

The Survey of Effective Factors in Sustainable Exporting of Export Manufacturing Enterprises

Shahram Mirzaei Daryani*, Farzad Sattari Ardabili and Bhaman shareghi

Department of Management, Ardabil Branch, Islamic Azad University, Ardabil, Iran

*Corresponding Author: Shahram Mirzaei Daryani, E-mail: Shahram.daryani@yahoo.com

Abstract: The main objective of this paper is to help development of exports of Ardabil province in Iran through identifying effective factors in sustainable exporting of export manufacturing enterprises province and presenting empowerment solutions for it. so this paper is applied research in terms of objective, and descriptive in terms of method, and for method of study porter's comprehensive model which believes that the interaction of three important factors named government, market and enterprises lead to sustainable exporting and global competitiveness, has been used. Data for this study were collected by questionnaire and interview. The questionnaire was in three parts, first part relates to the characteristics of export manufacturing enterprises, second part evaluates effective factors of exporting of enterprises, and the third part of the questionnaire is dedicated to evaluate internal effective factors of exporters (strategies and operations of enterprises), to evaluate these barriers, 40 questions in five spectral Likert scale have been designed. To test designed questionnaire reliability, the views of experts and university professors in the field of research subject have been used, and for questionnaire validity testing, Cronbach's alpha have been used. Collected data from the population, have been analyzed by descriptive and inferential statistical techniques. Research findings indicated that the most important factor influencing the failure of enterprises to export activities is government, according to theoretical basis, by legislation and regulation, developing the right strategies for exporting and creating conditions for easy trading, plays an essential role in the development of export.

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Introduction

Since the 1970s, industrialization has played an important role in the development of the Iran economy, both small and medium scale industries have been valued because of their participation in every aspect of the financial system. In addition, their input on regional development, effect on unemployment, flexibility in the field of manufacturing, and mobilization of untapped capital make them necessary for continued growth.

These companies show remarkable stability and skill while navigating through political, economic and social structure. They maintain positive responses to advancing technologies and economic fluctuations. According to reporting Ardabil industries office, majority export production companies are of small and medium-sized enterprises. Small - and medium-size enterprises in Iran are defined as companies with fewer than 200 employees. These companies represent 90 percent of manufacturing industries, 80.3 percent of total employees and have value add of high. On based activity these companies have entirely change volume and composition of the Ardabil trade. The export volume index show that export trend has grown continually and Europe, shine and some countries Asia are the most important market for Ardabil products. In spite of this growth there are the export barriers versus these enterprises.

The percent article, therefore attempts examine empirically effective factors in sustainable exporting of these companies.

Literature review and background

In today's changing and competitive world sustainable export is one of the most major challenges that requires the cooperation and coordination of wide range of components and sub-systems. Strategic management theories believe that, sustainable export achieving depends on the interaction of three elements: a) the government, as the responsible of major infrastructure, b) appropriate business environment, c) operations and strategies of enterprises. Government as a major force, has always been effective in competitiveness, and with intermediating in various political, economic and social affairs and enforcing rules, has a positive and even a negative effect on the competitiveness. Monetary, financial and trading policies, tax legislations, supportive policies, organizational and administrative policies, rules concerning imports and exports, exchange rate, money and interest rates, inflation, government spending and other decisions at the micro and macro economics, formal and informal political agreements, the establishment or development of commercial or political relations and or cutting-off trade and economic relations with other countries, are the most significant factors influencing the competitiveness of enterprises, industries and countries, that are associated directly with governments. On the other hand, enterprises with their capabilities enhancing and appropriate strategies adoption, provide competitive products worldwide and play an important role in the sustained presence in world markets. Finally, market appropriate conditions, including internal market demand conditions, appropriate

production factors supply conditions and related to and supportive activities as movers have undeniable role in the success of enterprises in foreign markets. In this study, the role of each of the three components have been studied and Ardabil province export enterprises requirements for sustainable presence in the global markets have been extracted. Global markets have open their gates to the free flow of goods and services, investment and other economic activities and obstacles in the past in the way of worldwide trading have been taken and with developing means of communication, the effect of time and distance on trade has been reduced. Extensive developments in various fields, dramatically changed the nature of economic activity and market is in such conditions which is very susceptible to any trading activity. However, utilization of this ready space for international trade requires export enterprises capabilities development, so that they understand the requirements of the new situation, know their weaknesses and try to repair and strengthen them, accordingly several standards have been developed to ensure the enterprises ability to export and extensive programs are held to enhance the capabilities. Since the beginning of the 80th in developed countries, major programs were designed to develop enterprises capabilities, and one of the important requirements for governments to grant permission to enterprises to enter global markets are their appropriate conditions meeting. However, in our country recent studies indicates that an average of ten Iranian exporters who come to experience exporting, 8 individual aren't able to survive stably in the market (Senobar, 2003, 73) and any program related to its pathology and providing ways for its troubleshooting have not been developed in enterprises level (same, 91). This study intends to use advanced techniques to the pathology of this and with suggesting some solutions for improving the ability of enterprises to export, play a small role in achieving the national critical objectives of export sector. In addition to great benefits such as increased GDP, employment and international competitiveness, supply of foreign exchange, improving level and quality of internal activities, optimal resources allocation and infrastructures strengthening and developing, exports has also additional benefits to enterprises. Exporting by enterprise, increase its productivity index, and simultaneously by getting environmental legitimacy, lead in organizational excellence (Imani Rad, 1999, 39). Enterprises that successfully extend their activities beyond the borders, will learn how to draw consumers' satisfaction. Their accumulated experiences, gives them the ability to survive and will be able to achieve economies of scale in production (porter, 1985, 212). These benefits can be achieved when the enterprise has such preparation that ensure its survival in international markets and protect it against environmental pressures. However, unfortunately, our export statistics in comparison with the volume of global trade is hopelessly low. Total annual non-oil exports of our country is less than sales volume of many top companies in business week magazine list of top thousand companies. It must be said that each pace in order to participate for transformation

of this situation is important. So this study intends to survey effective factors of sustainable exporting of export manufacturing enterprises of Ardabil province for successful participation in global markets and simultaneously will study their obstacles and problems in the field of exporting, and provide them with empowerment solutions. Henderson in 1993 in a study entitled "east Asia's export success factors" has noted some of the most important factors for the success of these countries:

- The role of foreign aids in the early years of the industrial development these countries
 - Direct investment of multinational corporations
 - Existing unique rituals and traditions in this area known as Confucius custom
 - Efficient, semiskilled and inexpensive work force
 - Important role of free market
 - Governments effective policies
- Simon and Thompson (1995) believe the combination of four characteristics of east Asian countries prosperity:
- Free market and trade economy
 - Special conditions of these countries such as appropriate and developed structure and infrastructure, relatively skilled and trained workforce and U.S. And Japan aids to them in the early stages of industrial development
 - Confucian custom that emphasizes hard work, discipline at work, frugality, saving and coordination
 - Strong and effective government economic planning in close cooperation with the private sector

A study by Holdon Saghbil in 1966 on factors affecting the export of cotton yarn and fabric in turkey with the purpose of investigating factors in cotton yarn and textile exports of turkey to the Europe common market. Export effective factors as supply and demand factors have been described. In terms of demand, price, income elasticity, substituting artificial ingredients, quality and import policy Europe economic community has been studied. Domestic capacity and consumption Turkish export policy and the emergence of other suppliers, forms demand aspect of the issue. In yarn case, import policy of Europe common market, low demand elasticity, lack of adequate marketing and increasing the number of suppliers have played an important role in failure of this product exports. Low income elasticity, substitution of artificial elements, relatively low quality, lack of adequate marketing and increasing the number of suppliers are also effective factors in reducing export of cotton fabrics. In yarn export case, import policy of Europe common market and turkey's unsuccessful marketing policy are more important in terms of role and importance. However, the only issue in textiles export is marketing, that there is hope to its settlement in short-term. Another important issue is the quality of exports that at least in the short-term, its settlement is very low. Easterly (1995) also refers some of success factors of the newly industrialized countries of east Asia: high investments in human resources, the enormous costs allocated to public education and high rates of private and external investment. He adds: "it is better the

miracles be achieved through correct policies adoption so that not to be impossible by incorrect policies adoption". Leipziger (1996) also refers some of special characteristics of these countries, considered as most important factors for their success: outward-looking and market-oriented strategy adoption, providing a stable environment with economic stability and high investment in human resource in these country. He also believes that the main factor of their success is government's effective role in export promotion policies guiding. In his view, the governments of these countries have act not only as an alternative but as a supplement of private sector activities. According to another theory, some of the most important factors in the success of the newly industrialized countries of east Asia were the: relatively high rates of domestic and foreign private investment, high-level productivity and specific industrial and economic policies adopted by government for transfer of appropriate technologies, increasing workforce skills and expanding exports.

Outstanding work of Penros (1959) is the landmark study relating to the causes of success (or failure) in foreign markets. In his book entitled "analysis of enterprise biological development" indicated that internal factors especially capabilities, are considerably more effective than external factors and assets in the success. In 1977, queen gave similar result with his studies, and in 1985 porter indicated that the basis of competitive advantage in trade turbulent world lies in the capabilities of enterprises. Recently during an extensive research, Bernard and Wagner (1998) claimed that in addition to factors such as politics, economy, currency, and so on, up to 70% of a causes of success in exporting are enterprises abilities.

Hakan Altintas and et al in 2007 have researched about relationship between export barriers and the peceived export performance of Turkish SMEs. The findings suggest that procedural barriers and competition in foreign markets have the most effective impact on export performance. Both structures have negative effects as expected. In other words, as the procedural and competition barriers decrease, export performance also increases.

Porter's theory of competitive advantage

This theory is synonymous with porter's name because of his extensive attempts, really has a long history and beginning of the studies at this field returns to Harvard school appearance in the late 1950s. In some industrial economics references has mentioned as the theory of industrial development and in some international trade references has mentioned as new or evolutionary theory of international trade. According to this theory, porter believed that for a country's success in international trade it can't rely on revealed comparative advantages but economies should create advantages through identifying its situation and structure and capacity building and with providing global superiority contexts and competitive efficacy conditions, allow economic actors to allocate new areas in global trade to themselves consistent with the guidance of the government. In this view, the role of

production factors in traditional concept will decline and the opportunities which globalization environment provide for enterprises and governments will remove the previous limitations. What is important in porter's view is partial centrality of reforms on economic actors and related institutions (Moradi, 2001). Michael porter sees the success of a company in the international scene due to its competitiveness and believes that sources of competitiveness are divided into four categories of:

- 1- production factors status in terms of factor supplying (human resources, physical resources, capital resources, infrastructure and technical knowledge), the efficient use of these factors, using advance factors such as information technology, skilled workforce, research and development, and etc.
- 2- demand market structure in terms of composition of domestic demand and customers, the size and pattern of growth in domestic demand and market saturation rate, how customers access to global markets and etc.
- 3- status of suppliers and related industries in terms of competitive advantage and efficiency.
- 4- the fourth determinant factor of national competitive advantage in an industry, is the framework in which enterprises are came into existence, are organized and compete with each other in it.

Aim and Questions

Research main objective is to help development of Ardabil province export by identifying effective factors of sustainable exporting of export manufacturing enterprises of Ardabil province and providing them with empowerment solutions. In this regard, the project will pursue the following specific objectives:

- 1- identifying strengths and weaknesses of export manufacturing enterprises (effective internal factors) in the enterprises strategies and operations aspect.
- 2- identifying market conditions and government functions (effective external factors)
- 3- providing export manufacturing enterprises with empowerment solutions in form of exporting step by step guide

Main question:

What are the effective factors of sustainable exporting of export manufacturing enterprises of Ardabil province and empowerment solutions for them?

In direction of main research question, following questions will be answered:

- 1- what are strengths and weaknesses of export manufacturing enterprises (effective internal factors)?
- 2- what are external factors affecting export manufacturing enterprises in market conditions and government functions aspects?
- 3- how to increase the ability of export manufacturing enterprises of province?

Methodology

This research is applied, in terms of its objective and descriptive, in terms of research method, the data has collected by survey and library method and using questionnaire. Research statistical population was the export manufacturing enterprises of Ardabil province.

For analysis of surveying of effective factors of export manufacturing enterprises, porter's comprehensive model which believes that the interaction of three important factors named government, market and enterprises lead to sustainable exporting and global competitiveness, has been used. Data for this study were collected through a researcher-made questionnaire, presently. The questionnaire was in three parts, first part relates to the characteristics of export manufacturing enterprises, including the type of manufacturing unit, date of creation, date of operation, starting in exports, property type and number of employees. Second part evaluates effective factors of exporting of enterprises, to identify these factors, 32 questions were designed. These questions were dedicated to evaluate the effects of inappropriateness of export external factors on the enterprises export performance and these effects have evaluate in five spectral Likert scale as very low, low, somewhat, high and very high. The third part of the questionnaire is dedicated to evaluate internal effective factors of exporters (strategies and operations of enterprises), to evaluate these barriers, 40 questions in five spectral Likert scale have been designed. To test designed questionnaire validity, the views of experts and university professors in the field of research subject have been used, and for questionnaire reliability testing, Cronbach's alpha have been used. Since the Chronbach's alpha value of 0.87 were obtained, it can be stated that the questionnaire has good validity.

Findings

Collected data from the population, have been analyzed by descriptive and inferential statistical techniques. In descriptive statistics central indices such as mean and standard deviation and in inferential statistics, nonparametric sign test to compare the differences of opinion with the mean value (3) and the Friedman test

have been used to rank the export barriers of exporting enterprises. The same number of 42 distributed questionnaires have been collected, about 21 percent of the export manufacturing units of province have less than 5 years exporting experience, 50% with 5 to 10 years experience and about 16 percent have more than 10 years export experience. It indicates that most export units are novice in exporting. In this research the export manufacturing units size criterion, is the number of their employees. Size surveying of export manufacturing units of the province indicates 98 percent of them are small, i.e. Have less than 100 employees and only 2 percent are in average size (between 100 to 1000 employees).

Main question of study is: what are the effective factors of sustainable exporting of export manufacturing enterprises of Ardabil province and empowerment solutions for them? This question is described using descriptive statistics including central tendency measures and dispersion indices of study variables in terms of internal and external factors of enterprise and revolving around three components named government, market and enterprise. Base of exporters' views by earning score with 46.3, government has the greatest effect on enterprises exporting and the other two components of the market, with a score of 43.3, and enterprises with a score of 38.3 are less than that.

Responder's views summation in terms of internal and external enterprise factors indicates that enterprise internal factors with scores of 38.3 compared to enterprise external factors with score of 45.3 is at low rank. In other words, the role of enterprise internal factors is less important than enterprise external factors in export activity. To answer questions in analysis of enterprise external factors, collected data on research main and subsidiary questions has been analyzed.

Analysis of differences of variables relating to government role with mean value

Results of analyses of differences of government role variables with mean value i.e. 3, using sign test are described below.

Table 1: results of analyses of differences of government role variables with mean value

Components	Evaluated variable	Mean	SD	Sign test result					
				Negative	Positive	Equality	Sum	Test statistic	Significance level
Rules and regulations	1- stability of laws and regulations relating to exports	3.87	1.41	6	25	8	39	-3.233	0.001
	2- inclusiveness and exclusiveness of laws and regulations relating to exports	3.62	1.25	9	23	8	40	-2.298	0.022
	3- simplicity and transparency of laws and regulations relating to exports	3.35	1.28	11	21	7	39	-1.591	0.112
	4- flexibility of rules and regulations relating to exports	3.51	1.01	7	22	8	37	-2.6	0.009
	5- coordination of laws and regulations relating to exports with each other	3.53	1.18	6	23	10	39	-2.971	0.003
Developing appropriate export strategy	6- exchange policies (stable exchange rate policy, the real exchange rate, exchange arrangements)	3.57	1.27	6	20	14	40	-2.55	0.011
	7- tax policies (proper taxation system, justice of tax system, affordable rates, payment methods, tax cuts)	3.39	1.15	10	18	10	38	-1.323	0.186
	8- customs and tariff policies (tariff system stability, tariff reinforcements system, administrative processes facilitation)	4.2	5.37	8	21	10	39	-2.228	0.026

	9- credit policies (appropriate system of financing, crediting, ease access to credit, covering and guarantees mechanism, credits interest rate)	3.33	1.05	8	18	13	39	-1.765	0.078
	10- availability of proper strategy and planning of country for export development	3.07	1.24	11	17	12	40	-0.945	0.345
Create conditions to facilitate trade	11- country adherence to global agreements and protocols	3	1.20	15	15	8	38	0.000	1.000
	12- using international standards in exporting	3.23	1.20	13	20	6	39	-1.044	0.296
	13- availability of national centers for trade facilitation	4.31	6.74	14	18	6	38	-0.530	0.596
	14- supporting exporters considerably by information providing	3.32	1.38	12	19	9	40	-1.078	0.281
	15-availability of facilities and incentives in country for export	3.33	1.32	13	16	10	39	-0.371	0.710
	16- holding fairs by government and facilitating participation in abroad fairs	3.10	1.46	14	18	6	38	-0.530	0.596
	17- availability of easy means for controlling and inspection, clearance, licensing, storage facilities and etc	3.41	1.29	9	22	8	39	-2.155	0.031
Other factors associated with the government	18- cooperation of embassies, consulates and commercial belonging of foreign countries with exporters	3.30	1.37	10	18	11	39	-1.323	0.186
	19- development of market economy and free trade by the government	3.34	1.04	10	17	11	38	-1.155	0.248
	20- country accompaniment with regional and global developments	3.44	1.107	7	19	12	38	-2.157	0.031
	21- government investment for the development of export culture	3.35	1.32	8	19	12	39	-1.925	0.054
	22- political- trade relations with most countries and reducing economic sanctions	3.02	1.45	16	14	9	39	-0.183	0.885

Above table data analysis indicates that the significance level for all variables except for the variable number 3, 7, 9, 10, 11, 12, 13, 15 and 16 is less than 0.05. This indicates that it is significant difference with mean value. As can be seen, number of positive signs (differences) in these variables except for variables 15 are more than negative signs. This indicates that most of the evaluators responds are more than mean value i.e. 3. However, the significance level of variables with numbers listed above are more than 0.05 indicating that these variables are evaluated at mean level i.e. Value 3, by evaluators. Also

negative signs of the variable number 15 is equal to positive signs and it is equivalent to mean level evaluation of evaluators. So it could be stated that from the exporters view, the government role variables are effective factors on their exports and are important. In order to prioritize the variables related to the role of government in exporting, Friedman ANOVA test has been used. This test result indicates that there is significant difference between the mean rank of each variable related to the role of government in significance level of $\alpha=0.05$.

Table 2: Friedman test results of government role variables

Number of replies	32
K- square test	35.055
Degree of freedom	21
Significance level	0.028

So the most important variables relating to government role, affecting exports in their priority order are described in the following table.

Table 3: prioritize variables relating to the government role in exporting

Priority	Studied variables	Rank mean
1	Stability of laws and regulations relating to exports	15.5
2	Coordination of laws and regulations relating to exports with each other	12.7
3	Availability of easy means for controlling and inspection, clearance, licensing, storage facilities and etc	12.55
4	Inclusiveness and exclusiveness of laws and regulations relating to exports	12.38
5	Flexibility of rules and regulations relating to exports	12.36
6	Government investment for the development of export culture	12.05
7	Exchange policies (stable exchange rate policy, the real exchange rate, exchange arrangements)	11.86
8	Supporting exporters considerably by information providing	11.69
9	Availability of facilities and incentives in country for export	11.55
10	Country accompaniment with regional and global developments	11.55
11	Tax policies (proper taxation system, justice of tax system, affordable rates, payment methods, tax cuts)	11.5
12	Development of market economy and free trade by the government	11.36
13	Customs and tariff policies (tariff system stability, tariff reinforcements system, administrative processes facilitation)	11.3
14	Using international standards in exporting	11.12
15	Availability of proper strategy and planning of country for export development	1.06
16	Simplicity and transparency of laws and regulations relating to exports	11.00
17	Credit policies (appropriate system of financing, crediting, ease access to credit, covering and guarantees mechanism, credits interest rate)	10.89
18	Holding fairs by government and facilitating participation in abroad fairs	10.80
19	Cooperation of embassies, consulates and commercial belonging of foreign countries with exporters	10.75
20	Availability of national centers for trade facilitation	10.38
21	Political- trade relations with most countries and reducing economic sanctions	9.77
22	Country adherence to global agreements and protocols	8.91

Analysis of differences of variables relating to market appropriate conditions with mean value

Results of analyses of differences of variable relating to market appropriate conditions affecting exports with mean value i.e. 3, using sign test are described below.

Table 4: results of analyses of differences of market appropriate conditions with mean value

Components /evaluated variables	Mean	SD	Sign test result					
			Negative	Positive	Equality	Sum	Test statistic	Significance level
23- availability of appropriate human resources in the country (relatively skilled and educated work force, investment in human resources)	3.52	1.15	6	18	16	40	-	0.023
24- availability of appropriate physical resources in country such as land, water, mineral resources, climate and easy access to them	3.27	1.46	11	22	7	40	-1.741	0.082
25- availability of appropriate technical knowledge in country (availability of high-quality universities, research centers, scientific and trade journals, and information centers and etc)	3.82	0.88	2	24	13	39	-4.118	0.000
26- availability of appropriate infrastructures in the country (information technology, roads, telecommunications, banking and financial systems and etc)	3.57	1.31	7	23	10	40	-2.739	0.006
27- availability of attractive domestic market for products (reasonable price, low number of competitors and high volume customers within the country)	3.20	0.97	8	12	19	39	-	0.503

28- availability of exclusive domestic market for company's products	2.97	1.07	15	10	13	38	-	0.424
29- availability of appropriate transmission systems in the country	3.72	1.01	4	20	13	37	-	0.002
30- availability of strong suppliers of raw materials and machinery in the country	3.63	1.44	10	25	3	38	-2.366	0.018
31- availability of strong related and complementary industries with high capacity in the country	3.43	1.27	9	21	9	39	-2.008	0.045
32- availability of appropriate marketing agencies in the country	3.56	1.37	18	12	12	42	-0.913	0.361

Above table data analysis indicates that variables no. 24, 27, 28 and 32 are significant at $\alpha=0.05$ level and these variables have significant difference with mean value. As seen, in above variables, the positive sign of the variable no. 23, 24, 25, 26, 27, 29, 30 and 31 are more than of their negative signs. Thus, it could be stated that these variables status has evaluated more than mean value i.e. 3, by evaluators. While the effect of variables no. 28 and

32 in export in view of evaluators is lower than mean value (3), since their negative signs are more than positive signs. In order to prioritize the variables relating to market conditions, Friedman ANOVA test has been used. This test result indicates that there is significant difference between the mean rank of each variable relating market conditions in significance level of $\alpha=0.05$.

Table 5: Friedman test results of market appropriate conditions variables

Number of replies	35
K- square test	25.213
Degree of freedom	9
Significance level	0.003

The table indicates the most important variables relating to market conditions in exporting in their priority order.

Table 6: prioritize variables related to market appropriate conditions in exporting

Priority	Studied variables	Rank mean
1	Availability of appropriate technical knowledge in country (availability of high-quality universities, research centers, scientific and trade journals, and information centers and etc)	6.26
2	Availability of appropriate transmission systems in the country	6.19
3	Availability of appropriate marketing agencies in the country	6.16
4	Availability of appropriate human resources in the country (relatively skilled and educated work force, investment in human resources)	5.71
5	Availability of strong suppliers of raw materials and machinery in the country	5.71
6	Availability of appropriate infrastructures in the country (information technology, roads, telecommunications, banking and financial systems and etc)	5.69
7	Availability of appropriate physical resources in country such as land, water, mineral resources, climate and easy access to them	5.34
8	Availability of strong related and complementary industries with high capacity in the country	5.33
9	Availability of exclusive domestic market for company's products	4.47
10	Availability of attractive domestic market for products (reasonable price, low number of competitors and high volume customers within the country)	4.14

Analyses of differences of strategies and operations variables of enterprises with mean value

This table indicates the results of sign test analyses of differences of strategies and operations variables of enterprises in exporting with mean value (3).

Table 7: results of analyses of differences of strategies and operations variables of enterprises with mean value

Components	Evaluated variable	Mean	SD	Sign test result						
				Negative	Positive	Equality	Sum	Test statistic	Significance level	
Identification and analysis of foreign markets	1- studying economic characteristics such as trends relating to economic growth, inflation, interest rates and exchange, customs, finance and credit policies in foreign markets	3.80	1.25	18	12	12	42	-0.913	0.361	
	2- studying legal and political characteristics such as laws and regulations relating to the administrative system, foreign trade, taxation systems and environmental, restrictions on foreign trade, nationalism, property rights, trade unions, international and regional organizations membership	3.09	1.05	12	16	14	42	-0.567	0.571	
	3- studying social and cultural characteristics such as social values and attitudes, lifestyle, work, ethic, family patterns, population pyramid and foreign markets customs	3.21	1.11	10	16	16	42	-0.981	0.327	
	4- identifying competitors and analyzing strengths and weaknesses of them in foreign markets	3.42	1.10	9	22	11	42	-2.155	0.031	
	5- identifying direct customers such as buyers, sales representatives and business centers	3.52	1.06	6	25	11	42	-3.233	0.001	
	6- identifying product final consumer in terms of demographic characteristics	3.33	1.07	9	22	11	42	-2.155	0.031	
	7- identifying external market opportunities and threats	3.16	1.08	8	14	20	42	-	0.286	
	8- identifying market size and its future trends in foreign markets	3.48	1.00	7	19	15	42	-2.157	0.031	
	9- identifying distribution channels in foreign markets	3.16	0.96	10	17	15	42	-1.155	0.248	
	10- identifying current marketing practices in foreign markets	3.33	1.05	6	20	16	42	-2.55	0.011	
Foreign market entry strategies	Product strategy	11- providing such product to fix the problem and external customer needs	3.07	1.23	14	17	10	41	-0.359	0.719
		12- having a unique product specification (competitive advantage)	2.95	1.22	16	14	11	41	-0.183	0.855
		13- appropriateness of product design, shape and color	3.14	1.06	10	12	19	41	-	0.832
		14- complying with product health and safety standards	3.45	1.10	9	20	11	40	-1.857	0.063
		15- complying with product quality characteristics	3.63	8.16	13	21	7	41	-1.2	0.230
		16- providing product with appropriate packaging	3.43	1.30	12	22	7	41	-1.543	0.123
		17- brand appropriateness	3.46	0.92	6	22	13	41	-2.835	0.005
	Price strategy	18- right analyzing the costs of exporting and considering export additional costs such as communications, travelling, exchange fluctuations and foreign demands collection in product pricing	3.36	0.88	7	18	16	41	-	0.043
		19- complying with prices of similar products in foreign markets in price determining	3.95	0.94	3	31	7	41	-4.63	0.000
		20- complying with sensitivity and elasticity of price in foreign target markets	4.12	2.86	5	28	8	41	-3.83	0.000
		21- complying with price restrictions in foreign markets	3.56	0.8	4	26	11	41	-3.834	0.000
	Explanation strategy	22- appropriate method of product releasing to foreign markets (selling by agencies granting, foreign agent, taking order and etc)	3.19	0.95	7	16	18	41	-	0.93
		23- using appropriate promoting tools with cultural, economic and foreign customers' lifestyle considerations	3.36	0.99	7	23	11	41	-2.739	0.006

Awareness of international laws	Distribution strategy	24- complying with after-sales services (returns, repairs, warranty, maintenance, training, communications and etc)	3.07	0.92	9	15	15	39	-	0.307
		25- complying with guarantee and performance requirements	3.10	1.10	12	14	11	37	-0.196	0.845
		26- complying with legal requirements and restrictions on using advertisement in newspapers, magazines, radio, television, internet, posters and etc in foreign markets	2.8	0.99	15	10	15	40	-	0.424
	Distribution strategy	27- timely delivering products in accordance with contract	3.53	1.05	6	23	12	41	-2.971	0.003
		28- complying with storage requirements and using appropriate inventory control methods	3.4	0.95	5	16	19	40	-	0.027
		29- complying with insurance requirements of transportation	3.7	1.01	6	24	10	40	-3.104	0.002
		30- using appropriate methods of transporting according to specific product needs (heating, cooling, humidity and etc)	3.75	1.00	4	25	11	40	-3.714	0.000
		31- complying with documentation requirements (export, safety, shares, inspections and approval documentations)	3.14	0.93	10	17	14	41	-1.155	0.248
		32- complying with settlement considerations such as payment ensuring, arbitration and mediation conditions, governing the law of importer or exporter country when dispute and the place of trial	3.09	1.09	10	17	14	41	-1.155	0.248
Awareness of international laws	Distribution strategy	33- complying with the terms and conditions contained in the contract of sale such as incoterms, payment currency, its conversion rate, payment methods and etc	3.41	1.07	11	24	6	41	-2.028	0.043
		34- complying with product measuring methods and quality standards, insurance issues, after sales services and warranty in contract	3.42	0.87	6	22	12	40	-2.835	0.005
		35- complying with rules and regulations of the foreign country that are effective on product distribution or sales representative agencies	3.25	1.05	13	21	6	40	-1.2	0.23
		36- identifying usable documents in an international trade and incoterms laws	3.26	0.89	4	13	21	38	-	0.049
Financial and risk issues analysis	Distribution strategy	37- accurate estimate of the cost of export products and export finance requirements determination	3.51	1.07	8	25	8	41	-2.785	0.005
		38- accurate estimating of the export cash flow	3.39	1.13	9	22	10	41	-2.155	0.031
		39- estimating required equipment (capital expenditures) for export supporting	3.58	0.86	5	24	12	41	-3.343	0.001
		40- complying with exporting risks such as country risk, market risk, currency risk and foreign target country market risk	3.63	1.08	5	26	10	41	-3.592	0.000

Above table data analysis indicates that the significance level for all variables except variables no. 1, 12 and 26 is lower than $\alpha=5\%$. This indicates that they have significant differences with mean value. Since the positive signs of the variables except the variables no. 1, 12 and 26, are more than their negative signs, so it could be stated that that these variables status has evaluated more than mean value i.e. 3 from the view of evaluators. In other word from the view of evaluators, these factors have the most important role in affecting exports. Also, considering the significance level of all variables except variables no. 1, 12 and 26 is more than $\alpha=0.05$, thus the value of this variable have not significant difference with

mean value and it could be stated that these variables status has evaluated in mean value i.e. 3, by evaluators. Other variables relating to enterprises strategies and operations, due to the higher number of positive signs than negative signs, have less effects in enterprise exporting from the view of evaluators. In order to prioritize the variables relating to above index role, Friedman ANOVA test has been used. This test result indicates that there is significant difference between the mean rank of each variable relating strategies and operations variables of enterprises in significance level of $\alpha=0.05$.

Table 8: friedman test results of strategies and operations variables of enterprises in impact on exports

Number of replies	32
K- square test	133.875
Degree of freedom	39
Significance level	0.000

So the most important variables relating to strategies and operations variables of enterprises in their priority order are described in the following table.

Table 9: prioritize strategies and operations variables of enterprises in impact on exports

Priority	Studied variables	Rank mean
1	complying with the prices of similar products in foreign markets in price determining	28.34
2	complying with insurance requirements of transportation	25.28
3	Using appropriate methods of transporting according to specific product needs (heating, cooling, humidity and etc)	25.11
4	complying with sensitivity and elasticity of price in foreign target markets	24.89
5	Identifying direct customers such as buyers, sales representatives and business centers	24.23
6	complying with exporting risks such as country risk, market risk, currency risk and foreign target country market risk	24.14
7	complying with price restrictions in foreign markets	23.53
8	Accurate estimate of the cost of export products and export finance requirements determination	23.19
9	Estimating required equipment (capital expenditures) for export supporting	23.19
10	Identifying market size and its future trends in foreign markets	23.11
11	Timely delivering products in accordance with contract	22.86
12	Identifying competitors and analyzing strengths and weaknesses of them in foreign markets	22.7
13	Brand appropriateness	22.55
14	complying with storage requirements and using appropriate inventory control methods	21.89
15	complying with product quality characteristics	21.64
16	Identifying product final consumer in terms of demographic characteristics	21.56
17	complying with product measuring methods and quality standards, insurance issues, after sales services and warranty in contract	21.36
18	Using appropriate promoting tools with cultural, economic and foreign customers' lifestyle considerations	21.27
19	complying with product health and safety standards	20.98
20	Identifying current marketing practices in foreign markets	20.89
21	Providing product with appropriate packaging	20.45
22	Right analyzing the costs of exporting and considering export additional costs such as communications, travelling, exchange fluctuations and foreign demands collection in product pricing	19.95
23	Identifying usable documents in an international trade and incoterms laws	19.95
24	complying with after-sales services (returns, repairs, warranty, maintenance, training, communications and etc)	19.86
25	Studying social and cultural characteristics such as social values and attitudes, lifestyle, work, ethic, family patterns, population pyramid and foreign markets customs	19.42
26	Accurate estimating of the export cash flow	19.28
27	Appropriate method of product releasing to foreign markets (selling by agencies granting, foreign agent, taking order and etc)	19.05

Based on the results of the data analysis, the major findings of the study are as follows:

important findings in enterprise dimension

Research findings indicate that from the three components of porter's model, i.e. Government, market and enterprise, the government's role in failure of exporters activities is more than others, from the view of exporters and the other two components role is at mean

value. The major weak point of enterprise's internal factors, is relating to sales and promotion strategies, product strategy was at mean value, and pricing and distribution strategies have been had less important role in enterprises exporting failure. Legal and political characteristics appropriate studying is one of exports success factors that is weakness of enterprises from the respondents view. Exporters believe that exporting goods

don't have appropriate brand, as 47% of respondent have rated this factor in failure of export activities in high and 27% have rated in very high. Exporters products are lack of unique and innovative features, accordingly, 55% of respondent have rated this factor in poor performance of exporters in high and 22% have rated in very high. From view of evaluators, most enterprises in have major weaknesses at appropriate using of promotion tools that fits the cultural, economic and lifestyle considerations of external customers, as 37% of respondents have rated this factor in high and 26% have rated in very high. Respondents believe that the amount of enterprises consideration to requirements and limitations of advertising in foreign countries media tools is lower. Accordingly, 34% of respondents have rated this factor in exports declining in high and 25% have rated in very high. One of major weaknesses of enterprises is less attention to performance guarantee and warranty obligations, that most respondents had believe it. As 58% of respondents have rated its effect in high an very high and 25% have rated in nearly moderate. From the majority of respondents view, enterprises performance isn't appropriate in after-sale services. As 54% of respondents rated that in high and very high and 35% rated in moderate level. Evaluators believe that enterprises are weak at applying appropriate marketing strategies in foreign countries and their poor performance in this area, is one of the reasons for their failure in exporting. Customer and end-consumer identification are of basic and important principles of processes marketing that according to respondents, enterprises have not performed well in this regard and weaknesses of this factor has a negative impact on their export performance. Respondents believe identifying distribution channel in foreign countries that is one of most important distribution aspects of four marketing mix aspects, was higher than mean value and its weakness has caused some problems in enterprises exporting. Less attention to exporting risks has been another factor in constituting enterprises failure in exporting, these risks include country risk, market risk, currency risk and market risk of target country that exporters have evaluated that undesirable. Index score of "appropriateness of product design, shape and color" component indicates that enterprise didn't have successful performance in this context, and its weakness have been effective in enterprises exporting failure. Other factors affecting enterprises exporting failure, has been lack of attention to the social and cultural characteristics of foreign markets. This component has received a mean score of sample views. According to respondents, the lack of identifying foreign markets opportunities and threats have been other weaknesses of enterprises rating 3.7 was summarized result of their views in this regard. With a score of 3.3 in the packaging, evaluators believed, export products didn't have good packaging.

important findings in government dimension

From 75% of respondents view, government relating factors have rated in high in enterprises exporting failure and 20% rated in mean value. Respondents believe laws and regulations are not appropriate, as 48% of them rated

this factor in exporting failure in high and 27% rated in very high. Developing export strategy that includes foreign exchange, credit, customs, tax policies, and export strategies, and according to 80% of respondents view had a high impact in the failure of exports and 20% considered it as mean value. Create appropriate conditions for trade is other government task that, according to sample view has affected export failure, as 52% rated this factor in mean value and 40% rated in high. Evaluators believe, the embassies, consulates and trade belongings cooperation is not appropriate with exporters in foreign countries and with getting mean score of 4.29, indicate its effect in exporting failure. Credit policies including score was 4.1, and this reflect its inappropriateness from the view of respondents. Adopting appropriate strategy and planning for export development are important factors in of foreign trade development and according to sample view, government has performed poorly in this regard, and score of 4.4 indicates the negative impact is high. Scores of (4.1) foreign exchange policies of government indicates that government's performance has not satisfied exporters in this regard and its weaknesses has created problems for them. Evaluators believed that existing laws and regulations relating to export are not straightforward and transparent (mean score of 4), as 36% of respondents rated this factor in high and 41% have rated in very high. Lack of international standards appropriate implementing is one of exporting failure factors, as 44% have rated this factor in high, 29% have rated in very high, and 30% have rated in low or mean value. Respondents comments indicates that government actions in export culture development have not very effective, and an appropriate investment has not been made in this area. Trade facilitating national centers have played an important role in export development in many countries however, according to respondents view(mean score of 3.5), in Iran these centers role have been negligible, and have not had much influence on the export development. Most evaluators believe that the level of diplomatic-trade relations of Iran with most countries have been unfavorable (with mean score of 3.71) and this factor has had an important role in the enterprises export failure. Despite the government efforts in providing facilities and incentives for export enterprises, from exporter's view, current government actions are inadequate and less effective. Sample views surveying indicate that government performance has been poor in enterprise information nurturing and this weakness has been very effective in failure of export activities. One of the government responsibilities in export strategy compiling, is determining credit policies. Government weakness in creating appropriate financing system, production and export crediting, guarantees and coverage (insurance) mechanisms, and facilitating access to these facilities have created numerous problems for exporters. Respondents statements indicated that government tariff policies and regulations have caused exporting problems for enterprises. Appropriate information acquiring about the market plays a key role in marketing, but in foreign markets due to the large distance to markets and access

problems, appropriate information acquiring to enterprises alone is very difficult and costly and government cooperation is strongly required in this regard. Respondents believed that the government weakness has been effective in exporting failure in this regard. One of most important tools to enterprises for marketing is product offerings in fairs. From the respondents view in the past few years due to lack of coordination between agencies involved in exporting, such as commerce ministry, export promotion center, institute of standards, customs, ports and shipping organization, chamber of commerce and banks, majority of exporters have faced with major problems in developing their exports. Because of lack of the real exchange rate, laws and regulations instability, lack of transparency of policies, government exchange policies have caused most exporters be affected from this aspect.

important findings in market dimension

Maximum score (3.88) in market related factors dedicated to technical knowledge. In other words, 44% of studied exporters have rated that in inappropriate, and 17% have rated in completely inappropriate. According to respondents, there aren't strong material and equipment suppliers in the country, and its weakness has created exporting problems for enterprises, as 59% have rated this factor in inappropriate and 10% have rated in completely inappropriate. Today, the role of marketing activities in trading development is completely clear, and studying leading countries in trading indicates that there are strong marketing institutions in these countries. Unfortunately, due to the neglect of the role of such institutions in Iran have caused the country and thus manufacturers be bereft of such strong institutions, and despite having appropriate products can't be successful in exporting. From the sample view, in terms of having adequate human resources, country is at moderate level, as 47% of them have rated this factor in inappropriate and completely inappropriate and 43% have rated in appropriate and completely appropriate. From respondents view the country situation in terms of physical resources is at desirable level, as 49% have rated this in appropriate and 42% have rated in completely appropriate. Respondents believe the country's transportation system in is appropriate, as 61% of sample have rated this in appropriate and 39% have rated in inappropriate and completely inappropriate.

Discussion and Conclusion

To identify factors affecting the export activities, porter's model of competitive advantage because of its comprehensive approach to international trade have been benefited. Based on this model, factors affecting the enterprises exports in three segment including, government, enterprise and market have been segmented and investigated. The results indicated that the most important factor affecting enterprises export activities is government, which is consistent with the results of the internal researches. Based on theoretical foundations, with rules and regulations codification, formulating appropriate strategies for export, creating conditions to facilitate trade, government plays a major role in the

export development. Foreign researches studying indicate that most of the researchers believe countries exporting success in government actions. Their studies indicate that the governments of these countries by adopting appropriate approaches in foreign investment fields, foreign policies, tax policies, customs policies, organizational policies, incentive policies, educational policies, reducing exporters risks creating competitive market, creating free trade zones have played a major role in exports development. Comparing these actions with the results of research field studies indicate that despite government actions in the rules revising, exports strategy formulation, trade facilitation, and ..., according to exporters, are not enough, and there are still weaknesses in this components. In sum total of the results in the government section, the main weak points are as follows:

- lack of coordination between agencies involved in export and their weak cooperation with exporters
- lack of appropriate credit, foreign exchange and customs laws and policies
- lack of appropriate strategies for developing country exports
- lack of obligation to use international standards in export
- inadequate government investment in export culture development
- weak national centers of trade facilitating
- problems in diplomatic-trade relations with most countries
- weak alignment with regional and global developments
- inadequate exporters supporting in terms of information
- insufficient exporting incentives
- poor development of economy based on market and free trade

Market segment with using theoretical foundations in three factors i.e. Production supply factors appropriate conditions, demand conditions of domestic market, related and segmentation coordinating industries and in this sections human resources, physical resources, technical knowledge, infrastructures, domestic market attractions, market competitiveness, transportation systems, suppliers, supplement industries and marketing agencies have been studied. Research findings indicated that the main weaknesses of this sector are inadequate technical knowledge, lack of raw materials and equipment suppliers, skilled human resources shortage, especially in international trade and lack of appropriate marketing agencies in the country.

The enterprise section have analyzed based on four factors including foreign markets identification and analysis, market entry strategies, knowledge of international law and financial issues and export risk analysis. Based on theoretical foundations, the first step in the international trading, is foreign market identification. Without identifying aspects such as economic characteristics, social, political and technological characteristics, competitive position, the nature of the industry and major suppliers, buyers, wholesalers, and each of them, exports would not be very

successful. Research findings indicated that exporters have major weaknesses in this field which is also consistent with the results of the internal researches. The main weak points of this section, could be stated as follows:

- Weak environmental studies (political, economic, social, cultural, competitors)
- Brand inappropriateness
- Lack of identifying current marketing practices in foreign markets
- Lack of identifying the size of the market and its future trends in foreign markets
- Lack of identifying foreign markets opportunities and threats
- Poor after sales service and warranty and performance guarantee
- Weakness in using promotional tools and limitations considering
- Lack of a unique product characteristic (competitive advantage)
- Weakness in export risk analysis
- Lack of identification of foreign markets distribution channels and appropriate product offerings
- Poor customer identification
- inappropriate product packaging

According to the findings, and conclusion the following recommendations are offered to reduce the problems of exporting enterprises in Ardabil province:

Due to limited experience in applying promotion methods, enterprises should implement different and effective promotion approaches in their marketing activities by benefiting from information technology, skilled consultants and mining of other enterprises. Create after sales service centers in major export markets and carry out appropriate planning in this field. Since market identification is one of the basic and primary marketing steps, with appropriate funding for this case, using empowered workforce and information technology, enterprises develop their activities in this sector. It is recommended that enterprises, consider adopting appropriate strategies for entering new markets or expanding existing markets and benefiting from experienced consultants can be useful in this context. Complying with international standards should be enterprises prior plans and do effective measures in this regard, and by using information technology, establish appropriate customer relationship system, get feedbacks from customers and establish good relationship with them. In addition, with the advent of experienced institutions and consultants in this field, can utilize their abilities. Enterprises can expand their export knowledge and skills through various approaches, such as the recruitment of empowered workforce, benefiting from experienced consultants and using optimal mining of top enterprises, providing appropriate training and etc. Enterprises recommended to develop their collaboration with external resources such as universities, research centers and top enterprises in this field by the joint venture and Enterprises should provide special programs to upgrade their main processes i.e. Supplying, designing and production. Enterprises to allocate

appropriate funding for export supporting activities such as market research, market juicing, market control, market navigation, market orientation, market assessment and etc to develop their exports. To establish appropriate relationship with organizations involved in exports such as ministry of commerce, banks, export promotion center, embassies and etc because these organizations are able to solve an important part of exporting problems of enterprises. Due to enterprises weakness in main processes i.e. Research and development, production, supply and marketing, these processes should be troubleshoot and appropriate projects be defined and implemented for improving that. Enterprises, to put cost management strategy as their prior corporate strategies and to adopt appropriate approaches to managing cost and lowering their products price. Exporting enterprises to have an appropriate plan to apply their information technology. Enterprises that export development is their strategy, to plan and implement an appropriate reward system based on exports. Market research by leading related ministries and organizations, including the ministry of commerce, trade promotion organization of Iran and etc be well-done optimally and information should be readily available to exporters. Government with forming and supporting export management enterprises, commercial companies, export clusters and consortia, to develop enterprises exports. Government should reform current mismatches with the revision of the basic tasks of these organizations and lead to the synergy of their activities. The government is expected to do basic steps in improving export incentives and to consider exporters to comply these standards. It is also necessary, the laws and policies be improved by the government. To upgrade the technical knowledge it is recommended, firstly, basic review to be taken about offered training meeting with the needs of active industries in exporting, secondly, the university-industry relationship be closer and thirdly, appropriate funding for the production and transmission of knowledge is taken by the government and the private sector.

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