

DETERMINANTS OF EXPORT PERFORMANCE
IN SMEs : THE CASE OF THE FRENCH
WINE INDUSTRY

Carole MAUREL

Les Costières Mas Saint-André

13670 SAINT-ANDIOL

Tél : (0033) 6-76-92-66-10

carolemaurel13@wanadoo.fr

PRATIC

University of Avignon

The weight of French SMEs in the French economy is substantial. Indeed, they represent 99.5 per cent of French companies. In 2002, there were “2,088,000 SMEs (composed each of less than 250 employees), i.e. (...) 63 per cent of the whole employment in France, 53 per cent of the Added Value, 24 per cent of exports...” (Source: Les Chiffres Clés des PME, www.pme.gouv.fr): all these figures show that it is necessary to identify what drives the export development of French SMEs.

The issue of the competitiveness of small and medium-sized wine companies is topical considering the crisis most of them have been facing since the beginning of the 2000s. From 2000 to 2005, the number of French wine growing companies fell from 92,100 to 77,700¹. According to Dominique BUSSEREAU, The French Minister of Agriculture, the French wine industry, which is mainly composed of SMEs, would be coming out of this crisis², pointing out a recovery of exports in 2006.

This unfavourable period, characterized among others by a decrease in domestic sales, has made necessary the export activity and the search for new outlets on international markets (link confirmed by JOHANSON & VAHLNE (1977) and PORTER (1980)). Now it is important for the French wine companies to have all the necessary elements to recover and gain stability. These key elements are likely to come from the export activity, that is why it is essential to define which variables can help improving the export performance. The term “export performance” does not have a unanimously acknowledged definition, however, one can adopt SHOHAM’s broad definition (1998) of the export performance : « a firm’s outcomes achieved in international sales ».

The aim of this paper is to identify the determinants of the export performance in the French wine industry, mainly composed of SMEs. This paper has been realised as part of the theoretical chapter of my “thèse de doctorat” (≈ PhD thesis).

This paper starts with a literature review regarding the determinants (internal, external and strategy-related) of the export performance in SMEs. The second part will focus on the export performance for wine companies in the literature and the choice of the variables which are going to be tested. The third part will deal with the exploratory study aiming at listing the determinants of the export performance in the French wine industry. This study will be based on data from a survey set up by the “Ecole d’Agronomie” from Montpellier (ENSAM). Finally, after the presentation of the results of the study, I will conclude and suggest implications to for the furthering of the thesis.

¹ Source : Tableaux de l’Economie Française – INSEE – 2006.

² Statement made by the current Minister of Agriculture during the inauguration of Vinitech, the international fair about wine technics in Bordeaux (France).

1. LITERATURE REVIEW: WHAT ARE THE MAIN DETERMINANTS OF THE EXPORT PERFORMANCE IN SMEs ?

This theoretical part consists in the presentation of the numerous determinants or categories of determinants of export performance in SMEs, according to a review of the existing literature about international trade and exports. Then, this classification will be applied to the wine industry. It is important to note that the positive, negative or non-existent impact of each determinant has not been always clearly demonstrated in the available papers. This can be explained by the fact that each sample is different (firm size, industry, country...). The aim here is to draw up the most precise list of determinants of export performance in order to adapt it to French wine industry.

1.1. Internal determinants of the export performance:

Internal determinants of EP are factors related to firm characteristics, management and resources. Indeed, as DHANARAJ & BEAMISH (2003) and their resource-based view (RBV³) of the EP in SMEs, the export success and strategy come from the resources and capabilities of the firm.

1.1.1. Characteristics of the firm

Among the determinants of the firm that can impact its EP, firm size, measured by the global turnover or the number of permanent employees, has been several times tackled in the literature but its impact is much debated. The positive impact of this resource is justified by the fact that the larger a company is, the more resources it has. Larger firms can benefit from economies of scale and experience effect and thus improve their performance. VERWAAL & DONKERS (2002) use the transaction cost theory to explain the role of size in the improvement of EP: indeed, a larger size enables the firm to adopt a governance structure which suits the requirements of international trade by reducing transaction costs. However, numerous small firms with high EP do also exist. A small size grants the firm larger growth opportunities and higher flexibility even if it has limited resources (BONACCORSI [1992], CALOF [1994]). Other papers have found that company size does not create significant impact on EP. Thus, given that the French wine industry is mainly composed of SMEs, it will be relevant to assess whether the larger wine companies have the highest performance.

Firm experience is another determinant of EP. Experience refers to two things: the age of the firm and the export performance, i.e. the number of years of export activity. MAJOCCHI & al (2005) verified that experience and the changes implied by the experience influence favourably the EP. Regarding the export experience, it is logical that the more a firm is used to export transactions, methods and techniques, the more it will be able to improve its performance: it is the experience effect. Does it work in the French wine industry? Indeed, one can consider two cases: On the one hand, according to URSIC & CZINKOTA (1984), the youngest companies,

³ According to the resource-based view of the firm (RBV) (WERNERFELT [1984], BARNEY [1991]), the sustainable competitive advantage of the firm (and its performance) is generated by its resources and capabilities. Resources must be rare, nonsubstitutable, non imitable and valuable.

disadvantaged on the domestic market in terms of costs and access to resources, can concentrate their efforts on exports and can gain high performance. On the other hand, older companies, with an agricultural and wine-growing tradition, may have a less entrepreneurial attitude. However they may be more stable and have a larger network thanks to their longer experience, which can bring them export success.

Moreover, it is important for a company to propose a complete offer of products to satisfy foreign customers and be export successful. LARIMO (2005) insisted on the role of product quality on export performance, as BEAMISH, CRAIG & MCLELLAN (1993) who proved the existence of the role of a diversified offer. Indeed, the new trade theory confirms this relationship and maintains that the production of diversified export goods created a competitive advantage and helped increase international sales, which is an indicator of export performance.

1.1.2. Firm Management

Firm Management constitutes a resource on which the company can act to improve its export performance. Several elements can be underlined:

The export commitment can be defined as the general willingness to allocate the required resources to exports. This includes participating in public export promotion programmes, trade shows or gathering information on foreign markets. WILKINSON & BROUHERS (2006) studied the impact of export commitment and the use of export promotion programmes on the export performance of American SMEs through a RBV of the firm. The impact was positive. SPENCE (2003) showed that by supporting the creation of a relationship between trade partners, trade missions increased the export performance of SMEs. ALVAREZ (2004) confirmed the positive relationship between the international effort and the EP of Chilean SMEs. Differences in export commitment can be caused by unequal access to information and managerial competencies, or even by export barriers perceived by managers. So, one can wonder whether wine SMEs with an agricultural background are disadvantaged if compared to multinational groups.

Companies which want to have higher export performance should adopt an export-oriented management. To be “export-oriented”, it must already be (or become) market-oriented. Market orientation, whose link to performance was asserted by KOHLI & JAWORSKI (1993), is composed of three variables: intelligence generation, intelligence dissemination and responsiveness. ROSE & SHOHAM (2002) checked empirically the favourable role of export orientation on EP. However, their article does not apply to SMEs only. The fact that the top management considers international business as a priority and perceives profit opportunities (NAIDU & PRASAD [1994]) also proves the export orientation of the firm.

Finally, one of the essential characteristics of management is entrepreneurship : according to CARUANA & al (1998), entrepreneurship is a three-dimensional concept: innovation, proactivity (instead of reactivity) and risk-taking. The opposition between proactive and reactive companies brings out differences in motivation which will tally with different export commitments. So, one could wonder whether entrepreneurial wine companies experience higher export performance than non-entrepreneurial companies. In their resource-based view of the export performance in

SMEs, BEAMISH & DHANARAJ (2003) demonstrated the positive impact of an entrepreneurial attitude on EP.

1.1.3. Technological Resources

According to SCHUMPETER (1912), innovation is the only source of pure profit. Several kinds of innovation can be distinguished: product innovation (on product features) and process innovation are two of them. One common indicator used to measure innovation is Research & Development intensity. The impact of innovation on EP has been studied a lot in the literature. Among the papers dealing with SMEs, one can quote STERLACCHINI (1999) who focused on SMEs belonging to non-intensive R&D sectors. BEAMISH & DHANARAJ (2003), LEFEBVRE & al (1998) also confirmed this positive link. Innovation enables companies to have higher performance than non-innovative companies.

To a larger extent, one can consider creativity. It includes innovation but also such variables as technology, technology transfers and start-ups. DI PIETRO & ANORUO (2006) realised a study about numerous countries. This study demonstrated that creativity contributes to an increase in export sales.

Theories supporting the impact of innovation on EP are diverse. Indeed, studies on the subject use the Schumpeterian approach called “creative destruction”: which consists in the destruction of obsolete elements in order to create more innovative ones. The technological-gap theory founded by POSNER (1961) supports that the technological advance that a firm temporarily holds in comparison with its competitors gives it an advantage on the international scene. Finally, the life cycle theory of VERNON (1966) relates that each company will specialize in the product for which it has a relatively higher technological competence than its competitors and this confers a comparative advantage on this company.

1.1.4. Characteristics of the decision-maker

In SMEs especially, characteristics and attitudes of the decision-maker, i.e. the manager and very often owner (in the French wine industry composed of numerous family or patrimonial firms), play an important role in the success of the firm. Among these features, one can quote the education or the age of the decision-maker.

1.2. External determinants (or “incontrolable”) according to ZHAO & ZOU:

According to the contingency theory owed to LAWRENCE & LORSCH (1967) and enhanced later by MINTZBERG (1979), export performance depends on the context, the environment in which the company operates. Moreover, external determinants also refer to ideas developed by PORTER (1980) and his competitive strategies.

1.2.1. The environment of the firm

The article written by HOLZMULLER & STOTTINGER (1996) demonstrates that the export success of an organisation depends not only on management-related determinants but also environment-related determinants.

Several aspects of the environment must be taken into account. For instance the institutional environment : In an international context, it regards the public export

promotion programmes offered by governments to exporters. The financial environment is among other things the exchange rates and their fluctuations. They can influence SMEs because most of them do not have as many necessary tools as groups to manage the exchange risk and limit its impact on their results. MAJOCCHI & al (2005) confirm that a devaluation of the euro has a positive influence on Italian SMEs and vice-versa. The cultural dimension also has to be taken into account. Analysing and understanding the culture of the export market is a key element in the export success.

1.2.2. The industry

Multiple industry-related determinants can influence the export performance. There exist numerous export barriers such as legal, financial, political or trade barriers which are related to the structure of the industry and make the access to the market more difficult for new exporters. In this way, exporters already on the market will be advantaged in terms of market shares as the access is limited for new competitors. The presence of entry barriers impacts on the export performance of a firm negatively as it is all the more difficult to reach a market than barriers are numerous (WILKINSON & BROUHERS [2006]).

Another characteristic of the industry that must be considered in the explanation of the export performance is its concentration. According to ZHAO & ZOU (2002), an increased concentration of an industry has a significant and negative impact on export performance: the more the company acts in a concentrated industry, the less the company will be prone to improve its export performance. However, ZHAO & ZOU (2002) studied a sample in which there were companies of all sizes, these results have to be used carefully and need to be taken into consideration in the case of SMEs.

BELSO-MARTINEZ (2006) studied the relationship between industrial districts (or clusters) and the export performance in SMEs. She showed a positive and significant link between the location of the firm in the district and networks (competitors network and institutional network) and the EP of Spanish SMEs in a given area. Indeed, according to the location of the firm in the district (near ports, airports, suppliers...) a company will be advantaged because it will benefit from better conditions than its competitors'. Thanks to a comparison between several Australian wine clusters, AYLWARD (2004) highlighted that belonging to a dynamic cluster where there exist such variables as innovation, high concentration of suppliers, appropriate public structures (education, financial support, research...) favoured the performance of exporters. The example is the cluster in South Australia, which is much more successful in exports than the other Australian clusters. The transposition to the French wine industry can not be avoided, as it is organised in clusters.

1.3. Determinants related to the export strategy:

It is through the setting up of an appropriate export strategy that a company will be able to improve its export performance. This export strategy includes multiple facets on which the manager can act.

The Marketing Strategy: it includes the Mix-Marketing (price, product, promotion and place). I will not go into detail with this aspect of the export strategy, as the marketing dimension of export performance does not belong to the core of this paper. However one can refer to LEONIDOU & al (2002), who built a meta-analysis on it.

Relationships between the exporter and his business partners (intermediaries, customers...) must not be neglected in the improvement of the export performance. The study of BEAMISH & al (1993) points out the impact of long term relationships with distributors on the export performance of small exporters. Cooperative strategies represent an effective way for the smallest firms to expand their knowledge on the export markets and reinforce their resources. That can contribute to the improvement of their EP (HAAHTI & al [2005]). LAGES & LAGES (2005), through their measurement scale of the quality of the relationship in an export transaction, support the idea that the relationship quality between business partners and wine companies can influence positively on the export performance.

The product adaptation strategy is defined by CAVUSGIL & ZOU (1994) as the fact to set up coherent planned activities in order to meet the customer's need. Papers of LEONIDOU & al (2002) and JOHNSON & ARUNTHANES (1995) indicate that an international product adaptation strategy leads to an increase in sales but no increase in the outcome nor in market shares. Nevertheless most of the other papers argue the opposite thesis, based on the RBV and the industrial organisation theory. The adaptation of the product to the cultural specific features of the targeted market enables the firm to be consistent with customers' needs. CALENTONE & al (2006) also highlighted a positive relationship between product adaptation strategy and export performance. The problem here is that all these papers do not deal only with SMEs, I will have to test it, if possible, on my sample.

Another aspect of the export strategy is to choose between geographical diversification or concentration: In how many countries does the firm sell its products? In which companies is high performance experienced: diversified or concentrated firms? According to COOPER & KLEINSCHMIDT (1985) diversification is preferred. A more precise analysis could be produced: how many customers per country, weight of each customer: are there a lot of small customers or few big customers... Arguments for the adaptation are the repartition of income sources and repartition of the risks induced by the activity but also the need to be present all around the world. The adoption of any competitive strategy (PORTER [1982, 1985] will depend on the available resources and the type of product. That is why, for instance, small wine companies from the Rhone Valley export mainly to EU countries. On the contrary, a geographical concentration strategy enables a compagny to concentrate its efforts, resources and competences on a specific market and generate higher profits (DAY[1976]).

Niche market strategy is a differentiation strategy. The company concentrates its resources on a small and very specific segment. ZUCHELLA & PALAMARA (2007) have found a positive relationship between this strategy and the international performance of some SMEs. Even if this strategy implies numerous risks, it can bring about substantial profits.

2. THE DETERMINANTS OF THE EXPORT PERFORMANCE IN THE WINE INDUSTRY

2.1. Literature Review

Recent works by CASTALDI, SENGUPTA & SILVERMAN (2001 & 2003) about the export performance in the American wine industry revealed that export commitment has a positive impact on companies in this sector, as well as intermediary performance, i.e. the efficiency of the intermediary. Here are in detail the correlation coefficients between the determinants and indicators of export performance for the given sample:

Three dimensions of the export performance:

-Resource commitment	0.39 to 0.62	significant
-Domestic market as a proirity	-0.44 to -0.66	significant
-Percieved export barriers	-0.25 to -0.54	significant
Efficiency of the intermediary	0.34 to 0.61	significant
Firm Size	0.18	significant

These papers can be used as a reference in a possible future export performance determinant comparison. Indeed, in the article written in 2003, one of the aims is to assess the export performance of American wine companies.

Hervé REMAUD has also worked on export performance in the wine industry. REMAUD & COUDERC (2006) compared wine SMEs from three different countries (New Zealand, Australia and France). The results showed that a proactive attitude, export knowhow, market orientation and innovation have a positive impact on the export competitiveness in this sample. Innovation is a substantial factor, as it is underlined in the article of WOOD & KAPLAN (2004) dealing with the very favourable effect of clusters and its dynamics on export performance. Finally, ROBERTS & INGRAM (2002) explained the role of relationships between suppliers and knowledge transfers in the improvement of the export performance of wine companies in New Zealand and Australia.

2.2. Selected determinants for the linear regression

Among the multiple determinants of export performance introduced in the literature, it is now time to select the determinants that are going to be tested on the French wine industry. This selection will be operated thanks to the literature review and the available data on the survey EAFV-2006.

This survey provides only with a few external determinants of the export performance in the French wine industry, this confirms the idea that a further study is needed in the future.

P1: Determinants related to the firm's characteristics

The size does not have a significant impact on the export performance of French wine companies: small companies with high performance do exist.

The experience does not have a systematic positive impact on the EP of French wine companies.

Decision-maker related determinants (age and education background) have a positive and significant impact on export performance.

P2: Determinants related to the management of the firm

Companies with a high export commitment and an entrepreneurial attitude have a higher performance than the others.

P3: Determinants related to technological resources

Innovation enables companies to stand out from non innovative ones on international markets.

P4: Strategy-related determinants:

Geographical deversification added to a product adaptation strategy encourage export performance.

Strong and trust-based relationships with customers contributes to a higher export performance.

P5: External Determinants

Perceived export barriers do not encourage export performance.

The general level of export performance is different according to production region: clusters represent an important determinant.

3. METHODOLOGY AND RESULTS

In order to identify whether the determinants listed above can be applied to the companies in the French wine industry, statistical analysis will be produced. This study will be based on data from a survey carried out by the ENSA from Montpellier (Agronomy School). The survey (EEAFV – 2006) looks at the performance determinants of French wine companies.

3.1. Necessary tools for the statistical analysis

3.1.1. Data and sample features

Data from the EEAFV –2006 survey come from questionnaires and regard features of 214 backing companies (cooperatives and Société Anonymes⁴), i.e. companies from French wine producing regions, whose activity includes one or several steps in the production of sparkling and non-sparkling wine (bottling, blending and/or vinification). All the surveyed firms have a turnover amounting to over three million euros and have a managerial autonomy. This represents a total turnover of 50 million hectolitres for still wines, 1.7 million hectolitres for sparkling wines and 1.8 millions for effervescent wines. Most of these companies are between 30 and 80 years old and the oldest of them are in from the Rhone Valley.

3.1.2. Export performance measures

Export performance can be assessed according to a three-dimensionnal approach. Several studies have been conducted to create export performance measurement models : the EXPERF Scale by ZOU, TAYLOR & OSLAND (1998), the STEP Scale by LAGES & LAGES (2004) or papers from STYLES (1998), MATTHYSSENS & PAUWELS (1996).

The main (most used) indicators of export performance are the export sales (value or volume), the export intensity (ratio export sales/total turnover) and its evolution, export profitability. According to the data provided in the survey, the

⁴ Approximate equivalent of public limited company

selected dependent variable will be export intensity. However, as the European Union and the rest of the world are separated, a new variable called VENTEX has been created to gather them (from 1 to 100 per cent).

3.1.3. Measures of the selected determinants

The indicators of variables that will be selected to represent the export performance determinants are most of the time Likert Scales. A few quantitative variables obviously exist but the stepwise linear regression that was first planned using SPSS 11.5 has excluded many of them.

Here are the indicators of the export performance determinants based on the literature review. Some of them are not available and will have to be gathered in a future necessary survey⁵.

CATEGORY	DETERMINANT	Preferred indicator	AVAILABILITY
Internal determinants : firm's characteristics	Firm Size	turnover number of full time employees	Available on EEAFFV-2006
	Experience	Age of the firm	Available on EEAFFV-2006
	Export Expérience	Number of years of exporting	Not available
	Product diversified Offer	Number of export products	Not available
Internal Determinants : Management Characteristics	Export Commitment	Participation to public export promotion programme Information about foreign markets Aims and means	Non available Available on EEAFFV-2006 Available on EEAFFV-2006
	Export Orientation	Market orientation Aims and means	Non available Available on EEAFFV-2006
	Entrepreneurship	Proactivity Risktaking innovation	Non available Non available Available on EEAFFV-2006
Internal Determinants : Technological Resources	Innovation	Number of innovations R&D intensity R&D expenses	Available on EEAFFV-2006 Not available Not available
	Créativité	Number of start-ups in the industry	Not available
Internal Determinants : Decision-maker's characteristics	Age	Years	Available on EEAFFV-2006
	background	Technical, business studies, managérial studies	Available on EEAFFV-2006
	Background level	BEP, CAP, Bac, Bac+1, Bac+2, Bac+3... (French classification)	Available on EEAFFV-2006
Internal Determinants : Export Strategy	Marketing Strategy	Product, Price, Promotion, Place	Available on EEAFFV-2006
	Relationships with partners	Characteristics of the relationship (duration, quality, nature...)	Available on EEAFFV-2006
	Product Adaptation	Specific export product(s) ? by country, by group of country?	Not available
	Geographical diversification or concentration	Number of target country Number of customers per country Size of these customers	Not available
	Niche Strategy	Niche strategy : where ?	Available on EEAFFV-2006
External Determinants : Environment	institutional Environment	Existence of public promotion programme ?	Not available
	Legal Environment	Restrictive laws ? quotas ? high taxes ?	Not available
	Cultural Environment	culturel perceived barriers by country	Not available
	Financial Environment	Exchange rates and their volatility	Not available
External Determinants : Industry	Concentration	Number (per country, per region, ...)	Not available
	Export Barriers	Perceived competition others	Available on EEAFFV-2006 Not available
	clusters	Production region Indicators of the results in each region	Available on EEAFFV-2006

⁵ This list will be detailed in order to build the complementary study.

3.2. Analysis framework

3.2.1. Statistical analysis

Taking into account the fact that the database includes numerous scale variables and non-quantitative variables, the linear regression which was first considered, has been completed by factorial ANOVAs⁶. The regression enables to test the weight of quantitative variables on the indicators of export performance, i.e. the export intensity. On the other hand, factorial ANOVAs help identifying differences of averages within a variable according to export intensity levels. Then, one can see, thanks to Post Hoc analysis, where these significant differences in averages are. It is important to note that ANOVAs have been created using firm size (log of the 2005 turnover) as the quantitative covariate. Finally, another variable separating export intensities in five equal groups⁷ have been created and some cross tabs have been additionally conducted.

3.2.2. Descriptive Statistics

The results of this longitudinal survey (data from 2002 to 2005) explain some features of the export behaviour of French wine companies. They confirm the slowdown of companies in this industry during those years in terms of cumulative turnovers.

The survey accounts for the evolution of the main indicators of export performance, i.e. export turnover, export profitability, export market shares and a relatively stable export intensity (22 to 23% for cooperatives and 30 to 32% for "SA"). The development of the export customer base is the most frequently quoted (38 per cent of the respondents) means to reach the selected strategy. Export competition is perceived as high by half the sample.

3.3. Results of the study

The exploratory study has not confirmed all the export performance determinants introduced in the theoretical part. This supports the need to conduct a complementary study focused on export activity of French wine companies.

3.3.1. Positive and significant impact of management and innovation characteristics

Marketing Innovation and marketing investments represent one of the determinants which have a significant positive impact on the export performance. Indeed, it is logical that companies which invest and innovate in the marketing⁸ of their product and consequently in exporting, experience higher export performance. This reflects a high *export commitment* and a real *market orientation* as well as an innovative and motivated attitude. The role of these determinants is confirmed by the significant impact of the information process (on competitors, markets and technology) on export performance thanks to internal services. Most of these companies think they are innovative companies. Therefore it is not possible to find

⁶ Analysis of Variance.

⁷ (1) 0 to 20%, (2) 20 to 40%, (3) 40 to 60%, (4) 60 to 80%, (5) 80 to 100%.

⁸ Marketing here means the way to sell product (marketing channels...)

specific links between this variable and export performance according to a cross tabs. Moreover, most of these companies do not subcontract the marketing of their products. It means that they support it and do not call on any intermediary. Direct relationship with customer exists and favour a good adaptation to customer needs. *Export orientation* is also highlighted by the coherent results of a cross tabs which show that companies exporting between 80 and 100 per cent of their production reach their objectives mainly by means of the export development. It underline the substantial role of exports in the strategy of the firm.

Decision-maker characteristics (educationnal background, level of education, age) seem, according to a factorial Analysis of variances, to play an important role in the improvement of the export performance. Most of the managers of those firms have studied at least three years after the baccalauréat (\approx A level). However, when dividing VENTEX into five groups, one can see that companies are almost equally distributed between group 2 to 5. It would be interesting to think about the reason of such a high percentage of managers who have had long studies: is it linked to the fact that wine companies are taken over by younger managers, succeeding to retired owners (studies were less long for previous generations, especially in agriculture? This balanced distribution does not favour a positive increasing relationship between the variables but it confirms that the higher the educational level is, the more one can expect export activity. Regarding the nature of the educational background, it is mostly technical or business-related; those who export the most do not have a management educational background.

Good reputation as a key explanatory variable of the competitive advantage also has a positive impact on export intensity. Companies attaching importance to good reputation when building their competitive advantage are those whose export intensity is higher. Moreover good reputation is related to products: Even if an empirical confirmation will be needed, it may be deduced that quality products do play a role in the improvement of export performance.

Some *export motivations* seem to tally with higher levels of export intensity. Among them, margin improvement and market saturation have been ticked by more of half the respondents who export between 80 and 100 per cent of their products. It proves that export activity is used as a way to improve the global performance of the firm and find new customers.

3.3.2. What about external determinants?

Only a few external determinants have been tested in this statistical study and they all belong to the category called industry: clusters and perceived competition.

The study supports the impact of clusters on the export performance which was explained in the theoretical part of the paper (AYLWARD). There is a significative difference in averages according to the regions: companies from Burgundy experience significantly higher averages of export intensity than those from Languedoc-Roussillon and the Rhone Valley do. However the difference is not significant between Burgundy and Bordeaux. This may imply that companies from these two producing regions could be studied as a benchmarking tool to provide firms from other regions with clues or at least ideas to improve their export performance.

The perceived export competition constitutes an export barrier. It has been tested in this study but the effect of this factor on the export performance does not appear on the factorial ANOVA. Perceived competition on the domestic market is high for most of the exporting firms. It can be explained by the fact that a saturation of the

French market due to a strong competition can encourage exporters to reach market opportunities abroad. However, this link has not been found in the analysis of variance.

3.3.3. Inconclusive results

Unfortunately, necessary export competences (linguistic, business-related and logistic) do not have a significant link with export performance according to the study and especially a factorial ANOVA though it could have been another element proving the role of the management in the definition of export performance.

The export strategy and its components have also not been identified as an active determinant. Indeed, factors related to the relationship between the exporter and his business partners, especially his customers (the quality, nature, strenght of the relationship), show inconclusive results although researchers have found a positive effect for other samples. Another test has been conducted aiming at finding links between several competitive strategies (price, quality, brand differentiation, geographical differentiation or even specialisation) and the export performance of French wine exporters. Once again, no significant link has appeared.

Another disappointing result regards firm's characteristics, i.e. their legal forms (cooperatives or "SA"?), their main activity and whether they are family firms or not... Factorial ANOVAs have not brought out any statistically significant effect of these variables. One can only say, thanks to a cross tabs, that firms with the highest export intensity have as main activity either wine-making or trading. The only significant link regards firm size and this impact will have to be studied thoroughly because very often in the literature size does not impact export performance. In this industry, it seems to be different.

Finally, one of the decision-maker features do not have any effect on the export performance according to a factorial ANOVA: the age of the manager. An interesting trend can be noticed : exporting firms managed by someone below 55 years old are nearly twice as much as exporting firms run by someone over 55. From this observation, one can suppose that the dynamism of younger managers influence positively their inclinations to reach foreign markets. In any cases, a more precise study of manager ages is necessary because even if the question tells us about a trend regarding future retired people, it does not give us details about the age of manager.

4. CONCLUSION AND IMPLICATIONS FOR FURTHER RESEARCH

4.2. Conclusion

The existing literature has underlined numerous factors that could impact on the export performance of SMEs. These determinants can be internal (characteristics, management, innovation and export strategy) or external, i.e. related to all what is around the firm (the industry and to a larger extent the environment). Varied theoretical frameworks explain the relationships between all these determinants and the export performance. Nevertheless determinants underlined in papers dealing with all size-samples do not get all a response in the literature specific to SMEs.

The statistical analysis does not enable to answer all the issues listed thanks to the literature review about export performance determinants of French wine companies. It was easy to foresee according to the existent data, however some clear relationships have stood out from this study. The role played by export commitment and export orientation in the export success is clearly identified. It confirms the theoretical justification of the export commitment telling that the firm which devotes the necessary resources and competences to the export activity will be able to be successful on the international markets. This is directly linked to the personal commitment and motivation of the manager. On the contrary, a significant impact of relationalism and some features of the firm was expected but not found. Company size seem however to play a role in the differences of level in export intensity for this sample mainly composed of SMEs. Finally, the link between the export strategy and export performance is still vague and needs to be focused on, because it should logically exist.

I am aware that I have not reached the goal which was set at the beginning of this paper. I know that I have not been able to gather all the actual export performance determinants of French wine companies. However, this exploratory study has provided me with trends and basis regarding export performance in this industry. Now I will be able to clarify and go on analysing in detail my results thanks to further statistical tests and comparison with other papers.

4.3. Implications for further research

According to the results of this exploratory study and to implement what I have just said, it will be important to conduct the same statistical analysis using as dependent variable another indicator of the export performance: the export turnover (log) for instance. It will enable me to compare the results with those got with export intensity and support the reliability of them. Moreover, separating cooperatives and SA could be useful in order to bring up differences in the strategy between these two groups which have a specific way of acting and reacting. Then, conducting the same analysis taken into account export to the rest of the world only would certainly be also relevant.

To finish and to precise this exploratory, it will be necessary to build a future complementary survey which will only focus on the export activity. Thanks to the EEAFV-2006 added to the future one, I think I will have all the needed elements to test more precisely the impact of the determinants on the export performance. Then, a comparison with the papers written by CASTALDI & al (2001 & 2003) about the American wine Industry will be possible. All these empirical studies will help reach one of the aim of my thesis: identify all the export performance determinants of the French wine industry.

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