Export Assistance Programs: Insights from Canadian SMEs

Peter Yannopoulos*

This paper reports on the usefulness of the export assistance programs available to Canadian exporting firms. This paper is one of a few studies that examine the usefulness of export assistance programs offered to Canadian exporters by the Canadian government. One conclusion is that these programs, as expected, are not viewed as being equally useful by Canadian exporters. Another finding is that the hypotheses that the usefulness of these export assistance programs differs for firms in different stages in export activities, for firms deriving different percentage of sales from exports, and for firms of different size received limited support.

Field of Research: Export assistance programs, SMEs, Canadian exporters

1.0 Introduction

Exporting is a vital activity for the health and dynamism of any modern economy (Dosoglu-Guner, 1999). It is one of the most established forms of operating internationally (Hansen, Gillespie and Gençtürk, 1994). Among its benefits for a country are improvement in the balance of payments, unemployment, and the standard of living of its residents. For individual firms, potential benefits include corporate growth, capacity utilization, economies of scale, market diversification, and smoothing out business cycles. For all these reasons, increasing export activity is a goal of most national governments (Gripsrud, 1990).

The exporting field has been extensively researched in recent years and, as a result, a fairly large body of empirical research has been produced. An area that has attracted researchers’ attention is export assistance programs (Crick and Czinkota, 1995; Czinkota, 1982; Seringhaus, 1986; Seringhaus and Rosson, 1990). These programs have been in existence in industrialized countries since the turn of the last century and have increased in the past years (Seringhaus and Botschen, 1991). Almost all developed and most developing countries have initiated programs intended to enhance the export activities of domestic firms (Gençtürk and Kotabe, 2001). Export support programs differ among countries as some programs are coordinated by the government or the private sector and in some instances by both the government and the private sector (Gençtürk and Kotabe, 2001).

*Dr. Peter Yannopoulos, Faculty of Business, Brock University, Canada, email: pyannopoulos@brocku.ca
However, despite the many benefits of exporting, many firms are still reluctant to get involved in such activity due to serious difficulties and challenges they face in their exporting efforts (Dosoglu-Guner, 1999). Export assistance programs are public measures designed to assist firms’ export efforts, including foreign market information, finding agents, language assistance, translation, counseling, and sales leads. The goal of these programs is to help firms to gain knowledge and experience that is necessary for successful involvement in international markets. In the U.S., it was found that every $1 in state export assistance programs expenditures resulted in approximately $432 increase in exports (Coughlin and Cartwright, 1987).

Export assistance programs are intended to complement the internal resources and capabilities of small and medium sized manufacturers. Such programs are designed to subsidize exporters’ international marketing efforts and give them an edge over their foreign competitors, by providing them with required resources, expertise, and knowledge that they are lacking. According to Seringhaus and Botschen (1991), the specific goals of export promotion programs are to: (1) to develop a broad awareness and stimulate interest in exports; (2) to assist firms in preparation and planning of export activities; (3) to assist firms in acquiring needed expertise and know-how; (4) to support export efforts through organizational help and cost-sharing programs.

Exporting is a popular activity for Canadian firms. About two-thirds of Canadian companies that are doing business in foreign countries are involved in exporting (Keegan and Seringhaus, 1996). Given the importance of exports to Canadian firms, the Canadian government has initiated an export support program designed to facilitate the export activities of Canadian based firms. The Canadian export promotion program is considered to be among the strongest of its kind in the world (Naidu and Rao, 1993).

In the U.S.A, government export assistance programs are largely sponsored by individual states. Government officials encourage manufacturers to get involved in exporting as a means of increasing employment, capital formation, and expand the tax base (Eisinger, 1988). Canada’s system is, unlike the U.S.A., primarily a government/public sector responsibility and with the exception of certain programs is non-strategic in terms of its overall approach (Seringhaus and Botschen, 1991) and is developed after some consultation with the private sector. Provincial governments provide some export assistance which is rather complementary to federal support and consistent with regional needs. Private sector support of export activities, mainly through the Canadian Export Association, an interest group, is minimal compared with other countries.

Much of the research on export assistance programs is of little relevance to public policy makers because it focuses on less essential issues, such as overall program awareness, rather than on specific export assistance programs. For
example, past research has evaluated the effectiveness of specific programs such as how useful government programs are as a whole (Diamantopoulos, Schlegelmilch and Inglis, 1991). Also the literature has focused on government programs available and the types of assistance requested by exporters and whether these requests have been met (Crick and Czinkota, 1995).

However, the assumed usefulness of export promotion programs on export performance has not been studied in a systematic manner in the export marketing literature. Research into exporting has been mostly empirical and descriptive lacking the theoretical underpinnings that could help build an export strategy body of research (Gemunden, 1991). The resource-base view of the firm assumes that firms are collections of unique bundles of resources that help them compete effectively in their chosen markets (Barney, 1991). The resource-based view of the firm provides the theoretical underpinning that explains the market and competitive difficulties faced by small exporting firms in their involvement in foreign markets (Barney, 1991; Katkalo, Pitelis and Teece, 2010; Loasby, 2010).

The global economic environment is experiencing a high degree of turmoil including growing liberalization of trading systems, regional economic integration, and major advances in information, communication, and transportation technologies. These major advances are bringing customers and companies close together (Czinkota, Ronkainen, Farell and McTavish, 2009) and have made the business environment more interconnected, providing firms with increased opportunities to get involved internationally (Czinkota, Ronkainen, Farell and McTavish, 2009; Karakaya and Yannopoulos, 2010; Leonidou, 2004). Despite the availability of global opportunities, the ability to successfully get involved in foreign markets hinges in large measure upon their possession of appropriate resources and capabilities.

This article seeks to study the usefulness of the export support programs offered by the federal and provincial governments to Canadian firms. This information will enable governments to assess the effectiveness of their export support programs and retain, modify or drop some of these programs. Although there is some disagreement, studies show that assistance programs can be beneficial under different conditions (Cavusgil and Jacob, 1987). This study extends the current research on export assistance programs, as it is one of a few studies to examine, simultaneously, the usefulness of a number of export assistance programs.

Firms differ greatly in terms of their export assistance needs depending on their exporting experience, size, resources, capabilities, and export strategies. Thus, a second objective of this paper is to test for differences in the usefulness of export assistance programs to different firms. This paper is organized as follows. First, a literature review is undertaken, followed by development of appropriate
Yannopoulos

hypotheses. Next, the methodology is outlined including choice of the survey method and sampling procedure. The findings, conclusion, implications, and references are, then, discussed.

2.0 Literature Review and Hypotheses

A variety of export assistance programs are provided by governments and public agencies. Export assistance programs are differentiated as to whether their intent is to provide informational or operational support (Diamantopoulos, Schlegelmilch and Tse, 1993; Seringhaus and Rosson, 1990). Information as a source of competitive advantage has been recognized by governments and businesses. Informational support is important because success in the global environment depends on the availability of appropriate information. Informational support includes export market information, market research about foreign markets, newsletters and export marketing seminars. Operational support includes export logistics training, trade missions, financial support, marketing assistance, foreign buyer visits, provisions of contacts and regulatory assistance (Diamantopoulos, Schlegelmilch and Tse, 1993; Seringhaus and Rosson, 1990).

Early work found a positive relationship between export assistance programs and export performance (Cavusgil and Jacob, 1987; Pointon, 1978). Coughing and Cartwright (1987) estimated that a $100 increase in export promotion expenditures generated $432,000 in increased exports. Experiential activities such as trade shows and trade missions have been found to cause a greater increase in performance because they allow managers to rapidly acquire information about export markets and the exporting process (Denis and Depelteau, 1985; Reid, 1985). More specifically, studies that focused on trade shows found them an effective means of obtaining knowledge about international trade and foreign markets (Ramaswami and Yang, 1990) and product awareness and immediate sales (Gopala-Krishna, Lilien, Williams and Segueira, 1995; Rosson and Seringhaus, 1995; Wilkinson and Brouthers, 2000a,b). Wilkinson and Brouthers (2006) found a positive relationship between trade shows and satisfaction with export performance.

Other researchers found that government export assistance programs contributed to export success but the extent of that contribution was dependent on the dimension of export performance being examined (Gençtürk and Kotabe, 2001). In particular, government assistance programs did not contribute to firms’ sales but enhanced the competitive position of firms (Gençtürk and Kotabe, 2001). Committed exporters were in the best position to take advantage of the cost-saving benefits that can be obtained through export assistance programs (Gençtürk and Kotabe, 2001).

Perceptions of the usefulness of export assistance programs have been used as proxy for performance. But some researchers claim perceptions of usefulness of
export assistance programs cannot be viewed as a measure of the impact of these programs (Diamantopoulos, Schlegelmilch and Inglis, 1991). Managers may rate highly these programs but they may have little relationship with export performance. For example, Crick and Czinkota (1995) found significant differences between the programs exporters were requesting and the types of programs they needed to compete more effectively in the foreign markets. However, understanding perceptions of the usefulness of export support programs is important because it is well known that perceptions and mental models influence the decisions of managers (Karakaya and Yannopoulos, 2010).

Research suggests that exporting firms are far from being a homogeneous group. Involvement in exports is a developmental process that can be viewed as export stages (Crick, 2004). The usefulness of export assistance programs are mediated by the degree of internationalization of the firm (Diamantopoulos, Schlegelmilch, and Tse, 1993; Kotabe and Czinkota, 1992; Seringhaus and Rosson, 1990). Several taxonomies have been proposed for classifying firms according to their level of involvement in exporting (Bilkey and Tesar, 1977; Czinkota and Johnston, 1981). Although the specific number of stages differs, the basic pattern of internationalization appears to be essentially the same (Kotabe and Czinkota, 1992).

Firms in different stages of internationalization face different circumstances and have different needs for assistance programs (Czinkota, 1996; Moini, 1998; Naidu and Rao, 1993). Companies that are just becoming involved in exports need to be offered assistance appropriate to their needs which will likely differ from those of firms that have been involved in exports for years. On the other hand, committed exporters are in the best position to take advantage of the cost-saving benefits that can be obtained through export assistance programs ( Gençtürk and Kotabe, 2001).

Export assistance programs contribute to the extent that these elements fit the international experience of firms and the competitive environment of the firm. Firms utilize the knowledge and experience gained from their early involvement in foreign markets in their subsequent export decisions and strategies (Andersson, 2004). In the early stages exporters need assistance about export opportunities to help them in initiating their export efforts (Diamantopoulos, Schlegelmilch and Tse, 1993). In later stages firms need information and support to plan their export activities. In the last stage of their internationalization, firms need assistance in carrying out their export activities, including selling their products in foreign markets. Czinkota (1996) views exporting as a process where firms begin with motivational and informational needs in the early stages of their export activities and end with communications logistics and sales support.

Small and medium sized enterprises (SMEs) make up a large part of the Canadian economy and contribute to the dynamism of the national economy.
Yannopoulos

The ability of SMEs to compete successfully in international markets depends on the resources they employ in the exploitation of foreign opportunities (Bloodgood, Sapienza and Almeida, 1996). Taking a resource-based perspective, SMEs commonly lack the resources, information, and knowledge about foreign markets (Acs, Morck, Shaver and Yeung, 1997; Alvarez, 2004; Wolff and Pett, 2000). One of the greatest challenges for small exporters is the identification of overseas distributors and agents (Aaby and Slater, 1989). Consequently, SMEs tend to look at exports negatively (Burpitt and Rondinelli, 2000) and avoid getting involved in foreign markets (Acs, Morck, Shaver and Yeung, 1997). Although large firms can gain from export assistance programs, SMEs stand to gain more given that they do not have the resources owned by large firms. Based on our discussion in this section we propose the following hypotheses:

**H1:** *The degree of usefulness of export assistance programs differs among Canadian SMEs*

**H2:** *The usefulness of export assistance programs differs among Canadian SMEs in different stages of export development*

**H3:** *The usefulness of export assistance programs differs among Canadian SMEs earning a different percentage of sales from exports*

**H4:** *The usefulness of export assistance programs differs among Canadian SMEs of different sizes*

### 3.0 Methodology

We selected the survey method of data collection because it is the only method that allows us to collect the data required to test the hypotheses posited in this paper. A variety of firms based in the Niagara Region of Canada were mailed a questionnaire that contained questions related to their exporting activities. These firms were on the emailing list of the Centre of Entrepreneurship of the Faculty of Business of a local Canadian University. The purpose of the study was explained in an accompanying cover letter and encouraged recipients of the letter to participate in the survey. To further encourage respondents to participate, respondents were asked if they wished to receive a copy of the summary of the report. Many respondents indicated that they indeed wished to obtain a summary of the results of the survey.

A total of 448 questionnaires were mailed to all firms included in the list of local firms as discussed earlier. Respondents who hadn’t responded after a period of two weeks were reminded by telephone and were requested to complete the questionnaire. The number of participants who completed the questionnaires was 137 for a response rate of 30.6 percent. The response rate is roughly equal
to response rates of similar studies reported in the export literature. A substantial number of firms did not respond because they had quit their exporting activities. If the number of firms who were no longer involved in exporting activities were excluded from the sampling population, the response rate would have been much higher.

Industry Canada defines a small business as one that has fewer than 100 employees (if the business is a goods-producing business) or fewer than 50 employees (if the business is a service-based business). A firm that has more employees than these cut-offs but fewer than 500 employees is classified as a medium-sized business. While the participating firms ranged in size from 1 to 500 employees, the majority of participating firms employed fewer than 200 employees. In terms of number of years involved in exporting, firms ranged from 1 to 85 years, with the majority of firms – 56.4 percent - having been in the exporting business for ten years or less. Given its proximity to Canada, it is not a surprise that U.S.A. was ranked first in terms of importance to exporting business firms.

Respondents were presented with a total of twelve questions related to support and advice services that are available to exporters and were asked to respond by indicating whether they found these services useful, not very useful or neutral. Support services included training in a variety of export related matters, assistance with language and sales, market and product information. The questions included in the questionnaire were taken from well established studies in the exporting literature and after discussions with local exporters. The questionnaire was pretested on five potential respondents.

4.0 Findings and Discussion

4.1 Principal Component Analysis

Principal components analysis with varimax rotation was used to reduce the number of export barriers into a few underlying dimensions. Five factors emerged accounting for 73.5 percent of the total variance as shown in Table 1. The internal reliability of the factors was assessed with Cronbach's coefficient alpha (Churchill, 1979). As these values range from .56 to .83, they are considered satisfactory. The Kaiser-Meyer-Olkin measure of sampling adequacy is .71 and is considered satisfactory indicating that the data are appropriate for factor analysis (Sharma, 1996). In addition, the Bartlett test of sphericity is highly significant ($p = 0.00$), implying that the correlation matrix is not orthogonal and is,
Table 1: Factor Analysis of Usefulness of Export Assistance Programs

<table>
<thead>
<tr>
<th>Variables</th>
<th>Export procedures/documentation</th>
<th>Exhibitions</th>
<th>Marketing mix</th>
<th>Market intelligence/Planning</th>
<th>Language</th>
</tr>
</thead>
<tbody>
<tr>
<td>Export procedures</td>
<td>.857</td>
<td>.233</td>
<td>.117</td>
<td>.111</td>
<td>.176</td>
</tr>
<tr>
<td>Export documentation</td>
<td>.912</td>
<td>-.030</td>
<td>.137</td>
<td>.025</td>
<td>.009</td>
</tr>
<tr>
<td>Identifying exhibitions</td>
<td>.107</td>
<td>.925</td>
<td>.011</td>
<td>.043</td>
<td>.100</td>
</tr>
<tr>
<td>Arranging exhibitions</td>
<td>.050</td>
<td>.790</td>
<td>.132</td>
<td>.111</td>
<td>.303</td>
</tr>
<tr>
<td>Logistics</td>
<td>.091</td>
<td>-.048</td>
<td>.811</td>
<td>.083</td>
<td>.097</td>
</tr>
<tr>
<td>Sales material</td>
<td>-.060</td>
<td>.261</td>
<td>.602</td>
<td>.235</td>
<td>.165</td>
</tr>
<tr>
<td>Product standards</td>
<td>.345</td>
<td>.047</td>
<td>.761</td>
<td>.198</td>
<td>.067</td>
</tr>
<tr>
<td>Market information</td>
<td>.162</td>
<td>-.053</td>
<td>.328</td>
<td>.740</td>
<td>.276</td>
</tr>
<tr>
<td>Finding an agent</td>
<td>-.054</td>
<td>.391</td>
<td>.167</td>
<td>.753</td>
<td>-.173</td>
</tr>
<tr>
<td>Export planning</td>
<td>.424</td>
<td>-.095</td>
<td>.131</td>
<td>.541</td>
<td>.470</td>
</tr>
<tr>
<td>Language training</td>
<td>.315</td>
<td>.335</td>
<td>.003</td>
<td>.132</td>
<td>.574</td>
</tr>
<tr>
<td>Translation services</td>
<td>-.024</td>
<td>.215</td>
<td>.259</td>
<td>.015</td>
<td>.785</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Eigenvalues</th>
<th>Percent of variance explained</th>
<th>Cumulative percent of variance explained</th>
<th>Cronbach alpha</th>
<th>Kaiser-Meyer-Olin measure of sampling efficiency</th>
<th>Bartlett’s Test of sphericity</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4.0</td>
<td>16.8</td>
<td>16.8</td>
<td>.83</td>
<td>.82</td>
<td>339.7</td>
<td>0.0</td>
</tr>
</tbody>
</table>

Therefore, appropriate for factoring (Sharma, 1996). To test the robustness of the results, this analysis was performed on a variety of different industry classifications. The results were quite similar indicating that the results are quite robust.

The first factor is named “export procedures/documentation” because statements such as export procedures and export documentation have the highest loadings on this factor. The second factor is labeled “exhibitions” given that identifying and arranging exhibitions load heavily on this factor. The third factor is labeled “marketing mix” because of the high loading of statements related to marketing mix variables: logistics, sales materials, and product standards. The fourth factor is named “market intelligence/planning” since the statements market information, finding an agent, and export planning have the highest loading on this factor. The fifth factor is labeled “language” because language training and translation services load heavily on this factor.
4.2. Overall Differences

Table 2 presents the mean values of the five factors representing the export assistance programs provided by the Canadian government. As shown in Table 2, the most useful services are market intelligence and planning followed by exhibitions and marketing mix. Least useful services are export procedures/documentation and language assistance. This finding provides support to the first hypothesis.

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Export procedures/documentation</td>
<td>.044</td>
<td>1.017</td>
</tr>
<tr>
<td>Exhibitions</td>
<td>.055</td>
<td>1.008</td>
</tr>
<tr>
<td>Marketing mix</td>
<td>.051</td>
<td>1.011</td>
</tr>
<tr>
<td>Market intelligence/planning</td>
<td>.064</td>
<td>0.999</td>
</tr>
<tr>
<td>Language</td>
<td>.023</td>
<td>1.028</td>
</tr>
</tbody>
</table>

The finding that foreign market intelligence and planning is the most useful service is understandable since information about foreign markets is valuable to exporters. This result is inconsistent with the finding of a similar study of U.S. and U.K. exporters where market information was ranked among the least important services (Crick and Czinkota, 1995). An explanation for the discrepancy may be that our sample includes Canadian firms that have entered the exporting field more recently, and as a result, they are less knowledgeable about foreign markets and tend to find such information more useful than exporters who have been involved in exporting much longer.

Finding exhibitions and help with the marketing mix are also found useful. Again this result can be justified on the basis that most Canadian exporters lack extensive experience with exports. This finding is again consistent with previous studies in which trade shows and exhibitions were found to be useful for exporters (Gopala-Krishna, Lilien, Williams and Segueira, 1995; Ramaswami and Yang, 1990; Rosson and Seringhaus, 1995; Seringhaus and Rosson, 1998; Wilkinson and Brouthers, 2000a, b).

There are two explanations for the finding that language training is the least useful service. First, given that English is the language spoken in the province of Ontario - and English is the language of business internationally - it makes the need for language training and translation less pressing. Second, USA is, by far, the largest trading partner of Canada, and since the language spoken in USA is English, this reduces the need for language training by Canadian exporters.
The finding that advice on export procedures and export documentation are among those services least useful is somewhat surprising as export procedures and export documentation are critical export activities. A possible explanation is the proximity of the U.S. markets and familiarity of Canadian exporters with export procedures and export documentation.

4.3 Comparison by Stage of Development

Participant firms were divided into three types according to their stage in their export development efforts; reactive, active and systematic exporters. Reactive exporters are those that receive occasional or regular export orders. Active exporters are those firms that are developing their export customer base or have an established export business in a number of countries. Systematic are those exporters who are committed to systematically researching and entering new markets or have a well developed international business strategy.

Table 3 presents the analysis of variance of export assistance services for reactive, active and systematic exporters. The second hypothesis is partially supported according to the results shown in Table 3. The three groups reported statistically significant differences in terms of the usefulness of exhibition assistance and language assistance. Systematic exporters found assistance with exhibitions more useful than their counterparts with less export experience. Also, exporters with medium experience in exports found language assistance more useful than the other two groups. Exporters in different stages of industrialization did not report any differences in the usefulness of export procedures/documentation, marketing mix assistance, and market intelligence and planning. These findings are contrary to predictions that exporters with less export experience would appreciate export assistance programs such as market information, finding foreign market agents, and logistics.

| Table 3: One-Way ANOVA of Export Assistance Programs Among Reactive, Active, and Systematic Exporters |
|-------------------------------------------------|----------------|---------|-----|-----|-----|
| Export procedures/Documentation                   | Reactive   | Active  | Systematic | F-value | P-value |
| Exhibitions                                      | .059      | -.032  | .437 | .42 | .66 |
| Marketing mix                                    | -.217     | .324   | .683 | 3.10 | .05 |
| Market intelligence/Planning                     | .037      | -.098  | -.498| .69 | .51 |
| Language                                         | -.163     | .010   | .553 | 1.28 | .28 |
|                                                 | -.233     | .395   | -.011| 2.39 | .10 |
4.4 Comparison by Percentage of Revenues from Exports

Table 4 presents the analysis of variance results involving export assistance programs among exporters with different percentage of revenues from exports. The rationale for looking at these differences is to examine if export support services vary in their usefulness to firms that derive a different percentage of their revenues from exports and, therefore, depend on exports disproportionately. Training in export procedures and documentation is the only export assistance program that is statistically significant. It is interesting to note that exporters who draw more revenues from exports find training in export procedures more useful than other firms. It is equally interesting that participants from both groups did not report differences in the usefulness of all other export assistance programs. These results provide partial support to the third hypothesis.

### Table 4: One-Way ANOVA of Export Assistance Programs Among Exporters With Different Percentage of Revenues From Exports

<table>
<thead>
<tr>
<th>Factors</th>
<th>1-50</th>
<th>50+</th>
<th>F-ratio</th>
<th>P-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Export procedures/ Documentation</td>
<td>-.13</td>
<td>.30</td>
<td>3.27</td>
<td>.07</td>
</tr>
<tr>
<td>Exhibitions</td>
<td>.04</td>
<td>-.02</td>
<td>.06</td>
<td>.80</td>
</tr>
<tr>
<td>Marketing mix</td>
<td>.05</td>
<td>-.16</td>
<td>.87</td>
<td>.36</td>
</tr>
<tr>
<td>Market intelligence/ Planning</td>
<td>-.04</td>
<td>.10</td>
<td>.33</td>
<td>.57</td>
</tr>
<tr>
<td>Language</td>
<td>.01</td>
<td>.03</td>
<td>.00</td>
<td>.95</td>
</tr>
</tbody>
</table>

4.5 Comparison by Size

Table 5 presents the analysis of variance results of the mean values of usefulness of export assistance programs among exporters of different sizes. Respondents were divided into two groups: firms that employ fewer than 25 employees and those exporters that employ 25 or more employees. The rationale for this comparison is to examine whether there are differences in the degree of usefulness for firms of different size. Since firms of different sizes have different resources, one would expect that firms of a different size differ in terms of the usefulness of export support services. The fourth hypothesis, like the previous two hypotheses, received partial support. As it can be seen in Table 5, smaller firms found assistance with their marketing mix - logistics, sales material, and product standards – more useful than larger firms. Although this is expected, it is interesting that participants did not report differences in terms of the other export assistance programs.
Table 5: One-Way ANOVA of Export Assistance Programs Among Exporters of Different Size

<table>
<thead>
<tr>
<th>Factors</th>
<th>1-24</th>
<th>25+</th>
<th>F-ratio</th>
<th>P-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Export procedures/</td>
<td>-.02</td>
<td>.07</td>
<td>.14</td>
<td>.71</td>
</tr>
<tr>
<td>Documentation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exhibitions</td>
<td>.02</td>
<td>-.01</td>
<td>.02</td>
<td>.89</td>
</tr>
<tr>
<td>Marketing mix</td>
<td>.24</td>
<td>-.24</td>
<td>4.87</td>
<td>.03</td>
</tr>
<tr>
<td>Market intelligence/</td>
<td>-.10</td>
<td>.09</td>
<td>.66</td>
<td>.42</td>
</tr>
<tr>
<td>Planning</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Language</td>
<td>-.08</td>
<td>.07</td>
<td>.43</td>
<td>.51</td>
</tr>
</tbody>
</table>

5.0 Conclusions and Implications

As we argued in the introduction, increasing export activities is a goal of most modern governments. Governments and other agencies make available to exporting firms a variety of services designed to promote and increase the export profile of these firms. Through these programs, companies can gain customers, identify prospects, gather intelligence and disseminate information (Seringhaus and Rosson, 1990).

Governments must ensure that exporters receive assistance that helps them become more effective exporters. In view of their limited amount governments need to research how to target these programs more effectively and efficiently (Crick and Czinkota, 1995). Therefore, it is very important that research is conducted to determine the needs of exporters.

In this paper, a number of managers of small and medium sized Canadian firms were interviewed about the usefulness of certain support and advice services available to them through, mainly, the various governments but also through private organizations. The contribution of the present research is that it reveals the degree of usefulness of such programs. It was found that not all support services are equally useful or used to the same degree by Canadian exporters as some of these services are found more and others are less useful to the firms that participated in the study.

Most useful services are foreign market information followed by training in export documentation, finding agent/distributors, identifying and arranging exhibitions, and information about product standards. Least useful services are language training, export business planning, advice on logistics, and help with producing sales material. When the participating firms were segmented by stage of export development, percentage of revenues from exports, and size, the analysis of variance showed some differences among the different firms. But the large
majority of Canadian SMEs reported very little difference in the perceived usefulness of the export assistance programs.

The findings of the present study can be valuable to governments offering export support programs and a useful tool for better planning such services. The implication of the results for government policy and action is, clearly, not to discontinue programs that are found less useful but to put more emphasis on those services that are most useful and used most often in order to maximize the effectiveness of these export support efforts.

The ability to compete effectively depends on a firm's ability to obtain valid foreign market information, training in export documentation, finding agents/distributors and so on. The implication for SMEs is that they should take advantage of export assistance programs for greater export success. Exporters can achieve better results by supplementing their own resources and capabilities with government assistance programs. Consequently, public policy officials should focus more on the export assistance programs that exporters find more useful.

Although this study makes several contributions to our understanding of the usefulness of export support programs, it has certain limitations. One limitation is that the sample includes only small and medium sized firms. By collecting data only from small and medium sized firms, we cannot claim that they represent the entire population of Canadian exporting firms. As we discussed in an earlier section, large firms may have different views about the usefulness of export assistance programs. Consequently, future studies need to collect data from firms of various sizes. Another limitation of the study is that the data were collected from firms operating in the Niagara Region of Canada. Given the vastness of Canada, we cannot claim that the data represent all regions of the country. Samples with firms across Canada are needed in order to rectify this shortcoming. Because of these two limitations, future studies should collect data from firms of different sizes and also from firms located in different parts of the country. This would increase our confidence in the results we obtained in this study and make them more generalizable to the broader population of Canadian firms.

References


Yannopoulos


Yannopoulos

Norwall, MA.


Pointon, T. 1978, “Measuring the gains from government export promotion”,
Yannopoulos

European Journal of Marketing, vol. 12, no. 6, pp. 451-462.
Ramaswami, S. N. and Yang, Y. 1990, Perceived barriers to exporting and export assistance requirements. In S. T. Cavusgil and M. R. Czinkota (Eds.), International Perspectives on Trade Promotion and Assistance, Greenwood Press, Westport, CT.