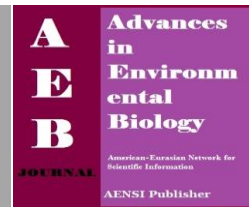




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Export Performance Relationship among Malaysian Exporters

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ABSTRACT

The study aimed at investigating the impact of export performance relationship among Malaysian exporters on the performance of exporting companies in Malaysia through the mediating influence of marketing mix adaptation. A questionnaire was used as the instrument of the study and the data collection procedures included self-administered questionnaires and emailed ones. Data collected were analyzed using Statistical Package for Social Sciences (SPSS) for the purposes of descriptive statistics on the demographic characteristics of the subjects and exploratory factor analysis, while Partial Least Square (PLS) was used to determine the interactions between the various constructs for ascertaining the various structured equation models. The findings generated from the present study were then reported and detailed discussion about them was presented in the line of the available literature. The findings revealed that some of the export performance countries have a significant impact on the marketing mix adaptation strategies while others seem not to have this significant impact. The study concluded with some recommendations that can be of a great use to the Malaysian exporting firms while making decisions about their exporting activities.

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INTRODUCTION

Over the last few years, the world has witnessed an increase in the total number of firms located in emerging economies and global markets, in countries like Brazil, China, India, and other East Asian countries, growing from just under 3,000 firms to more than 13,000 firms currently [30].

This phenomenon stems from a comprehensive internationalization of these firms. In 2008, emerging economies contributed 38% of world merchandise exports [33]. These emerging countries, comprising the biggest and fastest growing economies, are helping to stabilize the world economy, as a result of their dynamism and openness. For the Asian region, the contributions to world trade have been phenomenal, with a GDP expansion exceeding 6% in 2007, as opposed to other regions, such as Latin America (3.7%) and Africa (3%) [31]. A majority of these emerging countries are achieving current account surpluses, thus becoming significant capital providers to the other countries [31].

The success of emerging economies from Asia, in terms of their exports, has ignited great interest to comprehend the international marketing strategies used to enhance export performance in the Asian region [26]. Generally, when firms begin penetrating into a foreign market, the main step towards successful international market penetration, is the correct selection of suitable international marketing strategies to ensure adaptation to products exported [8]. Therefore, globalization throughout the international market is significant for international marketers to understand the extent of adaptation of their products in international markets.

Countries in Southeast Asia, including Malaysia, Thailand, Vietnam, Indonesia and Philippines, are being hailed as the major players in the global market. Their firms are becoming very significant globally, and some of them have been listed as top ranking multinational firms in the world, along with multinational firms from developed countries. It is relevant to note that international trading from the Asian region contributes a total of approximately 56%, which represents over half of the world trade flow [32].

Malaysia is considered as one of those countries in Southeast Asia that has recently undergone rapid economic growth. Malaysia is considered as a model for successful economic development by many organizations, including the World Bank and the International Monetary Fund. Recently, Malaysia is regarded as one of the major trading nations in the world, ranking at seventeenth place. The Malaysian economy is dependent on external trade, and through a series of a five-year development plans, the country has been able to transform itself from a country that just exports rubber and tin, to being the world's largest exporter of palm oil

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products, as well as some other products, such as timber, oil and other manufactured products. A very significant point to note is that the manufacturing sector has replaced the agricultural sector in the top most spot. Today, Malaysia is also a major exporter of semi-conductors, air-conditioners and latex-dipped goods. Malaysia is acutely aware that trade plays a major role in the country's economic development and advancement.

According to Katsikeas *et al.*, [17], export performance is considered to be the outcome of a firm's export activities. Present findings confirm that firm and marketing environmentally linked factors can have a critical effect on the firm's performance [9].

The linkages between global adaptation strategies as well as export performances of varied firms are subject to and, dependent on the accumulated globalization experience. The relation, as it concerns new global firms, is U-shaped, while that of experienced global firms is positive [24]. The process of adaptation hinges on learning though it is not essentially characterized as such. Consistent and sustainable capability for adaptation draws benefits from the grasp of the process, especially in relation to environmental type of diversity. In reality, it is not mandatory that competitive advantages are based on multiple resources. The ability of firms from emerging economies to adapt is probably buttressed by skills in commercial, financial, technological, marketing, and technical, or other fields, or employees' or firms' entrepreneurial competencies [27]. The learning is seen as being capable of giving off competitive advantages to exporting firms. In actuality, it is not the learning that occasions the varied advantages [36]. The advantages stream from any resources that are deployed. The mastery of learning by a firm may not give rise to enhanced fiscal or export performance. Adaptation is premised on the exporting firm's survival and performance core [14].

The components of which an export marketing strategy is established, have been mixed across the literature. Cavusgil and Kirpalani [4] observe that export marketing strategy includes product, promotion, distribution, and marketing capability. Export marketing strategy is related to the traditional marketing plan, such as pricing, promotion, distribution, and product [5]. However, Cooper and Kleinschmidt [11] point out that export marketing strategy refers to the product adaptation policy and market selection. De Luz [12] notes that an export strategy consists of quality control, management motivation, international business training, marketing research, target nations, competitive pricing, standardization of product, and direct distribution. In addition, Koh and Robicheaux [18] observe that export marketing variables are product modification; export pricing compared to the US market, currency, dealer, brand name, and channel strategies. Stewart and McAuley [28] point out that export marketing strategy consists of five aspects: 1) market scope; 2) the degree of product adaptation; 3) the degree of promotional adaptation; 4) the level of support given to the foreign distribution channel; and 5) pricing strategy.

Aaby and Slater [1], who examined 55 empirical studies in the field of export literature from 1978 to 1988, state that export marketing strategy includes market selection, product, pricing, promotion, and distribution strategy. Chetty and Hamilton [7] conclude that export marketing strategy includes market selection, use of intermediaries, product mix, product development, promotion, pricing, and staffing according to a review of 111 empirical studies in the export literature between 1978 and 1991. Zou and Stan [37], who depend upon the review of 50 empirical studies in export literature from 1987 to 1997, show that product adaptation, product strength, promotion adaptation, promotion intensity, price adaptation, competitive pricing, channel relationships, and type of channels form an export marketing strategy.

In the assessment of the suitability of a specific strategy, performance is generally the top most important consideration. However, despite its importance in international marketing strategy, performance has only been given limited empirical attention [16], especially in an MNC context where the results are contradictory and inconclusive. A suitable strategy for a specific firm hinges on the context in which the plan has been implemented [13,19,22]. This is timely evidence for those MNCs located in emerging countries and are struggling for growth, development and success in an age where there is rampant globalization of markets and intense competition worldwide.

In addressing how marketing strategies influence performance, Ang and Massingham [2] argue that the company's decision as whether to standardize or adapt its strategies (product, promotion, distribution, or pricing) is fundamental. This is because such decisions influence the organization's fundamental approach to business and how it will compete in a highly competitive environment. For example, those who support the standardization strategy believe that the world is becoming more and more globalised and homogeneous, taking into account the outcome of the advancements in communication and technology [16]. Consequently, tastes and cultures of consumers around the globe are becoming homogeneous and these consumers now share preferences, needs, desires and demands [15]. Such similarity of preferences, demands, and needs between consumers from different part of the world now make it possible for organizations to produce more standardized products using standardized marketing strategy [36].

Based on the theoretical developments in the light of multidimensional assessment of business performance [21], performance of the company consists of market performance, revealing economic marketing indicators on sales and market share; financial performance, encapsulating the venture's profitability and return on

investment; and customer performance, which is linked to the venture's response to customer needs and pressures in the market.

Malaysia, ranks among the nations in the Pacific Rim, that has gone through rapid development and economic growth; the country is considered as a role model for successful economic development by world bodies such as World Bank and the International Monetary Fund. The growth in Malaysia can be attributed to the state-oriented market economy, whereby the government has a significant role in guiding economic activity plans. The Malaysian economy ranked 3rd in 2007 in Southeast Asia and 29th in the world, measured by purchasing power parity [10]. International trade has a significant role in Malaysian economy and over three decades, Malaysia has undergone a major economic development owing to its outward looking strategies. Similar to first-generation tigers comprising Korea, Taiwan, Singapore and Hong Kong, Malaysia has used the exports propeller of growth and development since the 1970. It is interesting to note that Malaysia's economy even continued to grow after the 1997 economic crisis in an environment of low inflation and rampant unemployment.

Malaysia's development is guided by a series of five-year development plans; the country's economy transformed from being a commodity exporter to manufacturing exporter. Back in the 1970s, Malaysia was well-known as the largest producer of tin, rubber and palm oil at the global level. Recently, manufacturing has largely come into play in the country's economic development and Malaysia has transformed from import substitution to a liberal outward-oriented trade regime [25]. Manufacturing accounts for 79% of the total export earnings and nearly 29% of Malaysia's Gross Domestic Product (GDP) [6]. Additionally, this particular sector replaced agriculture as the top sector contributing to the economy, playing a decisive role in Malaysia's development and success. It has contributed to the output, employment and exports. The export sector has been recently in the forefront in the transformation of the Malaysian economy and has made the country a significant world exporter of semi-conductors, air-conditioners and latex-dipped goods. Owing to the positive signs of solid economic revival stemming from the major economies of the world, Malaysia's imports-exports is expected to grow even further. Other elements that contribute to the growing economy are: the improvement in business, the sentiments of the residents, domestic demand particularly in private consumption and the increase in investments led by the private sector.

Several government agencies in several ministries facilitate Malaysia's exporting activities. These government agencies are MATRADE – Malaysia Trade Development Corporation, MITI – Ministry of International Trade and Industry, SIRIM – Standards and Industrial Research Institute of Malaysia, FMM – Federation of Malaysian Manufacturers, CCI – Chamber of Commerce and Industry, SMI – Small and Medium Industries, SMIDEC - Small and Medium Industries Development Corporation. The total number of Malaysian exporting companies that appeared in these agencies is nearly 3000 exporting firms.

MATERIALS AND METHOD

Based on the previous research and the antecedent factors influencing the degree of adaptation of firms, the following figure (Figure 1) shows the framework upon which the study is grounded. This framework is grounded on previous research studies that have been conducted in the field of marketing mix [23]. Park [23] argues that the degree of marketing adaptation is a function of a group of firm factors (e.g., international experience), industry factors (e.g., technology intensity, level of competition), and export market factors (e.g., government regulation, cultural differences, economic differences, physical conditions, and marketing infrastructure). It also suggests that the degree of overall marketing strategy adaptation is influenced by the many internal (firm and product factors) and external (industry and export market factors) factors.

The unique characteristics of the suggested framework is that it includes not only the most important factors that decide the degree of adaptation/standardization of marketing mix but also deletes the findings of the extant literature in a non-Western context (i.e., Malaysia). The present research is similar to one conducted by Park (2006) in the sense that most of the factors that were used on Park's study were adopted for the current research. Specifically, the factors that have been adopted to influence the marketing mix in the present research include international experience, technology intensity, competition level, government regulation, cultural differences, economic differences, country image, physical condition, and marketing infrastructure.

Thus, based on these previous studies and Park's [23] study in particular, the framework designed for the present study is grounded. The following figure (1) represents the framework of the current research.

It can be seen from the framework figure above (Figure 1) that it consists of three main variables, namely independent variables, mediating variable and finally the dependent variable. Here, the antecedent factors of international experience, technology intensity, competition level, government regulation, cultural differences, economic differences, country image, physical condition, and marketing infrastructure make up the independent variables. On the other hand, the four adaptation strategies of promotion adaptation, product adaptation, distribution adaptation and price adaptation (Marketing Mix) make up the mediating variables. Finally export performance makes up the dependent variable. In the present study, an attempt is first made to examine the

relationship between the antecedent factors (independent variables) and marketing mix (mediating variable). After that, the relationship between the marketing mix (mediating variable) and export performance (dependent variable) will be investigated. These two links have been explored in the literature by a number of researchers [29]. The present research takes a step further by examining a third link, namely the link between the antecedent factors (independent variables) and export performance (dependent variable) through the mediating influence of marketing mix (mediating variable). This link has not been explored in the literature particularly in an emerging country context. To the best knowledge of the researcher, this link has been investigated once in the literature by Park [23] but in Park's study, the impact on the antecedent factors on export performance has been examined through the mediating influence of marketing mix individually where the mediating impact of each of the four adaptation strategies has been examined separately. In this study, however, the mediating impact of the adaptation mix as a whole will be examined.

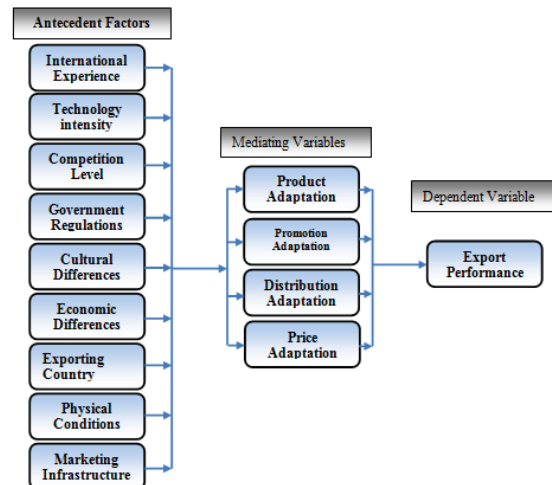


Fig. 1: The Framework of the Study.

2.1 Variables and Construct:

The present study involves several variables, namely independent variables, dependent variable and mediating variables. As mentioned in the previous chapter, independent variables include the antecedent factors previously mentioned.

2.1.1 Independent Variables:

Independent variables are those variables which are assumed to influence or determine the dependent variable. It is a variable whose value helps pinpoint the value of other variables. It is a variable whose value represents the determination of the modification of the dependent variable. In the present study, the antecedent factors represent the independent variables as the researcher presumed them to influence the dependent variable.

2.1.2 Dependent Variable:

A dependent variable is the variable measured in the experiment which is being influenced. Normally, the dependent variable reacts to the independent variable, in that it is generally called dependent due to its dependency on the latter. In the present study, export performance is considered as dependent variable whereby it is affected by the independent variables comprising antecedent factors, keeping in mind that the effect is done through the mediating variables.

2.1.3 Mediating Variable:

The mediating variables in the present study act as a bridge between the independent variables comprising the factors that were stated earlier and the dependent variable of export performance. In the present study, the mediating variables comprise the strategies of adaptation (marketing mix) that are adopted by the Malaysian export organizations.

3. Results:

3.1 Export Product:

In the present study, 52 different types of products were reported. Table 1 lists the export products by organizations, comprising the total number of 52 types of products.

Table 1: List of Export Products by Malaysian exporting organizations.

No.	Organization's Export Products	No. of Respondents	Percentage (%)
1	Beverage	10	2.5%
2	Local fruits	8	2%
3	Bird's Nest	4	1%
4	Tyres	10	2.5%
5	Palm oil	16	4%
6	Petroleum	6	1.5%
7	Woodbed	2	0.5%
8	Office furniture	2	0.5%
9	Timber	6	1.5%
10	Gloves	6	1.5%
11	Pepper	12	3%
12	Textiles	10	2.5%
13	Computer parts	2	0.5%
14	Plywood	8	2%
15	Electrical	4	1%
16	Electronic	4	1%
17	Rattan	4	1%
18	Cocoa	6	1.5%
19	Pineapple	4	1%
20	Coconut	4	1%
21	Rubber	2	0.5%
22	Air conditioners	10	2.5%
23	Fish – koi	8	2%
24	Fertilizer	12	3%
25	Seafood	6	1.5%
26	Halal food	4	1%
27	Organic food	2	0.5%
28	Oil	12	3%
29	Gas	10	2.5%
30	Tin	8	2%
31	Gold	10	2.5%
32	Silver	8	2%
33	Glass	8	2%
34	Rice	10	2.5%
35	Tea	12	3%
36	Condoms	12	3%
37	Alarm systems	12	3%
38	Books	14	3.5%
39	Plastic	10	2.5%
40	Herbs	14	3.5%
41	Toys	10	2.5%
42	Aluminum	8	2%
43	Bamboo	2	0.5%
44	Home appliances	2	0.5%
45	Computers	10	2.5%
46	Chemicals	10	2.5%
47	Clothes	2	0.5%
48	Clay	12	3%
49	Battery	12	3%
50	Boats	14	3.5%
51	Curry powder	4	1%
52	Tiger prawns	3	0.5%
	Total	401	100%

As can be seen in the above Table, 52 different items appear to be the main products being exported to different countries around the world. The name of the product is written in the first row followed by the number of respondents and the final row represents the percentage of the products. The following Figure 2 shows the products that are being exported by the Malaysian exporting firms.

3.2 Export Country:

In the present study, sixteen countries were reported as export destinations targeted by the Malaysian export organizations. Table 2 is a list of the export countries targeted by Malaysian export organizations:

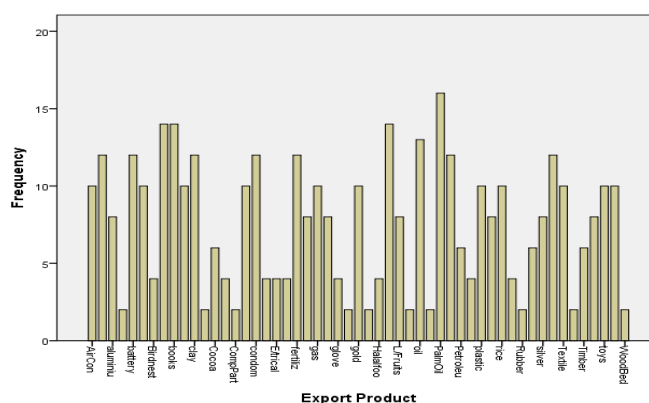


Fig. 2: Export products.

Table 2: List of Export Countries Targeted by Malaysian Exporting Organizations.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Korea	18	4.5	4.5	4.5
	Vietnam	12	3.0	3.0	7.5
	Sri Lanka	2	.5	.5	8.0
	Laos	14	3.5	3.5	11.5
	Thailand	26	6.5	6.5	18.0
	USA	45	11.2	11.2	29.2
	Taiwan	12	3.0	3.0	32.2
	Philippine	23	5.7	5.7	37.9
	Singapore	37	9.2	9.2	47.1
	China	40	10.0	10.0	57.1
	Australia	32	8.0	8.0	65.1
	England	35	8.7	8.7	73.8
	Indonesia	26	6.5	6.5	80.3
	India	20	5.0	5.0	85.3
	Hong Kong	17	4.2	4.2	89.5
	Japan	29	7.2	7.2	96.8
	Myanmar	13	3.2	3.2	100.0
	Total	4011	100.0	100.0	

It can be seen from the table above that U.S.A is the largest export market for Malaysian companies, where the percentage of companies that export to the US was 11.2%, followed by China as a second largest export market for Malaysian companies by 10%. Singapore was the third largest export market for Malaysian companies by a percentage of 9.2%. The lowest percentage was the country of Sri Lanka by a percentage of 0.5%. The following Figure 3 represents the countries being exported to by the Malaysian companies.

To elaborate more on the export countries, five main categories were adopted in the present study. Firms that export to 1-2 countries were classified in one group, 3-4 countries into another group, and groups for 5-6 countries, 7-8 countries, and finally, more than 9 countries. The Table 3 shows the number of countries that the companies export to according to groups.

Table 3: The number of Countries Companies Export to.

Number of Countries	Frequency	Percent
1-2 country/ies	29	7.2
3-4 countries	8	2.0
5-6 countries	19	4.7
7-8 countries	34	8.5
9 and more countries	311	77.6
Total	401	100.0

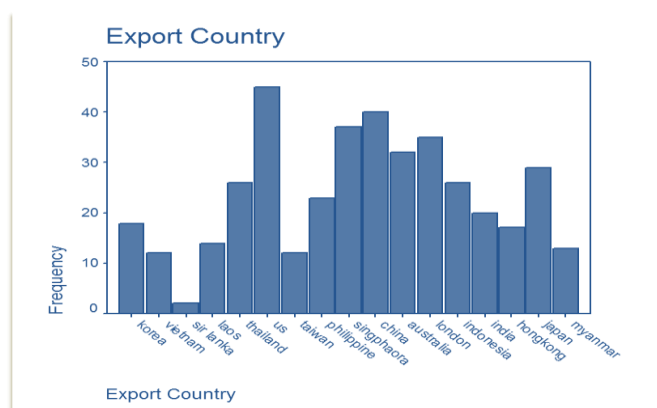


Fig. 3: Export country.

From Table 3, it can be seen that 29 companies out of the 401 sample companies export to 1-2 countries, eight companies out of the 401 sample companies export to 3-4 countries, 19 companies out of the 401 sample companies export to 5-6 countries, 34 companies out of the 401 sample companies export to 7-8 countries, and finally, majority of the companies (311 companies) export to more than 9 countries. The following Figure 4 shows the number of countries that are being exported to by the Malaysian export companies, by group of companies.

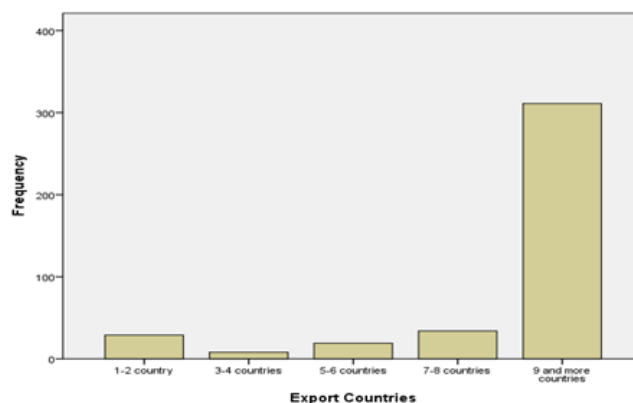


Fig. 4: Export countries.

3.3 Export Experience:

In the present study, the organizations' experience in exporting activities ranged from one to over 20 years of experience. Five main categories of ranges were adopted in the present study. Firms that had 1-4 years of experience were classified in one group, 5-9 years in another group, 10-14 years in another group and 15-19 years in another group. Finally, firms that had more than 20 years of experience were classified in another group. Table 4 represents range of experiences in exporting activities that Malaysian companies have.

Table 4: Export Experience.

Range	Frequency	Percent
1-4 years	27	6.7
5-9 years	14	3.5
10-14 years	15	3.7
15-19 years	34	8.5
20 years and more	311	77.6
Total	401	100.0

In Table 4, it can be seen that 27 companies out of the 401 sample companies had an export experience of 1-4 years, 14 companies out of the 401 sample companies had an export experience of 5-9 years, 15 companies out of the 401 sample companies had an export experience of 10-14 years, and 34 companies out of the 401 sample companies had an export experience of 15-19 years. Finally, majority of the companies (311 companies) had an export experience of over than 20 years. The following Figure 5 shows the export experience of Malaysian companies.

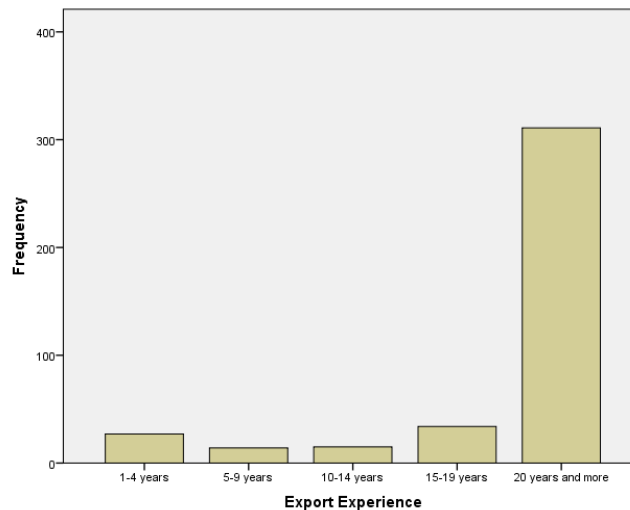


Fig. 5: Export experience.

3.4 Results of Structural Model:

The structural model results are illustrated in Figure 6. The confirmation results of the proposed hypotheses are as follows:

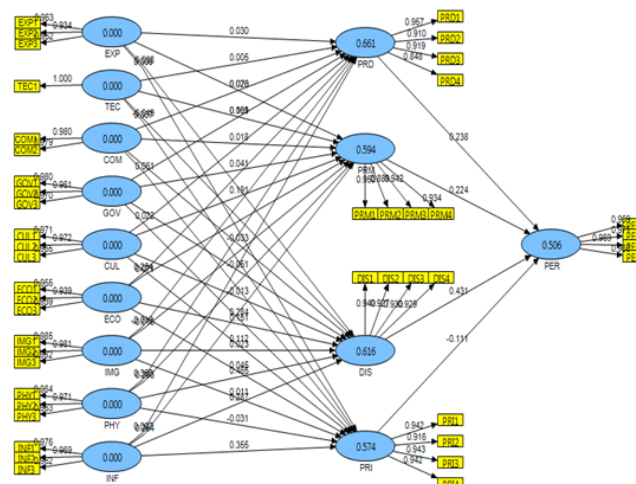


Fig. 6: Structural Model.

4. Discussions:

Table 5 outlines the direct link between the antecedent factors and the marketing mix adaptation. In other words, this Table outlines the impact of international experience, technology intensity, competition level, government regulation, cultural differences, economic differences, country image, physical conditions, and marketing infrastructure on the marketing mix adaptation that is represented by product adaptation, promotion adaptation, distribution adaptation and pricing adaptation.

It can be seen from the Table above that some antecedent factors were found to have significant effect on marketing mix adaptation strategies. On the other hand, some other antecedent factors were not found to have a significant impact on the marketing mix adaptation strategies. The following section provides a detailed discussion about these findings.

4.1 Impact of Export Performance of Malaysian Export Companies:

Another objective of the present study was to investigate the impact of the antecedent factors on the export performance of Malaysian export companies. It should be kept in mind that this investigation was done through the mediating impact of the marketing mix adaptation strategies. The following Table 6 shows the impact of antecedent factors on the export performance of Malaysian export companies through the mediating influence of marketing mix adaptation.

Table 5: The effect of the antecedent factors on the degree of adaptation of the marketing mix in the Malaysian export companies.

Path	Effect	Path Coefficient	T. Statistics	Result
EXP -> PRD	Direct	0.030	1.393	Not Significant
EXP -> PRM	Direct	0.026	0.920	Not Significant
EXP -> DIS	Direct	0.088	2.769**	Significant
EXP -> PRI	Direct	0.008	0.382	Not Significant
TEC -> PRD	Direct	0.005	0.083	Not Significant
TEC -> PRM	Direct	0.001	0.023	Not Significant
TEC -> DIS	Direct	-0.049	0.638	Not Significant
TEC -> PRI	Direct	0.007	0.103	Not Significant
COM -> PRD	Direct	0.070	0.828	Not Significant
COM -> PRM	Direct	0.018	0.328	Not Significant
COM -> DIS	Direct	-0.033	0.448	Not Significant
COM -> PRI	Direct	0.061	0.916	Not Significant
GOV -> PRD	Direct	0.169	2.263*	Significant
GOV -> PRM	Direct	0.041	0.645	Not Significant
GOV -> DIS	Direct	-0.051	0.716	Not Significant
GOV -> PRI	Direct	0.284	3.499***	Significant
CUL -> PRD	Direct	0.022	0.339	Not Significant
CUL -> PRM	Direct	0.191	2.246*	Significant
CUL -> DIS	Direct	-0.013	0.193	Not Significant
CUL -> PRI	Direct	0.112	1.120	Not Significant
ECO -> PRD	Direct	0.254	2.791**	Significant
ECO -> PRM	Direct	0.071	0.569	Not Significant
ECO -> DIS	Direct	0.151	1.631	Not Significant
ECO -> PRI	Direct	0.045	0.619	Not Significant
IMG -> PRD	Direct	-0.010	0.137	Not Significant
IMG -> PRM	Direct	-0.017	0.210	Not Significant
IMG -> DIS	Direct	0.023	0.393	Not Significant
IMG -> PRI	Direct	0.011	0.137	Not Significant
PHY -> PRD	Direct	0.358	3.879***	Significant
PHY -> PRM	Direct	0.284	3.457***	Significant
PHY -> DIS	Direct	0.465	4.672***	Significant
PHY -> PRI	Direct	-0.031	0.488	Not Significant
INF -> PRD	Direct	0.007	0.106	Not Significant
INF -> PRM	Direct	0.254	3.943***	Significant
INF -> DIS	Direct	0.287	3.798***	Significant
INF -> PRI	Direct	0.355	3.983***	Significant

Table 6: The impact of antecedent factors on the performance of Malaysian export companies through the mediating influence of marketing mix adaptation

Path	Effect	Path Coefficient	T. Statistics	Result
EXP -> PER	Indirect	0.050	2.598**	Significant
TEC -> PER	Indirect	-0.021	0.488	Not Significant
COM -> PER	Indirect	-0.001	0.014	Not Significant
GOV -> PER	Indirect	-0.004	0.101	Not Significant
CUL -> PER	Indirect	0.030	0.756	Not Significant
ECO -> PER	Indirect	0.137	2.421*	Significant
IMG -> PER	Indirect	0.002	0.072	Not Significant
PHY -> PER	Indirect	0.353	5.236***	Significant
INF -> PER	Indirect	0.143	2.790**	Significant

4.1.1 Impact of International Experience on the Performance of Malaysian Export Companies:

The result of this hypothesis was reported to be significant. International experience of the firms was measured by the number of years that a company has been in operation. This experience gives firms an extra advantage as they understand the market conditions and other factors. From the results obtained, it was found that international experience affected the performance of Malaysian companies. Based on the results, it was found that experience plays a significant role in the identification of new distribution channels that would lead to increased profitability and performance of the firm. Through experience, exporting firms are able to know the right channels for distributing their products and this increases sales and profits. Greater experience in the export market *also* makes the firm aware of the customer's wants and needs as well as the market forces and competition. This makes export companies change/modify their products to suit the needs of the export market which may differ from Malaysia. Therefore, international experience of a firm plays an imperative role in promoting the performance of the exporting firms.

4.1.2 Impact of Technology Intensity on the Performance of Malaysian Export Companies:

The finding of this hypothesis was found to be not significant. Technology intensity or the level of technology between the firms in Malaysia and the foreign firms was investigated and the results indicated that

technology intensity did not affect the performance of the Malaysian companies. This could be due to the minor technological differences that exist between Malaysia and the foreign countries that they export to. Also, standardization of products results in production of uniform products and this meant that technological changes did not give the exporters advantages over their rivals. However, in other situations, technology levels improve the performance of firms in the export industry. Improved technology promotes the production of superior products that satisfy the consumers' wants and this may promote company performance in the international market. The use of innovations and technology in management and distribution channels will lower the product costs, and this in turn can lead to increased performance.

4.1.3 Impact of Competition Level on the Performance of Malaysian Export Companies:

The result of this hypothesis was reported to be not significant. The competition level of foreign markets as compared to the Malaysian market was found to have no impact on the performance of the export market. This could be due to the fact that the competition levels in Malaysia may be similar to the exporting countries, and also the fact that most exporters rely on agents and other independent sellers. However, in markets with very high competition as opposed to the exporting country, the marketing mix must be adjusted so that the products can compete with other products.

4.1.4 Impact of Government Regulations on the Performance of Malaysian Export Companies:

The result of this hypothesis was found to be not significant. Government regulations play an imperative role in regulating the performance of the multinational companies. Government levels of quality, taxation laws and other policies must be strictly followed. In the case of Malaysia, foreign government regulations do not significantly affect the performance of the exporters, and hence, this factor is considered trivial. This is due to the fact that most of the foreign import countries' regulations are nearly the same as those of Malaysia and this means that exporters do not have to adapt. Even though government regulations were found to have limited impacts on the performance of the exporting companies, these regulations were found to cause changes in the pricing strategy as well as the product strategy. Various researchers indicate that the legal and regulatory framework has considerable impacts on the performance of a firm at the international level. Governments may choose specific suppliers or impose exchange controls and these have direct impact on the price of the product. Exporters must adapt new marketing mix strategies in order to compete with the other firms (Yan and Gray, 1994).

4.1.5 Impact of Cultural Differences on the Performance of Malaysian Export Companies:

The result of this hypothesis was found to be not significant. Cultural differences between the exporting and importing nations play an imperative role in the determination of the performance of an exporting country. The culture, beliefs and values that people have, control their purchasing patterns. Products designated for export must be packaged and presented in a form that is culturally accepted by the local people. When there is a big cultural difference between the export and import nations, the marketing mix elements must be altered and those of the foreign nation adapted. In the case of Malaysian exporters, cultural differences between the country and the foreign nations seem small, and hence the cultural differences have no impact on the performance of the exporting companies. Since Malaysian companies rely on agents and independent distributors, they do not have to adapt or change their marketing mix as the final branding is done locally by companies in the foreign country.

4.1.6 Impact of Economic Differences on the Performance of Malaysian Export Companies:

The result of this hypothesis was found to be significant. Economic differences or economic distances between the exporting and importing nations have great impact on the performance of international organizations. A wide economic difference means that the two countries will have wide gap and this affects the exchange rate and prices. For example, when a developed nation sells products to a developing nation, the exchange rate may be so high that the price of the product would rise when currency conversion is done. The final price may be too high for the consumer. In the case of Malaysia, economic differences were found to have significant impacts on the willingness of the firm to adapt and the performance of the exporting company. Economic differences between the nations would trigger changes in product strategy, but all the other factors would remain unchanged.

4.1.7 Impact of Country Image on the Performance of Malaysian Export Companies:

The finding of this hypothesis was reported to be not significant. The impact of country image affects the performance of international organizations in the world. For example, products from the UK and Germany are regarded as being of high quality and durable. This would affect the final price. In the study, the impact of country image on Malaysian export companies was found to have no significant impact on the performance of the companies and did not mediate in the adaptation of any marketing mix elements. This was caused by the fact that most of the importing nations have a positive attitude towards Malaysia. Also, due to the reliance on agents and other distributors, the perception that products come from Malaysia is not very high in the foreign market.

For example, a company in Malaysia can identify a suitable agent with good reputation in the foreign nation, and this can boost the sales and profits. This means that the country image may be suppressed in some cases.

4.1.8 Impact of Physical Conditions on the Performance of Malaysian Export Companies:

The result of this hypothesis was found to be significant. The physical conditions of a given nation affect the performance of international companies. Physical conditions may increase or reduce the distribution costs and may also delay the delivery of products. In the case of Malaysia, the study indicated that physical condition differences between Malaysia and the importing nations affected the export performance by mediating in the adaptation of the foreign country's product strategy, promotion strategy and the distribution strategy. Changes in the physical conditions, such as climate differences between the exporting and importing nations, would have resulted in the need to repackage materials so as to withstand these changes. Promotional strategies had to be adapted as there were significant changes in structures and buildings and other aspects that the citizens of the foreign country adore or favour.

4.1.9 Impact of Marketing Infrastructure on the Performance of Malaysian Export Companies:

The result of this hypothesis was found to be significant. Marketing infrastructure differences between Malaysia and other foreign nations affect the performance of the export companies. For the companies to be successful, adequate marketing must be done through the appropriate channels so as to create awareness. Changes in the marketing strategies and structures in the foreign country are likely to trigger changes in the marketing mix adapted by the exporting companies in Malaysia. The results indicated that there is a relationship between the marketing infrastructure and export performance. The main marketing mix factors that mediate the effect that marketing infrastructure has on export performance, are promotional strategies, distribution strategies and pricing strategy. Changes in promotion strategies are likely to occur if the foreign country has different marketing infrastructure and methods. The export companies must change their strategies so that it is in line with the importing nation. Also, the pricing strategy must be changed so as to reflect on the importing nations pricing. For example, if people in the foreign nation prefer to buy electronics via hire purchase instead of paying cash, the exporting companies must adjust their pricing so as to adapt to this new payment technique.

4.2 The Impact of Marketing Mix on the Export Performance of Malaysian Export Companies:

One of the objectives of the present research was to examine the influence of the marketing mix adaptation strategies on the export performance of the Malaysian export companies. Table 7 outlines the findings of the study regarding the direct link between the marketing mix adaptation strategies and the export performance of Malaysian export companies.

Table 7: The impact of marketing mix adaptation on the export performance of Malaysian export companies.

Path	Effect	Path Coefficient	T. Statistics	Result
PRD -> PER	Direct	0.238	3.172**	Significant
PRM -> PER	Direct	0.224	2.971**	Significant
DIS -> PER	Direct	0.431	5.583***	Significant
PRI -> PER	Direct	-0.111	1.937	Not Significant

As can be seen in the table above, some of these links were found to be significant while others were found to be insignificant. Specifically, the direct link between the first three marketing mix strategies, namely product adaptation, promotion adaptation, and distribution adaption were found to have a significant impact on the export performance of Malaysian export companies. On the other hand, the marketing mix strategy of pricing was not found to have a significant impact on the export performance of Malaysian export companies. The following section discusses these findings.

4.2.1 Effect of Product Strategy on the Performance of the Malaysian Export Companies:

The result of this hypothesis was found to be significant. Product strategy is one of the most influential parts of the marketing mix elements. In a competitive environment, products must be differentiated from those of the competitors so as to ensure they gain competitive advantages, which also leads to branding. When products are adequately differentiated as the best quality, low priced and superior, customers will tend to buy them and this creates brand loyalty among the consumers. Product strategy is one of the key elements that affect the performance of Malaysian export companies. When products are well branded, packaged and other strategies used, the performance of the company will be enhanced. In this study, the performance of Malaysian companies was affected by the product strategy. Changes in the product strategy can be used to counter other effects and increase the performance of the company. Previous studies indicate that product strategy affects the performance of companies dealing in international trade. Research shows that companies' brand, differentiates and innovates so as to counter increased competition at the home and foreign markets. In addition to the

product strategy, is product positioning where products are effectively placed so as to compete with others in the market. These modifications include packaging and labeling of the products.

4.2.2 Effect of Promotional Strategy on the Performance of the Malaysian Export Companies:

The result of this hypothesis was found to be significant. Promotional strategy is one of the major marketing mixes that affect the performance of firms in the export market. Studies indicate that firms need to formulate appropriate strategies so as to gain entry into the foreign market, and also to compete with the other firms in the foreign market. Firms in the foreign market dealing with the same product as the exporter have an upper hand, and hence the exporter must develop good promotional strategies to counter the effects of the competitors. In this research, it was seen that promotional strategy significantly affected the performance of the export companies. The choice of the promotional strategy depends on the differences that exist between the exporting nations and the importing nation. Exporting firms may decide to use standard promotion methods or adopt the styles that target the local consumers. The most limiting factor to adoption of varying promotion strategies at the target market is the promotional costs involved. Adaptation results in increase in marketing costs and this can only be managed by large firms who have enough human and material resources to cater for the increased costs.

4.2.3 Effect of Distribution Strategy on the Performance of the Malaysian Export Companies:

The result of this hypothesis was found to be significant. Another great impact on the performance of the exporting company was the distribution strategy used. The distribution method affects the efficiency of product delivery and the final pricing of the product. The use of appropriate distribution channels ensures products reach on time and at the right place. In this study, it was found that the distribution channels had a great impact on the export market. It was also found out that selection of the appropriate distribution channels was determined by the experience that the exporter had in the market [3]. It is therefore prudent that Malaysian exporters adopt the promotional strategies used by the foreign nations. The results obtained are consistent with the finding in various studies that show that selection and proper management of the right distribution channels affect the performance of export firms. The results obtained are consistent with the findings by Monica [20] who indicates that the distribution channels affect export performance and should be given a lot of considerations when planning the export market strategies. According to Monica [20], the distribution strategies affect market entry success and must be continually developed overtime to ensure continued improvement of the export business.

4.2.4 Effect of Pricing Strategy on the Performance of the Malaysian Export Companies:

The result of this hypothesis was found to be not significant. Pricing of products also affects the performance of the exporting firms. In this research, the effects of price on the export performance were not significant indicating that it did not affect the performance of Malaysian exporters. The results obtained are in contradiction to various studies that show the changes in pricing strategies can improve the performance of a firm. Managers use different techniques during pricing and they rely on factors, such as international experience, the number of countries that the firm exports to, the physical differences between the home and foreign country, and the economic differences between the trading nations.

Conclusion:

In conclusion, this study entailed a detailed investigation of the antecedent factors that affect the choice of a company on whether to adapt or standardize their marketing mix. This mix comprises product strategy, pricing strategy, promotion strategy and distribution. The researcher sought to determine if differences in the antecedent factors between Malaysia and the importing country would make exporters adapt the marketing mix strategies of the foreign country. The study showed that the major factors that trigger adaptation were international experience, marketing infrastructure and the physical conditions. The findings of the study provided some guidelines for exporters in general and Malaysian exporters in particular about the influential factors that affect marketing strategies and in turn export performance.

In the present study, the earlier two streams were examined, but more importantly, a third stream was added which is the relationship between the antecedent factors and the export performance through the mediating influence of marketing mix adaptation strategies. Most of the previous work examined the influence of the antecedent factors on the marketing mix strategies individually.

The findings of the study showed that some marketing mix strategies do influence the relationship between the antecedent factors and export performance. Keeping in mind that this kind of link has not been thoroughly investigated in the literature, it would be highly useful for researchers to consider investigating the mediating impact of marketing mix adaptation strategies on the relationship between the antecedent factors and export performance.

This study showed that most of the marketing mix elements affected the performance of the exporting companies. From the findings, it is important to note that not all the marketing mix elements affect the performance of a company at the international level. There is therefore the need to study the market and make a

correct analysis. The results also indicated that adaptations are due to differences, such as culture, competition, physical conditions, marketing infrastructure, and technology intensity, which differ from one country to another.

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