

**MARKETING STRATEGY IN INTERNATIONALISATION PROCESSES: AN
APPROACH TO THE ROLE OF PERCEIVED PROBLEMS**

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ABSTRACT

As pointed out by Varadarajan and Jayachandran (1999), the Marketing Strategy field requires both an international orientation as well as research to examine the managerial biases and mental maps that guide strategy formulation processes.

Literature approach to perceived problems in businesses' internationalisation processes is often circumscribed to export activities. This research proposes an analysis of internationalisation strategy-making processes from the wider conceptual framework provided by the internationalisation approach.

On the basis of empirical data obtained from a wide sample of Spanish organizations in a variety of industries, internationalisation problems that companies face are identified –both internal (marketing and resources) and external (environment and uncertainty)-. This paper also presents a description of these perceived problems according to a number of business features, showing the importance of these perceptions when developing strategic processes like marketing planning. Results obtained demonstrate that both perceived marketing and environment problems are valued when managers plan their international strategy.

Conclusions derived are of great importance, not only for the Strategic Marketing Literature and private companies, but also for public export promotion organizations responsible for the design and implementation of internationalisation programmes.

KEYWORDS

Strategic Marketing, International Marketing; internationalisation problems; export public programmes

RESUMEN

Como señalan Varadarajan y Jayachandran (1999), los estudios acerca de la Estrategia de Marketing precisan no sólo de una orientación internacional sino también de investigaciones que examinen las tendencias directivas y los procesos mentales que guían la formulación de la estrategia.

Una aproximación a la literatura sobre la percepción de los problemas en el proceso de internacionalización empresarial es, con frecuencia, abordada desde una perspectiva limitada únicamente a las actividades de exportación. La presente investigación propone el análisis del proceso de toma de decisiones estratégicas en la internacionalización desde el marco conceptual más amplio proporcionado desde la internacionalización frente a la sola exportación.

Sobre la base de la información empírica obtenida a partir de una amplia muestra de empresas españolas de diversos sectores, se identifican los problemas de la internacionalización a los que deben enfrentarse las organizaciones empresariales – tanto internos (marketing y recursos) como externos (entorno e incertidumbre). Este artículo también presenta una descripción de dichos problemas percibidos de acuerdo a una serie de características, mostrando la importancia de estas percepciones en la toma estratégica de decisiones como, por ejemplo, la planificación del marketing. Los resultados obtenidos demuestran que para la planificación directiva de la estrategia internacional se tienen en cuenta los problemas del marketing y del entorno.

Las conclusiones derivadas de nuestro trabajo son de gran importancia, no sólo para la literatura de Marketing Estratégico y las propias empresas, sino también para los organismos de promoción pública de exportaciones, responsables del diseño e implementación de los programas de internacionalización

PALABRAS CLAVE

Marketing estratégico, Marketing Internacional, Problemas de la Internacionalización, Programas públicos de exportación.

INTRODUCTION.

In their revision of the state-of-the art of the Marketing Strategy field, Varadarajan and Jayachandran (1999) point out both a lack of international orientation as well as a need for researchers to examine the managerial biases and mental maps that guide strategy formulation processes.

For companies, internationalisation is not an option anymore. On the contrary, it has turned out to be an expanded issue in business. In Spain and, by extension, the European Union (15) there has been continuous export growth (18.33 % and 18.99 % respectively between 2001-2005 according to Eurostat external trade statistics) that shows the increasing importance of the external trade for companies and the need for establishing processes which guarantee internationalisation success (Zou and Stan, 1998).

Internationalisation processes however, are not problem-free and managers perceive and deal with problems –perceived problems- as they arise when deciding and implementing their internationalisation strategies. If internationalisation is considered to be a strategic process (Dhanaraj and Beamish, 2003), then any of its perceived problems should play a critical role in strategic decision making (Morgan and Katsikeas, 1998). Nevertheless, this link has not been empirically researched yet and we consider that this points out the need to consider perceived problems as one more strategic factor to be considered when approaching internationalisation decisions from a strategic perspective (Bell, 1997).

Traditionally, marketing literature has identified internationalisation problems as “export problems” (Katsikeas and Morgan, 1994; Ghauri *et al.*, 2003). But given that internationalisation is wider than export activity, we consider that a more comprehensive approach is necessary.

On the basis of the literature review and qualitative research, this paper first identifies the existing variety of problems in business internationalisation, and, then, using primary data obtained through a questionnaire, it provides an evaluation on managers’ perceptions of importance and the differences in these scores according to several business characteristics – organizational and internationalisation processes-.

Consequently, this paper has three main objectives: first, identify problems in business internationalisation processes; second, analyse the impact of certain business characteristics on managers’ perceptions of these problems when making internationalising decisions; third, evaluate how perception of internationalisation problems affects the development of strategy design (i.e.: marketing planning).

Providing more in-depth theoretical and empirical knowledge on problems perceived by companies when internationalising, as well as their perceived significance in decision and implementation processes, should be of great interest not only for the Marketing Strategy field and private companies, but also for public export promotion organizations responsible for designing and implementing internationalisation programmes (Calderón *et al.* 2005).

PERCEPTION ON EXPORT BARRIERS: LITERATURE REVIEW AND HYPOTHESES.

Internationalisation problems. According to Kaleka and Katsikeas (1995), concepts like “barriers” and “problems” have traditionally been used as synonyms by researchers, but always in the same restrictive international context referring to export activities (Leonidu, 2000; Azzi da Silva *et al.*, 2001).

Nowadays, international activities are more than export actions (Ling-Yee *et al.*, 2001 and Dhanaraj and Beamish 2003), so internationalisation problems, according to Lall (1991), are the gaps which need to be closed before facing the internationalising process. They refer to all those constraints that hinder a firm’s ability to initiate, develop or sustain business operations in overseas markets (Leonidu, 2004). When these problems appear, internationalisation activities often break down (Leonidu, 1995a).

According to Katsikeas *et al.*, (1994) and Ghauri *et al.* (2003), these problems can be classified as internal and external problems. Internal problems are intrinsic to the company and are associated to insufficient organisational resources (Leonidu, 1995a). Internal problems can be classified into three different types (Katsikeas *et al.*, 1994): operational problems (with regard to the company’s daily activity), internal problems (with regard to aspects under the company’s control and related to the organisation itself) and information problems (concerning the use of relevant, precise and opportune information as a response to the company’s internationalisation problems). External problems are related to the industry, the international market and the environment (Ramaseshan *et al.*, 1995).

Empirical evidence shows that depending on the characteristics of the company’s size and its international experience, companies have different perceptions of internationalisation problems (Katsikeas *et al.*, 1994). In fact, Leonidu (1995b) found differences between exporting and non exporting companies, and Kaleka and Katsikeas (1995) also found differences between regular exporters and sporadic ones.

There is however, a need to approach business problems in export activities from a wider perspective relating to their internationalisation strategies. Currently, international business

expansion is a step beyond just export. A company's level of international commitment will emphasise the relevance of certain problems (Bilkey and Tesar, 1977; Bell, 1997). Therefore, rather than being directly related to export (Leonidu, 2000), internationalisation problems are in fact related to the company's internationalisation strategy.

The above discussion led us to formulate our first group of hypotheses. Following Katsikeas and Morgan (1994), Azzi da Siva and Da Rocha (2001) and Leonidu (2000), we posit that there are differences in the perception of the importance of internationalisation problems for companies in relation to their organisational characteristics – sector (Leonidu, 1995a; Leonidu, 2000; Azzi da Silva *et al*, 2000), number of employees (Katsikeas and Morgan, 1994; Leonidu, 1995a; Bell, 1997; Leonidu, 2000; Azzi da Silva *et al*, 2000), turnover (Katsikeas and Morgan, 1994; Leonidu, 1995a; Bell, 1997; Leonidu, 2000) and management training- and internationalisation characteristics – export experience (Katsikeas and Morgan, 1994; Bell, 1997; Leonidu, 2000; Azzi da Silva *et al*, 2000), international expansion (Bell, 1997; Leonidu, 2000; Azzi da Silva *et al*, 2000), export intensity (Bell, 1997; Leonidu, 2000), export contribution to total profits (Leonidu, 2000), foreign entry mode (Leonidu, 2000), level of internationalisation (Leonidu, 1995a; Leonidu, 1995b; Kaleka and Katsikeas, 1995; Morgan *et al*, 1998) and internationalisation promotion subsidies-.

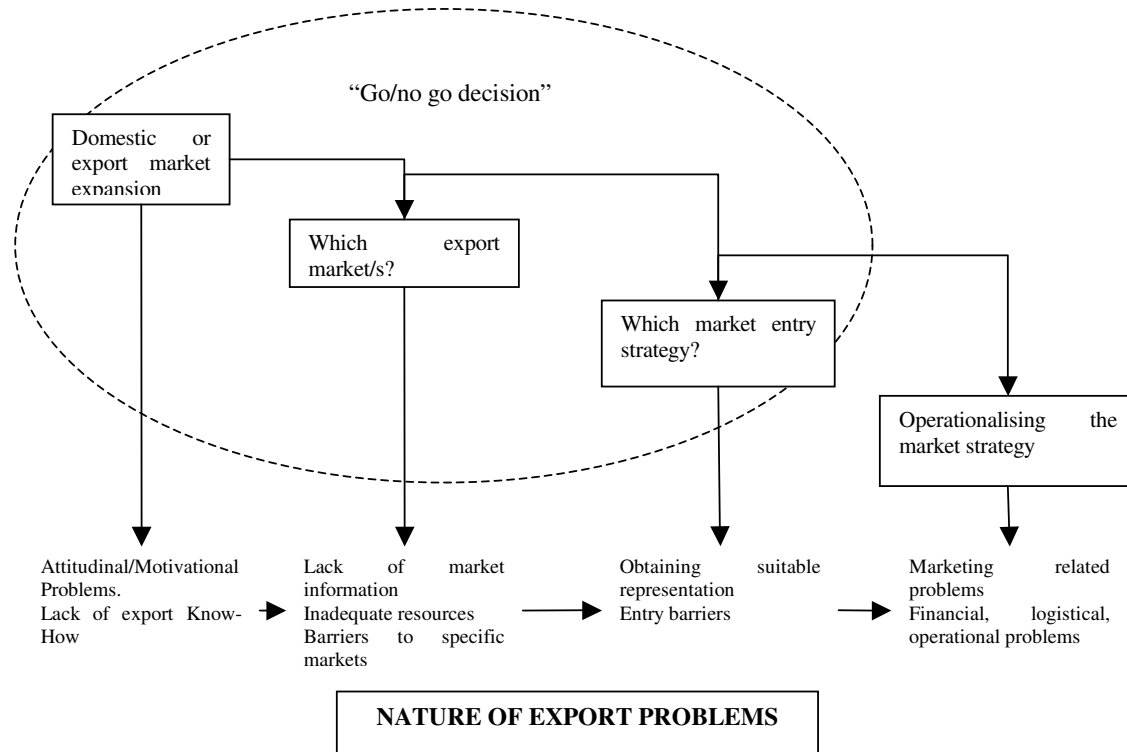
Internationalisation problems and internationalisation strategy. When considering a wider perspective of problems comprising all activities relating to the internationalisation process –and not only export activities- a Strategic Marketing approach is adopted and it is widely accepted that a strategic perspective is required to deal better with any internationalising activity (Kaynak y Khotari, 1984). In fact, Bell (1997) posits that the nature of the different problems faced in internationalising processes depend on the strategic decisions adopted throughout the process (Figure 1).

From a marketing orientation perspective, international marketing planning is crucial (Zou and Stan, 1998) to establish a more appropriate internationalising strategy which will be implemented through specific tactics (Walters, 1993). Furthermore, several researchers have emphasized the important role of planning as a determinant of internationalising success (Madsen, 1989; Walters, 1993; Bijmolt and Zwart, 1994; Shoham and Kropp, 1998; Zou and Stan, 1998; Ling-Yee and Ogunmokun, 2001).

Given the importance of internationalisations problems as well as the international marketing planning process, following Morgan and Katsikeas (1998) we consider it is relevant to analyse the relationships between internationalisation problems and the international

marketing planning process and we posit our second hypothesis which states a positive link between these constructs.

FIGURE 1. The international decision process and the nature of the internationalising problems.



Source: Bell (1997).

METHODOLOGY.

The sample in this study consists of 883 Spanish exporting companies with the following characteristics (Table 1): average size of almost 200 employees, total sales around 13 million € per company and export values of over 5,200,000€ on average (export intensity ratio of 45.49%). On average, they have been exporting for 17 years to just over 20 countries, where 26% of them have subsidiaries. Geographical quotas were fixed by region to ensure that all the regions in Spain were represented.

The information was obtained through personal interviews with the export managers (Cavusgil and Zou, 1994; Yeoh, 2000; Ling-Yee *et al.*, 2001) using a structured questionnaire.

Before testing the hypotheses, exploratory and confirmatory factor analyses were developed to identify and describe internationalising problems. In order to test our first hypothesis, companies were characterised according to these problems using variance analysis and

Tukey's test for the significant variables with three or more groups. In order to test our second hypothesis, we used multiple regression analysis.

TABLE 1. Characteristics of the sample

	Range	% company		Range	% company	
Sector	Primary	27.18 %	Export experience	Less than 10 years	33.69 %	
	Secondary/Tertiary	72.82 %		10-20	31.92 %	
Turnover	Below 5,000 €	40.10 %		Over 20	34.39 %	
(thousand €)	5,000-20,000 €	29.44 %	Export Intensity	Less than 25%	34.49 %	
	Over 20,000 €	30.46 %		25 – 50 %	26.81 %	
Workforce	Less than 20 employees	25.43 %		Over 50%	38.70 %	
	20-49 employees	26.71 %	Receives state support	Yes	72.02 %	
	50-100 employees	22.54 %		No	27.98 %	
	More than 100 employees	25.32 %	Contribution of exports to total profit	Less than national sales	29.81 %	
Management training	Secondary education	16.58 %		The same as national sales	25.60 %	
Higher Diploma	22.28 %	More than national sales		44.59 %		
	Graduate	44.31 %	Export expansion	Less than 10 countries	49.25 %	
	Graduate and MBA	16.83 %		10 or more countries	50.75 %	
	Foreign entry mode	Direct	25.17 %	Level of internationalisation	Exporter	60.34 %
		Indirect	74.83%		Internationalised	39.66 %

RESULTS.

Businesses' problems with internationalisation: identification and evaluation. After an extensive literature review and personal interviews with expert professionals in public internationalisation promotion departments, it was decided to follow Katsikeas and Morgan (1994) and Azzi da Silva *et al.* (2001) proposals to measure the perception of the problems through the degree of importance attached to each problem the company has to face during the internationalisation process. This perspective, however, is insufficient because the business's perception of the problems is noticeably affected by the ability of internationalisation promotion programmes to solve those problems (Calderon *et al.*, 2005). Therefore, both elements are taken under consideration (Table 2).

Factor analysis was applied to this set of problems, formulated as the perceived importance of those problems combined with the perception of public programmes ability to solve them, to obtain the factor solution provided in Table 3.

Confirmatory factor analysis (Amos, 5.0) confirms the suitability of the factor analysis solution obtained, as shown by measures of the goodness of fit obtained. Indicators such as RMSEA (0.066), NFI (0.928) and TLI (0.914) are within the recommended limits (Hair *et al.*,

1999). Internal consistency of the factor solution is tested and proved through Cronbach's alpha (Table 4). Composed reliability and extracted variance are also above the acceptable limits of 0.7 and 0.5 respectively (Hair *et al.*, 1999), with a single exception in environment problems in the extracted variance which, however, is very close to the limit value.

TABLE 2. Internationalisation problems.

Problems	Perceived importance						Ability to solve problems					
	1	2	3	4	5	Mean	1	2	3	4	5	Mean
Barriers to trade.	11.1	12.6	26.9	31.3	18.2	3.3288	17.3	24.6	32.2	21.4	4.5	2.7105
Logistic and transport problems	14.1	18.1	27.5	27.0	13.3	3.0747	22.8	23.5	29.4	18.6	5.6	2.6064
Insurance problems	15.3	17.2	27.2	26.3	13.9	3.0640	17.8	22.0	30.1	24.2	5.9	2.7839
Knowledge of the market.	7.5	5.6	25.5	39.1	22.3	3.6317	11.9	18.5	33.6	28.0	8.0	3.0180
Difficulties adapting the product	14.6	15.4	31.0	27.3	11.6	3.0588	22.0	25.7	26.3	20.4	5.6	2.6196
Deficient distribution network	14.8	13.1	25.4	34.0	12.8	3.1679	18.6	24.9	31.0	21.6	3.8	2.6714
Marketing planning	12.2	17.1	30.9	27.2	12.6	3.1083	15.6	23.5	37.4	19.7	3.9	2.7289
Image of Spain	12.1	14.1	31.7	27.5	14.5	3.1815	13.1	15.6	34.0	27.5	9.8	3.0516
Competition	5.9	6.3	23.6	36.8	27.5	3.7375	20.7	24.7	30.0	19.3	5.3	2.6375
Human resources not very qualified.	14.9	12.6	31.4	29.1	12.0	3.1072	18.9	22.0	31.1	24.2	3.8	2.7211
Technological resources	13.5	12.3	33.1	29.6	11.5	3.1322	16.5	27.0	29.6	21.6	5.3	2.7212
Financial resources	9.2	12.5	27.3	35.0	16.0	3.3611	13.4	24.9	30.6	25.8	5.4	2.8479
Investment in R+D	13.3	15.0	33.0	24.9	13.8	3.1100	16.8	26.2	31.5	20.7	4.7	2.7019
Lack of financial support for investment abroad	12.3	11.3	30.9	30.5	15.0	3.2462	14.7	22.3	32.4	25.1	5.6	2.8459
Lack of legal safety in investment abroad	13.0	12.0	32.6	27.1	15.2	3.1951	15.1	23.4	34.6	21.0	5.9	2.7931
Lack of political safety in investment abroad	15.5	15.8	29.1	25.3	14.3	3.0714	18.3	23.9	32.3	20.8	4.7	2.6965
Lack of institutional support	10.1	16.0	34.9	25.9	13.1	3.1595	14.1	21.2	33.5	24.2	7.1	2.8892

Perceived importance: 1 = not important at all, - 5 = maximum importance; Ability to solve: 1 = no ability at all - 5 = full ability.

The four factor solution obtained consists of two factors referring to the company's external internationalisation problems – managers' uncertainty because they perceive a lack of financial and institutional support and legal and political safety in their international operations and also because of the environment for the companies' international activities in aspects such as: barriers to trade, logistic and transport problems, insurance problems and problems of knowledge of the market. Two factors concerned the company's internal internationalisation problems –marketing through its main variables, product and distribution

and marketing planning and the resources the company needs for the internationalisation process: financial, human, technological and R+D.

TABLE 3. Internationalisation problems: Factor solution.

Problems with internationalisation:	Extracted factors				
	Marketing	Uncertainty	Environment.	Resources	Communalities
Deficient distribution network	0.690	-5.641E-02	0.128	2.808E-02	0.627
Difficulties adapting the product	0.524	-2.906E-02	0.114	-0.137	0.513
Marketing planning	0.421	-1.570E-02	9.604E-03	-0.392	0.550
Competition	0.272	-0.118	0.122	-0.198	0.354
Lack of legal safety in investment abroad	4.000E-02	-0.925	-2.564E-02	7.290E-02	0.786
Lack of political safety in investment abroad	0.121	-0.767	-2.389E-02	4.646E-02	0.617
Lack of institutional support	-7.608E-02	-0.653	6.911E-02	-0.124	0.552
Lack of financial support for investment abroad	-9.805E-02	-0.636	9.712E-02	-0.179	0.597
Logistic and transport problems	3.920E-02	0.127	0.759	-9.889E-02	0.610
Insurance problems	-3.258E-02	-8.100E-02	0.713	4.460E-02	0.509
Barriers to trade.	0.119	-7.845E-02	0.536	4.410E-02	0.411
Knowledge of the market.	0.250	-9.074E-02	0.349	-0.148	0.512
Technological resources	4.060E-02	1.441E-02	-3.950E-04	-0.884	0.809
Human resources not very qualified.	0.125	-6.909E-02	2.032E-02	-0.610	0.562
Financial resources	-7.493E-02	-0.134	0.201	-0.563	0.567
Investment in R+D	0.132	-0.266	3.879E-02	-0.412	0.528
Image of Spain	0.132	-0.198	9.724E-02	-0.215	0.287
Percentage of explained variance	46.829	8.013	5.645	4.688	65.175

Extraction method: Factorisation of the main axis. Rotation method: Oblimin with Kaiser normalisation

TABLE 4. Internal consistency of the factor solution.

	Cronbach's Alpha	Composed reliability	Extracted variance
Marketing problems	0.7715	0.7776	0.5384
Uncertainty problems	0.8687	0.8682	0.6229
Environment problems	0.7750	0.7702	0.4567
Resources problems	0.8275	0.8331	0.5564

Businesses' problems with internationalisation: Characterisation. The first set of hypotheses relating to the factors obtained and the characteristics posited were tested through variance analysis (Table 5).

TABLE 5. Variance analysis results for hypotheses verification.

			MARKETING	UNCERTAINTY	ENVIRONMENT	RESOURCES
ORGANISATIONAL	Sector	Value F	0.257	1.389	0.308	4.407
		Significance	0.612	0.239	0.579	0.036
	No. employees	Value F	0.515	2.118	0.464	0.343
		Significance	0.672	0.097	0.708	0.794
	Turnover	Value F	1.648	2.415	0.773	5.368
		Significance	0.193	0.090	0.462	0.005
	Management training	Value F	0.931	0.564	1.165	0.761
		Significance	0.425	0.639	0.322	0.516
INTERNATIONALISATION	Export experience	Value F	3.398	0.537	2.843	3.390
		Significance	0.034	0.585	0.059	0.034
	Export expansion	Value F	0.343	1.840	0.991	0.546
		Significance	0.559	0.175	0.320	0.460
	Export Intensity	Value F	1.963	0.144	0.458	0.706
		Significance	0.142	0.866	0.633	0.494
	Contribution of exports to profits	Value F	11.831	4.116	5.154	4.304
Significance		0.000	0.017	0.006	0.014	
Foreign entry mode	Value F	-1.945	0.466	4.912	0.740	
	Significance	0.1368	0.495	0.027	0.390	
Level of internationalisation	Value F	6.630	0.6021	0.678	1.957	
	Significance	0.010	0.5481	0.411	0.162	
Internationalisation subsidies	Value F	1.597	3.229	2.212	3.308	
	Significance	0.207	0.073	0.028	0.069	

Groups where differences in perception of the problems were observed are highlighted in bold.

* t value in comparison to t, assuming non equal variances.

** t value in comparison to t, assuming non equal variances.

Firstly, with regard to organisational characteristics, no differences were found in terms of the perception of the importance of the problems average importance according to sector, except in company resources. According to Tukey's test, companies in the primary sector attach less importance to this problem than companies in the secondary and tertiary sector.

In terms of total turnover, there are only differences in the perception of resources. According to Tukey's test, larger size companies perceive this as less important in comparison to smaller companies. No differences in average importance were detected according to the number of employees and management training.

Secondly, with regard to internationalisation characteristics, it should be noted that no differences were detected according to export experience, except for the problem of resources, where companies with an intermediate experience attach greater importance than companies with more and less experience. Nor were differences detected according to export expansion and intensity. Differences were, however, detected in the global perception of each of the problems according to the contribution of export to total company profits. In relation to

external problems (uncertainty and environment) and the problem of resources, companies whose exports contribute to the profit more than domestic sales, perceive these problems as less important than companies where domestic sales are more important. In relation to the problem of marketing, companies whose exports contribute less to total profits than domestic sales perceive this problem as less important than the other companies. With regard to foreign entry mode, no differences were detected in perception except with reference to the environment, where the companies which enter an international market directly, perceive the problem of the environment as more important than companies which opt for an indirect entry mode. In terms of degree of internationalisation, there are no differences in perception, except with regard to marketing, where the most internationalised companies perceive the problem as more important than less internationalised companies. Finally, no differences were detected for the variable internationalisation promotion subsidies, except for those concerning the environment where it was found that companies which receive subsidies perceive the problem of the environment as less important than companies which do not receive them.

Internationalisation problems and internationalisation strategy. In order to test the hypothesis stating a positive relationship between internationalisation perceived problems and marketing planning (Shoham and Kropp, 1998; Zou and Stan, 1998; Ling-Yee and Ogunmokun, 2001), multiple regression analysis was performed (Morgan and Katsikeas, 1998), adopting the level of planning as the dependent variable in our model.

Results (Table 6) reveal the significance of the model suggested by the regression ($F = 31.593$, $p = 0.000$). The regression also has a significant power ($R^2 = 0.161$) (Cohen and Cohen, 1983), proving the existence of a relationship between the significant variables – marketing and environment—with the dependent variable –international marketing planning-. Furthermore, this value is similar to other contributions (Morgan and Katsikeas, 1998).

TABLE 6. Multiple regression analysis

Variables	Non standardised coefficients	Standardised coefficients	t-value	Significance level
<i>Problem 1: Marketing</i>	<i>0.320</i>	<i>0.288</i>	<i>4.148</i>	<i>0.000</i>
Problem 2: Uncertainty		-0.078	-1.228	0.220
<i>Problem 3: Environment</i>	<i>0.170</i>	<i>0.144</i>	<i>2.076</i>	<i>0.039</i>
Problem 4: Resources		-0.081	-1.097	0.274
Constant	1.564		7.420	0.000
$R = 0.401$; $R^2 = 0.161$; $F = 31.593$, $p = 0.000$				

Statistically significant variables are provided in italics

Given the results obtained, our second hypothesis is partially corroborated. In fact, a significant and positive relationship between level of marketing planning and problems relating to “Marketing” and “Environment” has been obtained. This means that, when all perceived internationalisation problems in strategic planning are taken together, only the factors relating to the environment –external problem- and those termed “Marketing” – internal problems-, are statistically significant. Marketing factors are twice as important for planning so that the higher the perception of the importance of these problems, the higher the level of international marketing planning. This effect did not appear significant with the group of problems named “Uncertainty” and “Resources”.

CONCLUSIONS.

Following Varadajan and Jayachandran’s (1999) review on the field of Marketing Strategy and their proposals for covering research gaps, this work aims to provide deeper knowledge of the mental issues that guide strategy formulation processes in the field of international marketing.

This work has widened the vision in the literature on export problems faced by business organisations to the sphere of internationalisation problems. Moreover, the measurement of managers’ perceptions of internationalisation problems has been quantified taking into account the ability of internationalisation promotion programmes to solve them.

Two external problems have been obtained: the environment in which the company has to operate and the uncertainty generated by the lack of support and safety in the company’s international activities; in addition, two internal problems have also been detected: marketing issues as well as the resources required to proceed with internationalisation.

In general, businesses’ perception of the importance of the highlighted problems is slightly intermediate (ordered from most to least important: environment, resources, marketing and uncertainty). As already mentioned, however, certain groups have a different perception of the problems from the rest. Companies classified according to the extent of the contribution of exports to total profits show perception differences in all the problems. Thus, as the significance of exports in the total profits increases, so does perception and greater importance is given to external and internal factors, such as resources, and bearing in mind marketing problems. It should also be noted that the problem of resources (financial, human, technological and R+D) is one of the problems with most intra group differences for the

characteristics analysed. Marketing and environment problems also provided significant differences.

Results obtained are particularly relevant for public bodies responsible for promoting business internationalisation through public programmes. In fact, results contribute to improving knowledge about the beneficiaries of such policies and to designing promotion policies which have a positive impact on solving specific problems in companies, segmenting the companies according to their perceptions of the problems (more in-depth research should be done on this to improve efficiency in public bodies). It should be remembered that perception of business problems is not just a result of the company's evaluation but also depends on the capacity of public promotion to resolve those problems (Calderon *et al.* 2005). It is therefore vital to take both these perspectives into account in any study of the issue, as has been done here. Moreover, segmentation strategies should be developed by public organisms in the area of internationalisation activities according to internationalisation level given its importance in the perception of the problems in becoming international.

Although results obtained provide more in-depth knowledge on internationalisation processes in terms of the perception of problems and strategy processes, some limitations provide future lines of research. The sample under consideration consists of Spanish companies so even though it enriches previous studies carried out in North America, replicas of the current study could be developed in other European countries. Furthermore, it should not be forgotten that the sample in this study is very heterogeneous with companies following very diverse internationalisation processes.

Furthermore, given that there are differences in the perception of internationalising problems according to several features –organisational: sector, number of employees, turnover and management training; internationalisation: export experience, export expansion, export intensity, contribution of exports to profits, mode of entry, level of internationalisation and internationalisation subsidies-, these variables should be considered as potential moderators when developing studies in the field of International Strategic Marketing. Moreover, each of these elements could give rise to specific studies analysing internationalisation marketing strategies design and implementation.

Finally, given that the perceived environment and marketing problems were significant in explaining strategy formulation (i.e. marketing planning) further analysis relating these two factors could be developed.

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