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**Export Information: An Investigation
into the Use of Sources of
Export Information**

By

Julius Mwaniki Kitheka, B.A.(Honours)

**A Thesis Submitted to the
Faculty of Graduate Studies and Research
in partial fulfilment of the requirements
for a Master in Management Studies**

**School of Business
Carleton University
Ottawa, Ontario**

April 25, 1994

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**Export Information: An Investigation into
the Use of Sources of Export Information**

**submitted by Julius Mwaniki Kitheka, BA (Honours)
in partial fulfilment of the requirement for
the degree of Master of Management Studies**

Thesis Supervisor

Director, School of Business

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May 27, 1994

ABSTRACT

The formation of regional trade blocs, the political and economic changes occurring in the East European countries and the former Soviet Union, the structural adjustments being implemented in developing countries and the signing of the Uruguay Round of the General Agreement on Trade and Tariffs are changes that are bound to have significant impact on international business. These changes open up unprecedented competition in both domestic and foreign markets.

Exporting is one of the major methods of conducting international business. It is therefore more pressing than ever to understand all factors that influence exporting.

This paper reports results of a study which aimed at determining the association between use of export information source, and source attributes and firm characteristics. An auxiliary purpose of the study was to test McAuley's (1992) Export Assistance Model and subsequently attempt to design an intra-organizational export information delivery structure through which exporters could be supplied with appropriate information efficiently and effectively. The findings of the study are that source attributes as well as firm characteristics do influence use of sources. McAuley's (1992) Export Assistance Model is partially supported by data from the Ontario context.

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Chapter 1. INTRODUCTION

International trade is very important to the Canadian economy. One third of the country's Gross National Product (GNP) and 3 million jobs are accounted for by external trade. Exports alone earn every Canadian \$5,000 annually (Ontario Ministry of Industry, Science and Technology, 1992). Forty percent of the country's manufacturing output is exported (External Affairs, 1993).

The implementation of the North American Free Trade Agreement (NAFTA), the collapse of the Soviet Union, the opening up of the East European economies, post-1992 European Community and the signing of the General Agreement on Trade and Tariffs (GATT) Uruguay Round, are changes that are bound to have significant implications on Canada's external trade (Ministry of Industry, Science and Technology, Ontario, 1992). On the positive side, the changes present to Canadian firms new opportunities but, on the other side, the changes are bound to increase competition in the domestic and foreign markets where Canadian firms used to or intend to do business.

In the past, Canadian firms have performed relatively well in international trade. In the 1980s Canada's external trade grew by 7% annually, well above the world trade growth (External Affairs, 1993). This performance has significantly contributed to the well being of Canadians. There are now doubts as to whether the economy can keep up this impressive performance because Canadian companies have been slow in adjusting to the evolving world trade scenario

(Steering Group on Prosperity, 1992). This concern has been voiced in national discussions in political, business and academic fora.

Exporting is one of the most important forms of external trade. "The need to pay for imports and create employment on one hand and, saturated domestic markets and increasing external debt" (Brown and Smith 1990) have resulted in concerted efforts by public and private agencies to promote exporting.

The attention given to exporting has inevitably brought to light obstacles encountered in the initiation and expansion of export operations on the part of the firm. Some of the most important obstacles encountered in exporting are lack of export information on foreign markets, exporting procedures and financing. More specifically, export information can be defined as information that enhances knowledge and skills in the various aspects of exporting viz; export marketing skills, export financing, procedures and documentation, transport, and information on foreign markets.

Lack of knowledge in these areas can result in frustrations or even abandonment of exporting altogether (Piest and Ritsema 1990). Provision of export information is, therefore, seen as a facilitator in the proper understanding of exporting and, consequently, sound decision making (Seringhaus, 1987). The spin-offs from sound decision making cannot be overemphasized. It is due to the recognition of this role and limited internal resources of many firms (especially the small ones) that governments at all levels and other organizations provide export information.

Export information is mostly provided under the umbrella of 'export promotion'. For a long time, export promotion efforts were aimed at large firms, but increasingly the attention has shifted to small and medium sized enterprises (SMEs) for three main reasons (Piest and Ritsema, 1990). First, the export potential of SMEs is underutilised. In a study of export promotion in the Netherlands, Piest and Ritsema (1990) observed that 4% of the country's companies account for 85% of its exports. In Canada, the bulk of exporting is done by large firms while small and medium companies employ a higher percentage of the labour force in the economy (Steering Group on Prosperity, 1992). Many countries, especially small ones like the Netherlands have similar statistics. It is then clear that there is potential for export expansion (assuming that the SMEs produce exportable products) within the SME sector. Second, SMEs do not have enough internal resources required for tapping their export potential (Chenier and Prince, 1990). There is evidence of diminishing effects of exporting promotion expenditures on large firms (Ramaswami and Yang, 1990).

Another source of pressure for paying more attention to SMEs is the increasing role they are playing in the economy. For example during the period between 1978 and 1989, firms with less than 500 employees increased their contribution to employment from 56% to 63% (Statistics Canada, 1994). Inevitably this fact has not escaped politicians who have consequently made small businesses one of their economic policy cornerstones.

Despite the good intentions of export information providers, research shows that there is a persistent mismatch between information provided and the export information needs of exporters (McAuley 1992, Lesch et al. 1990). In many studies, the authors felt that for a better provision of export information, users' information needs must be the guiding factor. There is no agreed method by which firms can be grouped for efficient provision of information they may need.

The purpose of this study is to examine the use of sources of export information by exporting firms. It was expected that patterns of use may be related to firm characteristics and source attributes. The focus of the study is small and medium sized enterprises (SMEs).

Chapter 2. LITERATURE REVIEW

Exporting information has been researched in the context of various different perspectives. A few authors have attempted to group information areas in which research has been done.

2.1 Research Areas

According to Seifert and Ford (1989), and Miesenbock (1988) exporting research can be grouped into the following categories:

- 1) The identification, development and articulation of a series of steps in export involvement based on Everett Roger's (1962) Diffusion of Innovations Theory (Reid 1981, Bilkey and Tesar 1977)
- 2) Firm characteristics and export potential/performance (Denis and Depelteau 1985, Delacroix 1984, Dichtl et al. 1984, Kaynak and Kothari 1984, Robino 1980, Bilkey and Tesar 1977).
- 3) Obstacles or barriers to exporting (Cavusgil and Vini 1981, Robino 1980, Bilkey 1970, Alexadrides 1971)
- 4) Identification criteria for potential exporters (Czinkota and Johnston 1981, Cavusgil, Bilkey and Tesar 1979, Wiedersheim-Paul et al. 1978)
- 5) Export profiles and organizational structures (Brasch 1981, Cavusgil, Bilkey and Tesar 1979)
- 6) Variables that affect export profitability (Bilkey 1982, Beamish and Munro 1986)

Bilkey (1978) classified export research into the following groups;

- 1) Export initiation**
- 2) Motivation for exporting**
- 3) Perceived barriers to exporting**
- 4) Management**
- 5) Firm size**
- 6) Export destination**
- 7) Export models**
- 8) Exporting to foreign affiliates**
- 9) Export profiles**

Bilkey's (1978) classification is relevant to this study because it recognizes theoretical model development as a major input into a research area development. However, the two classifications (Seifert and Ford 1989 and Miesenbock 1988, and, Bilkey 1978) do not explicitly highlight export information despite the fact that it is crucial to export initiation and expansion. Under the following classification of studies of export information the role of export information is brought to its appropriate importance.

- a) Description and evaluation of public export promotion services (Albaum 1983, Ramaswami and Yang 1990, Lesch et al. 1990, Piest and Ritsema 1990, Cavusgil 1990)**
- b) The use and utility of export information (Walters 1983, Denis and Depelteau 1985, Seringhaus 1986/87, Kleinschmidt and Ross 1984, Reid 1984, McAuley 1992)**

- c) Export information as a determinant of export initiation and expansion (Denis and Depelteau 1985, Beamish and Munro 1986, Ursic and Czinkota 1983, Axxin 1988, Bilkey and Tesar 1977)

2.2 Use of Sources of Export Information

In a study of small high-technology firms in Ontario, Canada, Kleinschmidt and Ross (1984) found that foreign agents and distributors, customers, foreign trade fairs, and the trade commissioner service were the most valued sources of export information out of a set of 15 sources they had included in their study. Among the problems firms had with the sources of information were that some data were too general, ill-timed, scarce or difficult to access. The firms also experienced difficulties with utilization of secondary data. The authors found no correlation between firm size and problems encountered in the use of the sources they investigated.

Walters (1983) found a tendency of firms to use inexpensive sources of export information while placing more value on sources characterized by feedback capacity and experiential knowledge. Experiential knowledge is defined as information that is acquired directly from the market. He showed that size and export intensity were not helpful in differentiating between exporters with regard to patterns of export information used.

In an effort to evaluate the effectiveness of government export promotion programs, Albaum (1983) found that there was misunderstanding between government and small businesses as to the nature and value of existing programs. To improve the situation the author recommended a "needs" approach to the design of such programs. To target clients properly he suggested use of the stages in the firm's export development continuum, from initiation to maturity. In a similar study, Denis and Depelteau (1985) found little evidence to link export information services provided by private and public organizations with export expansion by firms. They also found that the information used tended to depend on the stages of export development of the firm. All firms investigated placed high value on trade fairs and foreign business missions. Cavusgil (1990) found that some of the firms he investigated did not use export information agencies because the information the agencies supplied was of little practical use and too expensive (Export information agencies are public or private organizations, or part thereof set up to provide information on various aspects of exporting).

In a study concerning the role of information in assisting exporting firms, Seringhaus (1986/87) found that visits to foreign markets, knowledge of foreign market entry, identification of foreign market opportunities and information on exporting procedures were very useful to the firms he investigated. He also showed that usefulness of external information diminishes with exporting experience. The author cautioned that, for effective

export information provision, the existence of user segments must be recognized. He consequently suggested user segmentation based on the following dimensions:

- 1) A firm's stage in export marketing development
- 2) The knowledge and experience aspects that must be served
- 3) The effects of export assistance on the export marketing activities of the firm

Lack of user awareness of the existence of export promotion agencies has been identified as one of the reasons why information from such agencies is not used. Ramaswami and Yang (1990) found very little use of the agencies they investigated. They partly attributed the low usage of the agencies to lack of awareness of their existence. Secondly, the information content was developed without proper user needs' assessment.

In a review of export promotion programs in ten industrial states in the United States, Lesch et al. (1990) found that firms rarely used export information agencies. Like Ramaswami and Yang (1990), the authors found that the main reasons for lack of use of export information agencies was ignorance of the agencies' existence, as well as lack of knowledge of the contents of the information provided by the agencies.

They found that the information provided did not reflect users' needs. Like Seringhaus (1986/87) they advocated the use of the principles of market segmentation and market targeting in the development of export information provision. The authors argued that the two principles could be used as tools for grouping export

information users into categories with similar export information needs. They suggested two criteria along which export information users can be segmented, viz; exporters level of exporting experience and product stage in the product life cycle.

The product life cycle concept has implications on the export information a firm may require. Firms whose products are in the growth stage can be given priority in resource allocation (including export information provision) while those whose products are in the maturity or declining stage can be provided with information that enables them to penetrate new markets which can revive the sale of their products. The authors argue that the approach has three attractions. First, it could be used for prioritising resource allocation along exporting experience lines, second, it can help policy makers to formulate objectives for export promotion programs, and third, it can serve as a guide in determining the content of export information programs.

In a study on the use of export information sources by exporting firms, McAuley (1992) found that sources possessing experiential knowledge (personal contact overseas, overseas agent and trade fairs) were highly valued by exporters, but the frequency of their use was low because they are costly to access. McAuley (1992) also found that reports on potential customers, information on export payment, identifying overseas export agents, specific export opportunities, transport and distribution were aspects whose information exporters found very useful. On the other hand obtaining foreign trade literature, economic reports on countries,

language translation services and exporting finance were aspects on which information was not seen as very useful.

McAuley (1992) also attempted to determine whether use of export information was dependent on firm characteristics. He found that firms with up to 50 employees tended to use personal contacts and overseas agents more frequently than those with more than 50 employees. As a firm's exporting experience increased, it tended to rely less on external sources and more on its own sources of information. In addition he also found that actual and perceived risk diminished with experience while export intensity had minimal influence on sources used.

In most of the studies above, the most valued sources of export information were not the most frequently used because more than often they happen to be the most expensive.

Much of the assistance in exporting comes from public funds. Increasingly, the subsidization of private interests through public funds is coming under scrutiny and consequently every public expenditure must benefit, and be seen to benefit, the public. In the introduction, it was seen that every Canadian earns \$5,000 from exports. These earnings come through jobs created and supported by exports, corporate earnings, and public projects financed from funds obtained from taxes associated with exporting.

In this paper it has also been seen that there is evidence that support of SMEs has a positive effect on export expansion (Ramaswami and Yang, 1990). The argument being advanced here is that public expenditure on exporting has economic returns and hence

clearly benefits the public in direct and indirect ways. However, in the efforts to aid firms in exporting, care should be taken so that firms do not become perpetual dependants. Chenier and Prince (1990) found that the majority of firms they investigated had begun factoring in the infusion of government funds as part of their operating budgets. It can be concluded that public funds aimed at promoting exports do help firms that may not be performing to their potential capacity in the case of non-intervention by the governments.

2.3 Exporting Risks

In the exporting literature, risk (actual and perceived) has been identified as a major obstacle in exporting (Ursic and Czinkota 1983, McAuley 1992, Beamish and Munro 1986). In a study of 980 SMEs, Ursic and Czinkota (1984) found that younger firms (up to 20 years) were more positive towards exporting than older ones (21 years and more). This finding contradicts McAuley's (1992, model (Appendix A) which predicts that as a firm gains more experience, it becomes more positive towards exporting (lower perceived risks).

The contradiction between the findings of the two studies can be explained by the fact that in Ursic and Czinkota's (1984) study, the younger firms may not have had enough time to experience the full range of uncertainties inherent in exporting. Because they are more experienced, the older firms may be more realistic in expressing uncertainties encountered in exporting. Ursic and

Czinkota (1984) did not use a firm's exporting experience. Instead they used general business experience which may not have the same results as using exporting experience. Also the range of young and old firms is different in the two studies. While in McAuley's (1992) study a firm with 11-25 years of exporting was considered experienced, in Ursic and Czinkota's (1984) study a firm was only considered experienced if it had been in business (not necessarily exporting) for 21 years or more. In Ursic and Czinkota's (1983) study, exporting risk is well operationalised while in McAuley's (1992) there is very little attempt to operationalise it.

Denis and Depelteau (1985) caution that though developing country markets may be lucrative, they may not favour rapid growth. This cautionary observation contradicts findings by Beamish and Munro (1986) who found that firms exporting to developing countries had consistently registered higher profit margins compared to those exporting to developed ones. Like McAuley (1992), Ramaswami and Yang (1990) found that exporting risks diminished with experience in exporting.

To a large extent the root cause of these contradictory findings can be attributed to the inadequate way in which actual and perceived risks were operationalised by the researchers. In view of this, the current study rigorously measured exporting risks by seeking exporting firms' views and experiences in key business aspects viz; exporting costs, export profits, domestic market position, market improvement and growth, export financing, export payment collection and, foreign business operations and practices.

These dimensions have been developed in previous exporting literature (Albaum 1983, Kleinschmidt and Ross 1984, Axxin 1988, Kedia and Chhokar 1985, Bilkey and Tesar, 1977) but are scattered across various studies and not tested.

2.4 Model Development

There are many models that have been developed in the exporting literature (Bilkey, 1978). However, very few have been developed in the area of export information assistance (McAuley, 1992). To some extent, the inadequate performance of export assistance programs, especially in the area of export information provision, is a result of the lack of a theoretical basis on which the designs of export information provision and acquisition are based.

In the above literature review, mismatches between information provided and the information needs of exporters are consistently reported. It is in view of this recurrent problem that Lesch et al. (1990) and McAuley's (1992) studies were seen to be important as background to this study.

The incorporation of the principles of market segmentation and market targeting by Lesch et al. (1990) was a major breakthrough in the search for a theoretical guideline on which export information delivery could be based. Though not using the two principles explicitly, McAuley (1992) was able to develop a graphic conceptual model that related a firm's exporting experience, perceived and

actual risks, a firm's stage in exporting development and support agency input (Appendix A). McAuley's (1992) study is also important in that it went beyond the conceptual level of the model. Drawing from the export assistance model, the author developed a 'practical' export provision structure relevant to the Scottish situation (Appendix B). Through the 'practical' model, a firm can be directed to the appropriate export information source by a central information clearing organization.

The theoretical and practical contributions of McAuley (1992) are important when viewed against the persistent inappropriate provision of export information to firms and the lack of a guiding theoretical model.

2.5 Conclusion

Research on export information use has found inadequate utilization of existing export information sources. The main reasons for this are;

1) Lack of awareness of existence of export information sources.

This problem partly arises because of inadequate marketing of the sources, lack of search for information by firms or total lack of exporting interest by firms.

2) Lack of understanding of the content of information provided by the information sources.

3) The failure of policy makers to develop export information content based on exporting firms' information needs.

4) The mismatch between the information provided by sources of export information and exporters' information needs is mainly due to lack of a guiding theoretical model in the design of the information delivery structures as well as failure by policy makers to take into account exporters' information requirements when developing export information delivery systems.

In view of these problems the current study was expected to contribute towards solving the theoretical and practical problems by partially replicating McAuley's (1992) study in the Canadian context.

Chapter 3. STATEMENT OF THE RESEARCH PROBLEM

This study investigated the use of export information by exporting firms. It specifically sought answers to:

- 1) how the use of export information source is related to the perceived importance of the information provided by the source, interactiveness of the seeker and provider of the information, the experiential knowledge possessed by the source, the level of awareness of the existence of the source, the perceived problems with the information supplied by the source, and firm characteristics.
- 2) the applicability of McAuley's (1992) Export Assistance Model in the Canadian context. In addition to developing a model that relates a firm's exporting experience, actual and perceived risks, and external agency input, McAuley attempted to model a structure through which Scottish exporters could be provided with export information.

3.1 Some Definitions

- 1) Perceived importance of export information refers to importance to the firm's export decision making.
- 2) Interactiveness of the seeker and provider of the information refers to the level of personal dialogue that is possible between the two.

3) Experiential knowledge is knowledge acquired directly from the market. It is provided by participants in actual exporting. Personal contacts overseas and trade fairs are examples of sources that possess this kind of information.

With respect to the first research question it was expected that patterns of use of export information sources would be related to firm characteristics, as well as to the attributes of the sources. The former include firm size, exporting intensity, exporting experience, types of markets served and perceived exporting risks. The latter include whether the sources have high or low interactiveness with the seeker of information, possess experiential knowledge, are important in export decision making, are known by exporters and whether they pose problems to users.

Regarding the second research question, an attempt was made to test whether McAuley's (1992) Export Assistance Model (Appendix A) is supported by data from the Canadian context. The central issue in export information provision is the mismatch between the information provided by export information sources and export information needs as perceived by exporters. McAuley (1992) was able to develop a structure (Appendix B) through which exporters from Scotland could be directed to appropriate providers of the particular information they need. As can be seen from Appendix B, the central organization is the Scottish Council which has the resources and the network to perform the task of directing exporters to the appropriate export information sources (McAuley, 1992). For Canada, the International Trade Centres (ITCs) housed by

the Department of Industry and staffed by Trade Commissioners can play this role because of their similarities with the Scottish Council and their capacities as explained later in the paper. The other organizations in McAuley's (1992) structure (Appendix B) could be matched with their Canadian counterparts.

Chapter 4. RESEARCH METHODOLOGY

In this chapter the preparation for implementation of the research, and an overview of results analysis and adjustments thereof, are detailed.

4.1 Variables

The dependent variable of interest in this study was use of sources of export information. It was operationalised through the number of times a firm had used a given source of export information in export decision making during the two years prior to the survey.

The following are the independent variables

- a) Size of the firm
- b) Exporting experience
- c) Exporting intensity (percentage of sales accounted for by exports)
- d) Types of markets served (developed or developing countries)
- e) Degree of awareness of source of export information
- f) Usefulness of general export information sources and export promotion programs to the firm's export decision making
- g) Importance of different types of export information
- h) Problems encountered in the use of sources of export promotion information
- i) Exporting risks (a complex construct). Business areas where uncertainties are likely to be encountered are exporting

costs, exporting procedures, exporting profit, domestic market position, market improvement and growth, export financing, export payment collection, and foreign business operations and practices.

4.2 Elements of McAuley's Export Assistance Model

In an attempt to test McAuley's (1992) model, the following match between the model and this study was made.

- 1) In McAuley's (1992) export assistance model, perceived and actual exporting risks were only conceptually incorporated into the model. The author made no attempt to measure them. In the current study, risk was operationalised by soliciting respondents' perception of risks in key business areas viz; exporting costs, exporting procedures, exporting profit, domestic market position, market improvement and growth, exporting finance, export payment collection and, foreign business operations and practices.
- 2) Support agency input was taken as used in McAuley's (1992) study. Experience was determined by the number of years a firm had been exporting, and, respectively, firms were classified into the four standard exporting stages, i.e., introduction, development, growth and maturity. (Note: McAuley (1992) referred to the 'pre-export' stage in his model but that reference was conceptually drawn since he, as in this present study, only investigated active exporters). In this

study it is only the testable element that is pursued namely, the relationship between exporting experience and perceived risks.

4.3 Survey of the Firms

This section describes how the sample was selected and how the survey was designed and implemented.

4.3.1 The Population and Sample Selection

The sample size was 400 firms drawn from the general population of exporting firms from the province of Ontario, Canada. The rationale for this decision was that the province accounts for the largest number of exporters from Canada, it was convenient in terms of time and financial resources available to the researcher, and lastly, the province has the largest number of business establishments and hence the study was likely to capture a greater variety of exporters than in any other province in Canada.

Criteria of selection were as follows:

- a) The firm must have been an active exporter. The Business Opportunity Sourcing System (Industry, Science and Technology, 1993) and the Canadian Key Business Directory (Dun & Bradstreet, Canadian ed., 1993) were used in establishing the exporting status of the firm. The rationale behind this was that exporting firms are in a position to report authentic experiences and

perceptions on the use of sources of export information.

Secondly, since this study partially replicated McAuley's (1992) study, which surveyed exporting firms, it was essential to survey exporters as well.

- b) An attempt was made to select half of the sample from firms with 100 employees or less and the other with 101 to 250 employees. Other researchers (Walter 1983) have used this classification to differentiate between small and medium sized firms. Between these two groups, it was expected that significant variations in the use of sources of export information might emerge.
- c) To qualify for inclusion in the survey the firm had to have no more than 250 full-time employees. The focus of the study was SMEs because they are presently the target of private and public export promotion efforts (Seringhaus, 1986/87).

At this point a note on the determination of what constitutes an SME is appropriate. The number of employees and total sales have been used as a means of determining whether a firm is an SME or not. However, the number of employees has been most used in small business research (Miesenbock, 1988). There is no agreement among researchers on the number of employees that determine what an SME is. Albaum (1983) used 500 employees and less, Chenier and Prince (1990) used 100 employees or less while Denis and Depelteau (1985) suggested use of 20-200 employees as bench marks. It was, therefore, decided to use 250 employees or less for the range lies within what has been suggested and/or used before.

4.3.2 Sampling Frame

The sampling frame was a synthesis of the Business Opportunity Sourcing System--BOSS (Industry, Science and Technology, 1993) and the Canadian Key Business Directory (Dun & Bradstreet, Canada ed., 1993). Used jointly the two sources provided adequate information required for the preparation and implementation of the survey.

4.3.3 The Sampling Unit

The sampling units for this study were exporting firms selected from the Business Opportunity Sourcing System (Industry, Science and Technology, 1993) and the Canadian Key Business Directory (Dun & Bradstreet, Canadian ed., 1993).

4.3.4 Choice of Sampling Element

The sampling element was the Chief Executive Officer (CEO) of the firm or his/her designate. Exporting constitutes a strategic activity for the firm (Seringhaus 1986/87). Consequently it deserves strategic decisions. Strategic decisions within an organization are the responsibility of top management. Because of this reason the study targeted the CEO or his/her designate. In McAuley's (1992) study, the sampling element was not identified. The failure to identify the target sampling element *a priori* can cause problems (non-response or response by the wrong respondents)

because nowadays firms are researched to the point of fatigue (Jansen, 1993). To enhance response by the right respondents, the following measures were taken:

- a) The questionnaire package was personalized by use of the respondent's name and position.
- b) The two directories used jointly as the sampling frame were checked thoroughly for consistency in the names and positions of the respondents.
- c) If the CEO decided so, the cover letter had a provision for him/her to pass on the questionnaire to his/her designate.

4.3.5 Survey Instrument Design and Content

The questionnaire was composed of two parts; a title page and the main body (see Appendix G).

The title page gave a statement of the purpose of the study, re-affirmed the confidentiality with which the provided information was to be treated, and indicated how the respondents could ask for and receive the survey results if they so desired. It also appealed to the respondent to complete the questionnaire fully. The questionnaires were coded for the purpose of monitoring responses. The main body of the questionnaire had 7 questions which were contained in five sections. The questions were preceded by instructions on how they were to be answered.

Section A asked questions on awareness and use of sources of export information. The awareness question was deemed to be more

appropriate to programs, organizations and publication¹. General and obvious sources² such as foreign agents and personal contacts in foreign markets were not included in this question. However, concerning the ''use'' of export information, general sources were included while publications were left out. It was reasoned that for most of the publications, respondents will be hard put to be asked to remember the number of times they might have used such sources in export decision making.

Section B asked questions on the importance of sources of export information and types of export information in export decision making. For the importance of sources of export information, all types of sources were included namely; organizations, programs, general sources and publications. For the importance of types of export information, 12 types identified from the literature were included.

Section C asked respondents to indicate any problems they may have encountered in accessing and using various sources of export information. Five most common problems were identified from literature, i.e., information too general, not up to date, hard to understand, expensive to access and difficult to access. A ''no problem'' option for each source was also available on the questionnaire.

¹Appendix C has information on the functions of the programs included in this study while Appendix D has summaries of information contained in the publications.

²General sources are neither programs nor publications.

Section D asked questions on perceived risks in various aspects of exporting using a Likert-type scale. The last section (E) elicited company information and any comments the respondent had on the whole survey or parts thereof. Lastly, the respondent was thanked for his/her cooperation in the whole project.

The above outlined flow of questions followed the principles of Dillman's (1978) Total Design Method (TDM). First, it took into account the cognitive build-up of the subject matter by asking easier questions first then going into harder ones later. Second, the questionnaire was personalised and a summary of the results promised to the respondent. Questions on attitudes and experiences utilized Likert-type 5-point scales. The demographic data questions mostly used simple additive scales such as number of employees, level of sales, etc. The questions used in this study had been repeatedly and successfully used in previous studies (Albaum 1983, Kleinschmidt and Ross 1984, Axxin 1988, Kedia and Chhokar 1985, Bilkey and Tesar 1977, Reid 1984) and the researcher also discussed the questions in detail with experts in international marketing to ensure their appropriateness.

4.3.6 Survey Implementation

A pre-notification letter (see Appendix F) was mailed three days before the questionnaire send-out. It was signed by the research supervisor. It informed the respondent that in a few days after receipt of the letter, the researcher was to contact him/her

to participate in a survey of his or her firm's use of export information. In addition, the letter conveyed assurances on the confidentiality with which the information provided was to be treated, the survey's importance to the respondent and others, and his/her importance to the success of the study.

The questionnaire, accompanied by a cover letter (Appendix F), was mailed out three days after the pre-notification letter. The cover letter was signed by the researcher. It re-affirmed the messages contained in the pre-notification letter.

Three weeks after the questionnaire mail-out a reminder letter (Appendix F) was sent to firms that had not up to that time responded. The reminder letter was accompanied by an additional copy of the questionnaire.

4.4 An Overview of Data Analysis

Following the research problem format, the analysis was done in two parts. First the relationship between the level of awareness of source, the importance of source in export decision making, the interactiveness of the source and seeker of information, the experiential knowledge possessed by the source, firm characteristics and the problems encountered in the use of the source were determined. Secondly, McAuley's (1992) model was tested. However, after data collection and before the analysis, certain aspects of the proposed analysis plan were adjusted. The adjustments concern questionnaire response and firm

characteristics. The following subsection shows these adjustments and the rationale behind them.

Questionnaire Response Adjustment

Information on source use was asked for in section A question 2. The frequency of use ranged from 1 to 5+. After receipt of the survey data it was decided that nonresponse on frequency of source use was going to be taken as zero use. Also 5+ was taken to mean 6 times of use.

Size

Originally two categories had been proposed for determining the relationship between firm size and use of source of export information, i.e., firms with up to 100 employees were to form one category and those with more than 100 to form the other. However, after the field survey, this categorization was felt unsuitable because of the resulting size distribution. Consequently, new categories were formed. Firms with 50 employees or less formed one category and firms with more than 50 employees formed the other. While not in line with the original intent, the new categorization is not only better for analysis but also coincides with McAuley's (1992) classification.

Exporting Intensity

Originally it had been proposed that to determine the relationship between exporting intensity and source use, the sample was to be divided into one category with up to 10% of its sales accounted for by exports and the other containing firms with more than 10% of their sales accounted for by exports. After data collection the resulting sample had a significantly higher proportion of their sales accounted for by exports than in previous studies. Consequently the dividing percentage was raised to 30%, thus firms with up to 30% of their sales accounted for by exports formed one group while those with more than 30% formed the other.

Types of Export Market

It had been originally proposed that an attempt to determine the correlation between types of export markets (whether the principal export market is a developing country or a developed one) and perceived risks was to be made. After data collection it was observed that very few firms in the responding sample designated developing countries as their primary export market. The small number could not allow statistical analysis and consequently this line of investigation was discontinued.

Chapter 5. RESULTS AND DISCUSSION

In this chapter the results of the study are presented and discussed.

5.1 Profile of Responding Firms

As noted before 400 firms were selected for this study. One hundred questionnaires were returned resulting in a 25% overall response rate. Of these, 90 had adequate information needed for data analysis. Therefore the effective response rate is 22.25%. This rate is similar to mail surveys in general and to exporting research in particular. Table 1 below shows a profile of the responding firms. As can be seen from the profile, the size of the responding sample ranged from 2 to 240 full-time employees with a mean of 93 and mode of 70 employees. Fifty percent of the firms had 60 employees or less.

The firms had an exporting experience ranging from 1 to 90 years. The mean exporting experience was 19 years while the mode was 10 years. Fifty percent of the firms had been exporting for 14 years or less. The firms had an exporting intensity range of 0.05% to 99%. The largest group of firms (mode) had exporting intensity of 10%. About half (49%) of the firms had 30% or more of their sales accounted for by exports.

By far the most important principal export market for the sample of firms was the United States (85.7%), followed by other

countries of America (3.6%), Western Europe (3.6%), Japan (3.6%), Rest of Asia (1.2%), Africa (1.2%), and Eastern Europe and the former Soviet Union (1.2%).

Table 1. Profile of Responding Firms

Aspect	Mean	Mode	Range	Other Highlights
Number of employees	79	70	2-240	50% of sample with 60 employees or less. Only 11 firms with 200 and over
Gross sales (million C\$)	17.24	12	.5-110	48% of sample with \$1 m of sales or less. Only one firm with over \$100m
Exporting experience (years)	18.9	10	1-90	50% of sample had exporting experience of 14 years or less. Only 5 firms with 50 or more years of exporting experience
Principal Export Market				% of Firms
1. United States				85.7
2. Other parts of America				3.6
3. Western Europe				3.6
4. Japan				3.6
5. Rest of Asia				1.2
6. Africa				1.2
7. Eastern Europe and the former Soviet Union				1.2
Total				100.0
Position of the Respondent in the Company				% of Respondents
1. President or Executive Chairperson				48.8
2. Vice President				25.0
3. Director of International Marketing				7.5
4. Sales Manager				7.5
5. Technical Manager				1.3
6. Other (such as assistance to president etc)				10.0
Total				100.0

The above profile also includes a summary of the position of the person who filled out the questionnaire. In some of the previous studies the targeted respondent is not clear. As noted elsewhere in this paper, exporting is a strategic activity of the firm and hence top managers are the people best placed to have information about their company exporting activities. By having almost 50% of the respondents as CEOs and most of the rest being vice presidents and other top managers, the results of this study bear the authority of having been acquired from the right respondents.

5.2 Types of Export Information

Table 2 lists types of export information in order of their importance in export decision making. This table helps to relate the sources used to the type of export information the sources are likely to provide. For example, foreign trips can aid in identifying foreign agents. As can be seen from this table, the most valued types of information are reports on potential customers followed by information on identification of overseas agents, specific export opportunities, export payments and foreign technical standards. The least valued types of information are economic reports on countries, foreign trade literature, language and translation services, and export insurance. These findings are consistent with findings in previous studies. Seringhaus (1986/87) found that identification of foreign market opportunities and

knowledge of export procedures were very valued by exporters. The two types of information include elements of the top 5 types of export information in Table 2. McAuley (1992) found that reports on potential customers, information on export payments, identification of overseas exporting agents and specific export opportunities, and transport and distribution were very valued by exporters. these types of export information are identical to the ones in Table 2.

Table 2. Types of Export Information

Type of Information	Mean Importance*
1. Reports on potential customers	3.92
2. Identification of Overseas agents	3.54
3. Specific export opportunities	3.52
4. Export payments	3.29
5. Foreign technical standards	3.05
6. Transport and distribution	2.80
7. Export financing	2.79
8. Foreign market reports	2.77
9. Export insurance	2.70
10. Language and translation	2.51
11. Foreign trade literature	2.39
12. Economic reports on countries	2.36

* Scale range: 1= Not important, 5= Very important.

5.3 The Relationship Between Source Attributes and Source Use

In this section the analysis of the relationship between source attributes and source use is presented.

5.3.1 Awareness of Sources

Information on source awareness was solicited in section A of the questionnaire. Table 3 below shows a ranking of sources (organizations, programs and publications) according to firms' source awareness. The five most known sources were the Federal Business Development Bank (FBDB), the Export Development Corporation (EDC), the Program for Export Market Development Program (PEMD), *CanadExport*, and the Trade Fairs and Exhibitions Program of the Ministry of Industry Trade and Technology of Ontario (MITT). The least known sources were generally publications and new export promotion programs such as New Exporters to Overseas (NEXOS) and the New Exporters to Border States (NEBS). These newer programs are tailored to the needs of new exporters.

The level of awareness of a source seems to be a function of the duration through which the publication or program has been in existence as well as the type of information provided by the source. Programs such as PEMD and EDC were solely established for the benefit of exporters. In addition to providing exporting information, they also conduct seminars and workshops that enhance the information they provide. They have also existed for a long

time; the type of information provided by a source may also determine the level of awareness of the source by exporters as well as its value since it survived.

Table 2 shows that information about potential customers and identification of specific export opportunities are highly valued by exporters.

Table 3. Awareness of Sources of Export Information

Source	Level of Awareness*
1. Program for Export Market Development	3.10
2. Export Development Corporation	3.10
3. Federal Business Development Bank	2.97
4. Trade Missions and Exhibitions Program, Ministry of Trade Industry and Technology, Ontario	2.88
5. CanadExport	2.76
6. Trade Missions Program, Department of External Affairs, Canada	2.62
7. Business Opportunity Sourcing System	2.49
8. Canadian Commercial Corporation	2.49
9. Industrial Co-operation, Canadian External Development Agency	2.46
10. Directory of the Canadian Trade Commissioner Service	2.38
11. Worldwide Information Network for Exporters	1.97
12. InfoExport	1.94
13. Guide for Canadian Exporters	1.81
14. Canexport	1.80
15. Export Guide: A Practical Approach	1.78
16. So you Want to Export?	1.78
17. Export News	1.73
18. Canadian Exporters Guide to the US Market	1.70
19. New Exporters to Border States	1.70
20. Export Documentation and Foreign Collections	1.52
21. Technology Inflow Program	1.51
22. Program for Export Development Program Handbook	1.51
23. Exporting Competitiveness: Ten Steps for Small Businesses, Department of Industry, Canada	1.39
24. New Exporters to Overseas	1.38

* Scale ranging from 1= not known to me, 2= vaguely aware of, 3= aware of,
4= very well known to me.

From Table 3 it can be seen that publications are not well known by exporters. However, a source like *CanadExport* appears amongst the top five best known sources. This may be partly because of the efforts of the publisher to maximize its circulation (currently reaches over 38,000 clients per month) and partly because it contains information on government related procurement and other likely export opportunities.

Generally, sources do not seem to be well known. On average no source seems to be very well known (close to a score of ''4'' in the scale). Exporters are only aware of ten sources (score of ''2'' or higher). The rest of the sources are either vaguely heard of or are completely unknown to the exporters. Ramaswami and Young (1990) linked low use of export information sources to lack of awareness of the sources. The relationship between awareness and use of sources will be examined below.

5.3.2 Use of Sources: An Overview

Firms were asked to indicate the number of times they had used a particular source in the two years prior to the survey. The results are shown in the Table 4. The most frequently used sources are personal contacts in foreign markets, foreign trips by company executives, foreign agents, and trade fairs and exhibitions. The least frequently used sources are programs such as the World Information Network for Exporters (WIN), Technology Inflow Program (TIP), NEBS and NEXOS.

Table 4. Frequency of Use of Sources of Export Information

Source	Mean Number of Times used in Last 2 years
1. Personal contacts in foreign markets	4.57
2. Foreign trips by company executives	3.88
3. Foreign agents	3.29
4. Trade fairs and exhibitions	2.46
5. Foreign subsidiary companies	1.82
6. Canadian embassies and high commissions	1.50
7. Business associations	1.10
8. Foreign embassies	.64
9. Program for Export Market Development	.64
10. Trade Missions Program and Exhibitions Programs, Ministry of Industry Trade and Technology, Ontario	.52
11. Canadian banks	.49
12. Canadian Commercial Corporation	.48
13. Universities and Colleges	.46
14. Business Opportunity Sourcing System	.43
15. Export Development Corporation	.43
16. InfoExport	.38
17. Trade Missions Program, Dept. of External Affairs	.34
18. Foreign banks	.30
19. Industrial Co-operation Program, Canadian International Development Agency (CIDA)	.28
20. Federal Business Development Bank	.23
21. New Exporters to Border States	.20
22. New Exporters to Overseas	.20
23. Technology Inflow Program	.19
24. World Information Network for Exporters	.18

*Calculated from a scale ranging from 0 to 6 times

It is interesting to note that some of the sources that are relatively well known are not used very much. PEMD and EDC, which ranked highly in the hierarchy of awareness of sources, ranked low in terms of frequency of use. They are used less frequently than general sources. The most frequently used program (PEMD) only scores 0.64 while sources such as personal contacts in foreign

markets and foreign trips by company executives score 4.57 and 3.88 respectively (out of a scale ranging from 0 to 6 times). This observation may be explained by other determinants of use.

Unlike in McAuley's (1992) case, this study found that despite the high cost of accessing personal contacts in foreign markets, foreign agents and attending trade fairs and exhibitions, these sources are more frequently used than low cost ones. This can be explained by the fact that the same sources are seen as important in export decision making (as shown in Table 5 below) and also that in the case of Canada both federal and provincial governments have programs through which some of the costs incurred in accessing the sources can be defrayed.

5.3.3 Importance of Sources

From Table 5 it can be seen that general sources are seen as providing information judged to be more important in export decision making. These sources include (in order of importance) personal contacts in foreign markets, foreign trips by company executives, foreign agents, and trade fairs and exhibitions. These are followed by programs such as PEMD and trade missions programs sponsored by the provincial and federal governments. Excepting *CanadExport*, *Export News* and *The Directory of the Canadian Trade Commissioner Service*, publications are the least important sources in export decision making.

Table 5. Importance of Sources of Export Information

Source	Level of Importance*
1. Personal contacts in foreign markets	4.53
2. Foreign trips by company executives	4.18
3. Foreign agents	3.38
4. Trade fairs and exhibitions	3.21
5. Business associations	2.52
6. Canadian high commissions and embassies abroad	2.44
7. Program for Export Market Development	2.41
8. Foreign subsidiary companies	2.30
9. Trade Missions Program Department of External, Canada	2.12
10. Export Development Corporation	2.05
11. Trade Fairs and Exhibitions Program, Ministry of Industry Trade and Technology, Ontario	2.03
12. CanadExport	1.98
13. Directory of the Canadian Trade Commissioner Service	1.98
14. Business Opportunity Sourcing System	1.86
15. Industrial Co-operation Program, Canadian International Development Agency	1.7
16. Canadian Commercial Corporation	1.76
17. Export News	1.55
18. Canadian banks	1.53
19. New Exporters to Border States	1.52
20. Worldwide Information for Exporters (WIN)	1.52
21. Federal Business Development Bank	1.51
22. Program for Export Market Development Program Handbook	1.50
23. InfoExport	1.48
24. Guide for Canadian Exporters	1.47
25. Technology Inflow Program	1.47
26. Export Documentation and Foreign Collections	1.47
27. Foreign embassies in Canada	1.46
28. New Exporters Overseas	1.46
29. Getting Ready to Export: Moving your firm Toward a Global Strategy, Ministry of Industry Trade and Technology, Ontario	1.41
30. So you Want to Export?	1.41
31. Canexport	1.40
32. Exporting for Competitiveness: Ten Steps for Small Business, Department of Industry, Canada	1.40
33. Canadian Exporters guide to the US Market	1.38
34. Export Guide: A Practical Approach	1.33
35. Foreign banks in Canada	1.27
36. Universities and colleges	1.24

* Scale ranging from 1= not important, 5= very important.

Apart from foreign company subsidiaries, foreign sources inside Canada (foreign embassies in Canada, foreign banks and foreign subsidiary companies) seem to fair poorly in terms of their importance in export decision making.

Just as in the case of awareness and use of sources of export information, the type of export information provided by the source seems to determine how the source is evaluated in terms of its contribution to export decision making.

The sources highly ranked in terms of importance in export decision making such as personal contacts in foreign markets, foreign trips by company executives, trade fairs and exhibitions are sources that are likely to provide information that is rich in terms of reports on potential customers, identification of specific export opportunities, identification of overseas agents and export payments (see Table 2 above). These are the types of information reported as most preferred by exporters. On the other hand, sources such as foreign embassies, various export information publications, and universities and colleges are likely to supply information such as economic reports on countries, foreign trade literature, language and translation, etc. These types of information are not seen as key inputs in export decision making.

5.3.4 Relationship of Awareness and Importance with Its Use

The second level of analysis of the awareness and importance of sources of export information in decision making aims to determine their relationship with source use. Information from Tables 3, 4 and 5 was used for this purpose. The analysis shows that there are generally positive correlations between awareness of a source and its use (Table 6 below). However, significant correlation between awareness and use was only found for PEMD, InfoExport, Industrial Co-operation Program by CIDA, trade fairs and missions programs organized by the provincial and the federal governments, EDC, Canadian Commercial Corporation (CCC) and Business Opportunity Sourcing System (BOSS). (See Appendix D).

It was also found that perceived importance of a source to export decision making was positively correlated with the use of the source (see Appendix D). The correlation was even stronger than in the case of awareness. The correlations were statistically significant at the 0.05 level (Spearman correlation coefficient) for all sources except foreign banks, universities and colleges, WIN, NEBS and FBDB. From this analysis it can be concluded that both awareness of a source and its importance to export decision making are related to use of the source, and, that the importance of a source in export decision making has a stronger relationship with its use than how well it is known.

Table 6. Relationship Between Source Awareness and Importance and Its Use

Source	Use [†]	Rank	Aware- ness level	Rank	Level of Importance	Rank
Personal contacts in foreign markets	4.57	1	-		4.53a	1
Foreign trips by company executives	3.88	2	-		4.18a	2
Foreign agents	3.29	3	-		3.38a	3
Trade fairs and exhibitions	2.46	4	-		3.21a	4
Foreign subsidiary companies	1.82	5	-		2.30a	8
Canadian embassies and high commissions	1.50	6	-		2.44a	6
Business associations	1.10	7	-		2.52	5
Foreign embassies in Canada	.64	8	-		1.46a	20
Program for Export Market Development	.64	8	3.10a	1	2.41a	7
Trade Missions and Exhibitions Programs, Ministry of Industry Trade and Technology, Ontario	.52	9	2.88b	3	2.03a	11
Canadian banks	.49	10	-		1.53b	15
Canadian Commercial Corporation	.48	11	2.49	5	1.76a	14
Universities and colleges	.46	12	-		1.24	21
Export Development Corporation	.43	13	3.10a	1	2.05b	10
Business Opportunity Sourcing System	.43	13	2.49a	5	1.86b	12
InfoExport	.38	14	1.94a	8	1.48	18
Trade Missions Program, Dept. of External Affairs	.34	15	2.62b	4	2.12a	9
Foreign Banks in Canada	.30	16	-		1.46	20
Industrial Co-operation Program by CIDA	.28	17	2.46a	6	1.78a	13
Federal Business Development Bank	.23	18	2.97	2	1.51b	17
New Exporters to Border States	.20	19	1.70	9	1.52	16
New Exporters to Overseas	.20	19	1.38	11	1.46b	20
Technology Inflow Program	.19	20	1.51	10	1.47b	19
Worldwide Information for Exporters	.18	21	1.97	7	1.52	16

[†] Scale

ranging from 0 to 6 times.

* Scale ranging from 1= not known to me, 2= vaguely aware of, 3= aware of, 4= very well known to me.

Calculated from a scale ranging from 1= not important, to 5= very important. a The correlation with the "use" variable is significant at the 0.01 level. b The correlation with the "use" is significant at the 0.05 level.

5.3.5 Use and Interactiveness of Source

To determine the relationship of source interactiveness and its use, information from Table 4 above (use of sources) was used.

Following the definition of source interactiveness as given earlier in the paper, sources were categorized into high and low interactive groups. Table 7 below reflects this categorization. From each category a variable representing overall mean use was computed. The two computed variables represented the respective category that is; one represented sources characterized by high interactiveness while the other represented sources characterized by low interactiveness. The t-test for paired-samples was used in determining whether there was a statistically significant difference in mean use of the sources between the two representative variables. The test on the respective over all mean use showed that high interactive sources were used significantly more than low interactive ones. This finding is consistent with Walters' (1983) findings.

An attempt was also made to determine the relationship between source interactiveness and importance attached to the source. Information from last column in Table 7 was used. The t-test for paired-samples showed that high interactive sources are significantly (at the 0.05 level) more valued than low interactive sources. This finding is consistent with McAuley's (1992) finding.

Table 7. Correlation Between Source Interactiveness and Use

Sources High on Interactiveness	Mean Use*	Level of Importance*
1. Personal contacts in foreign markets	4.57	4.53
2. Foreign trips by company executives	3.88	4.18
3. Foreign agents	3.29	3.38
4. Trade fairs and exhibitions	2.46	3.21
5. Foreign subsidiary companies	1.82	2.30
6. Canadian embassies and high commissions	1.50	2.44
7. Trade Missions and Exhibitions Program, Ministry of Industry Trade and Technology, Ontario	.52	2.03
8. Canadian banks	.49	1.53
9. Trade Missions Program, Department of External Affairs	.34	2.12
10. Foreign Banks	.30	1.46
11. New Exporters to Border States	.20	1.52
12. New Exporters to Overseas	.20	1.46
Over all Mean/ Importance	1.74	2.55
Sources Low on Interactiveness	Mean Use	Level of Importance
1. Business associations	1.10	2.52
2. Program for Export Market Development	.64	2.41
3. Foreign embassies in Canada	.64	2.46
4. Canadian Commercial Corporation	.48	1.75
5. Universities and colleges	.46	1.24
6. Export Development Corporation	.43	2.05
7. Business Opportunity Sourcing System	.43	1.86
8. InfoExport	.38	1.48
9. Industrial Co-operation Program, Canadian International Development Agency	.28	1.78
10. Federal Business Development Bank	.20	1.51
11. Technology Inflow Program	.19	1.47
12. Worldwide Information for Exporters	.18	1.52
Over all Mean/Importance	.47	1.78

* As previously determined.

5.3.6 Use and Experiential Knowledge of Source

As in the case of interactiveness, information from Table 3 was used to determine the relationship between a source's experiential knowledge on source use. The sources were divided into two categories (see Table 8 below) based on the definition of experiential knowledge as given earlier in this paper. From each category, a single variable was computed. Each variable represented the respective category ie, one represented sources characterized by high experiential knowledge and the other represented the sources characterized by low experiential knowledge. The paired-samples t-test showed that the sources with high experiential knowledge were used significantly (at the 0.05) more often than the ones with low experiential knowledge. This finding is similar to previous findings (Walter 1983).

An attempt was also made to determine the relationship between source experiential knowledge and its importance. Information from Table 8 was used. The t-test for paired-samples showed that sources possessing high experiential knowledge were significantly more valued than those possessing low experiential knowledge. This finding is consistent with McAuley's (1992) finding.

Table 8. Correlation Between Experiential Knowledge and Source Use

Sources with High Experiential Knowledge	Mean Use*	Level of Import*
1. Personal contacts in foreign markets	4.57	4.53
2. Foreign agents	3.29	3.38
3. Trade fairs and exhibitions	2.46	3.21
4. Foreign subsidiary companies	1.82	2.30
5. Foreign trips by company executives	3.88	4.18
6. Canadian banks	.49	1.53
7. Foreign banks in Canada	.30	1.46
8. Foreign embassies in Canada	.64	1.46
9. Canadian embassies and high commissions abroad	1.50	2.44
10. Industrial Co-operation Program, Canadian International Development Agency	.28	1.78
11. Trade Missions and Exhibitions Program, Ministry of Industry Trade and Technology, Ontario	.52	2.03
12. New Exporters to Border States	.20	1.52
13. Trade Missions Program, Department of External Affairs	.34	2.12
14. New Exporters to Overseas	.20	1.46
15. Export Development Corporation	.43	2.05
Over all Mean	1.39	2.36
Sources With Low Experiential Knowledge		
1. Business Associations	1.10	2.52
2. Universities and colleges	.46	1.24
3. Program for Export Market Development	.64	2.41
4. Technology Inflow Program	.19	1.47
5. InfoExport	.38	1.48
6. Worldwide Information for Exporters	.18	1.52
7. Business Opportunity Sourcing System	.43	1.26
8. Canadian Commercial Corporation	.48	1.76
9. Federal Business Development Bank	.23	1.51
Over all Mean/Importance	.45	1.75

* As previously determined.

5.3.7 Relationship Between Types of Problems and Source Use

In an attempt to determine the relationship between the type of problem and source use, five common problems or obstacles with

use were identified from the literature. These are information being too general, outdated, hard to understand, expensive to access and difficult to access. A 'no problem' option for each source was also available on the questionnaire. In the following subsection each problem type will be examined in relation to its correlation with source use. The summary of the findings is shown in Table 9 below.

5.3.7.1 Information too General

As can be seen from Table 9 that the most frequently reported problem is the general nature of information provided by the sources. Universities and colleges, foreign embassies, Canadian banks, foreign banks and business associations reportedly supply information that is too general (they have relatively higher numbers of firms indicating the general nature of the information they provide). However, foreign trips, personal contacts in foreign markets, trade fairs and exhibitions, PEMD, foreign agents and foreign subsidiary companies provide information that is not seen as too general. When information from Table 9 is used together with that from Table 4, it is clear that those sources supplying information judged to be too general are less frequently used. This finding is consistent with previous studies (Albaum 1984).

5.3.7.2 Information Not Up to Date

The results in Table 9 show that only a negligible number of firms indicated that information provided by the sources is outdated. For all the sources the highest number of firms reporting that the information provided is outdated is only 5. From these results, it can be concluded that information is generally timely.

5.3.7.3 Information Difficult to Understand

Just as in the case of timeliness of information, firms do not have problems in understanding the information provided. The highest number of firms reporting difficulties in understanding any source of information is 6. In the questionnaire some firms commented that information is usually easily understood.

5.3.7.4 Information Expensive to Access

In Table 9 it can be observed that cost of accessing information is one of the problems where firms clearly experience problems. As expected no firms reported any financial difficulties in accessing government publications. These include the *Directory of the Canadian Trade Commissioner Service*, *CanadExport*, *Export Documentation and Foreign Collections*, *Business Opportunity Sourcing System*, *So You Want to Export?* and the *Canadian Exporters' Guide to the US Market*.

Table 9. Problems Encountered in the Use of Sources

	Type of Problem*						Total
	1	2	3	4	5	6	
	(Number of Firms Reporting Problems)						
Personal contacts in foreign markets	3	1	4	11	13	38	70
Program for Export Market Program	8	4	3	3	13	28	59
Foreign trips by company executives	3	2	1	28	2	27	63
Directory of the Canadian Trade Commissioner Service	16	1	2	0	3	25	47
CanadExport	20	3	1	0	4	24	52
Trade fairs and exhibitions	7	2	0	33	4	24	52
Foreign agents	8	5	3	7	15	24	62
Business associations	23	4	3	4	0	23	57
Trade Missions and Exhibitions Program, MITT, Ontario	19	3	2	5	4	22	55
Trade Missions Program, Dept. of External Affairs	13	1	2	5	6	20	47
Export Documentation and Foreign Collections	15	1	1	0	4	20	41
PEND Handbook	17	1	2	1	1	17	39
Business Opportunity Sourcing System	20	3	3	0	7	17	50
Canadian embassies and high commissions abroad	20	3	2	4	8	17	54
Export Development Corporation	12	4	1	2	5	17	41
Export Guide: A Practical Approach	17	1	1	1	1	17	38
InfoExport	14	5	2	1	3	15	40
Canexport	20	1	3	1	3	14	42
So You Want To Export?	17	1	1	0	2	14	35
Getting Ready to Export: Moving your Firm							
Toward a Global Trading Strategy, MITT	18	1	1	2	6	14	42
Canadian Commercial Corporation	14	3	6	1	6	13	43
Canadian Exporters Guide to the US Market	17	2	1	0	2	13	35
New Exporters to Overseas	18	2	1	2	3	12	38
Foreign embassies in Canada	12	3	5	2	5	12	39
Federal Business Development Bank	16	3	5	1	6	11	42
Exporting for Competitiveness: Ten Steps for Small Business, Department of Industry	18	2	2	1	3	11	37
Technology Inflow Program	13	4	0	5	6	11	39
Canadian banks	29	5	3	3	0	10	60
Guide for Canadian Exporters	14	1	1	3	4	10	33
New Exporters to Border States	18	2	2	1	3	10	36
Worldwide Export Information for Exporters	18	2	0	2	6	10	38
Export News	19	2	1	1	3	9	35
Industrial Co-operation Program by CIDA	17	3	4	2	13	8	47
Foreign banks in Canada	28	3	5	3	1	8	48
Universities and colleges	32	2	2	2	1	6	45

* 1= Information too general, 2= information outdated, 3= information hard to understand, 4= information expensive to access, 5= information hard to access, 6= no problem with information.

Self sponsorship in accessing important sources such as general trade fairs and exhibitions, foreign trips by company executives and personal contacts in foreign markets is expensive. For general trade fairs and exhibitions, 33 of the 70 firms that responded to the item on cost of accessing the sources indicated

that accessing the sources was an expensive undertaking. A similar proportion of firms reported financial difficulties when company executives visit foreign markets.

From Table 9 it can also be seen that government sponsorship of access to otherwise expensive sources helps firms in that very few firms reported financial difficulties in accessing trade fairs and exhibitions when sponsored either by the provincial or the federal government.

5.3.7.5 Information Difficult to Access

Excepting foreign agents, personal contacts in foreign markets and PEMD, firms do not face difficulties in accessing sources. It is interesting to note that PEMD is seen as difficult to access.

5.3.7.6 No Problem with Information

As noted earlier, firms were asked to indicate in case they had not encountered problems in using the sources. The results of this question are recorded in Table 9. It can be observed that personal contacts in foreign markets, PEMD, foreign trips by company executives, the *Directory of the Canadian Trade Comm. Service*, and *CanadExport* were sources that presented the least problems to exporters. When the results of this enquiry are used jointly with those of use of sources (Table 4) it can be observed that excepting the two publications (*CanadExport* and the *Directory*

of the Canadian Trade Comm. Service), the other sources also score high on mean use. Universities and colleges, foreign banks in Canada, the CIDA Program, Export News, and WIN had few number of firms reporting no problems in using them. These sources also score low on mean use (Table 4). It can be tentatively concluded that, the more frequently a source is used, the more users understand the source and the less they experience problems using it.

5.4 The Relationship Between Firm Characteristics and Source Use

In this section, the relationship between firm size, exporting intensity and exporting experience, and source use is evaluated.

5.4.1 The Relationship Between Source Use and Firm Size

As stated earlier, the sample was divided into two groups; one composed of firms with 50 or less employees and the other composed of firms with more than 50 employees. This information was retrieved from the responding firms' profile. It was used together with information from source use (Table 4) and the results are presented in Table 10.

Table 10. The Relationship Between Firm Size and Source Use

<u>Information Source</u>	<u>Mean Use of Source*</u>			
	< or= 50 Employees		>50 Employees	
	Use	Rank	Use	Rank
Personal contacts in overseas markets	4.16	1	5.24a	1
Foreign trips by company executives	3.22	2	4.63a	2
Foreign agents	3.00	3	3.67	3
Trade fairs and exhibitions	2.24	4	2.76	4
Canadian embassies and high commissions	1.40	5	1.63	6
Foreign subsidiary company	1.35	6	2.33	5
Business associations	1.08	7	1.20	7
Program for Export Market Development	.76	8	.61	10
Foreign embassies in Canada	.70	9	.65	8
Trade Fairs and Exhibitions Program, Ministry of Industry Trade and Technology	.57	10	.53	13
Universities and colleges	.43	11	.51	14
Canadian Commercial Corporation	.41	12	.57	11
Trade Missions Program, Dept. of External Affairs	.41	12	.33	17
Export Development Corporation	.38	13	.51	14
Canadian banks	.35	14	.63	9
Business Opportunity Sourcing System	.32	15	.55	12
InfoExport	.32	15	.45	15
Federal Business Development Bank	.22	16	.27	18
Industrial Co-operation Program by CIDA	.22	16	.35	16
New Exporters to Border States	.22	16	.20	20
Worldwide Information Network for Exporters	.19	17	.18	21
Technology Inflow Program	.16	18	.22	19
Foreign banks in Canada	.14	19	.45	15

* Calculated from a scale ranging from 0 to 6 times of use.

a The difference is significant at the 0.05 level.

Larger and smaller firms tend to use the top 4 sources in an identical manner (all have the same rankings). To a large extent, both sizes of firms use the top 7 sources in the same way. Generally, larger firms use all sources slightly more often than smaller one but the differences are not statistically significant.

The findings are similar to Walters' (1983) who did not find firm size useful in differentiating between level of use of information but contrary to McAuley's (1992) who found that smaller firms use personal contacts and foreign agents significantly more than the larger firms.

5.4.2 Relationship Between Exporting Intensity and Source Use

Responding firms were divided into those with exporting intensity of 30% or less and those with over 30% of total sales accounted for by exports. From Table 11 below, it can be seen that firms with the higher export intensity used every source more frequently than the ones with lower export intensity. However, it was only in the use of Canadian embassies and high commissions, trade fairs and exhibitions, foreign banks in Canada, PEMD and foreign trips by company executives where the difference in use was statistically significant at the 0.05 level (t-test). These results imply that the higher the export intensity, the more the firm makes use of all sources of export information especially those characterized by major resource input. This is contrary to Walters' (1983) finding that exporting intensity was not helpful in differentiating between exporters in regard to patterns of export information use.

It is interesting to note that though the higher intensity group used general trade fairs and exhibitions significantly more than the firms with lower export intensity, when access to the same

sources is sponsored either by the provincial or the federal governments, the difference in use is no longer significant.

Table 11. The Relationship Between Export Intensity and Source Use

<u>Information Source</u>	<u>User Reported Mean*</u>			
	<u>Use</u>		<u>Source Use</u>	
	<u>Exports <= 30%</u>	<u>Exports > 30%</u>	<u>Exports <= 30%</u>	<u>Exports > 30%</u>
	<u>Total Sales</u>	<u>Total Sales</u>	<u>Total Sales</u>	<u>Total Sales</u>
	Use	Rank	Use	Rank
Personal contacts in foreign markets	4.70	1	4.90	1
Foreign trips by company executives	3.47	2	4.75b	2
Foreign agents	3.07	3	3.88	3
Trade fairs and exhibitions	2.00	4	3.23b	4
Foreign subsidiary companies	1.56	5	2.28	5
Canadian embassies and high commissions	1.14	6	2.15a	6
Business associations	.88	7	1.50	7
Canadian Commercial Corporation	.47	8	.58	13
Foreign embassies in Canada	.44	9	.90	9
Program for Export Market Development	.44	9	.93b	8
Universities and colleges	.42	10	.58	13
Trade Fairs and Exhibitions Program, Ministry of Industry Trade and Technology	.40	11	.75	11
Export Development Corporation	.35	12	.55	14
Canadian banks	.30	13	.78	10
Business Opportunity Sourcing System	.26	14	.70	12
Trade Missions Program, Department of External Affairs	.26	14	.48	16
InfoExport	.26	14	.58	13
Industrial Cooperation Program by CIDA	.23	15	.38	18
New Exporters to Border States	.19	16	.25	22
Foreign banks in Canada	.15	17	.53b	15
Technology Inflow Program b	.15	17	.30	20
Federal Business Development Bank	.12	18	.40	17
Worldwide Information Network for Exporters	.12	18	.28	21
New Exporters to Overseas	.09	19	.35	19

* Calculated from a scale ranging from 0 to 6 times of use

a The difference is significant at the 0.01 level

b the difference is significant at the 0.05 level

5.4.3 The Relationship of Exporting Experience and Source Use

To determine the correlation between exporting experience and source use, information was retrieved from the responding sample profile. The sample was divided according to exporting experience categories as used by McAuley (1992), namely; less than 5 years, 5-10 years, 11-25 years and more than 25 years. This information was used together with that on use from Table 4.

Several methods were used to determine whether exporting experience was a discriminating factor in source use. First, an attempt was made to determine the relationship between total source use and exporting experience. No correlation was found (using Spearman coefficient of correlation). Second, analysis of variance was used. In order to do this, a variable representing total use was computed. Firms were divided into the four exporting experience groups. No statistically significant differences were found in the use of sources between the exporting experience groups. Further, an attempt was made to determine whether exporting experience was related to the use of individual sources. It was only in the use of foreign embassies in Canada that a statistically significance difference was found (at the 0.05 level). Using the Mann-Whitney U test, similar results were obtained (i.e, no statistical significance was found).

Table 12. Concentration of Use Index

<u>Exporting Experience Group*</u>			
1	2	3	4
.07	.31	.08	.18
.17	.15	.46	.11
.22	.24	.10	.14
.33	.17	.11	.21
.24	.07	.23	.05
	.12	.27	.16
	.06	.37	.76
	.09	.22	.56
	.17	.10	.14
	.33	.22	.14
	.12	.30	.27
	.24	.78	.25
	.07	.56	.11
	1.00	.10	.14
	.17	.13	.29
	.18	.12	.39
	.17	.24	.13
	.19	.31	.10
	.11	.13	.10
	.08	.14	
	.12	.50	
	.08	.23	
	.20	.23	
	.08	.19	
	.33	.14	
	.14	.11	
		.18	
		.11	
		.10	
		.50	
Mean	.206	.192	.242
			.223*

* 1 Less than 5 years, 2 five to 10 years, 3 eleven to 25 years,
4 more than 25 years.
a Concentration of use index.

In a further attempt to determine whether exporting experience is related to source use, an index of concentration of source use was computed in the following way:

- Step 1. For each responding firm a proportion of use of each source was calculated by dividing the frequency of use of each source by the total frequency of use of all the sources. The result was then squared.
- Step 2. For each individual firm, a total of the proportion obtained in step 1 was generated for all the information sources.
- Step 3. Finally a mean of the summed squared proportions obtained in step 2 was calculated for each group of firms.

Table 12 presents the squared proportions as obtained for each firm arranged by experience groupings of firms. The bottom row represents the means of concentration of use index for each group.

From Table 12 it can be seen (not tested) that the less than 5 years group has an index of 0.206. For the 5 to 10 years group the index goes down to 0.192. However, for the 11 to 25 years group, the index goes up to 0.242 and comes down to 0.223 for the more than 25 years group. The observed results may be explained in the following way.

During the initial years in exporting, use of sources is relatively low. This is likely because being new in exporting, firms hardly know the sources and if they do they are unlikely to know what information the various sources provide. However, the use of source seems to be more concentrated than for the 5 to 10 years group. The latter group has the lowest intensity of source use intensity. Firms in this stage of exporting experience have probably been exposed to a wide range of sources that may have caused confusion to the firms. Therefore, firms may be hesitant to use the sources. By the time the firms have exported for 10 years, they are likely to have had enough experience to know not only the sources that exist but also to understand the value they confer to

the user. This is probably the reason why these firms (11 to 25 years) have the highest concentration of source use. As the firms exceed 25 years in exporting, they have probably accumulated enough experiential knowledge as to reduce the need for external information. This may be the reason why the concentration of source use is lower than for the previous export experience group.

These findings slightly differ from those from other studies which tended to find or suggest uniform decreases in source utility as a firm gains more experience in exporting. Seringhaus (1986/87) found that the usefulness of export information diminished with increase in exporting experience. The finding in the current study is not as linear as Seringhaus finding indicates. McAuley (1992) found similar results as Seringhaus.

5.5 Exporting Risks

In previous studies managers' perceptions on exporting were identified as important factors in a firm's export decision making. To determine the areas where managers perceive most uncertainties and risks in exporting, 26 sources of risks in exporting were identified from the literature. Statements concerning these risks were developed. Respondents were asked to state their level of agreement with each of the statements to assess the problems or risks they perceive in exporting. The scale used was a 5-point Likert type scale ranging from 1= strongly disagree to 5= strongly agree.

Some of the responses were re-ordered for analysis so that perceived risks increased with increases along the scale.

The mean risk for each variable was calculated. The resulting rating is as shown in Table 13. The top five aspects in which managers expressed most uncertainties and risks are the effect of exporting on the firm's ability to produce competitive products domestically, foreign business practices, effects of exporting on financial returns of the firm, the paperwork involved in exporting, and varying specifications, regulations and codes of products from country to country. It is interesting to note that when respondents were asked if exporting is too risky, almost all of them said that it is not. However they expressed concerns with some specific aspects of exporting.

A data-driven approach to reduce the variables failed to identify a smaller set of underlying variables and consequently a logical method was used to reduce the variables to a smaller set. This approach took into account 9 distinct aspects of exporting operations. Some variables i.e., the paperwork involved in exporting and exporting risk, costs involved in exporting and export finance (from Table 13) constitute distinct aspects of exporting but others were combined as follows (the numbers refer to the numbers in Table 13).

Table 13. Ranking of Areas of Perceived Risks

Aspect	Mean Rating*
1. Export effect on competitiveness of domestic products	4.19
2. Comparison of business practices across countries	3.91
3. Financial returns: domestic versus exports	3.58
4. Difficulties involving paperwork in exporting	3.55
5. The specifications, regulations and product codes across countries	3.44
6. Up-front costs in exporting	3.34
7. Difficulties providing aftersale service in f. markets	3.25
8. Difficulties in determining foreign opportunities	3.24
9. Difficulties involved in evaluating sales agents and distributors in foreign markets	3.19
10. Comparison of profits from foreign markets and those from domestic markets	3.17
11. Complications with obtaining export finance	3.00
12. Credit rating of customers in foreign markets	3.00
13. Domestic versus export profits markets	2.91
14. Foreign versus domestic business people	2.83
15. Locating sales agents/distributors in foreign markets	2.82
16. Growth opportunities offered by the foreign market versus the ones offered by domestic markets	2.71
17. The ease of serving foreign markets	2.70
18. Satisfaction with export profit expectations	2.65
19. Contribution of exports to firm product diversification	2.65
20. Ease of getting export payments	2.64
21. Effect of exporting on domestic market position	2.61
22. Credit standing of the export market country	2.51
23. Doing business domestically versus exporting	2.38
24. Contribution of exports to firm's growth	1.91
25. Exporting risks	1.79
26. Prospects of increasing exports in the future	1.70

* Scale ranging from 1= strongly disagree, 5= strongly agree.

Aspect	Combined Statements
Effects of exporting on profits	3, 10, 13, 18
Effect of exporting on domestic market position	1, 21
Effects of exporting on market growth and improvement	16, 24, 26, 19
Export payments	12, 20, 22
Costs of exporting	6, 11
Perceptions of foreign business practices	2, 5, 7, 8, 9, 14, 15, 17, 23

Table 14. Perceived Risks in Key Business Areas

Business Areas	Mean Risk*
Paperwork involved in exporting	3.55
Effects of exporting on domestic market position	3.39
Perceptions on foreign business practices	3.17
Effect of exporting on profits	3.08
Costs involved in exporting	3.02
Export financing	3.00
Export payments	2.72
Effect of exporting on market growth and improvement	2.24
Exporting risk	1.79

* Scale range 1= strongly disagree, 5= strongly agree.

The result of this exercise (after calculation of mean risks) is Table 14. The table shows the results of this data reduction. The top five aspects in which firms expressed most uncertainties and risks are the paperwork involved in exporting, the effect of exporting on the domestic market position, foreign business practices and the negative effect of exporting on company profits. The least uncertainties were expressed in exporting risk, market growth and export payments.

The relevance of the above analysis is that it gives an indication of the areas where emphasis should be placed when devising contents of export information. As stated before, the role of information is to reduce these uncertainties and at the same time enhance the marketing skills of the managers.

5.6 Testing McAuley's (1992) Export Assistance Model

The second part of this analysis was to test McAuley's (1992) Export Assistance Model (Appendix A). The testable aspect in the model is the relationship between exporting risk and exporting experience. According to the model, exporting risk should be inversely related to exporting experience. Thus, as a firm gains experience in exporting, its perceived risks in exporting should decrease because of the learning curve. In order to determine this relationship, a variable representing total perceived risk for the sample was computed from responses to the 26 statements (Table 13). The mean risk was then used in conjunction with a variable representing exporting experience (years). Analysis of correlation showed that the two variables were not related. Further the two variables were plotted on a scatterplot as shown in Exhibit A. The result showed no linear relationship between exporting risk and exporting experience.

EXHIBIT A

Testing McAuley's Export Assistance Model

A third attempt was made to determine whether there could be correlation between exporting risk at different exporting experience levels. The groupings of number of years of exporting experience were used (viz; less than 5 years, 5 to 10 years, 11 to 25 years and over 25 years). The result of this exercise is the bar graph presented in Exhibit B. From this graph it can be observed that the highest exporting risk is perceived by the 5 to 10 years exporting experience group followed by the 11 to 25 years group. The less than 5 years and the over 25 years groups expressed the lowest perceived risks. This variation in perceived risks between the different exporting experience groups is probably the reason why the linear correlation between exporting risk and exporting experience was not significant before exporting experience was broken down to these categories.

This result could be explained in the following way. The inexperienced firms (in their first five years of exporting) are very new to exporting. At this stage, they have probably not had enough exposure to experience the full range and magnitude of risks involved in exporting. As firms get to the 5 to 10 year bracket, they have had enough exposure to fully appreciate and articulate most of the uncertainties and actual risks associated with exporting. The perceived risk is highest at the 5 to 10 years bracket. Within this range, firms have had considerable experiences and are able to appreciate the risks involved in exporting. Between 11 and 25 years, the learning has effect and consequently firms begin to perceive less risks.

After 25 years in exporting the learning process is almost perfected and consequently firms are likely able to cope with exporting risks, which are no longer seen as risks but just as business routines to be gone through. Given that information reduces uncertainties, it could also be said that at this level of experience the effect of use of information and the resultant cumulative effect of learning reduces perceived risks with time.

These findings contradict the findings by Ursic and Czinkota (1984). They found that younger firms (20 years or less) had more positive perceptions of exporting. This contradiction in findings can be attributed to the fact that Ursic and Czinkota had just two categories (20 or less years and 21 or more years). It is likely that this broad categorization clouded some of the findings that are reported in the current study which used a more detailed classification. Also Ursic and Czinkota used business experience unlike this study that used exporting experience. This analysis leads to the conclusion that the Ontario data partially supports McAuley's (1992) model.

5.6.1 Replication of McAuley's (1992) Hub Model Using Ontario Data

In an attempt to illustrate how the Scottish exporter could be provided with appropriate information McAuley(1992) developed a model of intra-organizational structure (Appendix B). The idea was to model a structure centred on a single information clearing

organization. In an attempt to model a similar structure based on the Canadian data, the structure represented by Exhibit C is suggested. The counterparts of the Scottish Council are International Trade Centres (ITCs). Intuitively, InfoExport has a good appeal because of its extensive contacts as well as its information distribution capacity. However, similar to Mcauley's observation on the Scottish Council, InfoExport is run from Ottawa and could easily be seen as another bureaucratic structure. The situation in Canada is further complicated by the vastness of the country which results in the tendency to localize issues. In view of the potential obstacles in using InfoExport as the central organization, ITCs could perform this function.

ITCs were jointly established by the departments of External Affairs and Industry. They are located in the regional offices of the Department of Industry. Their function is to assist new and experienced Canadian exporters by providing export publications, recruiting participants for trade fairs and trade missions, providing a wide range of services to companies seeking export counselling, technology transfer or joint ventures with foreign investors.

The merits of suggesting ITCs as the ''hub'' organizations is that they are near exporters and therefore facilitate easy interaction. This is an important aspect as it was found in this study and others. Being a joint program between the two departments, ITCs have vast access to important information.

EXHIBIT C

Intra-organizational Export Information Delivery Structure for Canada

Legend

CCC	Canadian Commercial Corporation
EDC	Export Development Corporation
DRIE	Department of Regional Industrial Expansion
FBDB	Federal Business Development Bank
ITC	International Trade Centres
NEBS	New Exporters to Bolder States
NEXOS	New Exporters to Overseas
CIDA	Canadian International Development Agency
PEMD	Program for Export Market Development
WIN	Worldwide Information Network for Exporters

Going by the concentric circles in Exhibit C, the next contact organizations would be the InfoExport, WIN, and Department of Trade Industrial Expansion (DRIE). These are also rich sources of export information. In the ITC-InfoExport-DRIE information network, a firm can be appropriately connected with sources of export information.

6. STUDY IMPLICATIONS

The findings in this study have implications on three parties; exporters, policy makers and academicians. These implications are stated and discussed in the following paragraphs.

In this study it was found that firms seem to value information such as reports on potential customers, identifying specific export opportunities, identifying foreign representatives etc. They tend not to value information such as country reports, language translation services etc. It is clear exporters are pre-occupied with search of information that is mostly relevant to the day to day business operations and short term goals, and neglecting information that may be very important for the medium and long term business strategies. For example country reports are more important than exporters seem to think. These reports do have very important information and sometimes very detailed. For example, country profiles produced by the Economic Intelligence Unit of *The Economist* have up to date appraisal of economic and political trends in virtually all the countries in the world. Country reports as published by Price Waterhouse have very detailed facts on all aspects of doing business in the countries on which the country reports are published. It is upon public policy makers and other participants in export training to inform and educate exporters on the importance of these types of information.

This study found that the better known sources are mostly programs such as PEMD, FBDB, EDC and government sponsored trade

missions and exhibition programs. Newer programs such as NEXOS and NEBS are not very well known. The former programs were not primarily tailored for SMEs but the newer ones are. It is important for the newer programs to be aggressively marketed in order to benefit the intended beneficiaries. Firms should also be on the look out to take advantage of these programs.

The least known type of sources are publications. While many of them may be general, some do offer unique advantages that firms may find very useful. For example Canexport offers a relatively cheap opportunity for exporters to advertise their goods worldwide. Despite this obvious benefit many firms do not seem to be aware of the existence of this publication. There is therefore need for policy makers to market some of the better publications and for exporters to know what benefits the various publications offer.

The most frequently used sources are the ones characterized by high interactiveness between the seeker and provider of the information, and the ones possessing experiential knowledge. They are also seen as important in export decision making. But the same sources happen to be the most expensive. For policy makers, programs that aid the smaller firms in accessing the expensive sources should be continued and firms encouraged to use them. This study also found that programs tailored for new exporters (NEXOS and NEBS) are not being used as might have been expected. While this low usage may be a result of the short time during which they have been operative, given the benefits they confer to users there is need to market them to qualifying exporters.

Firms were generally found to make little use of the existing sources. Part of the problem lies with limited marketing of the sources by the providers as well as lack of interest by exporters. This study has shown that the more successful exporters also tend to use more sources. The individual firm should therefore aggressively seek relevant information for it pays. They should especially try to use new programs that confer significant benefits to exporters. In using the sources, exporters can concentrate on those that aid in reducing uncertainties and risks, and those that enhance export decision making.

This study found that importance of sources to export decision making mostly depended on the kind of information the sources are likely to provide. There is need for providers to know the value of the information they provide in order to enhance the source utility. This issue is germane given research findings that sometimes there are differences in how the exporters and the providers see the value of information supplied (Abaum 1983). For policy makers the message is clear that the value of a source in export decision making may be the main determinant of how useful the source is to exporters. Publishing booklets and articles, which flooded the market, may not be a productive way of meeting the information needs of exporters. When putting together the contents of export information, care should be taken to address specific needs of exporters. These needs are reflected in various ways in this study.

The aim of the information should be either to reduce the uncertainties perceived in various aspects of exporting or enhance the marketing skills of managers.

This study also found low usage of some sources due to the problems firms encountered in using the sources. The general nature of information provided by many sources results in their low usage. To enhance the utility of the sources, there is need for providers to reduce the problems where possible. Despite their low usage publications will continue to be supplied to firms because they are cheap to provide.

The most frequently reported problem in this study is the general nature of information provided by the sources. Some of the sources that reportedly provide general information are universities and colleges (32 of the 45 respondents who answered this question indicated that universities and colleges provide general information see Table 9). These educational institutes do carry out research on international business operations in addition to being depositories of other relevant information. Two examples of relevant studies that have been conducted in universities and are important to exporters are investment/business climate of countries (Jansen 1993) and various studies on product country images. In respect to the former type of study, it has been shown that countries could be cold, warm or hot in terms of investment/business attractiveness. In such studies, it could easily be shown which countries may become politically unstable and which may not. Many exporters may have been caught unawares on this aspect.

Country product images can also be used to indicate which markets may be receptive to which country's products. These are types of important information that may not be of immediate interest to exporters but for the medium and long term may be very important. Exporters are therefore better advised to re-examine some of the sources they may dismiss as general while they actually may not be so.

Unlike many other studies, this study found no significant relationship between source use and exporting experience. Specifically, McAuley (1992) found significant relationship exporting experience groups and source use. The difference in the findings between the two studies may be a result of several factors. First McAuley used only manufacturing firms. This study used general exporters (not necessarily manufacturers). Second, McAuley used a unique sample (Queen's Export Award Winners). Third, although the UK export information market is similar to that of Canada, the level of awareness of sources in the two countries may be different (McAuley did not measure the level of awareness of sources). This factor could have influence on the use of sources exporting experience notwithstanding.

It has also been shown in this study that government assistance may influence the use of sources i.e larger firms were found to use general trade fairs and exhibitions significantly more than smaller ones. However, when attendance to the trade fairs and exhibitions is sponsored by either the provincial or the federal government, the difference in use is no longer significant. If

government assistance could reduce the effect of exporting experience on use of sources, then this can explain the difference in findings between this study and McAuley's.

The implication of this discussion is that it may not be entirely true that exporting experience is significantly related to source use. One of the effects of assistance in acquisition of export information is to shorten the learning period. So it is possible that exporting experience may not be significantly related to source use. There is need for further research on the relationship between exporting experience and source use.

Other firm characteristics were found to be correlated with source use. It was found that the higher the export intensity, the more frequently a firm tended to use the sources. Given that export intensity is one of the measures of success in exporting, it can be said that individual firms should be encouraged to use as many sources as they find relevant. Firm size was also found to affect source use. Larger firms tended to use sources that are given high value in export decision making. This could be a reflection of the resources available for accessing these sources. The implication of this finding is that more attention should be given to the smaller firms. They should also be encouraged and motivated to use these sources when opportunities arise.

In this study an attempt was made to rank exporting areas where managers perceive risks and uncertainties. These uncertainties and risks can be reduced by use of appropriate information. The implication of this finding is that while putting

together the contents of the sources, the providers should take into consideration these uncertainties and risks.

McAuley's model predicted that exporting experience is inversely related to perceived exporting risks. The measurements and subsequent analysis in this study did not support the model. A closer examination of the two variables only partially supports the model. It is hard to visualize a situation whereby risks keep on decreasing indefinitely. Given that the exporting environment is dynamic, there are even chances that more experienced firms may face higher risks if their exporting environment is changing towards higher risks.

The implication of this discussion is that exporting experience and perceived exporting risks may not be relating the way McAuley conceptualized them. It is therefore a challenge to researchers to formulate a model that takes into account not only the effect of assistance in export information acquisition, but also the dynamic nature of the exporting environment.

In terms of resource allocation, source attributes as well as firm characteristics must be taken into account in deciding which firms to provide what information.

This study proposes the design of an intra-organizational export information delivery structure. No matter how it is looked at, and given that virtually all information is useful at least to some user, the issue of an administratively viable option is very important. The designers must find a way in which information can flow through the system to reach the intended clients. Though in

the Canadian and other contexts bureaucracies may be disliked, it is inevitable that in an undertaking such as suggested here, they are an evil that must be tolerated if only to make the design of the system worthwhile.

7. BENEFITS AND LIMITATIONS OF THE STUDY

The study only surveyed firms in one province of Canada. A national study would have been more preferable but was not possible because of time and financial constraints facing the researcher. The sample was a convenience one. A random sample could have been better but due to the nature of the sample frame, and also the fact that firms had to meet pre-set criteria, this was not possible. The sample size is also relatively small. A larger one would have been more preferable for generalization purposes. These limitations are mitigated by the fact that Ontario offers a wide variety of businesses and hence high probability of capturing richness in the diversity. It is believed this diversity makes the results of the study more generalizable.

The factors examined in this study may not be the only ones that may affect the use of sources of export information. A factor such as the sector in which a firm is operating may have influence on both the sources used as well as on the type of information needed. Also the stage of a firms' product life cycle may determine the sources useful to a firm and also the type of information the firm requires most. However, a study incorporating these other factors goes beyond the objectives of this study and may involve use of resources not available to the researcher.

As in the case of most mail based research, the response rate (22.25%) for this study is low. It is not therefore known how the results could have been if the nonresponding firms had responded.

But this is a limitation that cannot be helped. Since the results of this study do not show a systematic bias in the characteristics (a casual observation of the distribution of responding firm characteristics shows that the characteristics have normal distributions) of responding firms, it is believed that the results of this study are a very close approximation of the normal situation.

This study, more than most of the previous ones examined a wider variety of sources (programs, publications, organizations and general sources). The value of this diversity is that it brings to export information research a more complete picture of the sources used regardless of the type.

By using concepts (interactiveness and experiential knowledge) from the previous studies and attempting to classify sources along these dimensions *a priori*, the study contributes in refining the concepts as used in exporting literature. This was the first time such an attempt was made on these two particular concepts.

Models are representations of real situations. It is only through testing that the models can be said to represent the real world situation. It was earlier seen that model development in exporting is still rudimentary. Though this study did not fully confirm McAuley's (1992) model, the value of the testing *per se* makes a contribution in model development in exporting. The study has also shown why the model as formulated by McAuley may not stand to test. By introducing the issue of dynamism in relating exporting experience and exporting risk, this study adds another

essential element in understanding how firms may go about exporting.

More than 85% of responding firms in this study had the US as their principal market. Because of the psychological nearness of US to Canada, this could have had an effect on the use of information. For example, this nearness could have resulted in the older and newer exporters using the information sources in the same way. This could be one of the reasons why the study did not find significant differences in the use of sources between firms with varying exporting experience.

By attempting an export information delivery system in the Canadian context, this study sets a precedent in the possible design of export information provision in this era of telecommunications. Given the proliferation of computer based information systems in business environments, such a system as proposed in this study may benefit all parties involved ie, business, public policy makers and academicians. The details of such a system could be worked out at the time of implementation.

This study has attempted to develop an intra-organizational structure through which exporters can be provided with appropriate information efficiently and effectively. The suggested structure takes into account the importance of the sources of export information as well as the capacities of the key organizations in collecting and distributing information to clients. The value of these elements into the development of an efficient and effective system could be substantial. The suggested system can reduce

duplications and at the same time improve coordination among the different information providers.

If the suggested intra-organizational export information delivery structure is taken into consideration, the resulting richness, efficiency and effectiveness will primarily benefit the exporters.

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APPENDIX A

McAuley's Export Assistance Model

2 of/de 2

PM-1 3½"x4" PHOTOGRAPHIC MICROCOPY TARGET
NBS 1010a ANSI/ISO #2 EQUIVALENT

PRECISIONSM RESOLUTION TARGETS

APPENDIX B

McAuley's Ideal Hub Model

Legend

ACC	Accountants
BSI	British Standards Institute
C OF C	Chambers of Commerce
ECGD	Export Credits Guarantee Board
ED	Educational
IDS	Industry Dept for Scotland
BOTB	British Overseas Trade Board
SE	Scottish Enterprise
SITPRO	Simplification of International Trade Procedures Board

Appendix C: Summary of Programs and their Functions

Program for Export Market Development (PEMD)

- . It is the primary export promotion program that aids firms in undertaking activities such as trade fairs, foreign market visits, and visits by foreign buyers

The Technology Inflow Program (TIP)

- . Helps Canadian firms (those with less than 500 employees) to acquire foreign technology

Industrial Co-Operation Program

- . Helps Canadian firms to identify opportunities through visiting missions and seminars
- . Financially helps Canadian firms seeking opportunities for investments, joint ventures and transfers of proven technology to developing countries

Export Development Corporation (EDC)

- . Facilitates export trade and foreign investment through provision of risk management services to Canadian companies and their global customers

Canadian Commercial Export

- . It acts as the primary contractor when foreign governments and international agencies wish to purchase goods and services from Canadian sources on a government to government basis

WIN Exports (BOSS)

- . Provides a listing of Canadian firms. Each listing includes products, and services available for export, foreign markets/countries in which the firms is currently active or is considering and contacts within the company responsible for export activities.

Ontario Ministry of Industry, Trade and Technology Trade missions and Exhibitions Program

- . Helps firms to meet potential foreign clients
- . Firms informed of international trade exhibitions as well as subsidizing visits to the exhibitions

Federal Business Development Bank

- . Promotes the creation and development of small and medium sized businesses by providing a variety of financial and management services to their owners. Specifically it can guarantee firms to financial institutions for export receivables, offer strategic planning, financial planning and counselling services

InfoExport Centre

- . Offers suggestions on how to start exporting
- . Gives guidance on export programs and services
- . Helps find fast answers to export problems
- . Acts as entry point to External Affairs and International Trade information network and distributes copies of specialised export publications

Appendix D: Summary of Information Provided by Publications

Export Guide: A Practical Approach

- . How a firm can develop export a corporate trade strategy
- . Export pricing guidelines
- . Terminologies used in exporting
- . Transportation
- . Financing tips
- . Credit and collection for exports
- . Export support facilities

Program for Export Market Development Handbook

- . Types of assistance and eligibility

Exporting for Competitiveness: Ten Steps for Small Business

- . Guidelines on how a non-exporter can asses export opportunities realistically
- . Guidance on challenges of the exporting process to exporters. The guidelines range form a firm's evaluation of its export potential to formulation of exporting strategy

Directory of the Canadian Trade Commissioner Services

- . Provides contact address for trade offices in Canada and abroad

Canexport

- . Provides a medium through which exporting firms can advertise their goods and services

Canadian Exporter's Guide to the US Market

- . Guidelines right form information gathering to tips on the intricate details of the exporting process

So You Want to Export?

- . In addition to an overview of exporting involvement, it provides names o it provides names of persons and organizations to contact

CanadExport

- . Provides readers with information on international trade opportunities, new projects offering export pctential, changes in government programs, forthcoming events (ie trade fairs, missions and conferences) and export success stories and winning strategies

APPENDIX E: Correlations Between Awareness and Importance and Use of Sources

Awareness and Use	Cor. Coefficient	Sig. Level
Program for Export Market Development	.5204	.000
Export Development Corporation	.5918	.000
Federal Business Development Bank	.0902	.607
Trade fairs and Exhibitions Program, Ministry of Industry Trade and Technology, Ontario	.4005	.005
Trade Missions Program, Dept. of External Affairs	.4432	.005
Canadian Commercial Corporation	.3722	.017
Business Opportunity Sourcing System	.3176	.000
Industrial Co-operation Program by CIDA	.4394	.005
Worldwide Information Network for Exporters	-.1619	.360
InfoExport	.5956	.576
Technology Inflow Program	.0964	.576
New Exporters to Border States	.3729	.021
New Exporters to Overseas	.2478	.158
Importance and Use		
Personal contacts in foreign markets	.4337	.000
Foreign trips by company executives	.5672	.000
Foreign agents	.6358	.000
Trade fairs and exhibitions	.6097	.000
Business associations	.2242	.126
Canadian embassies and high commissions	.5803	.000
Program for Export Market Development	.6242	.000
Foreign subsidiary companies	.6090	.000
Trade Missions Program, Dept. of External Affairs	.3676	.001
Export Development Corporation	.3134	.005
Trade fairs and Exhibitions Program, Ministry of Industry Trade Technology, Ontario	.4556	.001
Business Opportunity Sourcing System	.2759	.015
Industrial Co-operation Program by CIDA	.5398	.001
Canadian Commercial Corporation	.3020	.007
Canadian banks	.3796	.011
Worldwide Information Network for Exporters	.1317	.472
New Exporters to Border States	.1705	.144
Federal Business Development Bank	.1980	.086
InfoExport	.5603	.000
Technology Inflow Program	.3611	.046
New Exporters to Overseas	.2531	.027
Foreign banks	.2759	.103
Foreign embassies in Canada	.5557	.000
Universities and colleges	.1526	.382

APPENDENDIX F: LETTERS

[Carleton University]
[Letterhead]

[Date]

[First/last name]
[title]
[company]
[address]

Dear [last name]

In a few days you will be contacted about a research project which is being carried out by one of my graduate students in the School of Business at Carleton University. I am writing in advance to inform you about the study and kindly ask for your cooperation.

The research is on the use of export information by exporting firms based in Ontario. Exporters have previously expressed dissatisfaction with the current provision of export information due to the supply of information that does not meet their needs. The goal of this study is to attempt to refine a model of a multi-organizational structure through which exporters in Canada can access appropriate information. The model was initially developed in the United Kingdom based on research of the Queen's Export Award Winners. This will be the first application of this model in the Canadian context.

The survey will be carried out by Mr. Julius Kitheka, a graduate student in our Master of Management Studies (MMS) program. Unlike other masters programs in business, the MMS requires a thesis on a topic of applied interest. Mr. Kitheka is working on this study as part of his thesis under supervision by myself and a thesis committee.

The questionnaire you will receive will be easy to complete and will not take much of your time. We will be happy to send a summary of the results if you so wish. As this project is related to exporting, a matter of great interest in Canada, and the results should help to further enhance the competitiveness of Canadian firms, we hope you will agree to participate.

Should you have any questions, please do not hesitate to contact me. We thank you very much in advance for your cooperation.

Sincerely,

Dr. Nicolas Papadopoulos
Professor
Director, School of Business
Carleton University

[Carleton University]
[letterhead]

[date]

[Mr/Ms. first name/last name]
[title]
[company]
[address]

Dear Mr/Ms. [last name]

Following up on the letter sent to you a few days ago by Dr. Nicolas Papadopoulos of the School of Business of Carleton University, I am enclosing the survey questionnaire for our project on the use of export information by exporters based in Ontario.

As noted in the previous letter, the questionnaire is composed of a few questions that are easy to answer and will not take too much of your time. Your response will be much appreciated as it is crucial to the success of the study and the completion of my Master's thesis. If you feel it should be answered by someone else in your company, please do not hesitate to pass it on to him or her.

As a reminder, the study is about the use of export information by exporters based in Ontario and draws from a model initially developed in the United Kingdom. This is the first application of the model in Canada. Exporters have often expressed dissatisfaction with the current information delivery system. The findings of the study are expected to contribute to the development of a more efficient and effective system.

A post-paid, pre-addressed return envelope is included. Your reply will be kept strictly confidential and analyzed without identification. Return envelopes will be opened at the Director's office, and the questionnaires will be forwarded to me only for coding, inputting to the computer and analysis.

Please complete the survey--your help is needed to ensure a representative sample and enable us to produce useful results for business and research.

Knowing the heavy demand on your time, we appreciate your help in this project very much. If you have any questions or comments, please do not hesitate to contact me at the above address

Sincerely,

Julius M. Kitheka
Graduate Student
Master of Management Studies program
School of Business

[Carleton University
[letterhead]
[date]

[Mr/Ms. first/last name
[title]
[company]
[address]

***** REMINDER*****

Will you please help us complete the study on
use of information by exporters.
The study is of direct interest to business
and we will provide you with a summary on
request (just check the box on the questionnaire cover).

Dear Mr/Ms. [last name]

About three weeks ago we asked you to participate in a survey which aims to
examine the use of information by exporters based in Ontario and subsequently
attempt to develop a model through which exporters can be provided with effective
information in an efficient way.

If you have already completed and returned the
questionnaire, please accept our sincere thanks
and ignore this reminder notice.

If not could we kindly ask you to complete the
questionnaire as soon as possible? Your response
is crucial to the success of the study and the
completion of my Master's thesis. A second copy
and return envelope are enclosed for your convenience.

The questionnaire is easy to fill out and will not take much of your time. If
you feel it should be answered by someone else in your company, please do not
hesitate to pass it on to him or her. Your replies will be kept strictly
confidential and analyzed without identification.

Knowing how busy you are, we appreciate your help in this project very much.
If you have any questions or comments, do not hesitate to contact me or Dr. N.
Papadopoulos, my thesis supervisor (telephone and fax numbers above).

Sincerely,

Julius M. Kitheka
Graduate Student
Master of Management Studies program
School of Business

APPENDIX G: QUESTIONNAIRE

Survey of Exporters' Use of Export Information

This study seeks to determine the use export information by Ontario based exporters.

If you would like to receive a summary of the results as soon as available, please check here: []. (Make sure you provide your name and address on a separate sheet or business card; these will be forwarded to me separately from the questionnaire to maintain the anonymity of results).

Please answer all the questions. We appreciate your help.

To return the completed questionnaire, please use the self-addressed envelope provided or mail to:

Business Consulting Program
The School of Business
Carleton University
1125 Colonel By Drive
Ottawa, Ontario
K1S 9Z9

Tel. (613) 788-2388
Fax (613) 788-2532

Serial no.: (This is used to check your company off the mailing list once the questionnaire is returned. This cover page will be discarded upon return and respondents will never be identified on the questionnaire itself.)

Section A: Awareness and Use of Sources of Export Information

Export information can be found from several different types of sources. Please answer the questions below for the sources by circling the appropriate number to the right of each source in each case.

1. Please indicate below the level of your awareness of the existence of the following programs, organizations and publications.

	Not known to me	Vaguely aware of	Aware of	Very well known to me
Programs and Organizations				
-Program for Export Market Development (PEMD).....1		2	3	4
-Technology Inflow Program (TIP).....1		2	3	4
-InfoExport.....1		2	3	4
-World Information Network for Exporters (WIN).....1		2	3	4
-Trade Missions and Exhibitions Program, Ministry of Industry Trade and Technology, Ontario.....1		2	3	4
-Industrial Co-Operation Program, Canadian International Development Agency (CIDA).....1		2	3	4
-New Exporters to Border States (NEBS).....1		2	3	4
-Trade Missions Program, Dept. of External Affairs.....1		2	3	4
-New Exporters to Overseas (NEXOs).....1		2	3	4
-Business Opportunity Sourcing System (BOSS).....1		2	3	4
-Export Development Corporation1		2	3	4
-Canadian Commercial Corporation1		2	3	4
-Federal Business Development Bank.....1		2	3	4
Publications				
Department of External Affairs				
-CanadExport.....1		2	3	4
-Directory of the Canadian Trade Commis. Service.....1		2	3	4
-Canexport.....1		2	3	4
-Export Documentation and Foreign Collections.....1		2	3	4
-So You Want to Export?.....1		2	3	4
-Guide for Canadian Exporters.....1		2	3	4
-Export Guide: A Practical Approach.....1		2	3	4
-Canadian Exporters Guide to the U.S Market.....1		2	3	4
Others				
-Program for Export Market Development Handbook.....1		2	3	4
-Getting Ready to Export: Moving your Firm Toward a Global Trading Strategy, Ministry of Industry Trade and Technology, Ontario.....1		2	3	4
-Export News, Canadian Exporters Association.....1		2	3	4
-Exporting Competitiveness: Ten Steps for Small Businesses, Department of Industry.....1		2	3	4

2. During the last two years, how many times has your firm used the following sources of export information in export decision making?

General sources	Number of times used				
	2	3	4	5	5+
-Personal contacts in foreign markets.....1	2	3	4	5	5+
-Foreign agents.....1	2	3	4	5	5+
-Trade fairs and exhibitions.....1	2	3	4	5	5+
-Foreign subsidiary companies.....1	2	3	4	5	5+
-Canadian banks.....1	2	3	4	5	5+
-Foreign banks in Canada.....1	2	3	4	5	5+
-Foreign embassies in Canada.....1	2	3	4	5	5+
-Business associations.....1	2	3	4	5	5+
-Canadian embassies and high commissions abroad.....1	2	3	4	5	5+
-Universities and colleges.....1	2	3	4	5	5+
-Foreign trips by company executives.....1	2	3	4	5	5+
Programs and Organizations					
-Program for Export Market Development (PEMD).....1	2	3	4	5	5+
-Technology Inflow Program (TIP).....1	2	3	4	5	5+
-InfoExport.....1	2	3	4	5	5+
-World Information Network for Exporters (WIN).....1	2	3	4	5	5+
-Industrial Co-operation Program, Canadian International Development Agency (CIDA).....1	2	3	4	5	5+
-Trade Missions and Exhibitions Program, Ministry of Industry Trade and Technology, Ontario.....1	2	3	4	5	5+
-New Exporters to Border States (NEBS).....1	2	3	4	5	5+
-Trade Missions Program, Dept. of External Affairs.....1	2	3	4	5	5+
-New Exporters to Overseas (NEXOS).....1	2	3	4	5	5+
-Business Opportunity Sourcing System (BOSS).....1	2	3	4	5	5+
-Export Development Corporation.....1	2	3	4	5	5+
-Canadian Commercial Corporation.....1	2	3	4	5	5+
-Federal Business Development Bank.....1	2	3	4	5	5+

Section B: Importance of Sources and Types of Export Information

The following questions relate to the importance of different sources and types of export information.

3. Below are some sources of export information. Please indicate their degree of importance to your firm's export decision making by circling the appropriate number.

General Sources	Not Important		Very Important	
	2	3	4	5
-Personal contacts in foreign markets.....1	2	3	4	5
-Foreign agents.....1	2	3	4	5
-Trade fairs and exhibitions.....1	2	3	4	5
-Foreign subsidiary companies.....1	2	3	4	5
-Canadian banks.....1	2	3	4	5
-Foreign banks in Canada.....1	2	3	4	5
-Foreign embassies in Canada.....1	2	3	4	5

General Sources (cont.)	Not		Very	
	Important		Important	
-Business associations.....1	2	3	4	5
-Canadian embassies and high commissions abroad.....1	2	3	4	5
-Universities and colleges.....1	2	3	4	5
-Foreign trips by company executives.....1	2	3	4	5
Publications				
Department of External Affairs				
-CanadExport.....1	2	3	4	5
-Directory of the Canadian Trade Commis. Service..1	2	3	4	5
-Export Guide: A Practical Approach.....1	2	3	4	5
-Canexport.....1	2	3	4	5
-Export Documentation and Foreign Collections.....1	2	3	4	5
-So you Want to Export?.....1	2	3	4	5
-Guide for Canadian Exporters.....1	2	3	4	5
-Canadian Exporters' Guide to the U.S. Market.....1	2	3	4	5
Others				
-Program for Export Market Development Handbook....1	2	3	4	5
-Exporting for Competitiveness: Ten Steps for Small Business, Dept. of Industry1	2	3	4	5
-Getting Ready to Export: Moving your Firm Toward a Global Trading Strategy, Ministry of Industry Trade and Technology, Ontario.....1	2	3	4	5
-Export News, Canadian Exporters Association.....1	2	3	4	5
Programs and Organizations				
-Program for Export Market Development (PEMD).....1	2	3	4	5
-Technology Inflow Program (TIP).....1	2	3	4	5
-InfoExport.....1	2	3	4	5
-World Information Network for Exporters (WIN).....1	2	3	4	5
-Industrial Co-operation Program, Canadian International Development Agency (CIDA).....1	2	3	4	5
-Trade Missions and Exhibitions Program, Ministry of Industry Trade and Technology, Ontario.....1	2	3	4	5
-New Exporters to Border States (NEBS).....1	2	3	4	5
-New Exporters to Overseas (NEKOS).....1	2	3	4	5
-Business Opportunity Sourcing System (BOSS).....1	2	3	4	5
-Trade Missions Program, Dept. of External Affairs..1	2	3	4	5
-Export Development Corporation.....1	2	3	4	5
-Canadian Commercial Corporation.....1	2	3	4	5
-Federal Business Development Bank.....1	2	3	4	5

4. Below are some types of export information. Please indicate their degree of importance to your firm's export decision making by circling the appropriate number.

	Not <u>Important</u>		Very <u>Important</u>	
-Reports on potential customers.....1	2	3	4	5
-Identifying overseas agents.....1	2	3	4	5
-Export payments.....1	2	3	4	5
-Specific export opportunities.....1	2	3	4	5
-Transport and distribution.....1	2	3	4	5
-Foreign market reports.....1	2	3	4	5
-Foreign technical standards.....1	2	3	4	5
-Export insurance.....1	2	3	4	5
-Export financing.....1	2	3	4	5
-Language and translation.....1	2	3	4	5
-Economic reports on countries.....1	2	3	4	5
-Foreign trade literature.....1	2	3	4	5

Section C: Problems with Sources of Export Information.

5. Please indicate the type of problems you had, if any, with the following sources of export information by checking the appropriate choice.

Note: You may check more than one choice as the case may apply.

The information is.....

	too general	not up to date	hard to under- stand	expen- sive to access	diffi- cult to access	No problem
General Sources						
-Personal contacts in foreign markets.....0	0	0	0	0	0	0
-Foreign agents.....0	0	0	0	0	0	0
-Trade fairs and exhibitions.....0	0	0	0	0	0	0
-Foreign subsidiary companies.....0	0	0	0	0	0	0
-Business associations.....0	0	0	0	0	0	0
-Canadian banks.....0	0	0	0	0	0	0
-Foreign banks in Canada.....0	0	0	0	0	0	0
-Foreign embassies in Canada.....0	0	0	0	0	0	0
-Canadian embassies and high commissions abroad.....0	0	0	0	0	0	0
-Universities and colleges.....0	0	0	0	0	0	0
-Foreign trips by company executives.....0	0	0	0	0	0	0
Programs and Organizations						
-Program for Export Market Development (PEMD).....0	0	0	0	0	0	0
-Technology Inflow Program (TIP).....0	0	0	0	0	0	0
-InfoExport.....0	0	0	0	0	0	0
-World Information Network for Exporters (WIN).....0	0	0	0	0	0	0

The information is.....

	too general	not up to date	hard to under- stand	expen- sive to access	diffi- cult to access	no problem
Programs and Organizations (cont.)						
-Industrial Co-operation Program, Canadian International Development Agency (CIDA).....0		0	0	0	0	0
-Trade Missions and Exhibitions Program, Ministry of Industry Trade and Technology, Ontario.....0		0	0	0	0	0
-New Exporters to Border States (NEBS)0		0	0	0	0	0
-Trade Missions Program, Dept. of External Affairs.....0		0	0	0	0	0
-New Exporters to Overseas (NEXOS)....0		0	0	0	0	0
-Business Opportunity Sourcing System (BOSS).....0		0	0	0	0	0
-Federal Business Development Bank....0		0	0	0	0	0
-Canada Commercial Corporation.....0		0	0	0	0	0
-Export Development Corporation.....0		0	0	0	0	0
Publications						
Department of External Affairs						
-CanadaExport.....0		0	0	0	0	0
-Directory of Canadian Trade Commissioner Services.....0		0	0	0	0	0
-Canexport.....0		0	0	0	0	0
-Export Documentation and Foreign Collections.....0		0	0	0	0	0
-So You Want to Export.....0		0	0	0	0	0
-Guide for Canadian Exporters.....0		0	0	0	0	0
-Canadian Exporters' Guide to the U.S. Market.....0		0	0	0	0	0
-Export Guide: A Practical Approach...0						
Others						
-Program for Export Market Development Handbook.....0		0	0	0	0	0
-Getting Ready for Export: Moving Your Firm Toward a Global Trading Strategy, Ministry of Industry Trade and Technology, Ontario.....0		0	0	0	0	0
-Export News, Canadian Exporters Association.....0		0	0	0	0	0
-Exporting for Competitiveness: Ten Steps for Small Business, Dept. of Industry.....0		0	0	0	0	0

Section D: Views on Various Aspects of Exporting

6. The following statements may be made by a chief executive officer of an exporting company. Please indicate your agreement or disagreement with the statements by circling the appropriate number to the right of each statement.

	<u>Strongly Disagree</u>			<u>Strongly Agree</u>
a) The cost of serving export markets is really more reasonable than most people think.....1	2	3	4	5
b) Getting started in exporting requires high up-front costs.....1	2	3	4	5
c) Export markets for my firm's products are more profitable than the domestic market.....1	2	3	4	5
d) My firm makes higher profit margins in the domestic market than on foreign markets.....1	2	3	4	5
e) The financial returns to the owners of my business have been significantly greater because of focusing our operations on the domestic market.....1	2	3	4	5
f) Profits from exports have fully met my expectations.....1	2	3	4	5
g) Exporting has improved my firm's market position at home.....1	2	3	4	5
h) Export markets offer better growth opportunities for my firm than the domestic market.....1	2	3	4	5
i) By exporting my firm has been able to diversify its product lines.....1	2	3	4	5
j) Selling in foreign markets has helped my firm develop more competitive products to sell at home...1	2	3	4	5
k) Exports make a major contribution to my firm's growth.....1	2	3	4	5
l) My firm is planning on increasing its exports in the near future.....1	2	3	4	5
m) Obtaining payment for sales to foreign businesses is relatively simple.....1	2	3	4	5
n) My firm would check into the credit rating of a foreign buyer before responding to an enquiry.....1	2	3	4	5
o) My firm would check into the credit standing of a country before replying to an enquiry from a buyer in that country.....1	2	3	4	5
p) Exporting is too risky.....1	2	3	4	5
q) Obtaining export financing is a complicated process.....1	2	3	4	5
r) Business people in other countries are not like us...1	2	3	4	5
s) The paperwork involved in processing an export sale is easy to handle.....1	2	3	4	5
t) Evaluating the sales performance of sales agents and distributors in foreign markets is difficult...1	2	3	4	5
u) Business practices are pretty much the same in most countries.....1	2	3	4	5
v) Locating sales agents/distributors in foreign markets is easy.....1	2	3	4	5

		<u>Strongly</u> <u>Disagree</u>			<u>Strongly</u> <u>Agree</u>
w) Specifications, regulations and codes for my firm's products vary from country to country.....	1	2	3	4	5
x) Foreign opportunities are difficult to determine....	1	2	3	4	5
y) It is difficult to provide after-sale service to customers in foreign markets.....	1	2	3	4	5
z) Exporting is no different from doing business domestically.....	1	2	3	4	5

Section E: Company Information

7. Lastly, please complete the following questions to help us interpret the answers will remain totally anonymous.

results of the survey. Your

- a. Number of your firm's full-time employees _____
- b. Approximate number of years that your firm has been exporting _____
- c. Countries to which your firm is currently exporting (please name up to 5 most important ones.)
- _____
- _____
- _____
- _____
- d. Our principal export country is _____
- e. Your firm's gross sales during the last completed fiscal year were approximately \$ _____
- Approximately, what percentage (%) of these total sales was accounted for by exports? _____ %

f. Does your firm currently belong to any trade associations? If so, name up to 5 most important ones:

g. Your position in the company (person who answered the questionnaire-- President, Vice President, Director International Marketing, etc.):

-
- . Please ensure that all questions have been answered--but return the questionnaire even if for some reason you are unable to fill it all out.
 - . If you would like a summary of the survey results once available, remember to check the box on the cover of the questionnaire.
 - . If you would like to comment on the survey, please feel free to do so; we will read and take your comments into account.

Thank you for your help in filling out this questionnaire. Your cooperation is very much appreciated.

END

0 1 - 0 6 - 9 5

FIN