

Certainly the services of the DTI and of the South African Foreign Trade Organisation (SAFTO) could give greater attention to the marketing needs of export companies; while SAFTO could more aggressively promote its export marketing training courses.

It is important to mention that both the DTI and SAFTO do appreciate the value of marketing as a contributor to success and consequently provide services and incentives that are intended to;

- a. encourage export companies to follow a marketing approach; and
- b. assist export companies in their marketing activities.

The writer is doubtful, however, whether existing services and incentives are sufficient in themselves in the light of the apparent lack of marketing orientation amongst exporters, especially in view of the vital role that exports play in the South African economy. Part of the solution could be better communication of existing services and incentives to exporters.

Furthermore, if variables can be identified that will assist the DTI in predicting the potential of success of a new export firm, this will enable the DTI to allocate its services and incentives to new exporters more efficiently than is presently the case.

This study will be one of the first attempts to examine the extent of marketing orientation specifically amongst export firms and should reveal useful general information about the population of Western Cape exporters.

A recent study by Oppermann (1986) also looked at marketing orientation amongst export firms, focusing on industrial companies. He concluded that the companies incorporated in his study were generally marketing orientated. These findings appear to be in contradiction to the assertion by the writer that export companies are generally not marketing orientated. It should be noted, however, that Opperman used a sampling frame selected from SAFTO's membership lists. Since SAFTO's membership tends to be skewed towards larger, more successful companies, it is argued that Opperman's findings are likely to be biased. Indeed, he himself remarks that these companies do not reflect South

Africa's complete production and export potential.

Nonetheless, the results are interesting and will be addressed in Chapter 10, section 10.2 of this study.

1.7 EXPECTED CONTRIBUTION TO KNOWLEDGE

This study will attempt to measure a company's export success, the seriousness of the company's management towards exporting and the extent of its marketing orientation. The findings should provide an insight into the way in which South African companies approach their export endeavours.

The study will hopefully also provide valuable information to support the link between marketing and business success, albeit in the field of exporting.

In addition, the outlook that export executives have towards the constituents of the marketing concept and the consideration that export companies give to each of the elements of the marketing mix will be examined. This information will add to the body of marketing knowledge that exists in South Africa.

Various statistical techniques will be used, in particular discriminant analysis and the Delphi method. The results

obtained will provide an insight into the usefulness of these techniques.

Finally, it is expected that useful information of a general nature will be added to the limited pool of knowledge that exists about exporters and exporting in South Africa.

1.8 SCOPE AND KEY ASSUMPTIONS

1.8.1 Scope of this study

For reasons discussed in Chapter 6 (section 6.3), this study is confined to;

- a. registered export companies;
- b. manufacturing companies; and
- c. the Western Cape.

1.8.2 Key assumptions

The following assumptions should be borne in mind:

- a. As the records of exporters registered with the regional office of the DTI are to be used for the sampling frame in this study, it is an assumption that these records are complete, current and reasonably accurate.

b. This study does not include non-registered exporters.

It is assumed that the group of non-registered exporters is so small as to be insignificant.

c. It is further assumed that the information supplied by respondents is reasonably accurate and reliable.

1.8.3 Limitations of the study

Certainly a major limitation of this study is that it only targets on manufacturing exporters in the Western Cape. The largest part of South Africa's manufacturing sector is located in the Pretoria-Witwatersrand-Vereeniging (PWV) area (Dagut 1983, pp.202 - 204) and is consequently not included in this study. This must be seen as a serious limitation, especially if the results can be expected to differ.

Another limitation is that the study, because of practical considerations, excludes the group of non-registered exporters, even though this group is assumed to be quite small.

An additional limitation common to most studies is that by the time the study has been completed, some of the statistics and other information will have dated.

1.9 ECONOMIC THEORY UNDERLYING INTERNATIONAL TRADE

Before ending this introductory chapter the writer feels that it would be appropriate to discuss briefly those economic concepts which play an important role in international trade, in order that the mechanics behind South Africa's export trade be more easily understood.

1.9.1. Comparative advantage and gains from trade

The principle of comparative advantage is the basis for specialization into trades and occupations and is of great importance in the theory of international trade. It suggests that no matter how developed or under-developed a country is, there will always be gains from trade by specialising in the production of goods in which the country is relatively more efficient than its potential trading partner (Locke Anderson, Putallaz and Shepherd 1983, pp.714 - 720).

Because of its vast mineral resources, South Africa has a significant comparative advantage in its mining industry (Sunter 1987, p.86). In addition, a large pool of relatively cheap labour, as well as an abundant supply of mining and agricultural raw materials, may contribute to a

comparative advantage existing in the manufacture of certain products incorporating these resources (for example, iron and steel products (Kotze 1965, pp.129 - 138 and Ratcliffe 1983, p.153).

Sunter (1987, p.87) also lists other comparative advantages that South Africa has. These are;

- a. a good infrastructure;
- b. relatively cheap power;
- c. its position on an important trade route;
- d. the benefit of gold for bilateral trade swops;
- e. sophisticated financial services;
- f. an ability to handle large projects such as Cobora Bassa;
- g. its proximity to African markets; and
- h. medical expertise.

An interesting observation made by the 'Commission of Inquiry into the Export Trade of the Republic of South Africa' in 1972, was that there was no specific industry in the manufacturing sector which enjoyed an outright comparative advantage (Reynders 1972, p.216).

1.9.2 Economies of scale and productivity

Increasing economies of scale enable countries to specialise in the production of certain products which may then become more competitive internationally because of falling prices resulting from decreasing production costs (Samuelson 1980, p.631).

It is the writer's experience that even with a weak rand, many South African exporters find it difficult to match competitive prices abroad because of the economies of scale and high levels of productivity that exist overseas.

South Africa is also in a position where it cannot benefit from its own economies of scale because of a relatively small domestic market. This situation is aggravated by a geographically fragmented market, lack of standardisation (an excellent example of this is the motor industry with its proliferation of makes and models), and an economically poor surrounding market in the rest of Southern Africa (Reynders 1972, pp.411 - 413).

One way to benefit from economies of scale in South Africa is to export and to achieve greater volumes in this way (Kleu 1983, p.192).

As far as productivity is concerned, South Africa has one of the poorest records in the developed and near-developed world (Reynders 1972, p.380). The National Productivity Institute states that:

"Compared to its major trading partners, however, this country [SA] shows up pretty poorly - and that's where we lose competitiveness. Since the war, growth in almost all our trading partners has come overwhelmingly from productivity gains. In South Africa, the reverse is the case..." (National Productivity Institute Survey 1985, p.6).

If South Africa is to succeed in international markets, attention will have to be given to improving both productivity and economies of scale.

1.9.3 Differences in demand

Consumer demand differs from village to village, from city to city and especially from country to country. Differences in demand result from, amongst others, imbalances in technology and resources and from differences in levels of education, dietary requirements and cultural backgrounds (Samuelson 1976, p.632).

The peculiarities of consumer wants and needs go a long way in shaping the trade of nations. For example, before South Africa built her own nuclear power plant, nuclear reactors

were being used commercially overseas. Consequently, there was a demand for uranium from South Africa to be used in these nuclear reactors, even though South Africa had no need for the uranium at this early stage for her own nuclear plant.

1.9.4 Tariffs and quotas

Tariffs may be imposed either to prohibit trade or to earn revenue, but in both cases, they are considered as barriers to trade (Matthews 1987, pp.12 - 15).

Tariffs imposed by a country have the effect of increasing the price of a product imported into that country and thus making the product less competitive (Lipsey 1979, p.659).

This is the case, for example, with South African exports to the European Economic Community (EEC). No tariff barrier exists between EEC member nations, but significant tariffs are imposed on non-members such as South Africa. South African exports may consequently be less competitive when sold in the EEC in competition to member nations. The EEC is South Africa's largest export market (SAFTO Exporters, 1987) and therefore these trade barriers have an important

influence on South African exports. It is difficult to measure the impact of trade barriers as it is only when they are removed that any subsequent improvement in trade reflects the influence of the trade barrier.

A quota has a similar prohibitive effect. It sets limits on the amount (value or volume) of products in certain categories that may be imported into a country. The limitation may be placed on a certain type of good or on goods from a particular country, the objective being either to protect local industry or to preserve foreign exchange (Grubel 1981, p.141). The United Kingdom, for example, places a quota on the value of cotton goods that is allowed entry from South Africa.

1.9.5 Foreign exchange

To facilitate trade, a market has been established where individuals, firms and countries can trade one currency (or unit of value) for another (Goedhuys 1975, pp.128 - 130). This market has developed into a complex and sophisticated trading arena where currencies can be bought and sold (Culyer 1985, p.516).

The exchange rate reflects, by way of the mechanism of supply and demand, the relative purchasing power of the various currencies when compared with each other (Samuelson 1976, p.610).

In the present volatile world economy, various political, economic and social issues may distort the exchange rate. This has been the case in South Africa where the fluctuating gold price, political unrest, poor economic performance and high inflation has affected exchange rates, with the result that until about 1980, 1.2 U.S. dollars were equal to one rand (S.A. Reserve Bank Quarterly 1986, p.80). Today the value of one rand stands at approximately 0.5 U.S. dollars. Goods in South Africa have, therefore, become relatively cheaper in terms of the U.S. dollar.

The exchange rate mechanism plays a vital role in international trade and it is of particular importance to the exporter. If a South African exporter intends to sell his goods abroad, he would prefer to be paid in rands. The importer must therefore buy rands on the foreign exchange market in order to pay the South African exporter.

If rands are 'cheap', the U.S. importer can obtain relatively more rands for his dollar and this has the effect of making South African products less expensive and therefore more competitive abroad.

In this manner, the exchange rate is a vital link in the pricing mechanism for goods intended for overseas markets.

1.9.6 Balance of payments

The balance of payments of a country represents an accounting schedule of the state of its international receipts, payments and capital flows (Heyne and Johnson 1976, p.647). Unlike the other economic concepts discussed above, the balance of payments is not a structure for international trade but merely reflects the state of a country's foreign trade (Matthews 1987, p.41).

This accounting schedule includes all goods and services purchased from and sold abroad; all loans to and borrowings from overseas countries; as well as all gold movements; tourist expenditures (domestic and overseas) and interest and dividends received or paid abroad (Samuelson 1980, pp.614 - 617).

1.10 ORGANISATIONS INVOLVED IN ASSISTING SOUTH AFRICAN EXPORTERS

In South Africa there are a number of organisations that play an important role in assisting companies who are either preparing to export or who are looking at expanding existing markets abroad. As such assistance may affect the overall strategy of an exporter, it is necessary to examine the services that these organisations offer.

1.10.1 Directorate of Export Trade Promotion (DEP)

The DTI is the major organisation involved in promoting the development of the South African export sector. More specifically, it is the Directorate for Export Trade Promotion (DEP) within the DTI that is charged with the function of promoting exports. It has some 36 trade offices in 27 countries, 3 regional offices and its Head Office is situated in Pretoria (White Paper. 1986, p.16).

As far as the promotion of exports is concerned, the DEP assists exporters in two ways.

First, there is a programme of financial incentives intended to help registered exporters breach new markets or expand existing markets abroad. These incentives encompass two areas. The first area is to assist exporters in reducing manufacturing or production costs and the second is to help them cover some of their marketing overheads.

Second, in addition to the financial incentives, the DEF assists exporters by providing them with market information. The overseas trade offices will, for example, undertake a survey into a particular market on request of the exporter or provide specific information which an exporter may urgently require, such as import duties.

The overseas trade commissioners also gather information on market opportunities within their purview on an ongoing basis. Furthermore, should a prospective exporter undertake a visit abroad, the trade offices will assist wherever it is possible. This assistance may include arrangement of appointments with and introductions to prospective importers abroad.

The DEF also organises South African pavilions at various international trade fairs and produces a magazine for overseas distribution. This magazine offers an opportunity

for South African exporters to advertise their products. A computerised service that matches South African export products with potential overseas importers is another service offered by the DEP.

All the services of the DEP are free of charge.

While it is not a function of the DEP to undertake the actual marketing or selling of products abroad, there are certainly a number of services which exporters can make use of to facilitate their own marketing efforts.

1.10.2 South African Foreign Trade Organisation (SAFTO)

SAFTO is a private company established in 1963, financed partly by membership and consulting fees and partly by subsidy received from the DTI. Membership in 1987 consisted of 1465 companies.

Its corporate mission, as set out in its annual report is to;

"...be South Africa's one-stop international business development organisation, providing a complete range of export services to help South African companies build up their foreign business capabilities" (SAFTO 24th Annual Report, 1987).

SAFTO's activities cover the following areas:

- a. Export marketing consultancy, including market selection, trade fairs, industrial market research and small exporter development programmes.
- b. Export administration, including export costing and pricing, documentation handling, payment finance, export incentive claims and export management systems.
- c. Foreign market intelligence, including desk research, market data and country surveys.
- d. Publications, which include specialised export directories, exhibition catalogues, educational export handbooks, advertising magazines and information circulars.
- e. Training and education which includes courses in marketing, export administration, forms handling, export awareness and motivation drives. A three year correspondence diploma course in export management is on offer by SAFTO in 1988 for the first time.

f. Liaison with public authorities and the private sector on export matters and opportunities.

(SAFTO 24th Annual Report 1987)

Although SAFTO operates on a membership basis, certain of their services are available to non-members as well, on an ad hoc basis.

A number of other organisations also exist that are in a position to assist the exporter to a greater or lesser extent. These organisations include;

- a. the Credit Guarantee Insurance Corporation;
- b. the Industrial Development Corporation;
- c. the Small Business Development Corporation;
- d. commercial banks;
- e. clearing, forwarding and shipping companies; and
- f. various private export management consultancies.

1.11 SUMMARY

In this chapter, the importance of exports to the South African economy was emphasised, as well as highlighting the numerous benefits of exporting. Without a doubt, exports will play a decisive role in South Africa's future growth.

It is hypothesised that South African export companies generally lack adequate marketing orientation.

It is further hypothesised that if exporters become more marketing orientated, they will achieve greater export success. This argument, however, implies a link between marketing orientation and export success and it is this relationship between these two variables that this study intends examining.

This chapter also provides a sketch of a few economic concepts that underlie international trade, as well as briefly highlighting the services of the DEP and SAFTO - the two organisations that play a pivotal role in assisting exporters with their endeavours.

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CHAPTER 2

THE MARKETING CONCEPT

2.1 INTRODUCTION

In Chapter 1 the writer suggested that there is a need for South African export companies to become more marketing orientated and that South African exporters generally lacked such an orientation.

Before this assertion can be tested, however, it is necessary to examine what constitutes marketing orientation.

In her study, Van der Merwe (1974, p.72) suggests that the marketing orientation of a firm represents an attitude or pattern of conduct which denotes a disposition towards implementing the precepts the marketing concept puts forward.

The marketing concept can consequently be seen as the basis upon which marketing orientation is founded. In this chapter, therefore, the writer examines the marketing concept. It is appropriate, however, to begin with a general definition of marketing.

2.2 MARKETING DEFINED

The term marketing has become a fashionable catchword and is often used by executives and managers to describe the business activities of their companies. Some consider marketing to be the 'right product at the right price', while others again equate marketing with advertising, research or selling (Kotler and Armstrong 1987, p.4).

This lack of precision among business executives in their understanding of marketing is reflected in the myriad of attempts to define marketing in academic literature. Certainly no generally accepted definition exists. This lack of agreement has led to frequent semantic arguments and misunderstanding of the broader nature of marketing and its principles (Hunt 1976, pp.17 - 18).

As McKitterick (1957, p.71) remarked some twenty years ago;

"...one of the most charming attributes of this tireless conference subject is its sturdy resistance to onslaughts of definition and prescription."

This statement appears relevant even today.

Attempts at defining marketing vary from broad macro perspectives to a more micro view.

A macro-perspective, in terms of marketing, is defined as a concept or philosophy without operational links to individual firms (Prassas 1975, p.5). It can be seen as the aggregate viewpoint which considers marketing in relation to the national economy and implies a total systems viewpoint (De Coning, De Wijnholds and Swart 1974, p.4).

An example of a macro-perspective definition of marketing is:

"Marketing is the economic process by means of which goods and services are exchanged and their values determined in terms of money prices" (Duddy and Revzan 1947, p.4).

A micro-perspective on the other hand, focuses on the individual firm or enterprise. It examines the marketing functions and activities of the individual business (McCarthy 1982, pp.7 - 10).

A micro-perspective definition of marketing would be:

"[Micro] Marketing is the performance of activities which seek to accomplish an organisation's objectives by anticipating customer or client needs and directing a flow of need-satisfying goods and services from producer to consumer or client" (McCarthy and Perreault 1985, p.8).

Clearly the micro view considers marketing within the firm, while the macro view sees marketing set within the national economy. This study is essentially concerned with micro-marketing. That is, marketing as seen within the context of the firm and it is this latter definition of marketing that is therefore adopted for this study.

The writer suggests that even within the micro framework of the firm itself, marketing can also be seen in a macro- or micro-perspective. The macro approach reflects the overall orientation or attitude of the entire firm towards the consumer; while in contrast, the micro view sees marketing at a more technical level where the elements of the marketing mix are finely-tuned to suit the consumer's exact wants and needs.

Marketing in this broader (or macro) context can be considered to be a philosophy of doing business and is called the *marketing concept* (Sturdivant 1970, p.284). It

encompasses *all* the activities of the firm (including production, finance, personnel and the functional (or micro) marketing activities) (Guiltinan and Paul 1985, pp.4 - 6).

It is important to appreciate this dichotomy in marketing, as it is here where most of the confusion about marketing first arises.

The marketing concept is of particular importance to marketing and deserves further discussion.

2.3 THE MARKETING CONCEPT

In the evolution of marketing, the marketing concept has today become a fundamental building block for subsequent marketing actions (Evans and Berman 1984, pp.10 - 12).

It has already been said that the marketing concept is essentially a philosophy of business - a way of life - guiding and co-ordinating the activities of the *entire* organisation. It is an approach utilised to achieve company growth with the wants and needs of the customer as first criterion against which all business decisions (not only marketing decisions) are weighed (St Thomas 1967, p.64).

It also involves a corporate state of mind that insists on the integration and co-ordination of all marketing functions. These in turn are combined with all the other corporate functions for the basic objective of producing maximum, long-range corporate profits (Hise, Gillett and Ryans 1979, p.12 - 14).

Van der Merwe (1974, p.36) suggests that there is some difficulty amongst executives in conceptually grasping the difference between the marketing concept as a philosophy and the marketing function in an organisation.

The functional aspects of marketing (including the elements of the marketing mix), do not in themselves comprise the philosophy of marketing as embodied in the marketing concept (Lipson and Darling 1971, pp.16 - 17). Consequently the marketing concept does not necessarily manifest itself in an aggressive marketing department that emphasises the functional aspects of marketing (Wilson 1985, p.46).

In all likelihood companies will eventually emerge that no longer simply accept the marketing concept, but are in effect 'marketing companies' - companies in which the marketing philosophy guides and controls their entire operation (Lipson and Darling 1974, pp.10 - 13).

The switch to the marketing concept is, in its most developed sense, a switch to a 'marketing company' (Keith 1960, p.38), because the *marketing concept philosophy is probably the closest to that of an overall management philosophy* (St. Thomas 1967, pp.77 - 78).

2.4 THE FOUNDATIONS OF THE MARKETING CONCEPT

In order to understand the marketing concept more clearly, it is appropriate to examine its foundations.

According to McDaniel (1979, p.4) these foundations are;

- a. consumer orientation;
- b. goal orientation; and
- c. a systems approach.

2.4.1 Consumer orientation

Most important of all, the marketing concept is a philosophy of consumer orientation (McKay 1972, p.5).

The purpose of a business is to satisfy the wants and needs of its consumers and management thinking should start and

end with the consumer (De Coning et al. 1974, p.7).

Manufacturing has simply become a service activity to supply the goods demanded by the public (Bell 1966, pp.13 - 14).

A first step implied by the marketing concept, therefore, is to determine the wants and needs of the consumer and it ends with the repeated satisfaction of these wants and needs (Kotler 1984, pp.15 - 16).

2.4.2 Goal orientation

This step is sometimes referred to as profit orientation, but it should be remembered that although most companies consider the profit motive to be the main purpose of their business activities, not all companies are necessarily profit orientated. Nonetheless, to achieve corporate goals, whether they are profit goals or otherwise, should be considered crucial to the well-being of the firm.

Satisfying the wants and needs of the consumer must not be viewed as an end in itself, says McDaniel (1979, p.4). A firm should not serve a market unless this service satisfies corporate objectives.

2.4.3 Integrated effort

The marketing concept is a complete business approach. In other words, the personnel, production, finance, marketing and other functions are all incorporated in the marketing concept - it is an integrated systems approach (Hise, Gillett and Ryans 1979, pp.13 - 14).

In summary therefore Bell (1966, pp.13 - 14) defines the marketing concept as a market or consumer orientation, emphasising the subordination of departmental goals to company-wide goals through interrelated operations and a concern for profitability, all in order to achieve operating results in accord with overall company goals.

2.5 EVOLUTIONARY BASIS OF THE MARKETING CONCEPT

Keith (1960, pp.35 - 38) distinguishes three historical phases in the evolution of marketing:

- a. Production orientation : 1900 - 1930.
- b. Sales orientation : 1930 - 1950.
- c. Marketing orientation : 1950 - present.

2.5.1 Production orientation : 1900 - 1930

In this period the main emphasis fell on efficient production in respect of both technology and management. As a result, manufacturers approached the market from the viewpoint "...that everything made could be sold" and their primary (if not only) function was to produce (De Coning, et al. 1974, p.15). In essence, the customer was secondary and management did not concern themselves with the customer and his needs. It was a period characterised by a scarcity of goods, in other words a seller's market.

2.5.2 Sales orientation : 1930 - 1950

The Depression in the 1930's increased competition and the growing complexity of markets resulted in a chronic oversupply of goods and services. Management was forced to pay more attention to the consumers' wants and needs and attempts were made to organise some marketing apparatus, including high-pressure salesmanship (De Coning, et al. 1974, p.15).

Production remained a significant factor in the organisation but a dynamic sales force became a competitive advantage in creating a demand for the product (Keith 1960, pp.35 - 38).

The advent of World War II also resulted in companies realising the value of good research. This realisation was a stepping-stone to using marketing research in order to make better management decisions (McKitterick 1969, pp.74 - 75).

2.5.3 Introduction of the marketing concept and marketing orientation : 1950 - present

The marketing concept was first articulated soon after the second World War by the General Electric Corporation (Dickson, Herbst and O'Shaughnessy 1986, p.18). Since then considerable thought has gone into the development of this philosophy.

After the second World War, competition became fiercer and customers more demanding. The industrial gearing-up for the period of the war resulted in an oversupply position after the war. Consumers could therefore afford to be more selective. This situation was one of the major contributors to the accelerated development and adoption of the marketing concept in this era (Willis 1971, p.21).

Fired by activists such as Ralph Nader and Robert Choate, consumers have begun to actively seek more attention from manufacturers (Enis 1977, p.40). This 'tidal-wave' of consumerism has probably done more to focus the attention of marketers on the consumer's wants and needs than any other factor.

The writer would like to point out that while the three phases described above account for the historical development of marketing within the general business environment, these three phases can just as well be applied to the development of individual firms. That is to say, there are firms which begin their existence following a production orientated approach and develop through a sales orientation phase to become a marketing company.

However, it is not to say that a new concern cannot follow a marketing approach from the onset. There are many that do. Others again begin at the sales orientated stage and develop into a marketing concern, while others again may never develop beyond either the production or sales orientated stages.

2.6 FACTORS INFLUENCING THE ADOPTION OF THE MARKETING CONCEPT

There are several factors which encourage the acceptance of the marketing philosophy amongst business executives (Lazer 1971, pp.35 - 36 and Field, Douglas and Tarpey 1967, pp.16 - 17). These include:

- a. Increased productive capabilities in an economy of abundance.
- b. Keenly competitive conditions that force greater attention on consumers and consumption.
- c. The profit squeeze resulting from increased costs and competitive prices.
- d. The automation of manufacturing systems which, bringing high fixed costs and continuous production capability, require mass markets to spread them.
- e. The recognition of the role of innovation and the contribution of new products to corporate growth and survival.

- f. The growth of mergers and multinational corporations that recognise the need for better market planning and co-ordination.
- g. The development of mass markets with widespread selective spending power, thereby providing an opportunity for developing new products to meet consumer wants and needs.
- h. Consumer affluence, full employment, job security and discretionary purchasing power, making mass marketing possible.
- i. Growing consumer education and product information.
- j. Product diversification and scrambled merchandising have produced 'criss-cross' competition for the consumers' discretionary dollar.
- k. More sophisticated management has increased competition through improved management methods resulting in greater productivity, lower costs and more effective marketing techniques.

These factors would suggest that the modern organisation is being 'pushed' to become more marketing orientated.

A further point the writer would like to make is that while the factors listed above generally hold true in South Africa, their influence on companies differs for international and domestic markets.

These factors are arguably less valid in the South African domestic market for the following reasons;

- a. the South African domestic market has enjoyed a fairly high degree of protection from foreign competition;
- b. there exists a developing, yet relatively unexplored black consumer market;
- c. in some cases anti-market environments have arisen (such as is the case with dairy, meat and deciduous products, where controlling boards and monopolies exist); and

d. the social imbalance in South Africa has allowed white South Africans (who largely control the business environment), a margin of comfort which does not exist abroad.

Consequently, companies have generally found it easy to achieve success within the domestic market without the need to be marketing orientated.

In the international market, however, the situation is entirely different. Inflation rates may be lower, productivity higher, competition more intense and the abovementioned factors that influence the adoption of the marketing concept, more relevant. Unless a company's product clearly satisfies the wants and needs of the end-user, the company will lose sales to its foreign competitors who are willing to target the entire effort of their concern towards satisfying the wants and needs of the consumer.

In most instances, unless a company is marketing orientated in the international market, its chance of achieving success is significantly reduced (Cateora and Hess 1978, p.13).

2.7 ARGUMENTS AGAINST THE MARKETING CONCEPT

Jolson (1978, p.81) remarks that;

"The marketing concept is so ubiquitous in the marketing classroom that the naive student of marketing is generally led to believe that firms who fail to employ this philosophy are business criminals".

It has been suggested that the marketing concept is not necessarily the optimal management philosophy in all instances and that it may be time to discard it (Sachs and Benson 1978, p.74).

Houston (1986, pp.81 - 87) also argues that there are many examples of poor marketing practices that have been adopted in the name of the marketing concept. He says that;

"It is important....to recognise that under certain circumstances, the production concept or sales concept would be a more appropriate management philosophy for the organisation than the marketing concept."

The marketing concept has been described as an incomplete prescription as it does not sufficiently emphasise the unique capabilities and resources of the firm (Kerby 1972, pp.31 - 35).

A point that has been made is that many marketers take their lead from the expressed wants and needs of the consumer. However, there may be latent wants and needs that only surface in response to the creativity of a firm resulting from a production/sales effort (Houston 1986, pp.81 - 87).

Austen (1983, p.6) suggests that the marketing concept is obsolete but remains a "...useful and valuable guide to the business executive."

While the above arguments are interesting, it is the writer's opinion that the marketing concept still remains appropriate if one considers it in the light of an overall philosophy of business. It integrates all the capabilities and resources available to the firm, *including* any creative resources the company may have in its effort to satisfy the consumer.

In a recent article by Samli, Palda and Barker (1987, pp.45 - 51), support was also shown for the continued use of the marketing concept. The fact that the marketing concept has recently come under attack, they argue, is not the problem of the concept itself, but its narrow application.

"Allowed to mature, it will generate both imitative and innovative product areas..."
(1987, p.45).

They conclude by suggesting that the concept is capable of dealing with the challenges offered by short- as well as long-run opportunities.

The writer would tend to agree with this conclusion.

2.8 SUMMARY

In this chapter the writer highlighted the philosophy underlying marketing - the marketing concept.

The marketing concept was said to be a management philosophy that guided and integrated all the activities of the company for the purpose of satisfying the wants and needs of the consumer at a profit.

There are three elements that form the basis of the marketing concept, namely; customer orientation, profit (or goal) orientation and integrated effort.

Over the years many businesses have evolved through various stages to become marketing orientated companies that embrace the marketing concept. These evolutionary stages are; production, sales and finally, marketing orientation.

Recently, the usefulness of the marketing concept has been queried. Some authors doubt whether it is the most suitable philosophy and argue that either a production or sales orientation may be more suitable depending on the circumstances.

The writer suggests, however, that the marketing concept remains a useful and appropriate business philosophy, if viewed in its broader sense.

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CHAPTER 3

MEASURING MARKETING ORIENTATION

3.1 INTRODUCTION

In the previous chapter the marketing concept was described as a philosophy of doing business where the integrated effort and resources of a company are directed at satisfying the wants and needs of the company's consumers at a profit.

However, this philosophy should be translated into elements of daily work activity in order for it to be effective (Cascino 1959, p.60).

It was also mentioned in the same chapter, that marketing orientation represents an attitude and pattern of conduct which denotes a disposition towards implementing the precepts the marketing concept philosophy puts forward.

In other words, marketing orientation can be said to be the operational end of the marketing concept and is linked by the elements constituting the concept.

For the purpose of this study, the question arises as to how the marketing orientation of a company can be measured.

Van der Merwe (1974, p.73) argues that the extent to which a company is marketing orientated could be manifested in and measured by either the attitude or outlook of the executive management of the firm or the actions of the firm or both.

3.2 THE MARKETING ORIENTATION OUTLOOK OF A COMPANY'S EXPORT EXECUTIVE

In a truly marketing orientated company, all management executives starting with the company president, should understand and support the philosophy of marketing based on the foundations of the marketing concept expounded in the previous chapter (Abratt, 1984, p.119). It is their commitment to the concept which manifests itself in a point-of-view or opinion which they pass on down through the organisation.

Since it is a function of management to influence the ultimate direction of an organisation by setting values and guiding the behaviour of others, Steiner (1969, p.143) argues that the executive's personal values and opinions can

be expected to have a profound impact on the ultimate direction and performance of the organisation.

If management is positive towards the marketing philosophy, it can be argued that this attitude will in turn influence subsequent activities within the firm and consequently result in a marketing orientated organisation.

Although we have constantly referred to management in general terms, as this study focuses on exports, the particular management executive that would be of interest is the one that has the final responsibility for all export decisions; hereafter called the export executive.

If the export executive is positively disposed towards marketing, it is suggested that the general outlook of the export division of the company in question will also be marketing orientated.

In Chapter 1, section 1.5.1 it was said that the main objective of this study is to establish whether a relationship exists between the marketing orientation of an export manufacturing company and its success in exports.

Consequently, one of the methods that will be used to establish this hypothesised relationship, is to determine whether a link exists between the marketing orientation outlook of the export executive and the degree of success his company has achieved in exports. The executive's marketing orientation outlook will be measured by his responses to questions that will relate to the various elements constituting the marketing concept.

The expectation is that the higher the export executive's marketing orientation outlook, the more his opinions and values will influence the export department along marketing lines. This should result in a marketing orientated export effort which in turn will lead to greater success in exports.

It is appreciated that there is a weakness in this argument. If, for example, the export executive is a junior manager or a member of the company's clerical staff, his orientation will not particularly affect the company's export activities. More likely it will be the general company orientation (influenced by senior management) that will exert itself on the export department.

It is because of this weakness inherent in the above argument, that the writer felt it was also necessary to take into account the actual export marketing actions and performance of the firm.

3.3 MARKETING ORIENTATION MEASURED BY THE MARKETING MIX

According to McDaniel (1979, p.17);

"The marketing concept can be implemented via the marketing mix [which consists of] promotion, pricing, distribution and the product itself. Without a successful marketing mix, the firm is ultimately doomed to failure".

A company's blend of the elements of the marketing mix can therefore be said to be a tangible measure of the extent to which the company has implemented the marketing concept.

In other words, a company's marketing orientation is reflected in its market 'offering' or marketing mix.

Kotler (1976, p.59) defines the marketing mix as a set of controllable variables that the firm can use to influence the consumers' reactions to the company's market offering.

The marketing mix is the result of a blending, compounding and mixing of marketing variables into an integrated package in order to satisfy both the customer and the company's objectives.

The marketing mix is an end-product of a marketing process which involves:

a. A situational analysis (McDaniel 1979, p.103):

This includes examining;

- i. the resources available to the firm;
- ii. the external environment within which the firm must operate;
- iii. the nature and extent of the potential market being considered; and
- iv. the present marketing effort of the firm.

This analysis enables management to take stock of the present marketing situation of the company, both internally and externally.

b. Planning (Brown 1985, pp.41 - 51):

Once the marketing executive has an understanding of the marketing environment of the firm, he must;

- i. decide where the company should be heading and set appropriate objectives; and
 - ii. prepare a program of action (including marketing strategies and plans) to enable the company to achieve these objectives.
- c. Implementation of marketing plans (Kotler 1976, p.46):
Having set objectives and developed marketing plans, the marketing executive should now ensure that these plans are implemented.

It is at this stage that the blend of marketing variables is physically orchestrated into a market offering. The marketing mix is essentially an end result of the company's marketing plan.

- d. Control (Hodgetts 1979, pp.135 - 138):
As with most activities, control is important in order to monitor the progress of the firm and to measure this progress against company objectives to ensure that the firm remains on the desired path.

A company's marketing mix consists of four basic elements, namely; product, price, promotion and distribution (Kotler and Armstrong 1987, pp.46 - 47).

These components of the marketing mix can be viewed as tools that are at the disposal of management. As variables, these elements can be combined in a variety of different combinations. Management should choose the most suitable combination most likely to satisfy the wants and needs of the consumer at an acceptable profit level (Borden 1969, pp.365 - 376).

In order to achieve the objective of this study which is to measure the relationship between the extent of a company's export marketing orientation and its success in exports, the writer feels that by looking at the emphasis or consideration that the company has given to the various elements of the marketing mix, a measure of marketing orientation can be obtained which may then be related to export success.

The writer believes that this is a more reliable method than linking the export executive's marketing orientation outlook with export success as is described in the previous section.

Although both methods are used, the second method is considered to be the more appropriate for testing the relationship between export marketing orientation and export success.

It should also be noted that it is not the purpose of this study to comment on the wisdom of management's choice of each of the various marketing variables. Instead, this study merely strives to establish whether management has given any consideration to these variables and the extent thereof.

3.4 SUMMARY

In this chapter the writer describes the link between the marketing concept and marketing orientation, as well as discussing two methods that can be used to measure the extent of a company's export marketing orientation.

First, by examining the outlook of the export executive towards the elements of the marketing concept, the company's marketing orientation can be measured. The argument is that the executive's commitment to marketing manifests itself in a point-of-view which he then passes on down through the export department and which subsequently impacts on the direction and performance of the company's export activities resulting in an export marketing orientated company.

The writer acknowledges the weakness in this method, as it is quite possible that the export executive has little impact on the company's export activities and that it is, for example, senior management that has a greater influence on these activities.

Second, the writer suggests that by examining the company's export marketing actions reflected in its export market offering or marketing mix, these actions will reflect the extent to which the company is export marketing orientated.

The above two methods provide a means of measuring export marketing orientation and both are used in this study, although the second method is considered more reliable. This is an important part of this study if it is to achieve its main objective which is to establish whether a relationship exists between marketing orientation and export success.

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CHAPTER 4

INTERNATIONAL MARKETING

4.1 INTRODUCTION

As this study specifically focuses on marketing within the export environment, it is important to look more closely at what constitutes international marketing.

The question arises as to what the difference is between domestic and international marketing and whether the management and planning of a firm's international business differ from the management and planning of its domestic business?

4.2 INTERNATIONAL MARKETING

As with the definition of marketing where a plethora of alternative definitions are evident in marketing literature, a number of terms can be found that describe the marketing of goods and services across national boundaries.

Terms such as global marketing, international marketing, foreign marketing, multinational marketing, world marketing

and export marketing are all commonly used. The differences in meaning are often simply a question of semantics.

Different authors may use different terms to represent the same meaning.

O'Reilly (1985), for example, uses the terms international marketing and export marketing interchangeably. Terpstra (1983, pp.4 - 12) on the other hand, uses the term international marketing to include all marketing activities across national boundaries, while export, multinational and foreign marketing each represent different levels within international marketing.

Keegan (1984, p.290) suggests that the difference between international marketing and multinational marketing is the orientation of the company. International marketing, he says, describes the export activities of a home-market orientated company, while in multinational marketing the company is primarily concerned with the world market.

For the purpose of this study the writer will use the Terpstra classification (1983, pp.4 - 12). In other words:

- a. International marketing represents *all* marketing activities across international boundaries.

- b. Export marketing represents the instance where a company markets its products abroad, but supplies these products from a domestic base.
- c. Foreign marketing represents a company which has some degree of representation (either sales or production facilities) overseas.
- d. Multinational marketing represents the extreme case of international marketing where the company controls extensive global operations and sees itself as a global company.

Terpstra (1983, p.4) also argues that there is little difference between the principles underlying domestic and international marketing. The difference, he says, exists in the way they are managed.

The reason for this is that the international marketer is faced with so many extraordinary problems, such as language, culture, political, legal, social and logistical considerations, that his task of managing the international marketing function is made more difficult. These problems are briefly discussed below.

4.3 PROBLEMS IN INTERNATIONAL MARKETING

4.3.1 International competition

The international market environment is vast and complex. World trade was valued at more than U.S.dollars 1,800 billion in 1983 (United Nations 1986, p.4), more than fifty times larger than South Africa's GDP in the same year.

There are countries whose economic infrastructure depends heavily on either imported raw materials (such as Japan) or on exported finished goods (such as Taiwan), or on both. Imports and exports in South Africa in 1985, for example, represented some 53% of the country's GDP (almost 70% if foreign service receipts and payments are included) (Bulletin of Statistics, 1987).

If one removes international trade from these and other economies (including those of the U.S.A, Europe and the Far East), then most of these economies would collapse. Consequently, countries compete fiercely for a share of world trade; on the one hand trying to break into new markets or enlarge existing markets abroad and on the other hand, restricting other countries from access to their own domestic economy.

A good example of this scenario can be found in the present trade war between Japan and the United States (The Economist 1987). In the automobile industry, which is considered to be a corner-stone of the United States economy, the Japanese have captured approximately a third of the market, while tenaciously fighting off United States competition in Japan by instituting restrictive trade barriers including high import taxes against U.S. imported motor-vehicles.

In these highly competitive international markets the South African exporter has to compete against companies prepared to spend large amounts of money and effort on the marketing of their products abroad.

The South African exporter often finds himself at a disadvantage because:

- a. Foreign companies can afford to spend more money on research and development programmes because of large domestic markets where they are able to recoup their investment more easily. Research and development inevitably gives the overseas competitor the edge on technology, innovation, quality and design.

- b. European and U.S. exporters are closer to their foreign markets than the South African exporter. Distribution and logistical costs are therefore greatly reduced for the foreign competitor. Freight rates are also paid for in U.S. dollars and here again the South African exporter is at a disadvantage because of the low value of the rand.

- c. Productivity levels in the U.S., Europe and especially the Far East are considerably higher than in South Africa. Even though in some cases, South African labour costs are fairly low, the productivity levels in this country are proportionately lower still. This enables overseas companies to achieve a lower unit price than the South African exporter is able to.

- d. The large volumes the foreign exporter can achieve, again because of large home markets, result in lower costs and more competitive prices.

- e. The overseas exporter is also generally prepared to spend greater amounts of money on the promotion of his product abroad than his South African counterpart.

The factors mentioned above tend to negate the benefit of the low value of the rand that South Africans often cite as an advantage.

It is the writer's experience, based on reports received from both the South African trade commissioners overseas and from South African exporters who have undertaken research abroad, that the low value of the rand is seldom sufficient to achieve a price advantage over foreign competition, even if export incentives are calculated into the export price.

4.3.2 Cultural differences

Cultures differ between countries as much as languages may differ.

The French pride themselves on logic, while the Dutch may be stubborn and non-committal. Germans on the other hand, are usually precise, while the Italians tend to conceal information. In Japan the focus is on the well-being of the group, while in the U.S.A. the individual is considered more important (O'Reilly 1985, p.18).

Culture has been defined as the integrated sum of learned behaviour that is shared by members of a society and may affect the way markets react to a company's market offering (Hoebel 1985, p.29). A South African company's marketing mix deemed acceptable for the local market, may not be suitable for the overseas market.

In managing the marketing programme, the exporter should strive to understand the cultural constituencies of the overseas market and adapt the marketing package to suit the specific characteristics of the national identity of the market place (Terpstra 1983, pp.90 - 91).

4.3.3 Language differences

The language of the target market may also differ from that of the exporter.

Since marketing is dependent on communication, unless the exporter can adequately communicate his offering to the potential importer, it is not likely that the exporter will achieve success (Terpstra 1983, pp.92 - 95).

4.3.4 Educational and literacy considerations

In some countries (especially in Africa), the level of education may be lower than in South Africa. Problems could therefore arise if the South African exporter should attempt to market a high-technology product in such a country.

There may also be the problem of literacy. If a product requires a lengthy explanation as to its method of use, there will no doubt be difficulty in marketing the product. How can a product be advertised in the print media, for example, if the target market cannot read or write?

4.3.5 The political environment

Governments play a role in all economies to a greater or lesser extent (Terpstra 1983, pp.119 - 128).

In certain socialist or communist countries, the foreign marketer could run the risk of having his operations nationalised by the government.

The international marketer may also be concerned about entering a country where the government is unstable. South American and African countries are often considered high

risk markets because of the uncertainty of the future of the government in power.

The political environment is consequently important, not only in the initial decision to invest in a foreign country, but also in continuing marketing operations there.

4.3.6 The legal environment

The legal environment provides a minefield of problems for the aspirant exporter.

First, there are the legal problems that exist within the exporter's home environment. In South Africa, for instance, only the Deciduous Fruit Board has the right to market deciduous fruit overseas.

Before wine can be exported from South Africa the consignment must be inspected by the Vinilological Institute in Stellenbosch.

There are also a host of products, some strategic (for example, armaments and gold), others fairly ordinary (for example, printing machines and excavation equipment), that

can only be exported under permit, the issuing of which is controlled by the DTI.

Second, the other laws of which the exporter must be aware are international laws and the laws that apply in a foreign market (Hibbert 1985, pp.32 - 33).

Trademarks and patent registrations fall under the auspices of international law, as do certain trade treaties (for example, the IMF & GATT). Certain of these laws may affect the marketing of a company's product in a foreign market.

The laws in the target country are equally important to the exporter.

Before an exporter in South Africa can market electronic products in the U.S.A., he must obtain approval from the Underwriters' Laboratory - an institution similar to the South African Bureau of Standards. This is also the case with food or pharmaceutical products imported into the U.S.A. where approval is required from the Food and Drug Administration.

Such legal requirements inevitably entail a lengthy and costly effort on the part of the exporter and add to the eventual cost of the product.

While one could go on indefinitely about the various problems the exporter faces, the above list should provide the reader with an insight into the difficulties of marketing in an international environment.

The writer has mainly looked at these problems from the point of view of the South African exporter, but they are equally relevant to the exporter in any other country.

The South African international marketer does, however, face certain additional and unique problems. These relate to the sanctions, boycotts and consumer resistance that the South African exporter experiences in foreign markets.

4.4 SANCTIONS

Koenderman (1982) defines a sanction as ;

"...a coercive measure undertaken by one or more states against another guilty of violating international law."

Australia, Canada and the U.S.A. have recently imposed punitive sanctions against South African exports in an effort to induce the South African authorities to bring about political change acceptable to the governments in these countries.

The EEC, the Commonwealth, the United Nations and other similar organisations have also introduced sanctions or boycotts. Some of these have been in existence for many years, for example, the arms boycott, while others have been introduced quite recently in one form or another, with the same purpose in mind.

Furthermore, there is a lengthy list of countries throughout the world who have for several years applied a total boycott against trading with South Africa. These include the East Bloc and Communist countries, most African countries, India, Thailand, South Korea and the Arab countries.

Many of these countries, however, view trade with South Africa in a pragmatic way. If there is a benefit for their economy they will usually allow trade to proceed.

Nonetheless, these boycotts and sanctions have created enormous problems for the South African exporter. Even if a product is not subject to sanctions or boycotts, the exporter may find that his marketing effort is disrupted because of consumer, trade union and/or other non-official action.

It is appropriate at this point to distinguish between official sanctions and non-official sanctions. Official sanctions include all those legislated actions instituted against South Africa's foreign trade by either overseas governments or international organisations such as the EEC and the United Nations. These actions may include;

- a. bans on investment in South Africa;
- b. complete or partial bans on imports and exports to and from South Africa;
- c. a withdrawal of landing or overflying rights;
- d. a ban on South African shipping at foreign ports;
- e. a refusal to grant visas to South African businessmen;
- f. a ban on new financial investment in South Africa; and
- g. a closure of South African overseas trade commissions (Koenderman 1981, p.35).

Non-official sanctions include all non-legislated actions against South Africa such as consumer and business boycotts, trade-union actions, disinvestment by foreign multinationals in South Africa, overseas stockholder pressure and a withdrawal or recall of private loans made to South African companies.

The effect of sanctions on South African companies is that;

- a. markets are closed to South African exporters; and/or
- b. the South African exporters marketing activities are seriously affected by the sanctions.

In the former instance, the opportunity for South African companies to market their products abroad is drastically reduced. Fewer markets mean fewer exports. Even if the South African company is able to find alternative markets, the potential of a market, closed to South African exports, is lost - not only in terms of the exports no longer allowed to be sold there, but also in respect of potential exports that might have been sold there in the future. This situation poses a serious problem for South Africa's future export growth.

In the latter case, the exporter no longer has the freedom to manipulate his marketing mix as he may feel is necessary. Advertising and promotion, for example, may no longer be possible as it may attract undesirable attention to the product. Distribution of products overseas may also become more complex as exporters are forced to reroute their exports. This may entail transshipment, restuffing of containers as well as extra documentation procedures. These additional activities all add further costs to the product, resulting in either higher prices or lower profit margins. Finally, certain product and/or packaging changes may be necessary to reduce the profile of the product overseas.

The South African exporter is consequently considerably constrained in his marketing activities as he has less control over the elements of his marketing mix.

International marketing has thus become unconventional for the South African exporter.¹

This does not mean that the marketing concept is no longer applicable to the South African exporter.

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1. It is interesting to note the announcement of the State President on the 4th of November 1985 on the establishment of a Secretariate for Non-conventional Trade within the Directorate of Export Trade Promotion in the DTI.

More than ever before, the South African exporter must pay careful attention to the wants and needs of the foreign consumer. The only way to overcome sanctions is for the exporter to ensure that his product is more competitive than that of his foreign competitors and that it meets the exact requirements of the overseas consumer. If it does not, the consumer has a ready reason not to purchase from the South African manufacturer.

It is clear that the South African exporter faces enormous problems and risks in marketing abroad.

4.5 BENEFITS OF EXPORTING

So far, only the problems involved in exporting have been addressed. There are, however, benefits to the individual company and to the economy as a whole.

The economic benefits of exporting were discussed in Chapter 1 and there is no need to repeat the discussion here. This section specifically deals with the benefits of exporting to the individual enterprise. These are:

a. Increased profits.

No company will export in order to make a loss.

International markets offer greater opportunity for profit generation and sometimes the profit margins can be better than the margins available in the domestic market.

b. Increased sales.

The potential exporter may find that his domestic market is saturated and the only opportunity to increase sales (and profits) is by exporting his products abroad.

c. Stabilising sales.

Often when a recession occurs in the domestic market, a boom exists somewhere else in the world. Exports can offer the South African company an opportunity to enjoy sales potential in an otherwise depressed domestic market. Should the South African exporter produce a seasonal product, if he exports the product to the Northern Hemisphere he may be able to obtain sales during his normally slack winter period.

d. Prestige.

There is a certain prestige or status attached to exporting. It may be advantageous for the exporter to boast the fact that his product is sold internationally. This may give the exporter a competitive edge in the domestic market.

e. Improved competitiveness.

In order to compete internationally, the local company must be competitive. This results in the company being more competitive and efficient in the domestic market, enabling the company to increase local sales.

f. Increased volume and lower unit costs.

As export sales result in an increase in production volumes, the exporter should be able to obtain a lower unit cost. This has benefits for both the company's domestic and export sales because of lower prices.

g. Excess production capacity.

A company may have spare production capacity. Exports are an excellent means of utilizing such excess capacity.

The above benefits are a few of the reasons why a company may decide to become involved in exporting.

There also exists within industries unique reasons for seeking markets abroad. The wine industry in South Africa provides a good example. KWV (Ko-operatiewe Wynmakers Vereeniging) was originally formed to help stabilise the wine farmers' price for growing grapes. Each farmer is allocated a quota by the KWV which it buys up annually at a set price, guaranteeing an income for the farmer. KWV produces wine from these grape quotas. So as not to compete with local wine producers, the KWV has agreed to market this wine only overseas.

Whatever the reason for exporting and whatever the risks, it is essential that each individual exporter carefully consider all the options available to him. If he still chooses to export it is important that he then develops a marketing plan which includes specific objectives.

Innovative management will be necessary if the company is to succeed in its international marketing efforts.

The above export marketing plan and the management thereof are considered key ingredients to successful international marketing.

4.6 INTERNATIONAL MARKETING MANAGEMENT

The basis of a successful international marketing program, suggests Keegan (1984), is a sound understanding of the marketing discipline, including both the concept of marketing and its functions. International marketing, he continues, in addition to being a concept and a philosophy of business, is also a business process and set of activities.

Marketing principles, from the concept to its functions, are universally applicable to both domestic and international marketing. It is not the mechanics of marketing that differs in international marketing, but rather the complexities of the environments within which international marketing takes place. Management must develop suitable marketing strategies to achieve success in exports (Terpstra 1983, p.4).

The techniques of management in the international context differ little from the domestic situation. Objectives must be set, markets evaluated, a marketing plan and marketing strategies developed and implemented.

Strategies are implemented by management through the adjustment of marketing variables to suit the specific foreign consumer requirements. In other words, a specific marketing mix must be formulated to meet the needs of foreign consumers. The marketing mix (consisting of essentially the same elements as in the domestic market, namely product, price, promotion and distribution), should also be formulated taking into consideration the vast array of external variables existing in the international environment, some of which have been discussed in this chapter.

In Chapter 3, two methods of measuring marketing orientation were suggested. The writer argues that these two methods are equally relevant in the international marketing context.

On the one hand, if the executive in charge of exports is marketing orientated, his opinions and values will most likely influence the orientation of the export division along marketing lines.

On the other hand, by looking at management's attention to the marketing mix variables in the export context, a judgement can be made as to the degree to which the company is marketing orientated in its export effort.

Both the above methods of measuring marketing orientation are consequently used in this study.

4.7 SUMMARY

In this chapter various terms were used to describe marketing across international boundaries. These terms included, international marketing, export marketing, foreign marketing and multinational marketing.

The numerous problems and difficulties involved in international marketing were also discussed, as were the benefits of exporting to the individual company.

The effect of sanctions on the export marketing manager's activities was outlined. The elements of the marketing mix are all subject to constraints under the influence of sanctions. Although the marketing function has come under pressure because of sanctions, the writer suggests that the philosophy embodied in the marketing concept is more applicable than ever before.

Official as well as non-official sanctions will only be overcome if the South African exporter is more competitive than his foreign competitors and satisfies the exact wants and needs of the overseas consumer.

The writer suggested that the international marketing manager's task is no different to that of the domestic marketing manager. If anything, the international market is more competitive and therefore marketing principles are more relevant.

Finally, the writer suggests that the two methods of measuring marketing orientation suggested in Chapter 3 are equally applicable to the international marketing function within a company.

CHAPTER 4 : REFERENCES

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PART B

**RESEARCH
METHODOLOGY**

CHAPTER 5

RESEARCH OBJECTIVES AND HYPOTHESES

5.1 INTRODUCTION

In Chapter 1 (see section 1.3), the writer suggested that in order for exporters to succeed in the world market, it is important that they become more export marketing orientated.

It is the above assertion that forms the basis for this study. The main purpose of this study therefore, is to establish whether a relationship does in fact exist between the marketing orientation of a manufacturing company and its success in exporting.

If a relationship does exist then this implies that the more marketing orientated a company becomes, the more successful it is likely to be with its exports - a significant revelation.

In Chapter 3 it was suggested that the marketing orientation of a company is reflected in either the marketing orientation outlook of the company's export executive or in the export marketing activities of the company. The writer argued that the latter case is a more reliable measure of a company's

marketing orientation. This is therefore where the main emphasis of the study is focused. However, it also examines the export executive's marketing orientation outlook as a matter of comparison.

There are also other factors and relationships of interest that will be examined.

5.2 THE OBJECTIVES OF THIS STUDY

The objectives of this study highlight the above factors and possible relationships and provide a framework within which the research methodology can be developed. These objectives are listed below.

5.2.1 Main objective¹

1. This study aims to establish whether a relationship exists between the marketing orientation of an export company and the company's success in exports.

This main objective can be expressed in terms of two groups of sub-objectives.

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1. Where export companies are mentioned in the text of the objectives, these refer to export manufacturing companies in the Western Cape.

The first group attempts to identify whether a relationship exists between the marketing orientation of an active export company (expressed in terms of both the company's actual marketing orientation and the company's export executive's outlook towards marketing orientation) and the company's success in exports. This group of sub-objectives is formulated below:

- a. To establish whether, in active export companies¹, the company's marketing orientation (measured by an index to be called the company's Marketing Orientation Index - MOI) is related to the company's success in exports (measured by an index to be called the company's Success Index - SuI).

- b. To establish whether, in active export companies, the company's export executive's outlook towards marketing orientation (measured by an index to be called the export executive's Marketing Orientation Outlook Index - MOOI) is related to the company's success in exports (SuI).

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1. The population of export manufacturing companies will be divided into two groups; active export companies and non-active export companies - see Chapter 6, section 6.5.1.

The second group of sub-objectives attempts to identify whether the marketing orientation of an export company (expressed in terms of both the company's MOI and the export executive's MOOI) is greater for active than for non-active export companies. This group of sub-objectives is formulated below:

- c. To establish whether the company's mean MOI for active export companies is greater than that for non-active export companies.
- d. To establish whether the export executive's mean MOOI for active export companies is greater than that for non-active export companies.

In order to achieve the abovementioned four sub-objectives, the following actions are necessary:

- i. To measure the marketing orientation of export companies as is reflected in their respective marketing mixes (expressed as a Marketing Orientation Index - MOI).
- ii. To measure the level of success that active export companies have achieved in exports (expressed as a Success Index - SuI).

- iii. To measure the outlook that export executives have towards the marketing concept (expressed as a Marketing Orientation Outlook Index - MOOI).

5.2.2 Secondary objectives

- 2. To examine whether the variables company Size and the Seriousness of the management of a company towards exports, influence the company's success in exports.

This objective is achieved as follows:

- a. Variable: Size

- i. To establish whether a relationship exists between the size of a company (either large or small) and the company's success in exports (SuI).
- ii. To establish whether the company's average success in exports (SuI) is greater for large export companies than for small export companies.

- b. Variable: Seriousness of management towards exports

- i. To establish whether a relationship exists between the seriousness of the company's management towards exports (measured by a Seriousness Index - SeI) and the company's success in exports (SuI).

- ii. To establish whether the mean SeI is greater for active export companies than for non-active export companies.

In order to achieve the abovementioned objectives, the following action is required:

- To measure the seriousness of the management of export companies towards their exports (expressed as a Seriousness Index - SeI).
3. To develop a definition of an 'active exporter' using the Delphi method which would then be used to classify export companies as either active or non-active exporters.

Although this is a secondary objective of this study, it is nonetheless a prior step to the main objective because it is necessary to divide the population of export companies into active and non-active groups (see Chapter 6, section 6.5.1).

4. To develop a model using discriminant analysis which can be used to predict the potential that a new export company has of falling into either the active or non-active export groups, depending on certain select variables.

The variables that are thought to influence the potential that a new export company has of falling into one of the two groups (either active or non-active) are as follows;

- a. size (measured by turnover) - whether large (over R5m) or small (R5m and less);
- b. the company's MOI;
- c. the export executive's MOOI; and
- d. whether the export executive has attended any courses or seminars on exporting.

5. To establish whether the marketing orientation of the company (measured by either the company's MOI or the export executive's MOOI), as well as the seriousness of the company's management towards exports (measured by the company's SeI), is greater for large export companies than for small export companies.

6. To examine whether a relationship exists between the company's marketing orientation (measured either by the company's MOI or the export executive's MOOI) and certain select variables.

These variables are;

- a. company turnover;
- b. the number of employees in the company;

- c. whether the company is in a profit or loss situation;
- d. whether the company sells to a regional or national domestic market;
- e. whether the company produces industrial or consumer products or both;
- f. the position of the export executive within the company; and
- g. whether the export executive has attended any courses or seminars on exporting.

7. To examine certain variables considered by the writer, based on his work experience in the DEP, to be relevant to and to influence the export process.

These variables are as follows;

- a. the perceived benefits of exporting;
- b. the major geographical regions exported to;
- c. the number of customers companies have abroad (that is, a few or many);
- d. the average number of years required to successfully penetrate a new export market;
- e. the company's annual turnover;
- f. whether the company is in a profit or loss position;
- g. the number of employees the company has;

- h. whether the company sells to a regional or national market domestically;
- i. whether the company produces a consumer or industrial product or both;
- j. the position of the respondent in the company;
- k. whether the respondent has attended any courses or seminars on exporting;
- l. the export experience of the respondent;
- m. problems encountered in exporting;
- n. where the main emphasis of the company lies (in marketing, selling production or administration);
and
- o. what products the company exports or wishes to export.

From the above objectives, certain hypotheses may be formulated.

5.3 THE HYPOTHESES

Although the purpose of this study, as stated earlier, is to show that a relationship does exist, strict statistical methodology requires that the null hypotheses that follow, be expressed conservatively as though no relationship exists (Ben-Horim and Levy 1981, pp.350 - 351).

5.3.1 Main null hypotheses

- a. A relationship does not exist between the company's MOI and the SuI of an active export company (refer to section 5.2.1(a)).
- b. A relationship does not exist between the export executive's MOOI and the SuI of an active export company (refer to section 5.2.1(b)).
- c. The mean MOI of active export companies is not greater than the mean MOI of non-active export companies (refer to section 5.2.1(c)).
- d. The mean MOOI of export executives of active export companies is not greater than the mean MOOI of export executives of non-active export companies (refer to section 5.2.1(d)).

5.3.2 Sub-Hypotheses

A number of sub-hypotheses were formulated corresponding to the secondary objectives of the study. These are detailed in Chapter 9 in conjunction with the relevant analysis of the research data.

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CHAPTER 6

RESEARCH DESIGN

6.1 INTRODUCTION

This study falls into the cross-sectional descriptive research design category, as its purpose is to make specific predictions about the population being studied (Churchill 1983, p.57 and p.65).

It incorporates a field survey in which a representative sample of units is selected from the population under controlled conditions. Information then collected from the sample is analysed and predictions are made about the population based on the results obtained (Churchill 1983, p.74). It is a quantitative form of research (Sheatsley 1974, p.2-69).

For ease of reference, Table 6.1 summarises the research procedure followed in this study. Only the main objective is incorporated in the table.

Table 6.1 Outline of the research procedure.

Research outline	Discussion points	Comments	Chapter No.
Introduction ↓	The nature and extent of exports in S.A. Importance of exports to economic growth Complexities of international markets and the need to be marketing orientated	---	Chapter 1
Problem identification ↓	Apparent lack of marketing orientation among manufacturing exporters Apparent lack of export success among manufacturing exporters	See section 1.4.	Chapter 1
Question: Does a relationship exist between export marketing orientation and export success?			
Statement of main objective ↓	To establish whether a relationship exists between export marketing orientation and export success	Objective stated in Chapter 1, expanded upon in Chapter 5.	Chapter 1 Chapter 5
Methods for measuring marketing orientation ↓	The marketing orientation outlook of the executive in charge of exports The actual marketing orientation of the company, reflected in its marketing mix	Based on discussion of the marketing concept. Supporting discussion of international marketing.	Chapters 2, 3 & 4
Definition of population ↓	All the registered export manufacturing companies in the Western Cape	---	Chapter 6
Sampling frame ↓	The records of the Western Cape regional office of the DEP	---	Chapter 6
Stratification of population and sample ↓	Active export manufacturing companies Non-active export manufacturing companies Large export manufacturing companies Small export manufacturing companies	Use of the Delphi method to define "active exporter".	Chapter 6
Population 817 ↓	Large active exporters: 148 Small active exporters: 289 Large non-active exporters: 15 Small non-active exporters: 365		
Sample 130 ↓	Large active exporters: 34 Small active exporters: 36 Large non-active exporters: 10 Small non-active exporters: 50		
Questionnaire design ↓	Development of: Active questionnaire and answer sheet Non-active questionnaire and answer sheet	Formulation of MOI and SuI indices.	Chapter 7
Data ↓	Collected from respondents, using questionnaire	Personal interviews.	Chapter 7
Data analysis ↓	Methods: Simple data description Multiple regression analysis Difference of means between two groups Discriminant analysis Cross tabulation Delphi method	Discussion of editing, coding and tabulation of data, as well as statistical methods used.	Chapter 8
Results ↓	Presented according to statistical methods used	---	Chapter 9
Conclusions and recommendations	Conclusions presented within framework of objectives	---	Chapter 10

6.2 .SAMPLE DESIGN

A sample is a part of a population selected in a specific manner and then analysed in order to make inferences about that population (Jedamus, Frame and Taylor 1976, p.443).

It is used when it is either impractical or impossible to measure or observe the entire population because of time and/or cost constraints (Ferber 1949, pp.43 - 44).

A sample design is made up of the following steps (Weiers 1984, pp.105 - 109):

- a. Defining the population.
- b. Selecting the appropriate sampling frame.
- c. Selecting the sampling procedure.
- d. Determining the sample size.
- e. Selecting the sample elements.
- f. Collecting the data from the designated elements.

6.3 DEFINITION OF THE POPULATION

Weiers (1984, p.102) defines a population as;

"...the total collection of elements about which we wish to make an inference based on sample information."

Defining a population should be seen as a first step in any sample plan and will depend largely on the particular objectives of the study in question (Weiers 1984, p.105). A researcher should be accurate in defining the population and should also ensure that he has actually sampled the defined target population, otherwise any subsequent analysis will be invalid (Buzzell, Cox and Brown 1969, p.114).

For the purposes of this study, the population is defined as;

all the export manufacturing companies in the Western Cape.

The three population parameters in this definition need to be discussed more fully, namely;

- a. how are export companies to be defined;
- b. how are manufacturing companies to be defined; and
- c. what geographical area does the Western Cape encompass.

6.3.1 Export companies

An export company is defined in this study, as a company registered as an exporter with the DTI. It was decided to consider registered exporters only because;

- a. non-registered exporters are extremely difficult to identify;
- b. the number of non-registered exporters is considered to be so few (as to be statistically insignificant) for the following reasons:
 - i. any export company that intends using the services offered by the DTI, or that wishes to claim the allowances provided for under the Income Tax Act 11bis 4b, must first register as an exporter (White 1986, pp.431 - 433); and
 - ii. both the Customs and Excise and the Reserve Bank request exporters to put their exporter's registration number on all export documentation (Packard, 1983). Although this is not obligatory, most companies register as exporters in order to comply with these procedures for the sake of convenience.

Consequently, the files of the DTI represent a fairly complete record of all export companies.

6.3.2 The Western Cape

The Western Cape is defined as the geographical area to the left of an imaginary line running roughly from Upington to Mossel Bay excluding these two towns. While this may seem like a large area, the number of manufacturing exporters that are registered outside of the Cape Town, Paarl, Stellenbosch and Wellington area, is very small and represents less than two percent of the total population.

Only exporters in the Western Cape have been considered for this study. One reason for this is that the writer has access to these exporters but not to exporters in the rest of the country. Time and cost constraints were major considerations.

6.3.3 Manufacturing exporters

This study is limited to manufacturing companies only and excludes agents, traders and service-orientated companies.

The writer felt that the marketing activities of these organisations differ from that of manufacturing companies, as they have less control over certain elements of the

marketing mix. This does not imply that their marketing functions are any less important - in some cases perhaps even more important - only that they are different and for this reason should be examined separately.

Furthermore, as far as agents and traders are concerned, often when they market products on behalf of manufacturers, the manufacturers are also registered as exporters with the DTI because of the financial incentives that they are entitled to. Since they are registered as exporters these manufacturers would automatically be included in this study. To have incorporated the agents and traders in addition to the manufacturers within the same study, would have resulted in a distortion of the results.

When manufacturers that made use of agents or traders occurred in the sample, they were asked to view the marketing activities of the agent or trader as their own.

The size of this defined population is 817 elements (see Appendices F and G).

6.4 THE SAMPLING FRAME

While the defined population is simply a descriptive concept, the sampling frame is the actual list of the population elements from which the sample is to be drawn. This list should ideally include all the elements of the population although this is not always possible (McGown 1979, p.192).

The sampling frame used for this study can be defined as the *list* of all the manufacturing exporters registered with the Western Cape office of the DTI. This list was obtained from the files held at the regional office.

6.5 SAMPLING PROCEDURE

There are various sampling procedures a researcher can use. The type of procedure will depend on the nature of the population and the objectives of the study (Churchill 1983, pp.340 - 378).

It was decided to use a stratified random sampling procedure which is applicable when the population does not display homogeneous characteristics of importance to the research, as is the case in this study (Weiers 1984, p.119).

The procedure requires the population to be divided into two or more mutually exclusive and exhaustive subsets¹. Each subset would consequently display common characteristics and a simple random sample is then chosen independantly from each subset, usually in the same proportion that they occur in the population (Weiers 1984, pp.119 - 121).

There are two characteristics that the writer believes have a significant effect on the extent of the marketing orientation of export manufacturing companies in the Western Cape. They are;

- a. whether the companies are active or non-active in exports; and
- b. the size of the companies - whether large or small.

6.5.1 Active versus non-active exporters

In the population of registered manufacturing exporters, there are many companies that, although they are registered as exporters, have not yet exported anything.

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1. The terms 'subset' and 'strata' are used interchangeably in this study.

The non-active group of exporters cannot simply be ignored. They have shown sufficient interest in export markets to register as exporters and many of these companies have spent thousands of rands on developing overseas markets.

The population for this study has therefore been divided into two strata, namely;

- a. *active* exporters (those companies that are currently exporting); and
- b. *non-active* exporters (those companies that are not yet exporting but are attempting to export).

The Delphi method as is described later in Chapter 8, section 8.3.5, was used by the writer to develop a definition of an 'active' exporter. This was then intended to be used as a criterion for dividing the population into active and non-active subsets.

The definition obtained using this method (the results of which are presented in section 9.7) proved to be so strict that, had it been applied to the population, it would have

resulted in an active subset consisting of such a limited number of companies as to have been statistically meaningless.

The results of the Delphi method were consequently discarded for the purpose of definition. The term *active exporter* was subsequently defined as *a company that has obtained export sales in the calendar year 1986, beyond the sample or trial order stage*. This showed itself to be a more appropriate definition resulting in two more equal strata (437 in the active group of exporters and 380 in the non-active group of exporters).

In deciding whether an exporter was active or not, the records of the DTI were scrutinised to ascertain whether the company had exported any products during 1986. These records however, do not always reflect whether the company in question has or has not exported. In these instances, the export executive of the company was contacted telephonically and questioned as to whether the company was active in exports or not and then classified accordingly.

6.5.2 Large versus small exporters

The writer also felt that company size could have a bearing on whether the company was marketing orientated or not.

It could be argued that the larger a company, the more marketing orientated the company is likely to be. Large companies can afford to pay more attention to the marketing function and if necessary, to employ marketing specialists to improve the marketing effort of the company. As export marketing is an expensive exercise, it is generally the larger company that can afford to invest more resources in its export activities than the smaller concern.

Consequently, the two subsets (active and non-active) were each further divided into two strata, namely large and small export companies.

While it might have been preferable to create three subsets; large, medium and small, there are so few large companies (with an annual turnover of, for example, over R50 million), that this group would represent only about two percent of the population.

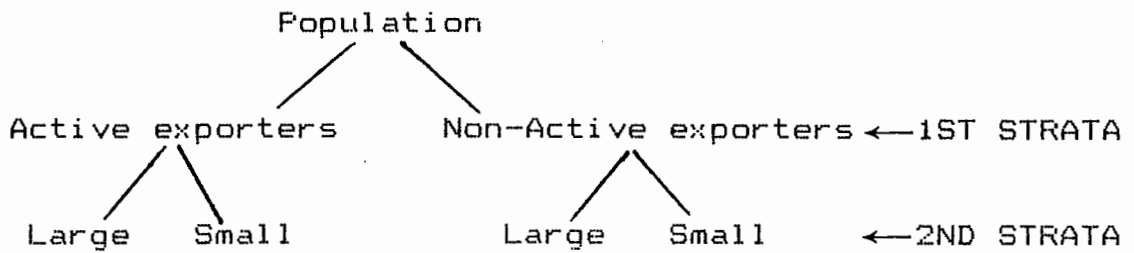
The group consisting of small exporters represents the largest portion of the population. Even by selecting only two subsets - large and small - and setting the cut-off point at R10 million, the large subset would still represent less than 10 percent of the population.

In order to obtain a more realistic representation, the cut-off point was set at R5 million. At this level the group of large export companies would represent approximately 20 percent of the total population. This was considered more practical.

It is appreciated that R5 million is not a significantly large annual turnover and probably more accurately represents a medium sized company. Based on experience gained from working with a wide variety of export companies, however, the writer feels that a company with a turnover of R5 million or more is sufficiently large to be in a position to afford an export drive of some substance.

Figure 6.1 depicts the stratification of the population.

Figure 6.1 Stratification of the population



6.6 SAMPLE SIZE AND SELECTION OF SAMPLE ELEMENTS

In a previous section it was said that a sample is a random selection of a portion of the population's elements.

An important consideration in any sample design is the size of the sample that should be chosen. The objective of sampling is to make as accurate a prediction of the characteristics of the entire population as is possible.

The closer the sample size approaches the population size, the more accurate (usually) will be the results of the sampling process (Churchill 1983, pp.382 - 383).

The point has already been made that it is neither possible nor practical to examine the entire population or even a large part of it. A choice of sample size is usually a

compromise between the practicalities of the cost and time involved and accuracy (Zaltman and Burger 1975, pp.396 - 397).

The Central Limit Theorem suggests that a minimum sample size of 30 elements will produce a normal distribution curve which is an important requirement for the statistical analysis that is to be applied later in this study. This theorem does not provide any hint as to what an optimum sample size should be (Churchill 1983, pp.355 - 356).

The formula that is used to calculate the appropriate sample size is set out below (Weiers 1984, p.128);

$$n = Z^2P(1 - P)/E^2$$

where

n = sample size;

Z = degree of confidence required;

P = proportion of population that possess the characteristic of interest, that is, marketing orientation; and

E = maximum difference between sample proportion and population proportion in percentage points that the researcher is willing to accept.

At a confidence level of 95 percent and with a relative precision of 10 percentage points, the calculated sample size (n) is equal to 97 elements.

Although a sample size of 97 elements was calculated to be sufficient, because the population was to be stratified, a larger sample size of 130 sample elements was considered more appropriate. This sample size proved to be an acceptable compromise between a larger (and hence more reliable) sample size and the practical considerations of time and expense.

In a proportionate stratified sample, the sample size would be allocated to each of the strata in the same proportion as they occur in the population.

Figure 6.2 represents the allocation of the 817 population elements to the strata as they were found to exist in the population.

Figure 6.2 Allocation of population elements to the strata and corresponding population proportions (in brackets)

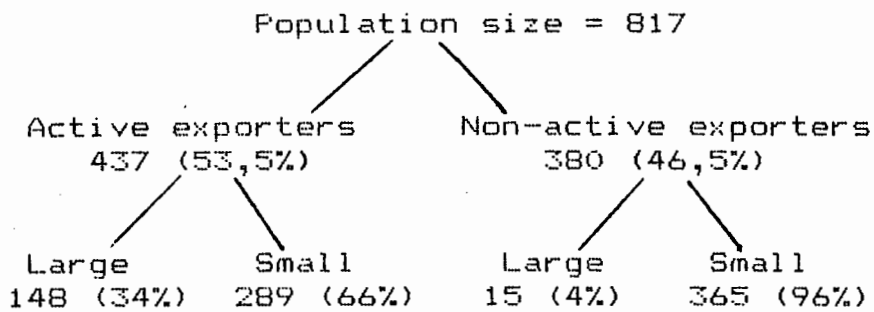
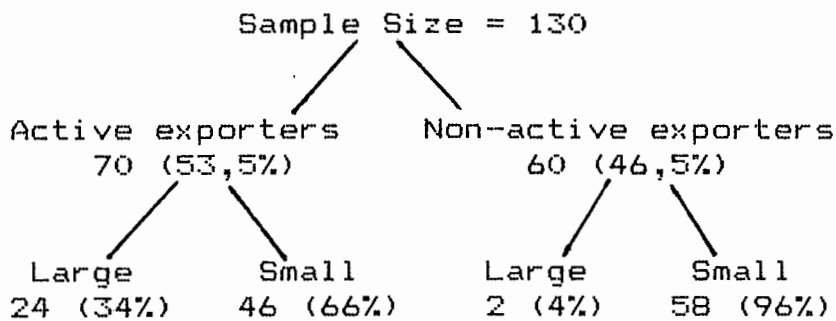


Figure 6.3 represents the instance if the population proportions had been applied exactly to the sample size.

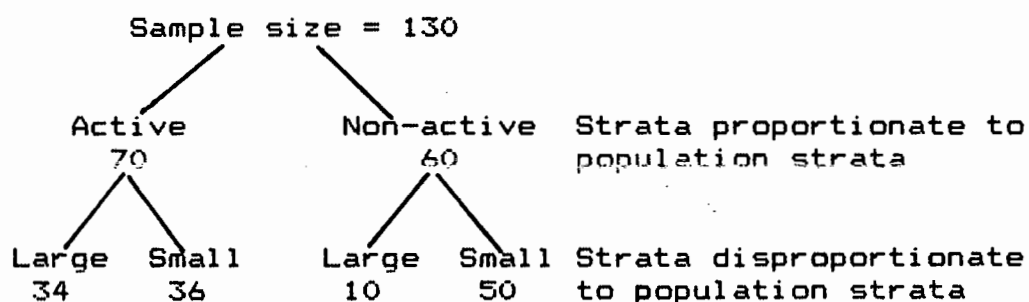
Figure 6.3 Sample size and sample proportions corresponding exactly to the population proportions



From Figure 6.3 it can be seen that the subset of large exporters (24 in the case of active exporters and 2 in the case of non-active exporters), has so few exporters that it lacks statistical significance (the Central Limit Theorem suggests that at least 30 sample elements are necessary to be statistically appropriate).

Therefore, the group of exporters was increased to 34 in the case of the active group of exporters and to 10 in the case of the non-active group of exporters. This total of 44 large exporters was considered more meaningful in terms of the Central Limit Theorem. Figure 6.4 represents the actual sample proportions selected for this study.

Figure 6.4 Sample size and actual sample proportions selected for this study.



Each of the elements in the sample strata (34 large active, 36 small active, 10 large non-active and 50 small non-active - see figure 6.4), were subsequently selected from each of the corresponding population strata (see figure 6.2) on a completely random basis. A computerised random sampling program was used for this purpose. The elements selected from the population for the sample are listed in Appendices F and G (marked with an asterisk).

6.7 REPLACEMENT CONSIDERATIONS

A possibility exists that the export executive in a company chosen as a sample element may refuse to be interviewed. This eventuality had to be planned for.

In such a case, another sample element would have been selected randomly from the stratified population from which the refusal originated.

No refusals were encountered in this study, however.

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CHAPTER 7

QUESTIONNAIRE DESIGN

7.1 INTRODUCTION

In Chapter 6 (section 6.1), it was said that this study incorporates a field survey which is described as a planned process to collect specific data from a representative sample of the relevant population.

There are primarily two methods of collecting data from a sample of respondents (Cox 1979, p.176). Either;

- a. by observing the respondents by human or mechanical means; or
- b. by interrogating (or interviewing) the respondents.

The field survey used in this study involves the latter method.

Three basic interview methods exist (Lehmann 1979, 132);

- a. personal interviews;
- b. telephone interviews; and
- c. mail surveys or other self-administered methods.

The writer is of the opinion that the personal interview is the most appropriate method to use for the following reasons:

- a. The length of the questionnaire precluded the use of the telephone method.
- b. The writer, being the only interviewer, could maintain control over and bring a degree of consistency to the survey by representing a common frame of reference for all the respondents.
- c. By securing an appointment with each respondent, the writer was assured of the respondent's full attention for the period of the interview.
- d. The writer was able to ensure that it was the target respondent that completed the questionnaire. In a mail survey, the answering of the questionnaire could be

delegated to a subordinate producing inaccurate results, especially as the opinion of the target respondent is of utmost importance to this study.

With reference to this last point, there were a few instances where the target respondent brought his secretary, colleague, co-director or partner to the interview. Even in these instances, the writer was able to maintain response objectivity by ensuring that the answers provided were those of the correct respondent.

Crisp (1957, p.197) says of the personal interview that;

"...where it is essential to provide data of great and predictable accuracy ... no other approach can be seriously considered."

The personal interview also has its limitations, however. It is an expensive and time-consuming method of data collection. (Sheatsley 1975, p.2-79) It is consequently necessary to keep the size of the sample manageable (see Chapter 6, section 6.6).

Interrogation techniques, including the personal interview, involve a measurement instrument commonly called a questionnaire (Buzzell, Cox and Brown 1969, p.146).

A questionnaire is essentially a list of questions that will be asked, or topic areas that will be discussed with a respondent by an interviewer, who will record the answers provided (Zaltman and Burger 1975, p.251). It is a guide in the interview process (Weiers 1984, p.211).

7.2 THE QUESTIONNAIRE DESIGN

The function of the questionnaire in this study is to extract information from the respondents with the purpose of answering the questions raised by the objectives listed in Chapter 5, section 5.2.

In developing and administering this questionnaire, attention was given to the following factors, bearing in mind that the intelligence level of the respondents was considered to be sufficiently high to use relatively sophisticated techniques in the questionnaire design.

7.2.1 Questionnaire layout

Questionnaire layout is important in soliciting accurate answers from respondents. A confused or crowded layout could result in irritation on the part of the respondent, which in turn might result in rushed or confused answers.

In designing the layout of the questionnaire for this study, the writer attempted to ensure that it was simple, easy to follow and where possible, reasonably attractive in order to reduce response bias.

A structured questionnaire consisting mainly of closed-ended questions was decided upon. All respondents were therefore faced with the same questions. This meant that objective and consistent answers could be obtained which would allow for a comparison to be made between the various responses offered.

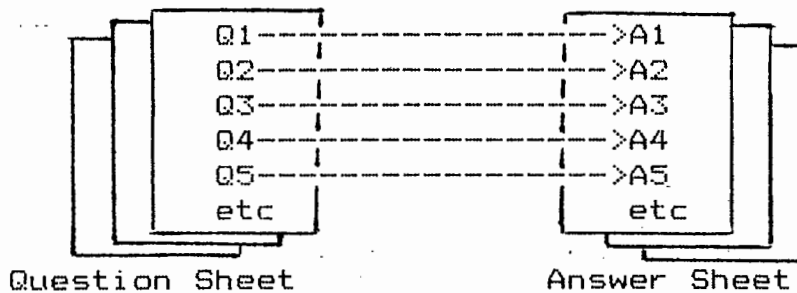
It was decided to separate the questions from the answers and to list each on separate sheets for the following reasons;

- a. combining the questions and answers on one sheet would have resulted in a cramped appearance: The writer initially experimented with this layout in the pilot study, but found it to be unsuitable and consequently discarded it;
- b. separate question and answer sheets facilitated the subsequent administration and data extraction, as the answer sheet was not cluttered with questions; and

c. as only one master question sheet was required, reproduction costs were reduced.

For each question, there was a corresponding answer option on an answer sheet. The respondent would read a question on the question sheet and provide an answer on the answer sheet corresponding to the appropriate question number (see figure 7.1).

Figure 7.1 Separate question and answer sheets



There were no instructions on either the question or answer sheets. The writer was present at each interview and instructed each respondent verbally as to how the questionnaire should be completed.

The questionnaire differed for active exporters and for non-active exporters.

For the sake of convenience, the questionnaire for active exporters will hereafter be referred to as the *active questionnaire*, while the questionnaire for non-active exporters will be referred to as the *non-active questionnaire*. See Appendices A - D for the active and non-active questionnaires and answer sheets.

7.2.1.1 The active questionnaire

The active questionnaire consisted of four sections and 55 questions. There was an additional section consisting of three questions for the writer to complete after the interview (see figure 7.2).

- a. Section A consisted of 10 questions relating to the respondent's MOOI.
- b. Section B consisted of 16 questions relating to the company's MOI.
- c. Section C extracted information relating to the SuI of the company and the SeI of the management of the company.

- d. Section D included questions designed to examine selected variables considered to be relevant to and to influence the export process. In addition, three questions were included in this section in which the respondent was asked to evaluate in his opinion;
 - i. the success of the company in exports;
 - ii. the extent of the company's marketing orientation; and
 - iii. his knowledge of marketing.¹

- e. The writer's own section (as interviewer), consisted of three questions. In this section, the writer was able to provide his own perceptions as to;
 - i. the level of success the company had achieved in exports;
 - ii. the extent of the company's marketing orientation; and
 - iii. the extent of the respondent's marketing knowledge.¹

This information was later compared to the information obtained from the questions listed in d.(i - iii) above and to the three indices; SuI, MOI and MOOI, respectively. Although the answers to the questions described in sections d and e would be somewhat subjective in nature, the writer nevertheless feels that they could serve as a moderating factor when analysing the abovementioned three indices.

7.2.1.2 The non-active questionnaire

The non-active questionnaire consisted of three sections and 45 questions. There was also an additional section consisting of two questions for the writer to complete after the interview (see figure 7.2).

- a. Section A consisted of 10 questions relating to the respondent's MOOI.
- b. Section B consisted of 16 questions relating to the company's MOI.
- c. Section C included questions designed to examine selected variables considered to be relevant to and to influence the export process, as well as the SeI of the management of the company. In addition, two questions were included in this section in which the respondent was asked to evaluate in his opinion;
 - i. the extent of the company's marketing orientation;
and
 - ii. his knowledge of marketing.

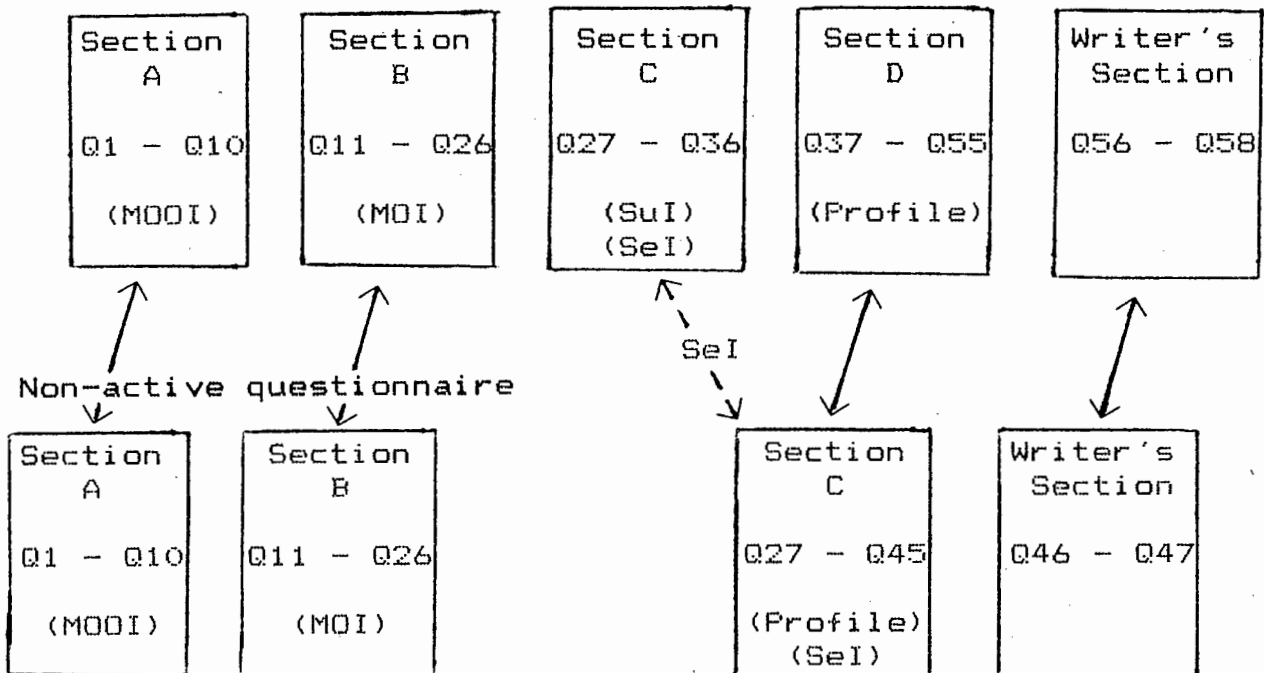
d. The writer's own section (as interviewer), consisted of two questions. In this section, the writer was able to provide his perceptions as to;

- i. the extent of the company's marketing orientation;
- and
- ii. the extent of the respondent's marketing knowledge.

This information was later compared to the information obtained from the questions listed in c.(i - ii) above and to the two indices; MOI and MOOI, respectively.

Figure 7.2 Comparison of the active and non-active questionnaires

Active questionnaire



In Table 7.1 the question numbers in the active questionnaire with the corresponding question numbers in the non-active questionnaire, are listed.

Table 7.1 Question numbers in the non-active questionnaire, corresponding to the question numbers in the active questionnaire

Act - NAct	Act - NAct	Act - NAct	Act - NAct*
Q1 - Q1	Q16 - Q16	Q31	Q46 - Q37
Q2 - Q2	Q17 - Q17	Q32	Q47 - Q38
Q3 - Q3	Q18 - Q18	Q33	Q48 - Q39
Q4 - Q4	Q19 - Q19	Q34 - Q28	Q49 - Q40
Q5 - Q5	Q20 - Q20	Q35 - Q29	Q50 - Q41
Q6 - Q6	Q21 - Q21	Q36 - Q30	Q51
Q7 - Q7	Q22 - Q22	Q37 - Q31	Q52 - Q42
Q8 - Q8	Q23 - Q23	Q38	Q53 - Q43
Q9 - Q9	Q24 - Q24	Q39	Q54 - Q44
Q10 - Q10	Q25 - Q25	Q40 - Q27	Q55 - Q45
Q11 - Q11	Q26 - Q26	Q41 - Q32	
Q12 - Q12	Q27	Q42 - Q33	Q56
Q13 - Q13	Q28	Q43 - Q34	Q57 - Q46
Q14 - Q14	Q29	Q44 - Q35	Q58 - Q47
Q15 - Q15	Q30	Q45 - Q36	

* Act = Active questionnaire
 NAct = Non-active questionnaire

Generally, the questionnaire layout provided few problems and a number of respondents commented that they had found the questionnaire easy to complete.

7.2.2 Question wording

The wording of a questionnaire can have a great deal of influence on the answers obtained from the respondents. An ambiguous, leading or difficult question, can result in inaccurate or biased answers. The vocabulary used in question wording should consequently, be simple, direct and familiar (Churchill 1983, pp.227 - 231).

The wording of the questions used in the questionnaire for this study was chosen with this in mind.

After the questionnaire was pilot tested, a few words were changed. For example in question seven, the question first read;

"Profit *must* be the *sole* objective of the management of the the company".

This question would have resulted in an inaccurate answer as 'must' and 'sole' are too restrictive in meaning.

After the pilot test, the question was changed to;

"Profit *should* be one of the *main* objectives of the management of the company".

No technical words were used in the questionnaire and the sentences were kept as simple and as short as was possible. It was also felt that the wording of the questions were well within the intellectual capabilities of the interviewees, almost all of whom were senior managers or executives in the companies in question.

In formulating the wording of the questions, the following basic rules, suggested by Davies (1973, pp.107 - 109), were also kept in mind;

- a. avoiding double-barrelled questions;
- b. using words that are familiar to everyone;
- c. avoiding leading questions;
- d. avoiding ambiguous questions;
- e. avoiding more than one thought per question;
- f. avoiding vague questions; and
- g. making questions as concise as is possible.

In a few cases where the respondent was Afrikaans, the writer, who is fully bilingual, was able to assist and guide them.

7.2.3 Types of questions

Both closed and open-ended questions were used although the questionnaire consisted mainly of closed-ended questions, namely;

- a. semantic differential scaled questions;
- b. dichotomous questions; and
- c. multichotomous questions.

The use of predominantly closed-ended questions allowed for easy and reliable comparison between respondents and for accurate analysis. It also proved easier to complete and to administer. An inherent weakness of closed-response questions, however, is that there is little freedom for self-expression or to qualify answers given (Weiers 1984, pp.233 - 236). There is also the possibility that if the respondent is ignorant or uncertain about a question, he may choose an 'acceptable' answer to avoid admitting his ignorance or uncertainty, resulting in response bias.

Because the writer was present at each interview, wherever uncertainty or reluctance was detected on the part of the respondent, the problem could be identified immediately and the respondent was encouraged to provide a more accurate answer.

For the sake of consistency, wherever reference is made in this text to the questions found in the questionnaire, question marks are not used, as they were unfortunately omitted from the actual questionnaire.

7.2.4 Recording respondents' answers

Three methods were used in the questionnaire to record the respondents' answers to the various questions. These are discussed below. The actual coding of the respondents' answers, is discussed in Chapter 8, section 8.2.2.

7.2.4.1 Semantic differential rating scale

This method requires a respondent to express his feelings or opinions in answer to a question by selecting a position along a scale bounded by bipolar adjectives or phrases (Weiers 1984, p.312).

This rating scale is easy to construct, easy to use and it allows fine distinctions to be made.

It is the same method used by Van der Merwe (1974, pp.236 - 239) in her study¹. The reason for using the same attitude

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1. Although Van der Merwe purports to be using the semantic differential scale, the writer is of the opinion that the scaling technique she uses in her thesis, is more accurately a graphic rating scale combined with elements of the semantic differential scale.

measurement scale is to allow comparisons to be made to the Van der Merwe study. This would afford a degree of academic continuity to Van der Merwe's work.

In Van der Merwe's study, however, words that were not extreme opposites, were used to anchor the scale. For example, "always very important ...sometimes not so important".

As Van der Merwe (1974, p.232) explains;

"By doing this it was found that a more accurate reflection of opinion could be drawn from the respondent. This was mainly because the opposite of the positive was not totally negative and therefore he was not tempted to overemphasise a positive response to the question, and so indicate a high degree of marketing orientation [if this was not the case]."

Her argument is supported by Ralph L Day (1974, p.3 - 109) in his article, "Measuring Preferences", in which he suggests that there has been a relaxation by market researchers of the requirement that the descriptive pairs that anchor the scale must necessarily consist of polar opposites.

7.2.4.2 Di- and multichotomous questions

Dichotomous and multichotomous questions are two types of closed-ended questions sometimes referred to as fixed-alternative response questions (Zaltman and Burger 1975, p.260).

In these questions, the interviewee is given a limited number of alternative responses from which he can choose an option which most closely corresponds to his attitude or opinion on the subject (Zaltman and Burger 1975, p.260).

In the case of one dichotomous question and two multichotomous questions, however, the interviewee could choose more than one of the alternatives provided, if appropriate.

The dichotomous question, for example, referred to whether the company sold to either a consumer or industrial market. It is quite possible of course, that the company could sell to both an industrial *and* consumer market and a third alternative should have been included called 'both'.

The problem was solved by allowing the interviewee to mark both alternatives. This problem was not encountered in the pilot study, but proved how beneficial it was for the writer to work through the questions with each respondent.

7.2.4.3 Open-ended questions

In open-ended questions, the interviewee is not restricted by a set of alternatives. The respondent is therefore free to reply to the question within his own frame of reference (Churchill 1983, p.223).

While this type of question is easy to formulate, responses may be difficult to record or to tabulate (Weiers 1984, p.232). For example, one interviewee may suggest that in exports, his major problem is the effect of sanctions, while another interviewee may argue that his problems are as a result of the internal politics of the country. To suggest that these two answers mean the same is not necessarily true.

A further advantage of open-ended questions is that the interviewee is not swayed towards a response that does not reflect his true opinion (Zaltman and Burger 1975, p.259).

The questionnaire in this study contained six open-ended questions.

In two of the six questions, the interviewee was prompted to provide more than one answer. In the first question the interviewee was asked to list three advantages that exports had for his company, while in the second question the interviewee was asked to indicate four problems he perceived to be most inhibiting to his company's export activities. It was acceptable if, for example, the interviewee could only identify two problems. In this instance he was not coerced into 'creating' further problems for the sake of completing the question.

7.3 RESPONSE INDICES

One of the main functions of the questionnaire used in this study, is to obtain information that can then be used to form four composite indices which would in turn be used in subsequent statistical analyses to realise the objectives of this study. These indices are:

- a. MOOI: The Marketing Orientation Outlook Index for each respondent.
- b. MOI: The Marketing Orientation Index for the company.

- c. SuI: The Success Index for the company.
- d. SeI: The Seriousness Index for the company's management.

7.3.1 The Marketing Orientation Outlook Index (MOOI)

In the first section of both the active and non-active questionnaires, an attempt is made to measure the outlook of the interviewee towards the marketing concept. The marketing concept is broken down into its three elements, namely; customer orientation, profit orientation and integrated effort, as was discussed in Chapter 3, section 3.2. Ten questions were then selected - mostly from Van der Merwe's thesis (1974, pp.258 - 265) - that related to the abovementioned elements.

Each question was represented by a semantic differential scale from which an index could be obtained that would reflect the interviewee's opinion as to a particular element of the marketing concept.

This index forms the basis of two composite indices.

First, an average rating for each question was established, which is a relative rating or index and reflects the average strength of feeling that the respondents held about each question (Van der Merwe 1974, p.243).

Second, an overall index consisting of the average of the above question ratings was also derived. This reflected the respondent's MOOI. Again this is a relative rating.

7.3.2 The Marketing Orientation Index (MOI)

This index reflects the marketing orientation of the company towards its exports measured by the extent to which the company gives attention to the various elements of the marketing mix, as was discussed in Chapter 3, section 3.3.

In section B of both the active and non-active questionnaires, exactly the same methodology as described in section 7.3.1 was used for the MOI. In other words, a rating was obtained for each component of the marketing mix and the average of these ratings indicated the overall MOI for the firm.

Not only semantic differential scaled questions were used, but multiple-choice questions were also incorporated in this index.

The questions used in this section referred to the elements of the companies' export marketing mix, which included:

- a. Export pricing (including export incentives).
- b. Distribution considerations.
- c. Packaging considerations.
- d. Promotional considerations.
- e. Product adaption to suit foreign consumers' wants and needs.
- f. Formal export and market planning.
- g. Foreign market research undertaken.

7.3.3 Success Index (SuI)

The SuI reflects the relative success that an active export company has achieved with its exports.

Success was measured by a series of seven questions that addressed the following points:

- a. The benefits of exports to overall company profits and goals.

- b. Whether exports were more profitable than domestic sales.
- c. Whether the company was obtaining an adequate return on its investment in exports.
- d. The company's actual exports in 1986.
- e. The percentage increase in exports over the previous year.
- f. The percentage of total sales that the company's exports represent.
- g. The length of time the company had been active in exports.

While the abovementioned factors cannot individually be seen as a measure of success, combined, they provide a relative indication of success.

Again the same method as described in section 7.3.1, was used. Both semantic differential and multiple-choice questions in section C of the active questionnaire were incorporated in the SuI (the SuI did not form part of the

non-active questionnaire). In the case of this index, however, only the overall index was of interest. The individual element ratings were ignored, except in as far as their average was used to establish the overall success index.

7.3.4 The Seriousness Index (SeI)

This index reflected the seriousness of the management of a company towards its exports.

It consisted of the average rating of three questions (in section C of both the active and non-active questionnaires), two of which were measured on a semantic differential scale. The third was a multiple-choice question.

The three questions addressed the following points:

- a. The emphasis placed on exports.
- b. The commitment of the company's management to long-term exports.
- c. The budget allocated to developing exports.

As in the case of the SuI, this index was also a relative rating.

7.4 INTERVIEW PROCEDURE

All respondents were contacted telephonically and an interview arranged to be held, in most cases, at the regional office of the DTI - otherwise at the respondent's office.

The exact purpose of the interview was not communicated to the respondent in order to avoid the respondent offering biased answers. Instead, the respondent was informed that the reason for the interview was to obtain information about the profile of South African exporters and to identify various problems that they, as exporters, may have encountered. They were also informed that the selection of respondents was done completely randomly.

The respondents found this explanation quite acceptable and no resistance was encountered in arranging appointments.

It was decided to keep the interview relatively short so as not to annoy the respondent or to cause boredom or fatigue. A maximum interview length of 30 to 45 minutes was considered acceptable.

7.5 THE PILOT STUDY

It is essential to field test a questionnaire before using it in the actual survey (Boyd and Westfall 1964, p.321).

Such a field survey is often called a pilot study or pilot test and should be conducted using a small sample from the population being surveyed in order to ensure that the test is a representative one of the main survey (Ackoff 1953, p.345).

As a prior step to pilot testing the prototype questionnaire, Davies (1973, p.113) suggests that the researcher first speak freely to potential respondents about the general content of the survey with the idea of forming a more detailed impression of the actual problem to be researched.

While this was not a deliberate step in this survey, the writer was presented during the course of his daily office routine, with the opportunity to discuss various aspects of exporting with a large number of exporters. This exercise provided the writer with an excellent insight into the problems and difficulties being experienced by the export community in general and assisted in formulating the research objectives and questionnaire design.

With respect to the pilot study, eight interviews were conducted before the writer was satisfied with the questionnaire design.

Companies interviewed in the pilot study were selected randomly from the population without regard to size. Six of the eight companies were active exporters. The remaining two companies were non-active exporters.

The companies interviewed are listed in Appendix E.

7.5.1 Report on the pilot study

The pilot study proved useful in highlighting potential weaknesses in the questionnaire.

In some cases, the wording of questions and corresponding answers were changed (see section 7.2.2), while in other instances, additional questions were incorporated into the questionnaire.

In the active questionnaire, questions 13, 32, 38 and 54, and in the non-active questionnaire, questions 13 and 44 were added.

The pilot study also guided the writer how best to conduct the actual interview, as well as to what verbal instructions should be given to the respondent.

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CHAPTER 8

DATA ANALYSIS

8.1 INTRODUCTION

The function of data analysis is to reduce raw data to meaningful and relevant results and it logically follows the process of data collection as previously described (Churchill 1983, p.444).

This chapter focuses on two areas;

- a. the preparation of the raw data into a form suitable for further analysis; and
- b. the statistical methods used in analysing the prepared data.

8.2 DATA PREPARATION

Data preparation involves three steps (Weiers 1984, p.380);

- a. data editing;
- b. data coding; and
- c. data tabulation.

8.2.1 Data editing

An important step in any research study involving data collection, is to examine the questionnaire and the data obtained from the questionnaire for errors, omissions and inconsistencies (McGown 1979, p.208).

In this study, the main problem that was encountered was that some respondents failed to complete at least one of the questions in the questionnaire.

In some instances, the writer discovered the omission before the respondent departed from the interview and was able to correct the omission at the interview. This is an example of a field edit. The remaining omissions were detected by the writer while editing the data later. In the latter case, the writer called on the respondents again and requested that they complete the omitted question(s).

A few errors were also made by the writer in tabulating the data in preparation for computer analysis. Most of these errors were detected by an independent audit of the tabulated data.

Two further errors were discovered after the computer analysis had been completed, as the computer results indicated incomplete data. These errors were corrected and the computer analysis was undertaken again.

8.2.2 Data coding

According to Churchill (1983, pp.446 - 447), data coding transforms raw data into symbols, usually numerals, that may be tabulated and subsequently analysed. The answers offered by a respondent in this study to the various questions could not be analysed directly. In each case, a numeric value had to be assigned to the answers.

This value is a measure of the respondent's answer and enables the information provided to be analysed using statistical methods. There are different ways in which the answers can be measured.

8.2.2.1 Coding of questions

In Chapter 7, section 7.2.3, the three types of questions used in this survey were mentioned, namely;

- a. semantic differential scaled questions;
- b. di- and multichotomous questions; and
- c. open-ended questions.

The procedure for coding the respondents' answers to the abovementioned questions was as follows:

- a. Semantic differential scaled questions.

A 100 millimetre scale was used. Each end of the scale was anchored by an answer. Of the two answers, one was considered *more preferred* while the other was considered *less preferred*. This differentiation was made based on marketing theory and in consideration of the specific question put to the respondent.

For example, in marketing theory, profit orientation is considered to be one of the three pillars of the marketing concept (Van der Merwe 1974, pp.30 - 31) and question seven in the questionnaire read;

"Profit should be one of the main objectives of the management of the company".

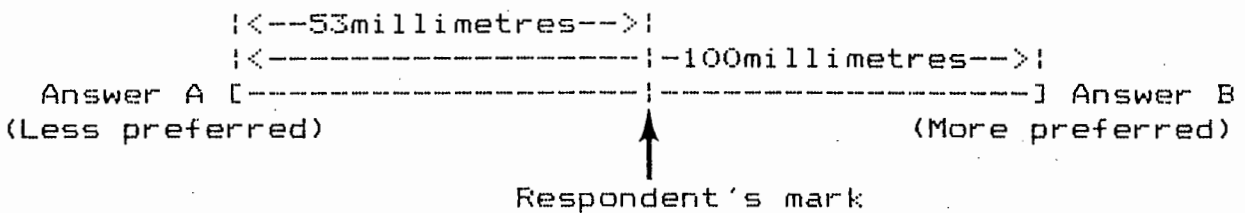
The corresponding answer was;

"Always true[-----]Not Always True".

In the above example, the correct (or *more preferred*) answer is "always true" and the *less preferred* answer, "not always true".

The *more preferred* end of the scale and the *less preferred* end of the scale were coded as 1,00 and 0,00, respectively. A respondent's answer anywhere else on the scale was coded as a fraction of one (see figure 8.1).

Figure 8.1 Coding of semantic differential scaled questions



Respondent's score is coded as $53/100 = 0,53$.

b. Di- and multichotomous questions

Some of the di- and multichotomous questions, together with semantic differential scaled questions, formed part of a composite index (for example, the MOOI and the MOI - see Chapter 7, section 7.3). It was therefore necessary to code them in a similar manner as was done with the semantic

differential scaled questions. The remaining di- and multichotomous questions were coded individually and separately.

In the case of both the dichotomous and multichotomous questions, the alternatives were ranked from the *more preferred* answer to the *less preferred* answer. The ranking was made in the light of marketing theory and the nature of the question, as in the case of the semantic differential scaled questions.

To illustrate this procedure, two examples are provided below.

i. Question 21, in both the active and non-active questionnaires, reads;

"As an estimate, what does your company spend on advertising/promotion of its products abroad per annum".

The alternative answers were:

Less than R1,000	<input type="checkbox"/>	R10,000 - R50,000	<input type="checkbox"/>
R1,000 - R10,000	<input type="checkbox"/>	R50,000 plus	<input type="checkbox"/>

It should be noted that while on the answer sheet there was no category provided for a company that spent zero rands on advertising or promotion, the writer did ask respondents that if they fell into this category, to mark the answer as zero. This fifth alternative was incorporated in analysing the answers.

Since advertising and promotion is one of the elements of the marketing mix, the more emphasis placed on this area by a company, measured by the amount it spent on advertising and promotion of its products abroad, the more marketing orientated the company is likely to be with respect to its exports (obviously within reason).

Hence, the categories were coded as follows:

R50,000 plus	1,00
R10,000 - R50,000	0,75
R1,000 - R10,000	0,50
Less than R1,000	0,25
Zero rands	0,00

These scores were seen to be compatible with the scores obtained from the semantic differential scaled questions.

For example, in question 44 in the active questionnaire (question 35 in the non-active questionnaire), the respondent was asked whether his company was operative regionally (that is, only in the Western Cape) or nationally.

The answers were not ranked in any way as the one alternative was not considered more preferable than the other. Codes of '1' and '2' were assigned to the answers respectively.

In the data analysis stage, categorical data such as from question 44, was cross-tabulated with the MOOI and the MOI.

In order to do this, the categorical data, coded simply as 1,2,3 etc., had to be recoded using dummy variables.

If a researcher intends to include qualitative or categorical-type variables in analysis techniques such as multiple regression analysis, discriminant analysis or cross tabulation, these categorical variables must first be quantified. Dummy variable coding is a technique used for this purpose (Daniel & Terrell 1983, p.364).

The following categorical-type questions were recoded using the dummy variable technique;

- a. the company size - whether large or small;
- b. the company turnover;
- c. the number of employees working for the company;
- d. company profit or loss;
- e. whether the company sells to a regional or national domestic market;
- f. whether the company sells to an industrial or consumer market or both;
- g. the position of the respondent in the company; and
- h. whether the respondent has attended any courses or seminars on exporting.

8.2.3 Data tabulation

Churchill (1983, p.449) defines data tabulation as the assigning of responses to categories and the counting of the number of data cases that fall into these categories.

The writer suggests that data tabulation can be divided into two parts:

- a. The preparation of previously coded data into tables ready for computer analysis.

- b. Simple data description, including the following:
- i. The counting of data within the various categories (also called frequency counts or one-way tabulation) (Churchill 1983, p.449).
 - ii. The measurement of central tendency and specifically the mean or average score (McGown 1979, p.214).
 - iii. The measurement of the dispersion of the data including the range, standard deviation and skewness of the distribution of the data (Weiers 1984, pp.395 - 396).
 - iv. Percentages, which allow the researcher to describe the frequency of data in a relative sense and make it easier to compare groups and distributions (Weiers 1984, 397).

It should be noted that not all data is suitable for each of the data description steps mentioned above. In the case of categorical data (that is, nominal scaled data¹), for example, the measurement of mean scores and standard deviation is not applicable, although the use of frequency counts and percentages is.

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1. Refer to Weiers 1984, pp.151 - 157.

According to Weiers (1984, p.404), mere processing and summarization of the data is not enough as a number of questions usually remain to be answered. Further statistical analysis is then required in order to answer these questions.

Consequently, data analysis usually follows data tabulation.

8.3 DATA ANALYSIS

A large variety of techniques exist that can be used to analyse data. Different techniques provide different results and it is important to choose the best statistical method keeping the objectives of the study in mind.

In this study, the following statistical methods were used;

- a. multiple regression and correlation analysis;
- b. cross tabulation;
- c. testing the difference between the means of two groups;
- d. discriminant analysis; and
- e. the Delphi method.

8.3.1 Multiple regression and correlation analysis

Multiple regression analysis is a statistical technique that evaluates the relationship between an interval-scaled¹ dependent variable and a set of interval-scaled independent variables (Cox 1979, p.353). This relationship can be expressed in the form of a linear equation called the estimated regression equation as follows (Ben-Horim and Levy 1981, p.538):

$$y = a + b_1X_1 + b_2X_2 + \dots + b_nX_n$$

where;

Y is the dependent variable;

a is the estimated intercept on the y-axis;

$b_1 - b_n$ are the estimated parameters of the independent variables X_1 to X_n ; and

$X_1 - X_n$ are the independent variables.

In this study, the variable Y is represented by SuI, which is argued to be dependant on;

- a. the MOOI of the respondent - independent variable X_1 ;
- b. the MOI for the company - independent variable X_2 ;
- c. the size of the company, whether large or small - independent variable X_3 ; and
- d. the SeI of the management of the company - independent variable X_4 .

=====

1. Refer to Weiers 1984, pp.151 - 157

A computer analysis using the estimated regression equation was undertaken to determine the extent and nature of the relationship between SuI and MOOI, MOI, company Size and SeI.

In the same computer analysis, the interrelationship between the five variables mentioned above was also examined using correlation analysis.

8.3.1.1 Reasons for using multiple regression analysis

One of the main objectives of this study as stated in Chapter 5, section 5.2.1, is to establish whether the success of a manufacturing company in its export activities is related to the extent of its marketing orientation towards these activities.

Consequently, the relationship between the SuI and the MOI for each active export manufacturing company was examined using multiple regression analysis.

The reason only active export companies were considered, is because by definition, the non-active exporters had not yet achieved any export sales and therefore no SuI could be established for the non-active exporters.

The relationship between the SuI of each active export manufacturing company and the following three variables was also examined in the same analysis;

- a. the MOOI of the export executive;
- b. the Size of the company, whether large or small; and
- c. the SeI of the management of the company.

It is also possible that the independent variables, while having an influence on the dependent variables, may also influence each other. The writer therefore felt that correlation analysis, which examines this interrelationship between variables, was also appropriate.

8.3.2 Cross tabulation

Cross tabulation involves the examination of categorical data for two or more variables simultaneously (Cox 1979, p.235) and enables relationships among and between variables, whether dependent or independent, to be measured (Bellenger and Greenberg 1978, p.230 and Churchill 1983, p.459).

8.3.2.1 Reasons for using cross tabulation

In section C of the non-active questionnaire and section D of the active questionnaire a number of categorical-type or qualitative questions were put to each respondent.

Some of these questions related to variables that were thought to have an influence on both the MOI and the MOOI.

These variables included:

a. The size of the company measured by its turnover:

It is presumed that the larger the company, the more likely the company will be marketing orientated with respect to its exports, because it is able to provide human and financial resources in support of its export activities.

b. The size of the company measured by its number of employees:

Again the same argument as in (a) above applies.

c. Whether the company is in a profit or loss situation:

First, it is the writer's experience that companies struggling in the South African domestic market and who then turn to export markets

in the hope that they will find sufficient business to keep the company alive, are inevitably ill prepared to face the complexities of marketing abroad.

Second, it is suggested that cash-flush, profitable firms are better able to support their export activities than companies that are in a loss position.

- d. Whether the company operates nationally or only regionally:
The writer suggests that companies that have not yet ventured into the national market may be out of their depth in international markets.
- e. Whether the company operates in a consumer or industrial market or both:
It is expected that companies active in consumer markets or both consumer and industrial markets, will be more marketing orientated than companies that are only active in industrial markets. This is because consumer markets may arguably be more marketing sensitive than industrial markets.
- f. Whether the export executive has attended any courses in export marketing:
In this instance, the writer felt that if the export

executive has some knowledge of export marketing, he is more likely to manage the company's export activities along marketing lines.

Cross tabulation was therefore used to establish whether any relationships exist between the abovementioned variables and the MOI or the MOOI.

8.3.3 Testing the difference of means between groups

The function of this technique is to ascertain whether the means of two distributions are different. If the means are indeed different, then the implication for this study¹ is that the mean of the one distribution is greater than the mean of the other distribution (Greensted, Jardine and Macfarlane 1978, pp.118 - 119).

8.3.3.1 Reasons for using this test

One of the objectives of this study is to establish whether the MOI is different for the active group of exporters and for the non-active group of exporters.

1. In which a one-tailed test is used.

If the mean MOI is greater for the active group of exporters than for the non-active group of exporters, then the implication is that the active group is more marketing orientated than the non-active group.

In order to establish whether the abovementioned difference exists, it is necessary to test the hypothesis that the mean of the MOI for the group of active exporters is greater than the mean of the MOI for the group of non-active exporters.

The same procedure was followed to compare the means of the following variables;

- a. MOI - small vs large exporters;
- b. MOOI - active vs non-active exporters;
- c. MOOI - small vs large exporters;
- d. SuI - small vs large exporters;
- e. SeI - active vs non-active exporters; and
- f. SeI - small vs large exporters.

8.3.4 Discriminant analysis

Fischer (1936) defines discriminant analysis as a technique that is employed to discover the characteristics that distinguish the members of one group from another so that given a set of characteristics for a new individual, the group to which he should be assigned can be predicted.

Discriminant analysis also enables the researcher to determine the relative importance of each variable and the predictive value of a total set of variables (Robertson and Kennedy 1968, p.64).

The linear function of independent variables that determine an individual's discriminant score is given by;

$$Z_i = b_0 + b_1X_{1i} + b_2X_{2i} + \dots + b_nX_{ni}$$

where;

X_{ji} is the i th individual's value of the j th independent variable;

b_j is the discriminant co-efficient for the j th variable; and

Z_i is the i th individual's discriminant score.

The classification process is;

if $Z_i > Z_{crit}$ classify individual i as belonging to group I; or

if $Z_i < Z_{crit}$ classify individual i as belonging to group II

(Morrison p.2-443).

The groups should be identified prior to the analysis based on whatever criteria are of interest to the study (Lawson, p.1979). In this particular study, the two main groups of interest are; active and non-active exporters.

Four variables were identified that might influence the classification of an exporter into either of these two groups.

These are;

- a. the MOI of the company;
- b. the MOOI of the respondent;
- c. the size of the company, whether large or small; and
- d. whether the respondent had attended any seminars or courses on export marketing.

8.3.4.1 Reasons for using discriminant analysis

The writer felt that if those variables that discriminate between an exporter being active or non-active could be identified, then it would be possible for the DTI to predict whether a potential exporter is likely to fall into one or other of these two groups, based on certain criteria.

The benefit of such a classification is that it could assist the DTI in deciding whether it should or should not financially assist a particular exporter, with a view to the more efficient and effective utilization of incentives.

8.3.5 The Delphi method

According to Lehmann (1979, p.112), the Delphi method is designed to produce a consensus evaluation of alternatives among a set of judgements or opinions.

The method involves a group of experts who are interviewed on a particular subject and are asked to provide specific input relating to this subject.

This input is then examined and the pertinent information highlighted. The results are then referred back to the group who are asked if they wish to review their original input. This re-evaluated input of the respondents is again examined to identify the main points.

Once again the results are referred back to the group and their feedback is in turn re-examined (Wood 1985, pp.33 - 34).

The number of reevaluation rounds by the group of respondents can vary from two to four (or until the researcher feels that consensus has been achieved) (Jedamus, Frame and Taylor p.223).

This funnelling approach used in the Delphi method provides results based on consensus and has been used in long-range planning, financial forecasting, generating information, establishing priorities or obtaining solutions to problems (Vichas, p.205).

8.3.5.1 Reasons for using the Delphi method

An integral part of this study was to decide on what criteria exporters would be divided into active or non-active groups (see Chapter 6, section 6.5.1).

The writer believed that a description of an active exporter should be developed and used to classify the exporters accordingly. It was felt that this description could be developed using the Delphi method, by asking a number of experts in the field of exports to describe what attributes they felt an active exporter should have.

In the first round, the group members (consisting of 10 individuals - see Appendix H) were interviewed individually and asked to list attributes which they felt were important in the description of an active exporter.

These attributes were collated and the respondents were then asked to rank the attributes from most important to least important (there were ten attributes identified in all). A final description was developed and referred to the group for confirmation.

The writer found that this method resulted in a description of an active exporter that was so strict, that had it been applied to the population, only a small percentage would fall into the active exporter group.

It was decided, therefore to abandon this description for classification purposes and it did not in any way contribute to the definition ultimately used. The description was used, however, as an example of what attributes an ideal active exporter is considered to have (see sections 9.7 and 10.3).

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PART C

RESEARCH FINDINGS

CONCLUSIONS

AND

RECOMMENDATIONS

CHAPTER 9

RESEARCH FINDINGS

9.1 INTRODUCTION

This chapter presents the results obtained from the sample data, the analysis of which was discussed in the previous chapter.

The results are tabulated under the headings of the analysis methods that were used on the data, namely;

- a. simple data description;
- b. multiple regression analysis;
- c. tests of the difference between the means of two groups;
- d. cross tabulation;
- e. discriminant analysis; and
- f. the Delphi method.

For the purpose of an overview, Table 9.1 listing the four indices (MOOI, MOI, SuI and SeI), together with their respective average scores, is given below.

Table 9.1 The four main indices and their respective average scores.

| Marketing orientation outlook index (MOOI)	0.755 |
| Marketing orientation index (MOI)	0.423 |
| Success index (SuI)	0.439 |
| Seriousness index (SeI)	0.438 |

9.2 SIMPLE DATA DESCRIPTION

The results presented under this heading, follow the sections (A,B,C and D) and questions (Q1 - Q58) in the respective questionnaires (active and non-active).

9.2.1 Section A in both the active and non-active questionnaires

In Table 9.2, the average MOOI score for the respondents is highlighted, as well as the average score for each of the ten questions that contribute to the MOOI. The elements of the marketing concept to which each question refers, are indicated in the brackets corresponding to each question number.

Table 9.2 The marketing orientation outlook index.

Question number	Mean
1 (profit orientation)	0.702
2 (profit orientation and integrated effort)	0.743
3 (customer orientation and integrated effort)	0.841
4 (customer orientation)	0.736
5 (customer orientation)	0.685
6 (integrated effort)	0.863
7 (profit orientation)	0.642
8 (customer orientation)	0.694
9 (customer orientation)	0.900
10 (customer orientation and integrated effort)	<u>0.830</u>
<i>MOOI (marketing orientation outlook index)</i>	<u>0.764</u>
	n ¹ = 130

9.2.2 Section B in both the active and non-active questionnaires

Table 9.3 lists the average MOI score for the respondent companies, as well as the average score for each of the sixteen questions that contribute to the MOI. Each question refers to an element of the company's marketing mix, which is described in the brackets corresponding to each question number.

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 1. For the rest of this chapter, n refers to the sample size.

Table 9.3 The marketing orientation index.

Question Number	Mean
11 (product)	0.426
12 (product and marketing research)	0.428
13 (product and pricing)	0.688
14 (packaging)	0.508
15 (packaging and marketing research)	0.274
16 (pricing)	0.662
17 (pricing and market research)	0.534
18 (pricing)	0.408
19 (pricing)	0.494
20 (advertising/promotion)	0.223
21 (advertising/promotion)	0.381
22 (distribution)	0.344
23 (market research)	0.416
24 (distribution)	0.377
25 (marketing planning)	0.385
26 (export market planning)	0.224
<i>MOI (marketing orientation index)</i>	<i>0.423</i>
	n = 130

9.2.3 Section C in the active questionnaire only

Table 9.4 lists the average SuI score for all the actively exporting respondent companies, as well as the average score for each of seven questions that contribute to the SuI. A brief description of the intended purpose of each question is provided in the brackets corresponding to each question number.

Table 9.4 The success index.

Question number	Mean
27 (profitability of exports)	0.474
28 (profitability of exports)	0.318
29 (return on investment in exports)	0.430
30 (export turnover)	0.447
31 (growth in exports)	0.594
32 (importance of exports as % of total turnover)	0.258
33 (age of the company's export activities)	0.551
<i>SeI (success index)</i>	<i>0.439</i>
	n = 70

9.2.4 Section C in both the active and non-active questionnaires

Table 9.5 indicates the average SeI score for all the companies' management, as well as the average score for each of three questions that contribute to the SeI. A brief description of the intended purpose of each question is provided in the brackets corresponding to each question number. The question numbers in the square brackets refer to the non-active questionnaire.

Table 9.5 The seriousness index of the company's management.

Question number	Mean
34 [28] (emphasis placed on exporting)	0.443
35 [29] (commitment to exporting)	0.558
36 [30] (budget allocated to exporting)	0.312
<i>SeI (Seriousness index)</i>	<i>0.438</i>
	n = 130

9.2.5 Section D in the active questionnaire and Section C in the non-active questionnaire

Tables are not used in this section. Instead, the tabulated results follow the question numbers in the questionnaires.

The question numbers in the square brackets refer to the non-active questionnaire. A brief description of the question is provided beneath each question number.

Question number: 37 [31]
Benefits of exporting.

| Answers:	
| Increased turnover/sales/production	.....63%
| Increased profits and cash-flows	.....57%
| Improved sales/production stability and company growth	.....27%
| Improved competitiveness and exposure	.....25%
| Utilisation of spare capacity	.....22%
| Increased volumes and lower unit costs	.....15%
| Larger markets	.....15%
| Develop and utilise company potential and innovation	.....12%
| Status and prestige of exporting	.....12%
| Benefit of export incentives	.....10%
| Increased or continued labour employment	.....08%
| Lower lead times and improved buying power	.....05%
| Recovery of overheads	.....03%
| Stabilise cyclical domestic demand	.....02%
| Less dependant on the local market	.....02%
| Travel opportunities	.....02%
| Spreading risk	.....02%
| No benefits	.....02%
|	n = 130

Question number: 38 (active questionnaire only)

To what geographical regions does the company export.

| Answers:	
| North America	.....16%
| Africa	.....23%
| South America	.....10%
| Australasia	.....18%
| Europe	.....36%
| Middle East	.....11%
| Far East	.....13%
| Other (Asia)	.....01%
|	n = 70

Question number: 39 (active questionnaire only)

Does the exporter sell to a limited or wide range of customers.

| Answers:	
| A single overseas buyer	.....10%
| A few overseas buyers	.....69%
| Many overseas buyers	.....21%
|	100%
|	n = 70

Question number: 40 [27]

How long did it take the company to break into exports or how long has the company been investigating the export market.

| Answer:	
| Average years	.....2.3
|	n = 130

Question number: 41 [32]
Approximate turnover of the company.

| Answers:	
| Under R100 000	.....08%
| R100 000 - R1million	.....25%
| R1million - R5million	.....33%
| R5million - R20million	.....23%
| R20million - R100million	.....08%
| Over R100million	.....03%
|	100%
|	n = 130

Question number: 42 [33]
Is the company in a profit or loss situation.

| Answer:	
| Profit	.....60%
| Loss	.....40%
|	100%
|	n = 130

Question number: 43 [34]
Number of employees.

| Answers:	
| Under 10	.....15%
| 10 - 50	.....31%
| 50 - 100	.....21%
| 100 - 200	.....13%
| Over 200	.....21%
|	100%
|	n = 130

Question number: 44 [35]
Does the company market to a regional or national market in South Africa.

| Answers:	
| Regional	.....08%
| National	.....92%
|	100%
|	n = 130

Question number: 45 [36]

Does the company market consumer products, industrial products or both.

| Answers:	
| Consumer products	.....35% |
| Industrial products	.....41% |
| Both	.....<u>24%</u> |
|	100% |
|	n = 130 |

Question number: 46 [37]

What is the export executive's official designation.

| Answers:	
| Owner/Partner	.....31% |
| Managing Director	.....26% |
| Director	.....20% |
| Senior Manager	.....17% |
| Manager	.....<u>06%</u> |
|	100% |
|	n = 130 |

Question number: 47 [38]

Has the export executive attended any courses or seminars on exporting.

| Answers:	
| Yes	.....46% |
| No	.....<u>54%</u> |
|	100% |
|	n = 130 |

Question number: 48 [39]

How many years experience does the export executive have in exporting.

| Answers:	
| Average years experience	.....7.9 |
|	n = 130 |

Question number: 49 [40]
 Problems experienced in exporting.

Answers:	
Sanctions/politics	.....47%
Lack of finance or cash-flow	.....27%
Distance from export markets/high freight rates	.....25%
Lack of overseas market information	.....19%
High cost of raw materials	.....18%
Lack of necessary skills	.....15%
Fluctuating exchange rates	.....14%
Lack of- or limited spare production capacity	.....13%
Inflation	.....12%
Overseas competition	.....12%
Lack of time	.....10%
Poor export image abroad	.....08%
Overseas regulations and control	.....08%
Lack of reliable agents or representatives	.....07%
Raw material shortages	.....07%
Lack of adequate export incentives	.....06%
Lack of interest or commitment	.....06%
Lack of marketing ability or planning	.....05%
Communication problems	.....05%
Uncompetitive prices	.....05%
Bureaucracy	.....05%
Poor product quality	.....04%
Overseas parent company policy	.....04%
	n = 130

Question number: 50 [41]
 Where does the main emphasis of the company lie, in the opinion of the export executive.

Answers:	
Marketing	.....32%
Selling	.....39%
Production	.....65%
Administration	.....09%
	n = 130

Question number: 51 (active questionnaire only)
How successful does the export executive believe the company is in exports.

| Answers:	
| Average score	.....0.397 |
| SuI for comparison	.....0.439 |
| The writer's score for comparison (Q56)	.....0.478 |
|	n = 70 |

Question number: 52 [42]
How marketing orientated does the export executive believe the company is with respect to exports.

| Answer:	
| Average score	.....0.394 |
| MOI for comparison	.....0.423 |
| The writer's score for comparison (Q57 [46])	.....0.410 |
|	n = 130 |

Question number: 53 [43]
How knowledgable does the export executive believe he is about marketing.

| Answer:	
| Average score	.....0.502 |
| MOOI for comparison	.....0.755 |
| The writer's score for comparison (Q58 [47])	.....0.379 |
|	n = 130 |

Question number: 54 [44]
How beneficial does the export executive believe marketing could be for his company.

| Answer:	
| Average score	.....0.785 |
| MOI for comparison	.....0.423 |
|	n = 130 |

Question number: 55 [45]

What products does the company export or intend to export.

Answers:	No. of companies & %
Light industrial engineering	....30 - 23%
Clothing and linen products	....22 - 17%
GRP and plastic products	....11 - 08%
Electrical and electronic products	....10 - 08%
Sports goods and equipment and games	.....8 - 06%
Food products	.....7 - 05%
Heavy industry	.....7 - 05%
Furniture products	.....6 - 05%
Light consumer engineering	.....5 - 04%
Chemical and cosmetics products	.....5 - 04%
Leather tanning and products	.....3 - 02%
Wearing accessories and shoe products	.....4 - 03%
Printing and packaging products	.....3 - 02%
Textile, curtaining and upholstery products	.....1 - 01%
Jewellery products	.....1 - 01%
Other products	.....7 - 07%
	130 100%

9.3 MULTIPLE REGRESSION ANALYSIS

Table 9.6 presents the results of the multiple regression analysis of the dependent variable SuI (Y) and the following independent variables;

- a. the MOOI of the export executive (X_1);
- b. the company's MOI (X_2);
- c. the size of the company (whether large or small) (X_3);
- and
- d. the SeI of the management of the company (X_4).

Table 9.6 The multiple regression analysis results.

Multiple correlation coefficient (R)		= 0.6491			
Coefficient of multiple determination (R ²)		= 0.4213			
Analysis of variance:					
	Sum of Squares	DF	Mean Square	F Ratio	
Regression	0.9106	4	0.2276	11.832	
Residual	1.2506	65	0.0192		
Table of variables, including T Statistics:					
Variable	Coefficient	T Statistic			
Intercept (a)	0.27011				
MOOI (X ₁)	-0.08087	-0.432			
MOI (X ₂)	0.02119	0.147			
Size (X ₃)	0.07122	1.789			
SeI (X ₄)	0.36292	4.077			
Correlation Matrix:					
Variable	MOOI	MOI	Size	SuI	SeI
MOOI (X ₁)	1.0000				
MOI (X ₂)	0.4622	1.0000			
Size (X ₃)	0.3540	0.4859	1.0000		
SuI (Y)	0.2617	0.5171	0.3182	1.0000	
SeI (X ₄)	0.3918	0.7221	0.2094	0.6184	1.0000
Level of significance for the above calculations = 0.05					
n = 70					

9.3.1 To test the relationship between the dependant variable Y (SuI) and the set of independent variables X₁ to X₄ (MOOI, MOI, Size and SeI)

Null hypothesis - H₀:

There is no linear relationship between the dependent variable Y and the set of independent variables X₁ to X₄.

Alternate hypothesis - H_1 :

There is a linear relationship between the dependent variable, Y and the set of independent variables, X_1 to X_4 .

Decision rule: Accept H_0 if $F_{critical} \geq F_{computed}$.

Table 9.7 presents the results of this analysis.

Table 9.7 Calculations based on the multiple regression analysis results in Table 9.6.

| Critical F-ratio = 2.53. - Degrees of freedom = 4 & 65 |
| Computed F-ratio = 11.832. - From Table 9.6 |

| H_0 is consequently rejected. |

| Level of significance for the above calculations = 0.05 |
| n = 70 |

9.3.2 Test to see whether there is a relationship between the dependent variable Y (SuI) and each of the independent variables, X_1 to X_4 (MOOI, MOI, Size and SeI)

A null and alternate hypothesis is established for each of the four variables X_1 to X_4 , of the form:

Null hypothesis - H_0 :

Variable X_n , in the presence of the other variables, is not useful in predicting and estimating the dependent variable Y (where $n = 1$ to 4).

Alternate hypothesis - H_1 :

Variable X_n , in the presence of the other variables, is useful in predicting and estimating the dependent variable Y (where $n = 1$ to 4).

Decision rule: Accept H_0 if $T_{critical} \geq T_{computed}$.

Table 9.8 presents the results of this analysis.

Table 9.8 An analysis of the relationship between the dependent variable Y (SuI) and each of the independent variables X_1 to X_4 (MOOI, MOI, Size and SeI).

Var	Computed T-statistic value	Critical T-statistic value	Degrees of freedom	Variable related to SuI (Y)
MOOI	-0.432	1.667	65	No
MOI	0.147	1.667	65	No
Size	1.789	1.667	65	Yes
SeI	4.077	1.667	65	Yes
Level of significance for the above calculations = 0.05				
n = 70				

9.3.3 Simple linear regression analysis of the relationship between the dependant variable Y (SuI) and the independant variable X_1 (MOI)

In Table 9.9, the results of the simple linear regression analysis of the relationship between the dependent variable SuI (Y) and the independent variable MOI (X_1), are tabulated.

Table 9.9 Simple linear regression results.

| Correlation coefficient (R)					= 0.5171	|
| Coefficient of determination (R^2)					= 0.2673	|

| Analysis of variance:						
		Sum of Squares	DF	Mean Square	F Ratio	
| Regression		0.5778	1	0.5778	24.814	|
| Error		1.5834	68	0.0233		|

| Table of variables, including T Statistics:						
| Variable		Coefficient	T Statistic			
| Intercept (a)		0.21571				
| MOI (X_1)		0.47020	4.981			

| Level of significance for the above calculations = 0.05					|	
| n = 70					|	

9.3.3.1 To test whether a relationship exists between the dependent variable Y (SuI) and the independent variable X_1 (MOI)

Null hypothesis - H_0 :

There is no linear relationship between the dependent variable Y and the independent variable X_1 .

Alternate hypothesis - H_1 :

There is a linear relationship between the dependent variable Y and the independent variable X_1 .

Decision rule: Accept H_0 if $F_{critical} \geq F_{computed}$.

Table 9.10 presents the results of this analysis.

Table 9.10 Calculations based on the simple linear regression analysis results in Table 9.9.

| Critical F-ratio = 3.99 - Degrees of freedom 1 & 68 |
| Computed F-ratio = 24.814 - See Table 9.8 |

| H_0 is consequently rejected. |

| Level of significance for the above calculations = 0.05 |
| n = 70 |

9.4 DIFFERENCE OF MEANS TEST

The following variables were analysed to see whether a difference existed between the means of the two corresponding groups of exporters.

Variable	Groups of exporters
MOI	active vs non-active
MOI	small vs large
MOOI	active vs non-active
MOOI	small vs large
SuI	small vs large
SeI	active vs non-active
SeI	small vs large

The analysis of each variable was divided into two stages;

- a. a test to see whether the *variances* of each of the two groups of exporters are equal to each other; and
- b. a test to see whether the *means* of each of the two groups of exporters are equal to each other.

In order to test the difference between the means of two groups, it is a necessary requirement that the variances of the two groups are equal each other (Daniell and Terrell

1983, pp.164 - 168). If the variances are not equal, it does not mean that the the results obtained from the test for the difference between the means of the two groups is inaccurate, simply less reliable.

The hypothesised relationship for each particular analysis, is as follows:

a. Variances:

Null hypothesis - H_0 :

The variance of the active/large¹ group of exporters is not equal to the variance of the non-active/small¹ group of exporters.

Alternate hypothesis - H_1 :

The variance of the active/large¹ group of exporters is equal to the variance of the non-active/small¹ group of exporters.

Decision rule: Accept H_0 if $F_{computed} \geq F_{critical}$.

- =====
1. Select the appropriate group, depending on the particular relationship being analysed.

b. Means:

Null hypothesis - H_0 .

The mean of the active/large¹ group of exporters is less than or equal to the mean of the non-active/small¹ group of exporters.

Alternate hypothesis - H_1 :

The mean of the active/large¹ group of exporters is greater than the mean of the non-active/small¹ group of exporters.

Decision rule: Accept H_0 if $Z_{computed} \geq Z_{critical}$.

Results obtained from the two-stage analysis of each variable are tabulated below:

- =====
1. Select the appropriate group depending on the particular relationship being analysed.

a. Active vs non-active exporters.

Table 9.11 Test for equal variances.

Var	Computed F-ratio	Critical F-ratio	Degrees of freedom	Variances equal?
MOI	1.57	1.67	69 & 59	Yes
MOOI	1.51	1.65	59 & 69	Yes
SeI	1.66	1.67	69 & 59	Yes

Level of significance for the above calculations = 0.05
 In = 70

Table 9.12 Test for equal means.

Var	Computed Z-value	Critical Z-value	Means equal?	Inference ¹ about means
MOI	3.777	1.645	No	Act > NAct
MOOI	2.145	1.645	No	Act > NAct
SeI	3.751	1.645	No	Act > NAct

Level of significance for the above calculations = 0.05
 In = 70

=====

1. Act = Active
 NAct = Non-active

b. Small vs large exporters.

Table 9.13 Test for equal variances.

Var	Computed F-ratio	Critical F-ratio	Degrees of freedom	Variances equal?
MOI	1.19	1.67	43 & 85	Yes
MOOI	2.35	1.84	85 & 43	No
SuI	3.03	1.97	34 & 36	No
SeI	1.40	1.67	43 & 85	Yes

Level of significance for the above calculations = 0.05
 $n = 70$

Table 9.14 Test for equal means.

Var	Computed Z-value	Critical Z-value	Means equal?	Inference about means
MOI	5.767	1.645	No	Large > Small
MOOI	4.076	1.645	No	Large > Small
SuI	2.704	1.645	No	Large > Small
SeI	2.906	1.645	No	Large > Small

Level of significance for the above calculations = 0.05
 $n = 70$

9.5 CROSS TABULATIONS

In this section, the following cross tabulation tables are listed;

- a. MOOI vs company turnover (Table 9.15);
vs company profit or loss (Table 9.17);
vs number of employees in the company (Table 9.19);
vs regional or national domestic market
(Table 9.21);
vs industrial or consumer products (Table 9.23);
vs the position of the export executive in the
company (Table 9.25);
vs whether the export executive has attended any
courses or seminars on exporting (Table 9.27);
and

- b. MOI vs company turnover (Table 9.16);
vs company profit or loss (Table 9.18);
vs number of employees in the company (Table 9.20);
vs regional or national domestic market
(Table 9.22);
vs industrial or consumer products (Table 9.24);

vs the position of the export executive in the company (Table 9.26);

vs whether the export executive has attended any courses or seminars on exporting (Table 9.28).

For each cross tabulation analysis, the relationship between the two variables is also calculated and presented beneath each table. The form of the hypothesis is as follows:

a. Null hypothesis - H_0 :

A relationship does not exist between the two variables.

b. Alternate hypothesis - H_1 :

A relationship does exist between the two variables.

Decision rule:

Accept H_0 if $\text{chisquare}_{\text{critical}} \geq \text{chisquare}_{\text{computed}}$.

Table 9.15 MOOI vs company turnover.

MOOI	Turnover						Total
	*A	B	C	D	E	F	
Under 0,65	3	11	9	2	0	0	25
0,65-0,75	3	10	13	7	2	0	35
0,75-0,85	4	9	9	16	5	1	44
Over 0,85	0	3	12	5	3	3	26
Total	10	33	43	30	10	4	130

*

- A = Under R100 000
- B = R100 000 - R1million
- C = R1million - R5million
- D = R5million - R20million
- E = R20million - R100million
- F = Over R100million

Table 9.15 Cont.

Computed chisquare	29.890
Critical chisquare	24.996
Degrees of freedom	15
Null hypothesis	Rejected
Level of significance for the above calculations = 0.05	
n = 130	

Table 9.16 MOI vs company turnover.

MOI	Turnover						Total
	*A	B	C	D	E	F	
Under 0,25	5	7	12	3	1	0	28
0,25-0,50	4	22	20	11	4	0	61
0,50-0,75	1	4	10	13	5	1	34
Over 0,75	0	0	1	3	0	3	7
Total	10	33	43	30	10	4	130

*

- A = Under R100 000
- B = R100 000 - R1million
- C = R1million - R5million
- D = R5million - R20million
- E = R20million - R100million
- F = Over R100million

Table 9.16 Cont.

Computed chisquare	63.374
Critical chisquare	24.996
Degrees of freedom	15
Null hypothesis	Rejected
Level of significance for the above calculations = 0.05	
n = 70	

Table 9.17 MOOI vs company profit or loss.

MOOI	Loss	Profit	Total
Under 0,65	11	14	25
0,65-0,75	14	21	35
0,75-0,85	20	24	44
Over 0,85	7	19	26
Total	52	78	130

Computed chisquare	2.565
Critical chisquare	7.815
Degrees of freedom	3
Null hypothesis	Accepted

Level of significance for the above calculations = 0.05
n = 70

Table 9.18 MOI vs company profit or loss.

MOI	Loss	Profit	Total
Under 0,25	11	17	28
0,25-0,50	30	31	61
0,50-0,75	10	24	34
Over 0,75	1	6	7
Total	52	78	130

Computed chisquare	5.665
Critical chisquare	7.815
Degrees of freedom	3
Null hypothesis	Accepted

Level of significance for the above calculations = 0.05
n = 70

Table 9.19 MOOI vs number of employees in the company.

MOOI	Number of employees					Tot
	Under10	10-50	50-100	100-200	Over200	
Under 0,65	7	8	6	3	1	25
0,65-0,75	4	14	7	4	6	35
0,75-0,85	8	12	6	5	13	44
Over 0,85	0	6	8	5	7	26
Total	19	40	27	17	27	130
Computed chisquare	18.271					
Critical chisquare	21.026					
Degrees of freedom	12					
Null hypothesis	Accepted					
Level of significance for the above calculations = 0.05						
n = 70						

Table 9.20 MOI vs number of employees in the company.

MOI	Number of employees					Tot
	Under10	10-50	50-100	100-200	Over200	
Under 0,25	6	13	4	4	1	28
0,25-0,50	10	21	14	9	7	61
0,50-0,75	3	6	5	4	16	34
Over 0,75	0	0	4	0	3	7
Total	19	40	27	17	27	130
Computed chisquare	35.751					
Critical chisquare	21.026					
Degrees of freedom	12					
Null hypothesis	Rejected					
Level of significance for the above calculations = 0.05						
n = 70						

Table 9.21 MOOI vs regional or national domestic market.

MOOI	Regional	National	Total
Under 0,65	1	24	25
0,65-0,75	6	29	35
0,75-0,85	3	41	44
Over 0,85	0	26	26
Total	10	120	130
Computed chisquare	7.096		
Critical chisquare	7.815		
Degrees of freedom	3		
Null hypothesis	Accepted		
Level of significance for the above calculations = 0.05			
n = 70			

Table 9.22 MOI vs regional or national domestic market.

MOI	Regional	National	Total
Under 0,25	7	21	28
0,25-0,50	3	58	61
0,50-0,75	0	34	34
Over 0,75	0	7	7
Total	10	120	130
Computed chisquare	15.890		
Critical chisquare	7.815		
Degrees of freedom	3		
Null hypothesis	Rejected		
Level of significance for the above calculations = 0.05			
n = 70			

Table 9.23 MOOI vs industrial or consumer products.

MOOI	Industrial	Consumer	Both	Total
Under 0,65	10	10	5	25
0,65-0,75	12	16	7	35
0,75-0,85	16	17	11	44
Over 0,85	8	10	8	26
Total	46	53	31	130
Computed chisquare	1.547			
Critical chisquare	12.592			
Degrees of freedom	6			
Null hypothesis	Accepted			
Level of significance for the above calculations = 0.05				
n = 70				

Table 9.24 MOI vs Industrial or consumer products.

MOI	Industrial	Consumer	Both	Total
Under 0,25	8	13	7	28
0,25-0,50	25	24	12	61
0,50-0,75	11	14	9	34
Over 0,75	2	2	3	7
Total	46	53	31	130
Computed chisquare	3.216			
Critical chisquare	12.592			
Degrees of freedom	6			
Null hypothesis	Accepted			
Level of significance for the above calculations = 0.05				
n = 70				

Table 9.25 MOOI vs position of export executive in the company.

MOOI	Ownr/partnr	MD	Dir	SnrMngr	Mngr	Total
Under 0,65	8	6	6	3	2	25
0,65-0,75	10	10	7	6	2	35
0,75-0,85	13	12	9	7	3	44
Over 0,85	9	6	4	6	1	26
Total	40	34	26	22	8	130
Computed chisquare	2.306					
Critical chisquare	21.026					
Degrees of freedom	12					
Null hypothesis	Accepted					
Level of significance for the above calculations = 0.05						
n = 70						

Table 9.26 MOI vs Position of the export executive in the company.

MOI	Ownr/partnr	MD	Dir	SnrMngr	Mngr	Total
Under 0,25	9	7	7	2	3	28
0,25-0,50	22	14	10	11	4	61
0,50-0,75	9	11	5	8	1	34
Over 0,75	0	2	4	1	0	7
Total	40	34	26	22	8	130
Computed chisquare	14.248					
Critical chisquare	21.026					
Degrees of freedom	12					
Null hypothesis	Accepted					
Level of significance for the above calculations = 0.05						
n = 70						

Table 9.27 MOOI vs whether the export executive has attended any courses or seminars on exporting.

MOOI	Not attended	Attended	Total
Under 0,65	18	7	25
0,65-0,75	20	13	35
0,75-0,85	22	22	44
Over 0,85	10	16	26
Total	70	60	130

Computed chisquare	6.206
Critical chisquare	7.815
Degrees of freedom	3
Null hypothesis	Accepted

Level of significance for the above calculations = 0.05
n = 70

Table 9.28 MOI vs whether the export executive has attended any courses or seminars on exporting.

MOI	Not Attended	Attended	Total
Under 0,25	21	7	28
0,25-0,50	36	25	61
0,50-0,75	12	22	34
Over 0,75	1	6	7
Total	70	60	130

Computed chisquare	14.815
Critical chisquare	7.815
Degrees of freedom	3
Null hypothesis	Rejected

Level of significance for the above calculations = 0.05
n = 70

9.6 DISCRIMINANT ANALYSIS

Table 9.29 outlines the calculated F-ratios for the four independent variables; MOOI, MOI, Seminars and Size. These F-ratios indicate the strength of discrimination that the variables have between the two export groups; active and non-active. The F-ratios are used to decide as to which variable to enter into the discriminant function.

In Table 9.30, the steps are shown in which those variables with a sufficiently high F-ratio, are entered into the discriminant equation. After each step, the F-ratios for the remaining variables are recalculated. These recalculated F-ratios are used to decide as to which variable should next be entered into the equation, if indeed, any.

As far as Tables 9.31 and 9.32 are concerned, the same process is applied except that only two independent variables are now examined, namely; MOOI and MOI.

Table 9.29 Initial calculation of the F-ratios for the variables MOOI, MOI, Seminars and Size.

Variable	F to enter
Seminars	23.36
MOOI	3.75
MOI	14.18
Size	16.30

F-to-enter limit = 4.00. Degrees of freedom = 1 & 128.
 Level of significance for the above calculations = 0.05
 n = 130

Table 9.30 Stepwise discriminant analysis.

Step no.	Variable entered	F to remove	F to enter for remaining variables
1	Seminars	23.36	1.08 (MOOI) 4.69 (MOI) 8.82 (Size)
2	Size	8.82	0.08 (MOOI) 1.21 (MOI)
3	No more variables entered into the equation.		

Parameters of the variables entered into the equation, for each of the two groups:

	Active	Non-active
Function (Seminars)	2.685	1.063
Function (Size)	1.925	0.635
Constant	-2.024	-0.879

Classification matrix:

Actual	Predicted		Percent classified correct
	Active	Non-active	
Active	53	17	75.7
Non-active	22	38	63.3

The jackknifed classification remains unchanged from the above classification matrix, suggesting a reliable classification.

Level of significance for the above calculations = 0.05
n = 130

Table 9.31 Initial calculation of the F-ratios of the variables MOOI and MOI.

Variable	F to enter
MOOI	3.75
MOI	14.18

F-to-enter limit = 4.00. Degrees of freedom = 1 & 128
 Level of significance for the above calculations = 0.05
 n = 70

Table 9.32 Stepwise discriminant analysis.

Step no.	Variable entered	F to remove	F to enter for remaining variable
1	MOI	14.18	0.33 (MOOI)
2	Remaining variable not entered into equation.		

The classification of the variable entered into the equation for each of the two groups:

	Active	Non-active
Function (MOI)	11.593	15.363
Constant	-2.768	-4.338

Classification matrix:

Actual	Predicted		Percent classified correct
	Active	Non-active	
Active	41	29	58.6
Non-active	20	40	66.7

The jackknifed classification remains unchanged from the above classification matrix, suggesting a reliable classification.

Level of significance for the above calculations = 0.05
 n = 70

9.7 THE DELPHI METHOD

In Table 9.33, the ten main attributes that were named by the respondents interviewed in the first round of this method, are listed.

For each attribute, its cumulative ranking score for all 10 respondents, as well as its final ranking obtained during the second round of interviews is indicated.

The final description of an active exporter, confirmed by all the respondents, is given below the table.

9.7.1 Description of an active manufacturing exporter

The following description was derived from the most important attributes listed in Table 9.33:

"An active manufacturing exporter is a company which has committed itself at the highest level to long-term, profitable exports and it ensures that all the resources of the company are used in support of its export activities. The company places considerable emphasis on finding suitable export markets and on ensuring that the product it manufactures suits the wants and needs of the overseas consumer at a competitive price. This company will have received more than one confirmed order from abroad."

Table 9.33 Results of the Delphi method analysis.

Attributes	Cumulative ranking:	Final ranking:
The active manufacturing exporter is a firm which;		
a. has committed itself to profitable long term exports;	17	1
b. will have received more than one confirmed order from any one of its overseas customers;	53	4
c. focuses its export efforts beyond the intermediate importer, to the end user;	81	9
d. plays an active role in securing, as well as maintaining orders;	54	5
e. takes steps to ensure that its products are competitive in export markets (which include product changes where necessary);	49	3
f. takes steps to measure the benefit of exports to its total business activity;	83	10
g. strives to achieve real growth in exports;	66	8
h. provides financial and human resources in support of its export effort;	55	6
i. ensures that it is consistent and dependable when dealing with overseas customers;	58	7
j. has taken the decision to export at the highest level and gives the full support of its top management to this export effort.	37	2

CHAPTER 9 : REFERENCES

Daniel, Wayne W. and Terrell, James C. 1983. Business Statistics: Business Concepts and Methodology, 3rd ed., USA: Houghton Mifflin Company.

CHAPTER 10

CONCLUSIONS AND RECOMMENDATIONS

10.1 INTRODUCTION

In Chapter 9, the data obtained from this study was analysed and the results can now be interpreted.

The conclusions drawn closely follow the framework of objectives set in Chapter 5.

10.2 CONCLUSIONS AND DISCUSSION

All tables referred to in this section, can be found in Chapter 9.

10.2.1 Conclusion to the main objective

1. Does a relationship exist between the marketing orientation of an export company¹ and the company's success in exports?

1. Wherever the term 'export company' is found in this section, it refers to export manufacturing companies.

Before the conclusion to the main objective can be properly addressed, it is first necessary to draw conclusions about the sub-objectives originally derived from the main objective. These are listed below:

- a. Is there a relationship between the company's MOI and the company's SuI?

Conclusion:

The results in Table 9.8, based on the multiple regression analysis in Table 9.6, appear to suggest that the independent variable MOI is not significant in influencing the dependent variable SuI, in the presence of the other independent variables. However, when a simple linear regression analysis is made of the relationship between only MOI and SuI (see Tables 9.9 and 9.10), a significant relationship is seen to exist ($R^2 = 0.267$,¹ suggesting that 26.7% of the variation in SuI is explained by MOI).

1. According to Ben-Horim and Levy (1981, p.561), the closer R^2 is to 1, the stronger the relationship between X_1 and Y .

The explanation for this discrepancy in the results is revealed in the correlation matrix in Table 9.6. The matrix indicates a strong interrelationship between MOI and SeI (72 percent) and between MOI and Size (48 percent).

This accounts for the reason why MOI does not appear to be significant in the analysis of the relationship between SuI and the four variables - MOI, MOOI, Size and SeI. It is because MOI, Size and SeI are strongly interrelated. Once the variables Size and SeI are identified in the analysis, MOI contributes very little to any further variation in SuI as it has already been accounted for in the interrelationship between MOI, Size and SeI.

Analysed alone, however, a significant relationship is found to exist between MOI and SuI.

- b. Is there a relationship between the export executive's MOOI and the company's SuI?

Conclusion:

With reference to Tables 9.6 and 9.8, the export executive's MOOI appears to have little influence on the export success of a company.

The negative co-efficient of the variable MOOI (Table 9.6) suggests that if anything, a negative relationship exists between MOOI and SuI.

It can consequently be concluded that no significant relationship exists between the export executive's MOOI and the company's SuI.

- c. Is the company's MOI for active export companies greater than that for non-active export companies?

Conclusion:

From Table 9.12, it can be concluded that the mean MOI for active export companies is greater than the mean MOI for non-active export companies.

This result suggests that active export companies are more marketing orientated than non-active export companies. The above conclusion tends to support an earlier conclusion (in (a) above) that there is a relationship between the companies' marketing orientation and their success in exports (as active suggests success and non-active suggests lack of success - the two analyses, however, are not directly comparable and simply imply a more definite conclusion when considered together).

- d. Is the export executive's MOOI for active export companies greater than that for non-active export companies?

Conclusion:

It can be concluded from the results in Tables 9.11 and 9.12, that the mean MOOI for active export companies is greater than that for non-active export companies.

This conclusion appears to be in contradiction to the conclusion in (b) above, that no relationship exists between the export executive's MOOI and the company's SuI.

It should be kept in mind that although a company actually exporting suggests greater success than a company not exporting, this is not always the case. An actively exporting company is not necessarily a company successful in exports. In other words, active and successful are not necessarily compatible. However, where the results of the two separate analyses implied the same conclusion (as in the case of the MOI - see (c) above), then the second analysis (the comparison of the MOI between the active and non-active groups of exporters) adds support to the first analysis (the relationship between MOI and SuI), suggesting a more definite conclusion.

A further reason for the inconsistency in results is that in the multiple regression analysis, the relationship between SuI and MOOI could also have been diluted by the interrelationship between the variable MOOI and the other variables MOI, SeI and Size (refer to the correlation matrix in Table 9.6). The interrelationship, however, is considerably weaker than was the case between MOI and the other variables.

Consequently, any suggested relationship between MOOI and SuI, should be suspect.

General conclusion:

From the four conclusions drawn above, a relationship would clearly appear to exist between the marketing orientation of an export company and the company's success in exports, when marketing orientation is measured by the attention given by the company to its marketing mix (that is, by the MOI).

When marketing orientation is measured by the export executive's outlook towards the elements of the marketing concept (the MOOI), if any relationship does exist (and this would not appear to be the case), it is far less significant than when marketing orientation is measured by the company's MOI.

This finding supports the writer's original assertion in Chapter 3, section 3.3, that the export executive's marketing orientation outlook is a less reliable indicator of general marketing orientation than are the actual marketing activities of the firm in question.

In view of the above conclusions, the writer feels confident that the main objective of this study has been achieved and that is to show that a relationship exists between the marketing orientation of an export manufacturing company and the company's success in exports, where marketing orientation is measured in terms of the company's policy towards its export marketing mix.

10.2.2 Conclusions to the secondary objectives

2. Do the variables company size (Size) and the seriousness of the management of the company towards exports (SeI) influence the company's success in exports (SuI)?

Before any conclusions can be drawn about this objective, the results to the sub-objectives relating to this objective, need to be examined.

Sub-objectives:

a. Variable: Size

- i. Does a relationship exist between the size of a company (whether large or small) and the company's success in exports (SuI)?

Conclusion:

From the results presented in Tables 9.6 and 9.8, it can be concluded that the abovementioned variable exerts a significant influence on the company's success in exports (SuI).

- ii. Is the company's average SuI greater for large export companies than for small export companies?

Conclusion:

Although the variances of the SuI distributions for the large and small groups of exports are not equal (see Table 9.13), this should not detract from the fact that the mean

SuI of the large group of exporters was found to be greater than the mean SuI of the small group of exporters (see Table 9.14). In other words, large companies appear to be more successful than small companies, which is as might be expected.

This would seem to support an earlier conclusion in a(i) above, that a relationship exists between company size and the company's success in exports.

b. Variable: SeI

i. Does a relationship exist between the company's management's SeI and the company's SuI?

Conclusion:

The results presented in Table 9.8 suggest that a significant relationship exists between SeI and SuI.

ii. Is the mean SeI greater for active export companies than for non-active export companies?

Conclusion:

The results presented in Tables 9.13 and 9.14 lead to the conclusion that the mean SeI is greater for active export companies than for non-active export companies.

These findings support the abovementioned conclusion in b(i), that a relationship exists between the seriousness of the company's management towards exports and the company's export success.

General conclusion:

From the findings presented in a and b above, it can be concluded that the variables Size and SeI significantly influence the company's success in exports (SuI) - notwithstanding the company's MOI which also exerts a significant influence on the company's SuI.

Indeed, the results presented in Table 9.7 suggest that a significant relationship exists between the set of independent variables (MOI, MOOI, Size and SeI) and the dependent variable SuI.

Consequently, when considering success in exports, cognizance must be taken not only of MOI, but also of SeI and Size.

3. The development of a definition of an 'active exporter' using the Delphi method which would then be used to classify export companies as either active or non-active exporters.

General conclusion:

The definition of an 'active exporter', obtained using the Delphi method, is described in section 9.7.1.

This description is not only detailed but also encompassing and had it been applied to the population, would have resulted in such a small group of active exporters to have been statistically insignificant.

From experience gained working with exporters, the writer believes that, by using this definition, the active group of exporters would have represented probably less than 5 percent of the total population.

Furthermore, the task of applying this qualitative or descriptive definition to export companies would have been extremely difficult.

The definition of an active exporter was therefore abandoned for the purpose originally intended and the simpler definition, outlined in Chapter 6, section 6.5.1, was used instead.

This does not suggest that the Delphi method was unsuccessful. Instead, it simply proved to be too successful. It was an easy and flexible technique that produced good results, albeit impracticable for this study.

The definition obtained using the Delphi method is, however, referred to later in this chapter.

4. To develop a model using discriminant analysis which can be used to predict the potential that a new export company has of falling into either the active or non-active export groups depending on certain variables, namely;

- a. company size (Size) - whether large or small;
- b. the company's MOI;
- c. the export executive's MOOI; and
- d. whether the export executive has attended any courses or seminars on exporting (Seminars).

General conclusion:

The results of the initial discriminant analysis are presented in Tables 9.29 and 9.30. This analysis revealed that only the variables Seminars and Size appeared to significantly discriminate between the two groups.

Because of the high F-ratio of the variable MOI (see Table 9.29) and because it is expected that a strong interrelationship exists between MOI and the variables Size and Seminars, a further discriminant analysis was undertaken using only the variables MOI and MOOI.

The results of this analysis, as presented in Tables 9.31 and 9.32, lead to the conclusion that the variable MOI is also a significant discriminating variable and was probably

excluded in the original analysis because of the strong interrelationship between MOI and Seminars and Size.

In neither of the two analyses was MOOI found to be a significant discriminating variable.

Although the variable SeI was not included in the discriminant analysis, it is strongly suspected that this variable too, would have been a significant discriminating variable. It is a limitation of this study that SeI was not included in the analysis.

The percent classified correct for each of the two groups, active and non-active, was considered satisfactory for both discriminant analyses.

The results obtained from the discriminant analysis suggest, that if consideration is taken of the size of the potential exporter, as well as of the general marketing orientation of the company, the export education and training of the executive in charge of exports and the seriousness of the

company's management towards exports, then the potential that the new exporter has of achieving success in exports can be evaluated with greater accuracy.

The writer suggests that questions similar to those used in this study can be adapted to extract the information necessary to evaluate the company's position in regard to the variables mentioned above.

5. Are the means of the variables MOI, MOOI and SeI greater for large export companies than for small export companies?

General conclusion:

From the results presented in Tables 9.13 and 9.14, it can be concluded that the means of each of the abovementioned variables are indeed greater for large export companies than for small export companies. For MOOI, however, the variances of the distributions were not equal, implying that the result for this variable is less reliable.

From these conclusions, it can be said that the larger export companies are more marketing orientated and their management more serious towards exporting, than the smaller export companies.

6. Does a relationship exist between the MOI and MOOI and the following variables (the conclusions are presented below, corresponding to each variable):

Variable	MOOI/ MOI	Conclusion	Refer to Table
Company Turnover	MOOI	Relationship does exist *	9.15
	MOI	Relationship does exist *	9.16
Company profit or loss	MOOI	Relationship does not exist	9.17
	MOI	Relationship does not exist	9.18
Number of employees	MOOI	Relationship does not exist	9.19
	MOI	Relationship does exist *	9.20
Regional or national market	MOOI	Relationship does not exist	9.21
	MOI	Relationship does exist *	9.22
Industrial or consumer products	MOOI	Relationship does not exist	9.23
	MOI	Relationship does not exist	9.24
Position of export executive	MOOI	Relationship does not exist	9.25
	MOI	Relationship does not exist	9.26
Whether export exec. has attended courses or seminars on export	MOOI	Relationship does exist *	9.27
	MOI	Relationship does not exist*	9.28

General conclusion:

The results marked with an asterisk were to be expected, for the reasons given in Chapter 8, section 8.3.2.1.

In the cases where the results were unexpected, the relationship generally involved the MOOI. Earlier in this chapter, MOOI was suggested to be a less reliable measure of a company's marketing orientation than the MOI and consequently, these results are suspect.

It is interesting to note that there appears to be no relationship between MOI (and MOOI) and company profit or loss, as had been assumed.

As far as the position of the export executive is concerned, it might have been expected that the more senior the export executive, the more marketing orientated the company would be, especially measured by the MOOI. However, almost all the respondents were senior executives in their respective companies and consequently no relationship could be established.

The one result that is particularly noteworthy, is the relationship between the MOI and whether the export executive had attended any courses or seminars on exporting. If the export executives in the more marketing orientated companies have all attended courses or seminars on exporting, then this may indicate a possible solution to the general lack of marketing orientation amongst exporters. Export education may be a means of improving the marketing orientation of export companies.

The variable Seminars should perhaps have been included in the multiple regression analysis, as it is expected that seminars would also have had a significant influence on the export success of a company (SuI) - it was after all identified as one of the significant variables in the discriminant analysis discussed previously.

7. To examine certain variables considered to be relevant to and to influence the export process.

The conclusions follow the format of the results presented in Chapter 9, section 9.2.5.

General conclusion:

The following remarks may be made about those variables considered to be of particular interest. The question numbers are provided for reference purposes.

i. Question number: 37 [31]¹

Benefits of exporting.

It is clear that the main benefits of exporting are increased sales and turnover and improved profits and cash-flow. These benefits are similar to those identified by Opperman (1986).

ii. Question number: 38 (active questionnaire only)

To what geographical regions does the company export.

It is interesting to note that Africa is the second most important market after Europe, followed by Australasia and North America. This may be expected as South Africa has often been said to be the 'bread-basket' of Africa.

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1. The question numbers in the square brackets refer to the non-active questionnaire.

iii. Question number: 40 [32]

How long did it take the company to break into exports or how long has the company been investigating the export market.

The average number of years required to successfully break into a new export market, is 2.3. This is a valuable piece of information, as the general misconception amongst exporters is that it only takes a few months of marketing effort to penetrate a new market abroad.

iv. Question number: 46 [37].

What is the export executive's official designation.

Seventy-seven percent of respondents were either owners, partners, managing-directors or directors, and a further 17 percent were senior managers. The export function is obviously an activity that senior management prefers to keep control of. This should not be a problem, unless the executive is unable to devote

time to the company's export activities because of domestic pressures. Only a few respondents were devoted solely to exporting.

v. Question number: 49 [40]

Problems experienced in exporting.

Sanctions have obviously affected the export activities of companies to the extent where it is the leading inhibiting factor in exports.

vi. Question number: 50 [41]

Where does the main emphasis of the company lie, in the opinion of the export executive.

When asked where respondents felt the main emphasis of their companies lay, both production and selling were named ahead of marketing. In fact, production was named more than twice as often as marketing. This supports the earlier suggestion that export companies are not marketing orientated.

vii. Question number: 51 (active questionnaire only)

How successful does the export executive believe the company is in exports.

The average score of 0.397 is close to the SuI score of 0.439. The writer's own score for the export success of respondent companies, was 0.478. The variance between these three scores is only 0.081 which is very small. This small variance suggests that the scores (especially the SuI), are reasonably accurate and reliable.

viii. Question number: 52 [42]

How marketing orientated does the export executive believe the company is with respect to exports.

The average score of 0.394 compares well to the MOI of 0.423 and the writer's own score of 0.410. The variance in this instance is only 0.029 which is again small, suggesting a reasonable degree of accuracy and reliability.

ix. Question number: 53 [43]

How knowledgeable does the export executive believe he is about marketing.

When the respondent was asked how knowledgeable he was about marketing, the average score of 0.802 did not compare favourably with the MOOI of 0.755 or with the writer's own score of 0.379.

Probably the main reason for this is that the MOOI measures the export executive's opinions and views as to the various elements of the marketing concept, while this question refers more to his knowledge of marketing. The two answers are not in fact, truly comparable.

x. Question number: 54 [44].

How beneficial does the export executive believe marketing could be for his company.

An average score of 0.785 indicates that executives appreciate the benefits of marketing. In comparison, however, a low average MOI score of 0.423, would

suggest a problem. The conclusion must be that a difficulty exists amongst exporters in the application of marketing principles to their export activities.

This problem area must be given greater attention in future studies, where specific difficulties or problems could be highlighted, so that they may be removed.

8. Further remarks and conclusions that can be made:

- a. The average MOOI for respondents is quite high (see Table 9.1). The implication is that export executives generally appreciate the importance of the elements of the marketing concept in their business activities. This index, however, is a measure of outlook and not application.

To compare this index with the index used by Van der Merwe (1974, pp.242 - 244) in her thesis, it should be weighted in the same manner as described in her study.

When the MOOI in this study (equal to 0.755) is weighted in the manner suggested by Van der Merwe, it becomes 0.51, significantly lower than 0.755. In comparison, in Van der Merwe's study, the average weighted MOOI was 0.46.

Although the writer cannot see the need to weight the index, especially in the manner suggested by Van der Merwe, the results of the two studies are quite similar. It would seem that the MOOI of this study is slightly higher (although, if an objective comparison is to be made of the means, this would first require a comparison of the variances of the distribution of the MOOI in the two studies).

The reason for the slightly higher MOOI in this study, could be that executives have, since 1974, gained more appreciation of the marketing concept.

The spread of scores for the various questions contributing to MOOI (see Table 9.2), from 0.642 to 0.900, a variance of 0.258, does not seem unduly large

and indicates that no single question was out of context in comparison to the others.

- b. The average MOI for respondent companies was 0.423 (Table 9.1). This score is fairly low in comparison to the MOOI. This index is a reflection of marketing application and is in the writer's opinion, a more reliable reflection of a company's marketing orientation than the MOOI.

It is interesting to note this discrepancy between the MOOI and MOI. The reason is probably that, while export executives have a latent understanding of the elements of the marketing concept, there is a shortcoming in the application of the concept because of a lack of adequate planning.

An analysis of the answers to questions 25 and 26 show that;

- i. in question 25, 61,5 percent of all the respondent companies had *no* formal marketing plan (n = 130); and

- ii. in question 26, 77,7 percent of all the respondent companies had *no* formal export plan (n = 130).

The lack of formal planning is a serious shortcoming among the companies interviewed. Many of the respondents pointed out that they have a plan, but that it was not written down. A failure to implement formal planning is, in the opinion of the writer, one of the major reasons for the discrepancy between the MOOI and MOI.

A concern of this study was whether the MOI was an objective and realistic measure of a company's marketing orientation.

The writer's translation of marketing theory into a set of questions, the answers to which would be used to measure the company's marketing orientation, may have been inaccurate or poorly constructed.

If the MOI is not a reasonably accurate measure of marketing orientation, then;

- i. the low MOI score would not necessarily reflect a lack of marketing orientation; and
- ii. the use of the MOI in the analysis of the relationship between export marketing orientation and export success, would be unacceptable.

The means of solving the problem was to identify a company among the sample elements that was known to be a truly marketing orientated company and to see whether the company's MOI reflected the extent of its marketing orientation.

Two companies were identified:

- i. Langeberg Co-operative Ltd. is the largest exporter of canned deciduous fruit in the world and is generally recognised in business as being a marketing orientated company.
- ii. Seravac (Pty) Ltd., a subsidiary of SA Druggists, was a recipient of the State President's Award for Export Achievement and is a good example of a marketing orientated company.

Langeberg's MOI score was 0,80 and Seravac's MOI score was 0.82.

Based on these results, the writer feels that the MOI is an accurate and acceptable indicator of marketing orientation. It is therefore reasonable to conclude that the extent of the export marketing orientation of manufacturing companies interviewed, is quite low.

The spread of scores for the various questions contributing to MOI (see Table 9.3), from 0.223 to 0.688, a variance of 0.465, is fairly large. If however, questions 13 and 16, which refer to export pricing, and questions 20 and 26, which refer to export advertising and export planning are excluded, the variance is reduced to 0.26, which is more acceptable.

It seems logical that export pricing is emphasised by exporters, as it is a particularly important factor in the competitive international environment. Also understandable, is the lack of emphasis on export advertising. It is an expensive and complicated task

and is generally neglected by exporters. The lack of export planning is definitely of concern, however, as it is a facet of exporting that should receive greater emphasis.

c. The average SuI (0.439) for active export companies in Table 9.4, also appears to be quite low. For comparison, Seravac's SuI is 0.95, while Langeberg's SuI is 0.82.

d. As far as the SeI of the company's management is concerned (Table 9.5), it is also fairly low (0.438). The SeI's for Seravac and Langeberg are 0.98 and 0.97, respectively.

10.2.3 A brief discussion of the Opperman study

In Chapter 1, section 1.3, it was mentioned that a study had been undertaken by Opperman (1986), entitled "Export marketing strategies for industrial companies", which also examines marketing orientation within the export environment.

It is interesting to compare some of the results obtained by Opperman in his dissertation with those of this study. While some of the results of the two studies appear to contradict each other, they should be viewed as complementary.

According to the respondents Opperman interviewed, the majority viewed their companies as being marketing orientated (55 percent), with the remainder being either product orientated (27 percent) or production orientated (18 percent). Furthermore, in 52 percent of the sample, the sales function was considered subordinate to the marketing function.

Seventy percent of the respondents said that their companies set export market objectives, while 61 percent said that they had a marketing mix policy for the foreign market.

From his results, Opperman concludes that the companies in the sample generally understand the requirements of export marketing. He adds that the majority of the companies

follow a strategic marketing approach in exporting.

Certainly these conclusions are in conflict with the conclusions of this particular study.

However, when considering Opperman's selection of sample elements, it should be kept in mind that use was made of SAFTO's membership lists, as the sampling frame. It is the writer's contention that this sampling frame is not a true reflection of the profile of *all* South African export companies. It tends to be skewed towards larger companies, for whom SAFTO's membership and service fees are far less inhibiting than for the smaller company.

An analysis of the distribution of annual turnover of companies included in Opperman's study, reveals that 79 percent had a turnover of over R5million, while 40 percent had a turnover of over R50million. This is in stark contrast to this study in which only 20 percent had a turnover of over R5million.

As far as large companies are concerned, the writer's research also suggests that they are generally marketing orientated and hence the results of the two studies are not actually in conflict.

It should be borne in mind that Opperman's study was based on a mail survey, while this study used personal interviews. His study did, however, include the entire country and was not restricted to one region only.

Other findings from his study worthy of note, are:

- a. In the majority of instances, the responsibility for the decision to export lay with either the Chairman (18 percent) or the Managing Director (46 percent). The above results are similar to the findings of this study, where 77 percent of executives in charge of exports were either owners, partners, managing directors or directors.
- b. In 70 percent of the sample, exports represented less than 10 percent of company turnover.

- c. The reasons for exporting, listed by respondents, were similar to those listed in this study. For example, business growth, long-term profit, risk diversification, excess production capacity, a small domestic market, export incentives and the fall in the exchange rate were reasons identified in both studies.
- d. The major problem areas identified were shipping and cash flow. In the time of the Opperman study, sanctions had not yet become a major factor in the export market.
- e. Export sales, as in this study, appeared to be less profitable, with a lower return on investment, than with domestic sales.
- f. If one compares the percentage of companies that set marketing objectives and formulated marketing mix policies for the domestic market with the companies that set export marketing objectives and formulated marketing mix policies for the foreign market, the latter case is less common. This suggests that export marketing is still viewed as subordinate to domestic marketing.

Finally, it is interesting to note that Opperman, while suggesting that companies included in his study were generally marketing orientated and showed evidence of achieving reasonable levels of success, states that this does not prove that success in export markets is dependant on developing a strategic export marketing plan (a relationship that this study examines and would appear to suggest).

10.3. RECOMMENDATIONS

This study has tentatively revealed that a manufacturing company's export success is a function of its export marketing orientation, as well as the size of the company, the export education of the executive in charge of exports and the seriousness of the management of the company towards exporting¹ (ie. $SuI = f\{MOI, Size, SeI, Seminars\}$).

In other words, none of the abovementioned variables should be viewed in isolation. They are interrelated and need to be considered as such.

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1. As this study focused only on companies in the Western Cape, extrapolation of the results to other areas of the country should be undertaken with circumspection.

Of these four variables, company size cannot be changed in the short-term and may consequently be considered as fixed. The other three variables, however, can be influenced over the short-term.

The following recommendations could be made in this regard:

- a. Greater attention should be focused on marketing orientation. It is suggested:
 - i. Further research be undertaken on the role of marketing in the export environment. For example, an important question to answer is whether the findings of this study are applicable to the rest of South Africa.

It is generally suggested that companies on the Reef are more competitive and more marketing orientated than elsewhere in the country. As far as exports are concerned, trade advisors working for the DEP in Pretoria, Durban and Port Elizabeth, also complain of a general lack of marketing orientation amongst exporters, in their respective purviews. This

assertion needs to be confirmed. A shorter, more concise study along similar lines to this study (excluding perhaps sections such as the MOOI), could be undertaken in the Reef and the Durban areas.

ii. Exporters should be encouraged to become more marketing orientated. This can be done in the following ways;

- the incentive schemes and export services administered by the DEF could reward companies that show that they have applied marketing principles to their export activities (see point (iv) in this section); and
- export executives should undergo education and training to learn both marketing and general exporting skills. This study revealed that export education was a strong contributor to export success and therefore this is an important consideration.

Certainly SAFTO's education and training functions could be intensified in terms of both scope and depth and should be made available to as many exporters as is possible.

It is encouraging to note the introduction of SAFTO's new Institute of Export, which will offer a Certificate and Diploma course in Export Management for the first time in 1988. These courses will go a long way towards improving export skills within South Africa and will inevitably contribute to improved exports in the longer term.

iii. The marketing services provided by the DEP should also be improved and expanded.

On the one hand, the nature and extent of the information collected by the various trade commissioners abroad, needs to be improved. More proactive, comprehensive market-related information should be obtained.

On the other hand, this information must also be disseminated quickly and effectively to the export fraternity.

A complaint of exporters is that the information presently provided by the South African trade offices abroad, is too general in nature to be of benefit and often takes many months before it is received by them. Information on potential overseas importers is, for example, often out of date.

The suggestion is that the activities of the trade commissioners be expanded and upgraded. A greater volume of more market-related information within specific identified product categories where comparative advantages may exist, should be collected on an on-going basis and made available to exporters as quickly as is possible. Greater use should be made of computerisation and the overseas trade offices' staff should also be increased to enable the offices to cope with the greater volume of pro-active research work necessary.

Generally, however, exporters are positive about the services and facilities offered by the trade commissions abroad.

- iv. The DEP could administer the export incentives on a more selective basis. These incentives should be industry specific and those industries within South Africa that are identified as having a comparative advantage in international markets, ought to receive special incentives.

The marketing orientated company needs to be rewarded. For example, before a company may receive assistance, it should be able to show Department officials that it;

- has a formal (written) export plan - similar to cash-flow plans required by banks when securing loans; and
- applies marketing principles to its export activities. Criteria for determining whether marketing principles have been used, could be

similar in nature to the questions used in section B of the questionnaire, for example:

- * Has the company researched and/or considered any changes to the product and packaging, to better suit the foreign consumers' needs?
- * Has the company considered alternative distribution methods (eg. air/sea)? Has the exporter discussed his physical cargo movements with a shipping/forwarding consultant? Is the exporter aware of the distribution channels commonly used in the target market?
- * How much attention has the exporter given to costing his products for the export market? Has he taken the export incentives into consideration? Has he carefully evaluated all raw-material supply alternatives available to him?
- * How does the exporter plan to promote his products abroad?
- * How much desk research (or market research, where applicable) has the exporter undertaken into the market and marketing opportunities available to him?

The answers to the above questions could possibly be recorded on a 0 - 10 graphic scale by the DEP official interviewing the applicant exporter. Incentives would be awarded based on overall scores. Cognizance will also have to be taken of the other variables identified in this study - the education of the export executive, the seriousness of the company's management towards exports and the size of the company. In the last instance, it is not suggested that incentives only be awarded to large companies. On the contrary, it is the small exporter that should be advantaged, but only if he can show a marketing orientation and the necessary commitment.

It should be stressed that all applicants need to be interviewed. At present applicants are often considered on the basis of a mailed application form. It may be argued that to interview each applicant is logistically difficult, perhaps even impossible. The writer believes, however, that the benefit of the savings in improved incentive

utilisation (and resulting improved export effort), will far outweigh any increased administrative costs, especially if the administration is computerised. The administration of incentives is still largely undertaken by hand. Computerisation can increase productivity, which will also represent a saving. With computerisation, discriminant analysis could be used. It could incorporate the abovementioned criteria, in addition to the other significant variables identified in this study (as well as other variables found to be important), to facilitate decision making in awarding incentives.

The benefits of efficient and effective incentive administration and allocation is evidenced in the findings of a study by Pointon (1978, pp.451 - 462), in which he evaluated the cost-benefit ratio of Government export promotion. This he found to be 21:1, illustrating the importance of efficient incentive allocation.

As far as export incentives are concerned, it is interesting to note the recent announcement by Deputy Minister Alant, of the intention of Government to introduce an export market development assistance (EMDA) scheme. While no further information has been revealed, it is expected that the EMDA scheme will favour manufacturing companies that incorporate marketing principles in their export function and prove that they are competitive internationally (The Natal Mercury, 1988). This scheme will apparently also be industry-specific, based on various manufacturing sectors that are indentified as having a comparative advantage in international markets.

- v. Export companies should view sanctions not as a constraint, but as a marketing opportunity. In this regard, Clewlow (1987, p.3) noted that isolation has some positive aspects - South African companies are adopting a more individualistic and often more effective approach to export promotion than their competitors.

Possible opportunities are;

- to research and exploit new, non-traditional markets in the Far East, South America and elsewhere in the world;
- to concentrate on products not subject to sanctions and to become market competitive in these products; and
- to undertake more research to monitor the nature, extent and effect of sanctions and to identify market opportunities wherever they may exist.

b. Both the DEP and SAFTO should undertake a country-wide promotional campaign to highlight to companies the importance of exports to the South African economy and to reveal to these companies the benefits of exporting.

c. As finance was considered to be one of the main restrictions in exporting, consideration should be given by the DEP, SAFTO and other organisations such as the Industrial Development Corporation, the Small Business Development Corporation, the Development Bank of Southern Africa and commercial banks, to providing export finance on a results-orientated basis.

The British Overseas Trade Board system of assisting exporters with export finance which must be repaid once the potential exporter achieves success, could be considered.

At present, SAFTO administers the Small Exporter Development Program in which financial and other assistance is given to selected exporters. This is a useful program introduced a few years ago and which appears to be achieving some degree of success. It is organised in conjunction with the Small Business Development Corporation.

The Industrial Development Corporation is also more inclined to finance industries that provide export opportunities as is evidenced by their recent advertising campaign in national magazines.

- d. One of the main weaknesses in South Africa's export industry is the lack of co-operation amongst exporters.

The clothing industry is a good example. The various clothing companies are extremely competitive in the domestic market and this competitiveness is carried over to export markets, where South African companies refuse to co-operate with each other and even view each other with more suspicion than they do overseas competitors.

This, in the opinion of the writer, is a very short-sighted approach. The international market is so large that South African companies could only benefit by working closer together. Warehouse, marketing, production and financial facilities could be shared to their mutual benefit. As these facilities are used more efficiently, overheads and prices can be reduced, resulting in a competitive situation overseas.

The steel-tubing industry, is an example of the benefits of co-operation. The industry works closely together in international markets and has managed to achieve an attractive rate of growth in exports over the past few years, inspite of sanctions.

Co-operation, however, should not be enforced. In the opinion of the writer, there is a misconception that by creating overseas trading houses, South Africa's manufacturing exporters can be successfully drawn into the export market.

The writer believes that co-operation should come from within an industry, by manufacturers in that industry joining together to penetrate foreign markets because of the benefits that they perceive to exist in co-operating with each other.

- e. Certainly, two problems that will have to be addressed if South African exporters are to become more market competitive abroad, is inflation and productivity.

The State President recently announced measures that are intended to bring the rate of inflation down. This attitude is most welcome and necessary. These measures may be difficult to live with initially, but if successful, will have considerable positive effects on the economy in the longer-term.

South Africa's poor productivity record also needs to be addressed. An improvement in productivity is an essential step to competitiveness and will help bring down the rate of inflation.

Although productivity training is essentially the purview of the National Productivity Institute (NPI), there is no reason why the DEP and SAFTO should not place greater emphasis on educating exporters in the benefits of productivity as a means of improved export competitiveness.

In fact, closer co-operation between the DEP, SAFTO and the NPI may reveal ways of improving export productivity.

- f. One of the complaints of exporters is the bureaucracy involved in exporting. An organisation called SITPROSA (Simplification of Trade Procedures in South Africa) exists, whose function it is to find ways of reducing bureaucracy in exporting and to look at ways in which electronic data interchange can be utilized to improve export procedures.

SITPROSA has also been in existence for a few years but its lack of real achievement lies in the fact that many of the export procedures are required by government departments such as the DTI, Customs and Excise and the Reserve Bank. SITPROSA has found it difficult to get these departments to discuss the problems.

This is an area that requires more attention and a concerted effort should be made to reduce the time-consuming and costly export procedures that exist. Initiative should come, not only from SITPROSA, but also from SAFTO and the DEP.

- g. South African manufacturing exporters, to a certain extent, have a poor image abroad. This is the result of companies that are poorly prepared and equipped to handle exports, travelling throughout the world and closing contracts which they then cannot fulfil.

If the attitude to exporting amongst exporters can be improved and if they are properly trained and educated, then it could be expected that South African

manufacturers will become more reliable suppliers and South Africa's image abroad should become more positive. This ought to make it easier to market products overseas.

Finally, there is an urgent need to undertake further research into the export industry, not only by the DEP and SAFTO, but also by universities and research organisations. Stellenbosch University has recently introduced an international marketing department. This approach is necessary at other universities as well.

10.4 CONCLUDING REMARKS

It is the writer's belief, based on the results of this study, that export marketing orientation and export success are linked. It is clear, however, that other variables also contribute to this relationship. These variables are:

- a. Company size;
- b. The seriousness of the company's management towards exporting; and
- c. Whether the executive in charge of exports has attended any courses or seminars on exporting.

The discriminant analysis revealed that the abovementioned variables can also be used to discriminate between an active and non-active exporter. This information will assist in predicting whether a new exporter is likely to fall into either the active or non-active group of exporters, depending on his unique set of variables.

The MOOI of an export executive, it was suggested in section 10.2, was not a useful means of measuring a company's marketing orientation.

The various research techniques each proved to be a valuable tool in analysing the data. Both discriminant analysis and the Delphi method provided results that were most satisfactory.

Generally, the export marketing orientation of the companies interviewed was quite low, as was their export success. If this situation is applicable to other areas of the country, then it is of major concern, as exports are of particular importance to the South African economy.

A considerable amount of research is still necessary to reveal the true nature and extent of the export industry, so that problem areas can be identified and solutions found. The writer feels that this study provides a step forward in this research process and that it may be found useful as a guide to other researchers interested in this field of study.

In the light of the above discussion, it is useful to review the description of an 'active manufacturing exporter' that was derived, using the Delphi method:

"An active manufacturing exporter is a company which has committed itself at the highest level to long-term, profitable exports and it ensures that all the resources of the company are used in support of its export activities. The company places considerable emphasis on finding suitable export markets and on ensuring that the product it manufactures suits the wants and needs of the overseas consumer at a competitive price. This company will have received more than one confirmed order from abroad."

This definition simply describes an active exporter. It does not imply success and it suggests that considerable effort has already been made to achieve export orders. An important point inherent in this definition is that exports

require substantial resources and commitment. It is an expensive, time consuming, risky and extremely difficult undertaking. There are many rewards, but costs are high.

The potential exporter considering the international option and who does not approach his export endeavours from a marketing basis, is like a man fishing without bait - he may catch the odd fish, but the rest will get away.

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APPENDICES A - H

QUESTIONS (Active)

(Section A)

1. When decisions are made about any aspect of the company's activity, profit is... (refer to the answer sheet)?
2. When each department's goals are set, they should be in line with overall company profit goals?
3. Every department of the company must be concerned with the product needs and service needs of the company's customers?
4. It is not necessary for an experienced executive to do market research to know what his customers want?
5. If the price is right the customer will buy the product?
6. The company's organisational structure should allow for the very best co-ordination and co-operation between all the departments?
7. Profit should be one of the main objectives of the management of the company?
8. If the sales team is good enough, the customer will accept the products the firm decides to offer them?
9. In the company's planning and policy making, it must rely on feedback about the customers' needs and how to satisfy them?
10. The firm must be organised in such a way that different departments co-operate and discuss ways to satisfy the needs of their customers?

(Section B)

11. To what extent have the products you export been specifically produced or adapted for the export market?
12. To what extent has your company undertaken research to identify any possible changes to the product which might improve its exportability?
13. Have you evaluated alternative sources of supply to establish whether your present source of supply of raw material for the production of your export products, is efficient and cost-effective?
14. To what extent has the packaging for your product been adapted or designed specifically for the export market?

15. To what extent has your company undertaken research to identify any possible changes to the packaging which might improve the exportability thereof?
16. How much emphasis is placed on costing your company's products specifically for the export market?
17. To what extent has your company undertaken research to establish whether your export price is suitably positioned against overseas competition so as to attract the consumer abroad, but still allow for profit?
18. Do you calculate export incentives into your export price?
19. Do you sell your export product generally... (refer to answer sheet)?
20. To what extent do you undertake advertising or promotion of your products abroad?
21. As an estimate, what does your company spend on advertising/promotion of its products abroad per annum?
22. To what extent has your company researched alternative distribution channels to reach the overseas consumer or has it relied largely on a single distribution route?
23. To what extent has your company undertaken research into potential markets and customers abroad?
24. To what extent does your company follow its exports through to the end-user (the actual consumer) or does it only concentrate on the immediate importer abroad?
25. Does your company have a formal marketing plan for the company as a whole?
26. Does your company have a formal export plan?

(Section C)

27. How beneficial and profitable do you consider your company's exports to be to overall company profits and goals?
28. Are your exports more profitable than domestic sales?
29. Do you feel that your company is obtaining an adequate return on its investment in exports?
30. Approximately what was the value of your company's exports in 1986?

31. Approximately what percentage increase were your exports in 1986 over the previous year?
32. What percentage of total sales do your exports represent?
33. Approximately how long has your company been exporting?
34. What emphasis is placed on the company's export effort?
35. To what extent is the company's executive management committed to long-term exports?
36. Approximately what size of budget is made available annually by the company in order to develop its export markets?

(Section D)

37. Please briefly list three benefits of exports to your company?
38. To what geographical region(s) of the world does your company export?
39. Does your company sell to a... (refer to the answer sheet)?
40. Approximately how long did it take your company to receive its first full export order from the time it first considered the possibilities of exports?
41. Approximately what is the total turnover of your company?
42. Is your company in an assessed loss or profit situation?
43. Approximately how many employees does your company have?
44. Does your company sell regionally or nationally in the domestic market?
45. Do you consider your products to be industrial or consumer products?
46. What is your official designation please?
47. Have you attended any courses or seminars on exporting?
48. How long have you been involved in exports?
49. Briefly name four problems you perceive to be most inhibiting to your company's future export growth?
50. Where would you say the main emphasis of your company lies; in... (refer to the answer sheet)?

51. In your opinion, how successful is your company in exports?
52. How marketing orientated do you feel your company is with respect to exports?
53. How knowledgeable about marketing do you consider yourself to be?
54. How beneficial do you believe marketing could be to the well-being of your firm?
55. What products does your company export?

=====

(Writer's section)

56. How successful is the respondent's company in its exports?
57. How marketing orientated is the respondent's company with respect to its exports?
58. How knowledgeable about marketing is the respondent?

QUESTIONS (Non-Active)

(Section A)

1. When decisions are made about any aspect of the company's activity, profit is... (refer to the answer sheet)?
2. When each department's goals are set, they should be in line with overall company profit goals?
3. Every department of the company must be concerned with the product needs and service needs of the company's customers?
4. It is not necessary for an experienced executive to do market research to know what his customers want?
5. If the price is right the customer will buy the product?
6. The company's organisational structure should allow for the very best co-ordination and co-operation between all the departments?
7. Profit should be one of the main objectives of the management of the company?
8. If the sales team is good enough, the customer will accept the products the firm decides to offer them?
9. In the company's planning and policy making, it must rely on feedback about the customers' needs and how to satisfy them?
10. The firm must be organised in such a way that different departments co-operate and discuss ways to satisfy the needs of their customers?

(Section B)

11. To what extent do you intend to produce or adapt your products specifically for the export market?
12. To what extent has your company undertaken research to identify any possible changes to the product which might improve its exportability?
13. Have you evaluated alternative sources of supply to establish whether your present source of supply of raw material for the production of your export products, is efficient and cost-effective?

14. To what extent do you intend to adapt or design the packaging for your product specifically for the export market?
15. To what extent has your company undertaken research to identify any possible changes to the packaging which might improve the exportability thereof?
16. How much emphasis is placed on costing your company's products specifically for the export market?
17. To what extent has your company undertaken research to establish whether your export price is suitably positioned against overseas competition so as to attract the consumer abroad, but still allow for profit?
18. Do you calculate export incentives into your export price?
19. Do you intend to sell your export product... (refer to the answer sheet)?
20. To what extent do you envisage undertaking advertising or promotion of your products abroad?
21. As an estimate, what do you expect your company to spend on advertising/promotion of its products abroad per annum?
22. To what extent has your company researched alternative distribution channels to reach the overseas consumer?
23. To what extent has your company undertaken research into potential markets and customers abroad?
24. To what extent is your company concerned with the end-user (the actual consumer) or does it only concentrate on the immediate importer abroad?
25. Does your company have a formal marketing plan for the company as a whole?
26. Does your company have a formal export plan?

(Section C)

27. Approximately how long has your company been investigating the export market?
28. What emphasis is placed on the company's export effort?
29. To what extent is the company's executive management committed to long-term exports?

30. Approximately what size of budget is made available annually by the company in order to develop its export markets?
31. Please briefly list three benefits you expect exports will have for your company?
32. Approximately what is the total turnover of your company?
33. Is your company in an assessed loss or profit situation?
34. Approximately how many employees does your company have?
35. Does your company sell regionally or nationally in the domestic market?
36. Do you consider your products to be industrial or consumer products?
37. What is your official designation please?
38. Have you attended any courses or seminars on exporting?
39. How long have you been involved in exporting?
40. Briefly name four problems you perceive to be most inhibiting to your company's future export growth?
41. Where would you say the main emphasis of your company lies; in... (refer to the answer sheet)?
42. How marketing orientated do you feel your company is with respect to its exports?
43. How knowledgeable about marketing do you consider yourself to be?
44. How beneficial do you believe marketing could be to the well-being of your firm?
45. What products does your company intend exporting?

=====
(Writer's section)

46. How marketing orientated is the respondent's company with respect to its exports?
47. How knowledgeable about marketing is the respondent?

QUESTION 1

| _____ |
 VERY IMPORTANT | SOMETIMES NOT
 | SO IMPORTANT

QUESTION 2

| _____ |
 THIS IS ALWAYS | THIS IS ONLY
 NECESSARY | SOMETIMES
 | NECESSARY

QUESTION 3

| _____ |
 ALWAYS TRUE | NOT ALWAYS TRUE

QUESTION 4

| _____ |
 DEFINITELY AGREE | DEFINITELY
 | DISAGREE

QUESTION 5

| _____ |
 SOMETIMES NOT | ALWAYS TRUE
 TRUE

QUESTION 6

| _____ |
 THIS IS ALWAYS | THIS IS
 NECESSARY | SOMETIMES NOT
 | NECESSARY

QUESTION 7

| _____ |
 ALWAYS TRUE | NOT ALWAYS TRUE

QUESTION 8

ALWAYS TRUE

SOMETIMES NOT
TRUE

QUESTION 9

THIS IS VERY
IMPORTANT

THIS IS
SOMETIMES NOT
IMPORTANT

QUESTION 10

THIS IS SOMETIMES
NOT IMPORTANT

THIS IS VERY
IMPORTANT

QUESTION 11

PRODUCTS SPECIFICALLY
DESIGNED AND PRODUCED
FOR EXPORT MARKETS

SAME PRODUCT AS
FOR DOMESTIC
CONSUMPTION

QUESTION 12

CONSIDERABLE
RESEARCH
UNDERTAKEN

NOT MUCH
RESEARCH
UNDERTAKEN

QUESTION 13

ALTERNATIVE
SOURCES OF
SUPPLY NOT
EVALUATED

ALTERNATIVE
SOURCES OF
SUPPLY
EVALUATED

QUESTION 14

PACKAGING SPECIFICALLY
DESIGNED FOR EXPORT
MARKETS

SAME PACKAGING
AS USED IN
DOMESTIC MARKET

QUESTION 15

CONSIDERABLE
RESEARCH
UNDERTAKEN

NOT MUCH
RESEARCH
UNDERTAKEN

QUESTION 16

NOT MUCH
EMPHASIS

CONSIDERABLE
EMPHASIS

QUESTION 17

CONSIDERABLE
RESEARCH
UNDERTAKEN

NOT MUCH
RESEARCH
UNDERTAKEN

QUESTION 18

NO

YES

QUESTION 19

FOB

DDP

CIF

Other

QUESTION 20

CONSIDERABLE
ADVERTISING/
PROMOTION

NOT MUCH
ADVERTISING/
PROMOTION

QUESTION 21

Less than R1,000

R10,000 - R50,000

R1,000 - R10,000

R50,000 plus

QUESTION 22

RESEARCH
UNDERTAKEN

RESEARCH
UNDERTAKEN

QUESTION 23

NOT MUCH
RESEARCH
UNDERTAKEN

CONSIDERABLE
RESEARCH
UNDERTAKEN

QUESTION 24

EXPORTS FOLLOWED
THROUGH BEYOND
IMMEDIATE
IMPORTER TO END
USER

EXPORTS ONLY
FOLLOWED
THROUGH TO
IMMEDIATE
IMPORTER

QUESTION 25

NO

YES

QUESTION 26

YES

NO

QUESTION 27

VERY BENEFICIAL
AND PROFITABLE

NOT SO
BENEFICIAL OR
PROFITABLE

QUESTION 28

CONSIDERABLY MORE
PROFITABLE THAN
DOMESTIC SALES

NOT AS
PROFITABLE
AS DOMESTIC
SALES

QUESTION 29

-----	-----
EXCELLENT RETURN	POOR RETURN
=====	

QUESTION 30

Less than R50,000	[]	R2 million - R5 million	[]
R50,000 - R25,000	[]	Over R5 million	[]
R250,000 - R2 million	[]		

=====

QUESTION 31

Decrease	[]	5% - 10%	[]
Same	[]	10% - 20%	[]
Less than 5%	[]	Over 20%	[]
No exports in 1985	[]		

=====

QUESTION 32

.....%

QUESTION 33

More than 20 years	[]	1 - 5 years	[]
10 - 20 years	[]	under 1 year	[]
5 - 10 years	[]		

=====

QUESTION 34

-----	-----
CONSIDERABLE EMPHASIS	NOT MUCH EMPHASIS
=====	

QUESTION 35

-----	-----
VERY COMMITTED	NOT SO COMMITTED
=====	

QUESTION 36

Under R50,000 R150,000 - R500,000
R50,000 - R150,000 Over R500,000

=====

QUESTION 37

1.....
2.....
3.....

=====

QUESTION 38

North America Europe
Africa Middle East
South America Far East
Australasia Other

=====

QUESTION 39

...single overseas buyer ...many overseas buyers
...few overseas buyers

=====

QUESTION 40

.....YEARS

=====

QUESTION 41

Under R100,000 R5 million - R20 million
R100,000 - R1 million R20 million - R100 million
R1 million - R5 million Over R100 million

=====

QUESTION 42

Loss Profit

=====

QUESTION 43

Under 10 50 - 100 Over 200

10 - 50 100 - 200

QUESTION 44

Regionally Nationally

QUESTION 45

Industrial Consumer

QUESTION 46

Owner/Partner Senior Manager

Managing Director Manager

Director

QUESTION 47

YES NO

QUESTION 48

.....YEARS

QUESTION 49

1.....

2.....

3.....

4.....

QUESTION 50

...Selling ...Marketing

...Production ...Administration

QUESTION 51

VERY
SUCCESSFUL

NOT SO
SUCCESSFUL

QUESTION 52

VERY
MARKETING
ORIENTATED

NOT SO
MARKETING
ORIENTATED

QUESTION 53

VERY
KNOWLEDGABLE

NOT SO
KNOWLEDGABLE

QUESTION 54

NOT SO
BENEFICIAL

VERY
BENEFICIAL

QUESTION 55

PRODUCTS

.....
.....
.....

WRITER'S SECTION

QUESTION 56

VERY	_____	NOT SO
SUCCESSFUL		SUCCESSFUL
=====		

QUESTION 57

VERY	_____	NOT SO
MARKETING		MARKETING
ORIENTATED		ORIENTATED
=====		

QUESTION 58

VERY	_____	NOT SO
KNOWLEDGABLE		KNOWLEDGABLE
=====		

COMPANY NAME:

RESPONDENT NAME: Mr/Mrs.

DATE:

FILE NO:

COMMENTS:

.....
.....
.....

ANSWER SHEET (Non-active)

QUESTION 1

VERY IMPORTANT		SOMETIMES NOT SO IMPORTANT

QUESTION 2

THIS IS ALWAYS NECESSARY		THIS IS ONLY SOMETIMES NECESSARY

QUESTION 3

ALWAYS TRUE		NOT ALWAYS TRUE

QUESTION 4

DEFINITELY AGREE		DEFINITELY DISAGREE

QUESTION 5

SOMETIMES NOT TRUE		ALWAYS TRUE

QUESTION 6

THIS IS ALWAYS NECESSARY		THIS IS SOMETIMES NOT NECESSARY

QUESTION 7

ALWAYS TRUE		NOT ALWAYS TRUE

QUESTION 8

ALWAYS TRUE

SOMETIMES NOT
TRUE

QUESTION 9

THIS IS VERY
IMPORTANT

THIS IS
SOMETIMES NOT
IMPORTANT

QUESTION 10

THIS IS SOMETIMES
NOT IMPORTANT

THIS IS VERY
IMPORTANT

QUESTION 11

PRODUCTS SPECIFICALLY
DESIGNED AND PRODUCED
FOR EXPORT MARKETS

SAME PRODUCT AS
FOR DOMESTIC
CONSUMPTION

QUESTION 12

CONSIDERABLE
RESEARCH
UNDERTAKEN

NOT MUCH
RESEARCH
UNDERTAKEN

QUESTION 13

ALTERNATIVE
SOURCES OF
SUPPLY NOT
EVALUATED

ALTERNATIVE
SOURCES OF
SUPPLY
EVALUATED

QUESTION 14

PACKAGING SPECIFICALLY
DESIGNED FOR EXPORT
MARKETS

SAME PACKAGING
AS USED IN
DOMESTIC MARKET

QUESTION 15

CONSIDERABLE
RESEARCH
UNDERTAKEN

NOT MUCH
RESEARCH
UNDERTAKEN

QUESTION 16

NOT MUCH
EMPHASIS

CONSIDERABLE
EMPHASIS

QUESTION 17

CONSIDERABLE
RESEARCH
UNDERTAKEN

NOT MUCH
RESEARCH
UNDERTAKEN

QUESTION 18

NO

YES

QUESTION 19

FOB

DDP

CIF

Other

QUESTION 20

CONSIDERABLE
ADVERTISING/
PROMOTION

NOT MUCH
ADVERTISING/
PROMOTION

QUESTION 21

Less than R1,000

R10,000 - R50,000

R1,000 - R10,000

R50,000 plus

QUESTION 22

NOT MUCH
RESEARCH
UNDERTAKEN

CONSIDERABLE
RESEARCH
UNDERTAKEN

QUESTION 23

NOT MUCH
RESEARCH
UNDERTAKEN

CONSIDERABLE
RESEARCH
UNDERTAKEN

QUESTION 24

EXPORTS FOLLOWED
THROUGH BEYOND
IMMEDIATE
IMPORTER TO END
USER

EXPORTS ONLY
FOLLOWED
THROUGH TO
IMMEDIATE
IMPORTER

QUESTION 25

NO

YES

QUESTION 26

YES

NO

QUESTION 27

..... YEARS

QUESTION 28

CONSIDERABLE
EMPHASIS

NOT MUCH
EMPHASIS

QUESTION 29

VERY COMMITTED

NOT SO
COMMITTED

QUESTION 30

Under R50,000	<input type="checkbox"/>	R150,000 - R500,000	<input type="checkbox"/>
R50,000 - R150,000	<input type="checkbox"/>	Over R500,000	<input type="checkbox"/>

QUESTION 31

1.....

2.....

3.....

QUESTION 32

Under R100,000	<input type="checkbox"/>	R5 million - R20 million	<input type="checkbox"/>
R100,000 - R1 million	<input type="checkbox"/>	R20 million - R100 million	<input type="checkbox"/>
R1 million - R5 million	<input type="checkbox"/>	Over R100 million	<input type="checkbox"/>

QUESTION 33

Loss	<input type="checkbox"/>	Profit	<input type="checkbox"/>
------	--------------------------	--------	--------------------------

QUESTION 34

<input type="checkbox"/>	Under 10	<input type="checkbox"/>	50 - 100	<input type="checkbox"/>	Over 200
<input type="checkbox"/>	10 - 50	<input type="checkbox"/>	100 - 200		

QUESTION 35

<input type="checkbox"/>	Regionally	<input type="checkbox"/>	Nationally
--------------------------	------------	--------------------------	------------

QUESTION 36

<input type="checkbox"/>	Industrial	<input type="checkbox"/>	Consumer
--------------------------	------------	--------------------------	----------

QUESTION 37

<input type="checkbox"/>	Owner/Partner	<input type="checkbox"/>	Senior Manager
<input type="checkbox"/>	Managing Director	<input type="checkbox"/>	Manager
<input type="checkbox"/>	Director		

QUESTION 38

YES

NO

QUESTION 39

.....YEARS

QUESTION 40

- 1.....
- 2.....
- 3.....
- 4.....

QUESTION 41

- ...Selling ...Marketing
- ...Production ...Administration

QUESTION 42

VERY MARKETING ORIENTATED	NOT SO MARKETING ORIENTATED

QUESTION 43

VERY KNOWLEDGABLE	NOT SO KNOWLEDGABLE

QUESTION 44

NOT SO BENEFICIAL	VERY BENEFICIAL

QUESTION 45

PRODUCTS

.....

.....

.....

=====

WRITER'S SECTION

QUESTION 46

VERY MARKETING ORIENTATED	NOT SO MARKETING ORIENTATED
---------------------------------	-----------------------------------

=====

QUESTION 47

VERY KNOWLEDGABLE	NOT SO KNOWLEDGABLE
----------------------	------------------------

=====

COMPANY NAME:

RESPONDENT NAME: Mr/MRS.....

DATE:.....

FILE NO:.....

COMMENTS:

.....

.....

.....

COMPANIES INTERVIEWED IN THE PILOT STUDY

Domdes

Optoplast

Lizaleg Originals

Ronald Sassoon (Pty) Ltd

Cane Time

Cooper, Gill and Tomkins

Johnsons Sportswear (Pty) Ltd

Venture

ACTIVE MANUFACTURERS

Total active manufacturing export companies = 437.
 The *'s represent the companies interviewed in this study = 70.
 (L) represents large companies.
 (S) represents small companies.

The African Clothing Factory (Ensign) (Pty) Ltd (L)
 P Andrag and Sons (L)
 Coast Catamaran (Pty) Ltd * (S)
 Ashton Canning Co (Pty) Ltd (L)
 Stelkon (Pty) Ltd (S)
 Burhose (Pty) Ltd (L)
 John Thompson Africa (Pty) Ltd * (L)
 Southern Cross Laboratories (S)
 Teeny Tages (Pty) Ltd (L)
 W K Investments (Pty) Ltd, trading as Buggi * (S)
 Ceres Fruit Juices and Canning Co (Pty) Ltd (L)
 Gants Foods (Pty) Ltd (L)
 Zero Diving Equipment (Pty) Ltd * (S)
 Southern Canned Products (Pty) Ltd (L)
 Combined Projects (Pty) Ltd (S)
 Metal Closures (Pty) Ltd (L)
 Ronald Sassoon & Co (Pty) Ltd (L)
 Creda Press (Pty) Ltd (S)
 CTP Book Printers (S)
 Rasel Leather Products (Pty) Ltd (S)
 Nova Knits (S)
 Plus-one (Pty) Ltd * (S)
 David Philip Publisher (S)
 Time Control Systems (Pty) Ltd * (S)
 Green Cross Reform Shoes (S)
 Byalex SA (Pty) Ltd * (S)
 Stingray Accessory Manufacturers (Pty) Ltd (S)
 Coroma Engineering (Pty) Ltd (S)
 African Detinning Works (Pty) Ltd (L)
 Gee Marine (Pty) Ltd * (S)
 Butt-trim (Pty) Ltd * (S)
 Cape & Transvaal Printers * (L)
 Thenton Products (Pty) Ltd (S)
 Scala Foundations (Pty) Ltd (S)
 Dartex (Pty) Ltd (S)
 Trisave Engineering and Machinery Supplies (Pty) Ltd (S)
 Plesseys SA (Components) Div (L)
 Plessey SA Ltd (L)
 SA Reptile Trading Co (S)
 Spekenham Coop Ltd (L)
 Deepfreezing & Preserving (Pty) Ltd (L)
 Langeberg Ko-op Bpk * (L)

Oakglen Canning (Pty) Ltd (S)
 WJM Steelpipes (Pty) Ltd * (L)
 Tuna Marine (Pty) Ltd * (L)
 Coronet Shirt & Clothing (Pty) Ltd (S)
 Svenmill Fabrics (Pty) Ltd (L)
 African Farm Supplies (Pty) Ltd (S)
 SA Bias Binding Manufacturers (S)
 Intima (Pty) Ltd (S)
 General Optical Co Cape (Pty) Ltd (S)
 Cape Cobra (Pty) Ltd * (S)
 Bonwit (Pty) Ltd * (L)
 Vinicap (Pty) Ltd (S)
 Gabler Instruments (S)
 World of Spices (Pty) Ltd (S)
 Julius Solomon (Pty) Ltd (S)
 Huguenot Clothing Factory (Pty) Ltd (S)
 Sunhopper Products (Pty) Ltd (S)
 Mairik Mats (Pty) Ltd (S)
 FMC SA (Pty) Ltd (S)
 Aqua Rapids (Pty) Ltd * (S)
 Universal Bookbinding Works (Pty) Ltd (S)
 Maxmore Knitting Mills (Pty) Ltd * (L)
 KWV Ltd (L)
 Wellington Industries (Pty) Ltd * (L)
 Thorer Fur Processing Co SA (Pty) Ltd (S)
 Cape Lime Co Ltd (S)
 Titan Lime Co Ltd (S)
 Hamworthy Eng Africa (Pty) Ltd * (L)
 Gilbey Distillers & Vintners (Pty) Ltd (L)
 Citation Leather Industries (Pty) Ltd (S)
 Diagram Research Co (Pty) Ltd (S)
 Appletizer Pure Fruit Juices (Pty) Ltd (L)
 Maskew Miller Ltd (L)
 Vitria Glass Products (Pty) Ltd (S)
 Reckitt & Coleman SA (Pty) Ltd (L)
 Sea Plant Products (Pty) Ltd (S)
 Bokomo Breakfast Foods (L)
 Bromor Foods (Pty) Ltd (L)
 Oude Meester Cellars (L)
 Plioplastics (Pty) Ltd (S)
 Southern Sea Fishing Enterprise (Pty) Ltd (S)
 Parisienne Glass Products (Pty) Ltd (S)
 A J North & Co * (S)
 Chelsea West (Pty) Ltd (S)
 Thorer Industrial Products (Pty) Ltd (S)
 Meyer & Ferreira (Pty) Ltd (S)
 Petz Products (Pty) Ltd (S)
 M Pagiliari (Pty) Ltd * (S)
 Shoe Corporation (Manufacturers) (Pty) Ltd (L)
 Cape Town Iron & Steel Works (Pty) Ltd (L)
 FG Glass West Cape (Pty) Ltd (S)
 Boston Bag Co (Pty) Ltd * (S)

Donaldson Air Cleaners (Pty) Ltd * (L)
 Ian Dickie & Co (Pty) Ltd (S)
 House of Shimar (S)
 C M E (Pty) Ltd (L)
 Hesper Engineering (Pty) Ltd (S)
 Gypsum Industries Ltd (S)
 Print Pak (Cape) Ltd * (L)
 SA Piano Manufacturers (S)
 Hygienia Products Corporation (Pty) Ltd (S)
 Danco Knitting Mills (L)
 Nampak Paper Ltd (L)
 Mewa Manufacturing Co (Pty) Ltd (S)
 SA Nylon Spinners (L)
 Rembrandt Tobacco Corporation (L)
 Filmatic * (S)
 Globe Engineering Works (Pty) Ltd (L)
 Consani Engineering Works (L)
 Northern Cannery (S)
 BP SA (Pty) Ltd (L)
 Stellenbosch Farmers Wineries Marketing Ltd * (L)
 Rock Engineering Works (Pty) Ltd (S)
 JPPE Lapidary (Pty) Ltd (S)
 SA Clog Manufacturers (Pty) Ltd (S)
 Chapmans Peak Fisheries (S)
 Nuts Incorporated (S)
 Kooltron (Pty) Ltd (S)
 South East Marine Services (Pty) (S)
 False Bay Engineering (S)
 Atlantic Trawling (Pty) Ltd (L)
 Gilmour Marine & Industrial (Pty) Ltd (S)
 Heinz Brothers (S)
 Invertex (Pty) Ltd * (S)
 Durata Shoe Works (S)
 Viking Fishing Co (L)
 Human & Rousseau (S)
 Concerta Ltd (S)
 Union Wine Ltd (L)
 Berg River Textile Ltd (L)
 Johnson Sportswear (Pty) Ltd (S)
 Jordan & Co Ltd (L)
 Seasprite (Pty) Ltd (S)
 Rex Trueform Ltd (L)
 Milling & Trading Cape Ltd (S)
 Kapasit Asbestos (Pty) Ltd * (L)
 Lizaleg Originals (S)
 Humphries Ltd (L)
 Peterson Ltd (S)
 Universal Confectionary Works (Pty) Ltd (S)
 Airflex Furniture Industries (Pty) Ltd * (L)
 Courthiel Velour (Pty) Ltd (L)
 Cravateur Tie Co (Pty) Ltd (L)
 Three Spears Africa (Pty) Ltd (L)

Sugarbird (Pty) Ltd (S)
 Micro Mouldings (Pty) Ltd (S)
 Mazal engineering & Die Casting Co (Pty) Ltd (S)
 SA Cap Manufacturers (Pty) Ltd (S)
 Flair Shoe Co (Pty) Ltd (S)
 R & I Laboratories (Pty) Ltd (S)
 Quindrink (S)
 Leather Industries (Pty) Ltd (S)
 Baroness Overwear (Pty) Ltd (L)
 Adibis Africa (Pty) Ltd * (L)
 Reader's Digest (L)
 Union Leather Works (Pty) Ltd (L)
 Bakke Industries Ltd (L)
 Irvin & Johnson (L)
 Cape Gate Fence & Wire Works (L)
 Desiree Export (Pty) Ltd (L)
 Monatic Alba Ltd (L)
 The Western Tanning Co Ltd (L)
 Baltimore Aircoil Co (S)
 BMD Knitting Mills (L)
 Mossop & Son Ltd * (L)
 M Oboler & Son (Pty) Ltd * (L)
 Crown Mills Spice Works (Pty) Ltd (S)
 Pepita Clothing Manufacturers (Pty) Ltd (S)
 SA Lapidary Co (Pty) Ltd (L)
 Atlantis Diesel Engines (Pty) Ltd (L)
 Caltex Oil SA (Pty) Ltd (L)
 Paroda Fashion Wear (S)
 Pescanova Group (L)
 H L Paine (Pty) Ltd * (S)
 Perl Opti (Pty) Ltd (S)
 National Razor Blade Manufacturing Co (Pty) Ltd * (L)
 Vitamore (Pty) Ltd (S)
 Grenco Sa (Pty) Ltd (S)
 Grapnel Silencers (Pty) Ltd * (L)
 Cape Lime Mineral Fillers (Pty) Ltd (S)
 Finewood Veneer (Pty) Ltd (S)
 United SA Brush Manufacturing Co (Pty) Ltd (L)
 Bianca (Pty) Ltd (S)
 Monviso Knitwear (Pty) Ltd (L)
 Topstones (Pty) Ltd (S)
 Ludy Gonsenhauser (Pty) Ltd (S)
 African Detinning Works (Pty) Ltd * (L)
 Tekniheat Cape (Pty) Ltd (S)
 De Jong Timber Products (Pty) Ltd (S)
 Classic Manufacturing (Pty) Ltd (S)
 Atomic Steel Office Equipment (Pty) Ltd (L)
 Beckman Instruments (Pty) Ltd (S)
 Classic Luggage Co (Pty) Ltd (S)
 Fry's Metal (Cape) (Pty) Ltd * (S)
 Murray & Roberts Cape Foundries (Pty) Ltd (L)
 Coats Brothers SA Ltd (S)

Joe Malemed (Pty) Ltd (S)
 Ohlssons Cape Breweries Ltd (L)
 Chart Chemicals (Pty) Ltd (S)
 Heriswell manufacturing Co (Pty) Ltd (S)
 Table Bay Enterprises (S)
 Garden & Patio Furniture (Pty) Ltd (S)
 Petrel Engineering CC * (L)
 Aldenro Clothing Manufacturers (Pty) Ltd (S)
 Carst & Walker Chemicals (Pty) Ltd (S)
 Willmill Narrow Fabrics (Pty) Ltd (S)
 Knitmaster Hosiery Mills (L)
 Gluepaste Manufacturing Co (Pty) Ltd (S)
 Fran S Huppertz Manufacturing Jeweller (S)
 Prima Toys (Pty) Ltd * (L)
 Bellany Masts (Pty) Ltd (S)
 SBH Cotton Mills (Pty) Ltd (L)
 Vilene SA (Pty) Ltd (S)
 Val Hau et Cie (Pty) Ltd * (L)
 Versapak (Pty) Ltd (S)
 Boseng (Pty) Ltd (S)
 Modern Hairdressing Supplies (Pty) Ltd * (L)
 Perivale Gutermann (Pty) Ltd (S)
 Parisian Milliners (Pty) Ltd (S)
 Sweet-Orr & Lybro (Pty) Ltd (S)
 Metal Box SA Ltd (L)
 Highlock (Pty) Ltd * (S)
 Tigereye & Gemstone Industries Ltd (S)
 M A S Manufacturers (Pty) Ltd (L)
 Industrial Adhesives (Pty) Ltd (S)
 H M Leers & Co (Pty) Ltd (S)
 Meritex Underwear (L)
 Charmfit (Pty) Ltd (L)
 Distillers Corporation Ltd (L)
 Peerless Shirt Manufacturers (Pty) Ltd (S)
 Harry Peck SA (Pty) Ltd (L)
 Fine Chemicals Corporation (Pty) Ltd (L)
 Seravac (Pty) Ltd * (L)
 Premier Wire (Pty) Ltd (L)
 Hoechst SA (Pty) Ltd (L)
 Katz International Corporation (L)
 Cantley Exports (Pty) Ltd (S)
 W M Eachus & Co (Pty) Ltd (L)
 National Cap Factory (Pty) Ltd (S)
 De Jong Marine & General Engineering Works (Pty) Ltd (S)
 H Kohler Master Goldsmith & Jeweller (S)
 Hextex (Pty) Ltd (L)
 Southern Sewing Threads (Pty) Ltd (S)
 James Neill Tools (Pty) Ltd * (L)
 Waltons Stationary Co (Pty) Ltd (L)
 Panther Shoe Co Ltd (S)
 Boesmansrivierse Koop Kaasfabriek BPK (S)

Agriplas (Pty) Ltd (S)
 Wolpe Fashion Holdings (L)
 Columbit (Pty) Ltd * (L)
 J A Clift (Pty) Ltd (S)
 Filati Knits (Pty) Ltd (S)
 African Alltex (Pty) Ltd (L)
 Mattex (Pty) Ltd (L)
 Bakker & Steyger (L)
 Desiree Cape Underwear Manufacturers Ltd (L)
 Conro Precision (Pty) Ltd * (S)
 Nova Mills (Pty) Ltd (S)
 Olympic Footwear (Pty) Ltd (L)
 Topstitch Clothing (Pty) Ltd (S)
 Triton Gloria (S)
 Tiger Oats Co Ltd (L)
 Pointer Manufacturers (Pty) Ltd (L)
 Marsden (Pty) Ltd (S)
 Kelp Products (Pty) Ltd (S)
 Leyland SA (Pty) Ltd (L)
 John Wright Veneers (Pty) Ltd (S)
 Manhattan Manufacturers (Pty) Ltd (S)
 Cape Saddlery (Pty) Ltd * (S)
 Marine Products Ltd (S)
 Continental China (Pty) Ltd (L)
 Snoek Wholesalers (Pty) Ltd (S)
 Luft Industries (Pty) Ltd (S)
 SA Fine Worsteds (Pty) Ltd (L)
 Zinc Process (Pty) Ltd (S)
 SA Preserving Co (Pty) Ltd (L)
 Westex (Pty) Ltd (S)
 Sapphire Flameproofing (Pty) Ltd (S)
 National Safe Co (Pty) Ltd * (S)
 Nettex (Pty) Ltd (L)
 Permo seal (Pty) Ltd (S)
 Plascon Parthenon Paint Co (L)
 Seardel Group Trading Co (Pty) Ltd (L)
 Selecta Sea Products (Pty) Ltd (S)
 Sintered Metal Components (Pty) Ltd (S)
 Spilo Edms Bpk (S)
 Stresa Hat Co (Pty) Ltd (S)
 Unsgaard Packaging (Pty) Ltd * (L)
 Robco (S)
 Uwe Koettler (Pty) Ltd (S)
 Crown Oil Mills (Pty) Ltd (L)
 Finitex (Pty) Ltd (S)
 Truworths Ltd (L)
 Chick's scrap Metals Cape (Pty) Ltd (L)
 Heynes Mathew Ltd (L)
 A Fraser & Co * (L)
 Judron Clothing Manufacturers (Pty) Ltd (S)
 Ferris Instrumentation SA (Pty) Ltd (S)
 Hamilton Brushes Africa (Pty) Ltd (S)

J Kaplan & Son (S)
 Press Spinning & Stamp Co (Pty) Ltd (S)
 Florida Fashions (S)
 Lancashire Manufacturers Co (Pty) Ltd (S)
 Bruply Sawmills Cape (S)
 Overwear & Duchess (Pty) Ltd * (L)
 Latex Threads SA (Pty) Ltd (S)
 Rotunda Cape (S)
 Cape Union Mart Group (Pty) Ltd (L)
 C Struik Publishers (Pty) Ltd (L)
 Afghan Industries (S)
 Ceres Fruit Growers Coop Ltd (L)
 Silver Ocean Net (Pty) Ltd (S)
 Puma Jersey (L)
 Satchwell Controls (Pty) Ltd (S)
 Rosalind Creations (Pty) Ltd (S)
 Rhomberg Electronics (Pty) Ltd * (S)
 J S S Badge & Embroidery Works (Pty) Ltd (S)
 John Robertson Yachts (Pty) Ltd (S)
 T Berry (Pty) Ltd (S)
 Fattis & Monis (L)
 Jomota Plastics (S)
 Vadek (Pty) Ltd (S)
 Diel (Pty) Ltd (S)
 Eagle Electric Co (Pty) Ltd (L)
 Hirshberg Group of Companies * (S)
 Industrial Electronics & Automation (S)
 Movex (Pty) Ltd (S)
 Rowima Corp (Pty) Ltd (S)
 Houit Bay Fishing Industry (Pty) Ltd (S)
 Albion Press (Pty) Ltd (S)
 UME (Pty) Ltd * (L)
 Table Bay Spinners (L)
 Teplov Ballet Shoes (S)
 Bravo Textiles (S)
 L'Uomo (Pty) Ltd (L)
 Marpro Trawling Co (Pty) Ltd (L)
 Atlantis Chemical Industries (S)
 Sensation Cosmetics (S)
 Z Clothing * (S)
 Gassner Plastics (Pty) Ltd * (S)
 Epol (Pty) Ltd (L)
 Fashion Buttons (Pty) Ltd (S)
 Cenmarine (Pty) Ltd (L)
 Penny Howson Designs (S)
 Summertime (Pty) Ltd (S)
 Cooper, Gill Thomkins (Pty) Ltd (S)
 Atlantic Knitting Mills (Pty) Ltd (S)
 Beu Math Engineering (Pty) Ltd (S)
 Lourie et Cie (Pty) Ltd (S)
 French Timber Industries (Pty) Ltd (S)
 Readers of SA (Pty) Ltd (S)

ABC Press (Pty) Ltd (S)
Oskava (S)
Suidelike Orrelbouers (S)
Pride Style Shoe Manufacturing Co (Pty) Ltd (S)
Adele Dallas Orr (S)
Lignum (Pty) Ltd (S)
F N K Millsteel (Pty) Ltd (S)
Shelco Shelving (Pty) Ltd * (L)
Acecraft Marine (Pty) Ltd (S)
Natresco (Pty) Ltd (S)
Mirapal Trading Co * (S)
Simonsberg Cheese (S)
Brass Clothing (Pty) Ltd * (S)
Romatex House Textiles (Pty) Ltd (L)
Sotho Weavers (Pty) Ltd (S)
Cape Fabrix (Pty) Ltd (S)
Nutri-Stahl Cookware (Pty) Ltd * (S)
Stellenbosch Manufacturing Jewellers (S)
Don Michele (Pty) Ltd (S)
Staybond (Pty) Ltd (S)
Highmast (Pty) Ltd (S)
Filmair (S)
Corbeau (Pty) Ltd (S)
Houtcraft Products (Pty) Ltd (S)
Alpcraft Active Wear (S)
Centurator Products (Pty) Ltd (S)
Shareen Knitwear (S)
SA Timber Manufacturing Co Ltd (S)
Mel Stephens & Son * (S)
Murray & Roberts Foundry Holdings (Pty) Ltd (L)
Germaine Knitting Mills (Pty) Ltd (S)
Vrede Textiles (Pty) Ltd (S)
Pastel Clothing Co (Pty) Ltd (S)
Swisschem (Pty) Ltd (S)
The Boom Corporation (S)
Spoilsports (S)
Axpar Investments * (S)
Furdey Publishing Co (Pty) Ltd (S)
Pals Clothing (Pty) Ltd (S)
Nasionale Pale (Pty) Ltd * (S)
Firefite (Pty) Ltd * (S)
Bibette (Pty) Ltd (S)
Club Products (Pty) Ltd (S)
Saldanha Fishing Industries (Pty) Ltd (S)
Venetti (S)
Bettina of Africa (S)
Capelon Yarns (S)
Goldart (S)
Melko (S)
W J M Construction Co (Pty) Ltd (L)
J Krupps & Co (S)
Felix Models (S)

Ceres Fruit Juices (Pty) Ltd (L)
Wilco (S)
Cape Wrappers (Pty) Ltd (S)
Boland Hout Nywerhede (Pty) Ltd (S)
Al's Clothing Co (Pty) Ltd (S)
Le Trou Manufacturers (Pty) Ltd (S)
Apeldoorn-Lighthouse Net & Twine (Pty) Ltd * (L)
Towles Edgar Jacob Ltd (L)
Irvin & Johnson Ltd (L)
Metlite Alloys (Pty) Ltd (S)
Mouldrip (Pty) Ltd * (S)
Design Unlimited (Pty) Ltd * (S)
Optoplast (Pty) Ltd (S)
Helenel (Pty) Ltd (S)
Unilux (Pty) Ltd (S)
Pattersons Automatic Installations (S)
Sumien (Pty) Ltd (S)
Premier Manufacturing (Cape) (Pty) Ltd * (S)
The Cape Hat Factory (Pty) Ltd (S)
Alia Candy Co (Pty) Ltd (S)
Home Alarm (Pty) Ltd (S)
Allens Metals and Wire (Pty) Ltd (S)
Pepkor Exports Ltd * (L)
Reijger Publishers (S)
Geo Raymond & Son Cape (Pty) Ltd (S)
Laird Leatherwear (Pty) Ltd (S)
Solid Pine International (S)
Den Engineering (S)
Electocol Manufacturers (Pty) Ltd (S)
Poly-film (S)
Reflections (Pty) Ltd * (S)
AE & CI Ltd (L)

NON-ACTIVE MANUFACTURERS

The total non-active manufacturing export companies = 380.
 The *'s represent the companies interviewed in this study = 60.
 (L) represents large companies.
 (S) represents small companies.

Reliance Upholstery & Bedding (Pty) Ltd (S)
 Holdfast Manufactured Products * (S)
 R & N Symington & Co Corsetry (Pty) Ltd (S)
 Dripin SA (Pty) Ltd (S)
 Design Venture * (S)
 Bino Instrumentation * (S)
 Maxamatic (Pty) Ltd (S)
 A C Weideman (Pty) Ltd (S)
 Gold Creations SA (Pty) Ltd * (S)
 Bonhats Manufacturing Co (Pty) Ltd (S)
 Retus Fashions (Pty) Ltd * (S)
 Gifford Textiles (Pty) Ltd (S)
 Elliot Footwear Ltd (S)
 Issa Brothers (Pty) Ltd (S)
 M & S Clothing (Pty) Ltd (S)
 Vialit (Pty) Ltd (S)
 Beltex (Pty) Ltd * (S)
 Electronic Supplies * (S)
 Hot Spice Product (Pty) Ltd (S)
 Cane Time (Pty) Ltd (S)
 Beamish Fibreglass (S)
 Packages * (S)
 Aurea Jewellery Design (S)
 M'Lord Inc * (S)
 Upholster All * (S)
 Equator Products (Pty) Ltd (S)
 Max Hart (Pty) Ltd (S)
 Jaques Hau (Pty) Ltd (S)
 Fun Frills (Pty) Ltd (S)
 Noteworthy Publishing (Pty) Ltd (S)
 Miracle Maternity Wear (Pty) Ltd (S)
 Premier Paper Ltd (S)
 False Bay Engineering * (S)
 Hydroweld Ltd * (S)
 Rico Corp (Pty) Ltd (S)
 Golnix Plastics (Pty) Ltd * (S)
 Gilly Bars Confectionary (S)
 Plastform (Pty) Ltd (S)
 Sprockets & Chains (Pty) Ltd (S)
 Satz Bros. Steel (Pty) Ltd (S)
 Unitemp (Pty) Ltd (S)
 Aquaflow (Pty) Ltd (S)
 Todes Foods (S)

Delta Sales (Pty) Ltd (S)
Premier Stationary Manufacturing Co (S)
Elzet Clothing (Pty) Ltd (S)
Vittmar Industries (Pty) Ltd (S)
D Kruger-Haye (Pty) Ltd (S)
Venus Clothing Co (Pty) Ltd * (L)
Tensilon (Pty) Ltd (S)
Delta Fishing * (S)
Progress Manufacturers (Pty) Ltd (S)
Electrosonic Electronics Corporation (Pty) Ltd (S)
Flame Candles (Pty) Ltd * (S)
Mondaine Shoes (Pty) Ltd (S)
Copperfield Knitwear (Pty) Ltd (S)
Nose Cone Manufacturers (S)
Continental Fan Works * (S)
Headwear Industries (Pty) Ltd (S)
Republic Shoes (Pty) Ltd (S)
Barno (Pty) Plastics (Pty) Ltd (S)
Croda Chemicals SA (Pty) Ltd (S)
Traffic Aids (Pty) Ltd (S)
Cape Eiderdown Manufacturers (Pty) Ltd (S)
Gering & Shames (Pty) Ltd (S)
Gamma Games (Pty) Ltd * (S)
Cape Twines & Packaging (Pty) Ltd (S)
Jayson Shirts SA (Pty) Ltd (S)
Hospital Products (Pty) Ltd (S)
Decalight Manufacturing (Pty) Ltd (S)
Danmore Clothing Manufacturers (S)
Matthews & Swerling (Pty) Ltd (S)
Kliphael Engineering Works (Pty) Ltd (S)
Pleasure Products (Pty) Ltd (S)
Plastocoat SA (Pty) Ltd (S)
Ellen Arthur (Pty) Ltd (S)
Nu Caps (Pty) Ltd (S)
L Cohen Furniture (Pty) Ltd (S)
Domdes (Pty) Ltd (S)
Undeuxtros (S)
Dermar Fashions (Pty) Ltd (S)
Henno Engineering (S)
Gransteel Construction (Pty) Ltd (S)
Polyoak Products (Pty) Ltd * (S)
Alcaway Beverage (S)
Kangasling (S)
Garex Engineering (S)
Debonair Decor Textiles (Pty) Ltd (S)
Ripco Manufacturing Co (S)
Teconit (Pty) Ltd (S)
Avila Natural Products (S)
Boat Havens (Pty) Ltd * (S)
Decro Industries (Pty) Ltd (S)
Union Badge Ltd * (S)
Frank & Fred Clothing Manufacturers (S)

SA Gossard (Pty) Ltd * (L)
Associated Board Products (Pty) Ltd (S)
Verona Knitwear (Pty) Ltd (S)
Fabricated (Pty) Plastics (Pty) Ltd (S)
Botrix Irrigation Machines (S)
Harvey Rothschild (Pty) Ltd (S)
Fairheads Leather Works (S)
News Clothing Co (Pty) Ltd (S)
Torro Promotions (S)
Inkwell (Pty) Ltd * (S)
Cape Packaging Consultants (Pty) Ltd * (S)
Careline Products (S)
Cape Select Furniture (S)
R J Consani (Pty) Ltd * (S)
Nomad Manufacturers (Pty) Ltd (S)
Leather Creations (S)
A & L Enterprises * (S)
Bizarre Clothing (Pty) Ltd (S)
Chico Kiddies Shoes * (S)
Curl Curl Investments (S)
Momba Chamoiswear * (S)
Continental Art Works (Pty) Ltd (S)
Aqua Laboratories (Pty) Ltd (S)
Electropanels Cape (Pty) Ltd * (S)
Autobax (Pty) Ltd (S)
Dino Fashions * (S)
Enterprise Engineering * (S)
Sandross (Pty) Ltd (S)
Optima Hydraulics (Pty) Ltd * (L)
Howell Electronics (Pty) Ltd (S)
Caspari Casuals (Pty) Ltd (S)
Dorbyl Automotive Products (Pty) Ltd * (L)
H P Plum & Co (S)
The Boom Corporation (S)
Infodex (Pty) Ltd (S)
Dinnermates * (S)
H L Paine & Associates (S)
Nova Furniture (Pty) Ltd (S)
Particeil Solar (Pty) Ltd * (S)
G R Creations (Pty) Ltd * (S)
Radaco Sea Products (Pty) Ltd (S)
Rose Leather Co (Pty) Ltd (S)
Longspan-Gridline (Pty) Ltd * (L)
Minelli Handbag Manufacturers (S)
Ray's Leather Fashions * (S)
Tank Industries (Pty) Ltd (S)
Master Pak (Pty) Ltd (S)
Plasmoprint (Pty) Ltd (S)
Ivanho (Pty) Ltd * (L)
Casto Precision Castings (Pty) Ltd (S)
Bell Products (Pty) Ltd (S)
Amptron Electronics (Pty) Ltd * (S)

Adlar Clothing Manufacturers (Pty) Ltd (S)
Agrico Machinery (Pty) Ltd (S)
Amalgamated Packaging Industries Ltd (S)
Gems Futura (Pty) Ltd (S)
S Kurgan & Co (Pty) Ltd * (S)
Radem Electronics (Pty) Ltd (S)
Victory Mills (Pty) Ltd (S)
Kushi Craft (Edms) Bpk (S)
Vogue Shoes (Pty) Ltd (S)
WF Topper & Co (S)
Hallex (Pty) Ltd (S)
SA Quilt Manufacturers (Pty) Ltd (S)
Kiko Manufacturers (S)
Fhinex (Pty) Ltd (S)
Maconochie Brothers (S)
Plastiko (Pty) Ltd (S)
Premier Wire & Steel Holdings (Pty) Ltd * (L)
WF Milk Products (Pty) Ltd (S)
Pan Textiles Ltd (S)
Jacobson v der Berg SA (Pty) Ltd (S)
Robinson Plastic Moulders (Pty) Ltd (S)
Neutron Paints (Pty) Ltd (S)
Bacnit Fabrics (Pty) Ltd (S)
Sheen Products (Pty) Ltd (S)
The Woodstock Sweets Co (S)
Pumpflo (Pty) Ltd (S)
Brian Rickard (Pty) Ltd * (S)
Hay-Hoe Manufacturing Co (Pty) Ltd (S)
Zaalberg Pottery (Pty) Ltd (S)
Romax (Pty) Ltd (S)
Penguin Products (S)
Adams Brands (Pty) Ltd (S)
Apple Cider & Fruit Juices (Pty) Ltd (S)
Surf & Ski Wetsuits (Pty) Ltd (S)
Textile Printers Cape (Pty) Ltd (S)
Provimi SA (Pty) Ltd (S)
SA Woollen Mills Ltd (L)
Crammix Ltd (S)
National Publishing Co (S)
Specialty Manufacturers (Pty) Ltd (S)
Iron Duke Paint Co (S)
Formet Crochet (Pty) Ltd (S)
Brenn-o-kem (Pty) Ltd (S)
P M Sales Corporation Ltd (S)
Maydstone Jewellery Co (Pty) Ltd (S)
Laured Manufacturers (Pty) Ltd (S)
Consolidated Textile Mills (Pty) Ltd (S)
Drums & Containers (Pty) Ltd (S)
H A Schipper & Co (Pty) Ltd (S)
Ganner Ass. Metal Industries (Pty) Ltd (S)
Cannco International (Pty) Ltd (S)
Jack Lemkus Sports (Pty) Ltd (S)

Brooklyn Laboratories (S)
Dennis Bagnall * (S)
Capegas Ltd (L)
Clover Cape (Pty) Ltd (L)
Daymour Africa (Pty) Ltd (S)
Fall Mall Polish Co (Pty) Ltd (S)
Gibby's Garments (Pty) Ltd (S)
Goldfish Knitting Mills (S)
Gothic Clothing Co (Pty) Ltd (S)
Emaillit Proporite Cape (Pty) Ltd (S)
Champion Clothing Manufacturers (Pty) Ltd (S)
Detsave Chemicals (Pty) Ltd (S)
Raytron Enterprises (S)
SA Litho Co Ltd (L)
Miles Laboratories (Pty) Ltd (S)
H K Manufacturing Co (Pty) Ltd (S)
Roemer Grinding Works * (S)
Trans Hex Engineering Services (Pty) Ltd (S)
National Screenprint (Pty) Ltd (S)
PTI Air Conditioning & Engineering Co (Pty) Ltd (S)
Woodlyte Joinery * (S)
Ready Doe (Pty) Ltd (S)
General Packaging Manufacturers (Pty) Ltd (S)
Cooper Craft (Pty) Ltd (S)
Driyz Industries SA (Pty) Ltd (S)
M Rabie & Sons (Pty) Ltd (S)
Rain-O-Mac Manufacturers (Pty) Ltd (S)
Rudco Outerwear (Pty) Ltd (S)
Amalgamated Laundries Ltd (S)
Gemstone Surfaces (S)
Kelvin Footwear Manufacturers (Pty) Ltd (S)
Exman Assemblers (Pty) Ltd (S)
Union Easterners Corporation Ltd (S)
John Strebel (Pty) Ltd (S)
Elite Clothing Manufacturers (Pty) Ltd (S)
American Swiss (Pty) Ltd (L)
Narrow Fabrics Manufacturing Co (Pty) Ltd (S)
Trident Plastics (Pty) Ltd (S)
Sebba & Co (S)
Agri-Span Developments (Pty) Ltd (S)
Daroba Gypsum Co (Pty) Ltd (S)
Multiplex Rubber Rollers (Pty) Ltd (S)
Aerofoam Industries (Pty) Ltd (S)
Kempura Remedies (Pty) Ltd (S)
G R Pharmaceuticals (Pty) Ltd (S)
Robert Katz Factory Engineering Co (Pty) Ltd (S)
Industrial Sand & Engineering Co Ltd (S)
Friedman & Rabinowitz (Pty) Ltd (S)
S Rossitor & Co (Pty) Ltd (S)
Splendid Fashions (Pty) Ltd (S)
A G Morris & Co SA (Pty) Ltd (S)
T P T - Saki (Pty) Ltd (S)

Marion Fashions (S)
E M Joinery Manufacturers (Pty) Ltd (S)
Compass Marine (Pty) Ltd (S)
Novo-Pak (Pty) Ltd (S)
Amalgamated Leisure (Pty) Ltd (S)
Dions Models (Pty) Ltd (S)
Alpa-Rose Manufacturing Co (Pty) Ltd * (S)
Alpine Upholstery (Pty) Ltd (S)
Global Chemicals (Pty) Ltd (S)
Warner Smith & Co (Pty) Ltd (S)
Graces Foods Cape (Pty) Ltd (S)
Garday Products (Pty) Ltd (S)
Ideal Conarde Accessories (Pty) Ltd (S)
Huguenot Porcelain (Pty) Ltd (S)
Outeniqua Fishing Co (Pty) Ltd (S)
Kuttelfish SA (Pty) Ltd (S)
Grasso (Pty) Ltd (S)
Paternoster Visserij Bpk (S)
Tabalier Knitwear (S)
Protea Brass Foundry & Engineers (S)
Cape Knitting Co (Pty) Ltd (S)
African Spun Concrete Co (Pty) Ltd (L)
Marianna Press (Pty) Ltd (S)
National Venetian Blinds Cape (Pty) Ltd (S)
Pecks Lingerie Manufacturers Holdings (Pty) Ltd (S)
Forlezer Cape (Pty) Ltd * (L)
Carousel Fashions (Pty) Ltd (S)
Magitec (Pty) Ltd (S)
One Penny Manufacturing Co (S)
G & G Design (Pty) Ltd (S)
Metmak (Pty) Ltd (S)
Cascade Tissue Co (Pty) Ltd (S)
South Atlantic Fisheries (Pty) Ltd (S)
Tru Roll Products (Pty) Ltd (S)
Bennetts Engineering & Sheetmetal Works (Pty) Ltd (S)
Foremec Originals (S)
Thurston & Co Africa (Pty) Ltd * (S)
Caz'mia Clothing * (S)
Plasticwrap (Pty) Ltd (S)
Bally Cape Footwear Co (Pty) Ltd (S)
Twin Distributers (Pty) Ltd (S)
Continental Hosiery Manufacturers (S)
Audosols (Pty) Ltd (S)
Maxwells Engineering (Pty) Ltd (S)
Nomad Catamarans (S)
W Woods Ltd (S)
Vibracrete (Pty) Ltd (S)
Quality Workwear Manufacturers (Pty) Ltd (S)
Cape Western Printing Co (Pty) Ltd (S)
Promex Plastics (Pty) Ltd (S)
Mobilia Furniture (Pty) Ltd (S)
Electrodynamics (Pty) Ltd (S)

Electronic Concepts (Pty) Ltd * (S)
Cape Electric Motor Manufacturers (Pty) Ltd (S)
Columbus Manufacturers Co (Pty) Ltd (S)
Thermotainer * (S)
Harvey Rothschild & Malcolm Grant (Pty) Ltd (S)
Sharian Industries (Pty) Ltd (S)
Novaray Clothing (Pty) Ltd (S)
SA Surface Coatings (S)
Cansa (Pty) Ltd (S)
Hercules Investment (S)
Moreson Visserye (Pty) Ltd (S)
E J Reed & Associates (S)
Bartels Sweet Factory (S)
Frelew Investments Ltd (S)
A Block Timbers (S)
Fashions Distributors (Pty) Ltd (S)
Genkem Cape (Pty) Ltd (S)
Luvit Candles (Pty) Ltd (S)
Burnita Distributors (Pty) Ltd (S)
Dickinson Robinson Group Africa (Pty) Ltd (S)
S Zettler & Sons (S)
Continental Machinery Suppliers (Pty) Ltd (S)
Adventurewear (Pty) Ltd * (S)
Jeune Cycles (Pty) Ltd (S)
The SA Natural History Publication Co (S)
Dec Rollers (Pty) Ltd * (S)
Dezet (Pty) Ltd (S)
Debs Novelties (Pty) Ltd (S)
Lesinga Sales (Pty) Ltd (S)
Southern Machinery Services (Pty) Ltd (S)
Swift Joinery (S)
Compass Construction (Pty) Ltd (S)
Safeguard Fire Security Mamba Div (Pty) Ltd (S)
C M S Pottiswoode (S)
M & S Products (S)
Prebuilt Products (S)
Optic Aids (Pty) Ltd (S)
Riveria Fashions (Pty) Ltd * (L)
Aquaduct CC & La Sea Medic (S)
Glib (Pty) Ltd (S)
Grotto Steel Construction (Pty) Ltd (S)
Vialit (Pty) Ltd (S)
Genaire (Pty) Ltd (S)
Serranda Sales (Pty) Ltd (S)
Style Art CC (S)
Limberlost (Pty) Ltd (S)
Rice International (S)
Head South Trading Co (Pty) Ltd (S)
I'll Score (Pty) Ltd (S)
Betty Strumpman Fashions (S)
Willem Barendsz Ltd (S)
West Point Fishing Corporation (Pty) Ltd (S)

Martex Fashions (Pty) Ltd (S)
RB Technologies * (S)
Cape Kitchens (Pty) Ltd (S)
Universal Scale Co (S)
UFM (Pty) Ltd (S)
Microcom (Pty) Ltd (S)
On the Spot Sharpeners (Pty) Ltd (S)
Creative Fashions (Pty) Ltd (S)
Interfoma (Pty) Ltd (S)
Dimension Inc Cape (Pty) Ltd (S)
GBH Joinery Co (Pty) Ltd (S)
Meccoladder CC * (S)
Tele-Cloth Ragvooks (Pty) Ltd (S)
Seabed Enterprises (Pty) Ltd (S)
Time Electronics (Pty) Ltd (S)
Ton Cup Yachts (Pty) Ltd (S)
AC Witcher (Pty) Ltd (S)
Melia Holdings Cape (Pty) Ltd (S)
Alcape Engineering Works (Pty) Ltd (S)
Stan Roberts (Pty) Ltd * (S)
Allcast Foundry (S)
Bankbern Knitting (Pty) Ltd (S)
Rotasign Manufacturing SA (Pty) Ltd (S)
Wolman & Co (Pty) Ltd * (L)
Roman Marble (Pty) Ltd * (S)

INDIVIDUALS INTERVIEWED FOR THE DELPHI METHOD

Respondent*	Company
Beudeker, F. (Ms)	SAFTO.
Dendale, J.	Langeberg Co-op Ltd.
Frans, H.	Gerber Goldschmidt Group.
Greenblatt, L.	Invertex (Pty) Ltd.
Kaimowitz, J.	Belmor Plastics (Pty) Ltd.
Mazzullo, R.	R.B. Technologies (Pty) Ltd.
Simon, D.	Safmarine Ltd.
Stekhoven, D.	Staybond (Pty) Ltd.
Van Schalkwyk, J.	Dept. Trade and Industry.
Wright, B.	Keaton Wright Trust Co.

* Respondents all indicated that they did not mind being named in this study.

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Business Review
Development Southern Africa
European Journal of Marketing
European Journal of Marketing Research
European Research
Harvard Business Review
Journal of General Management
Journal of Macro Marketing
Journal of Marketing
Journal of Marketing Research
Managerial and Decision Economics
Sales and Marketing Management
Sloan Management Review
South Africa International
South African Journal of Business Management
World Development

Magazines and newspapers:

The Argus
The Cape Times
The Economist
Finance Week
Financial Mail
Finansies en Tegniek
Free Market
Growth
Industrial Management
Management
Marketing Mix
The Natal Mercury
The Pretoria News
The Star
