



A Financial Approach to Export Performance and its Determinants in SMEs: The Case of the French Wine Industry

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ABSTRACT

Research on export performance deals with its definition, assessment (Sousa, 2004) or its determinants. Since the 1960s (Tookey, 1964), this concept has been gathering numerous empirical studies testing one or several determinants on one or several indicators of export performance on a given sample. Moreover, one can currently see more theoretical works about it. This is necessary and helps building a solid framework to understand better export performance.

This contribution ensues from a literature review on export performance determinants in SMEs (Maurel, 2007). Indeed, one of its possible conclusions is that a financial approach to export performance has not been addressed by researchers working on the concept called “export performance” although this seems to constitute a key element in the understanding of this multidimensional concept. This is partly linked to the fact that papers dealing with export performance are mostly due to researchers in strategy and/or marketing.

Improving one’s export performance is necessary for SMEs in the French wine industry as they must compete internationally against New World wine companies that are gaining more and more market shares. This will also help them be more competitive on their domestic market . As some of them are in a difficult financial situation considering the crisis they have been facing since the beginning of the 2000s, thinking about the link between financial structure and export performance constitutes a current topic. This paper is based on Bernard and Jensen’s key paper (Bernard and Jensen, 1999) and the current pertinence of this subject is confirmed by Greenaway, Guariglia & Kneller (2007) dealing with financial constraints and export decisions on UK manufacturing firms.

Therefore, the aim of this paper is to discover whether higher export performance tallies with a specific financial structure or not. Are some companies penalized by their bad financial situation in their export development or is export a way to improve one’s financial situation? What kind of elements in the financial structure of SMEs, and especially French wine SMEs, play a role in their export performance?

The first part consists in justifying theoretically the financial dimension of export performance, i.e. its place in the existing export performance literature, the possible financial prerequisites to export performance and the financial impact of export performance. After this theoretical part, a statistical study is conducted on French wine SMEs thanks to data from the EAFV-2006 survey carried out by Supagro Montpellier (school of Agronomy) and the statistical software SPSS 11.5. It aims at checking empirically whether the relationships between the financial structure and export performance exist.

Keywords: Export performance – financial structure – firm performance – wine industry