

Effects of Firm-Level Determinants on Export Performance of SMEs in Bangladesh

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ABSTRACT

Over the last few decades, international business has experienced steady development all over the globe. Exporting aids the firms with renovations in business capacities which brings much better efficiency by producing extra sources (Chen et al., 2016). To raise the efficiency of SMEs, businesses need to recognize the way to boost their activities in the export market as exporting plays a crucial part to create higher values for them. With comparatively better performance in the export market, the business ultimately improves its efficiency all at once. Dealing with to attain better performance in the export market, SMEs bring added outcomes as well as resources which are extremely vital for their advancement.

For small and medium ventures (SMEs), export plays a major part to create better worth, and also thus, SMEs firms require to know the way to improve export performance and this will ultimately enhance the performance of most of the firms (Maurel, 2009). Identification of determinants, even more specifically, identification of the firm-level controlled determinants of better export performance of SMEs has ended up being critical.

In the economy of Bangladesh, the small and medium-sized enterprises (SMEs) are one of the most important pillars to its continuous developments. The role of SMEs sector is enormous to fulfil the country's plan and actions to reduce the poverty. SMEs in Bangladesh made up more than 99% of economic sector industrial facilities and also developed job chances for 70%–80% of the non-agricultural workforce. The contributions of SMEs to the economy of Bangladesh are still negligible. The role of all SMEs to the GDP is only 20.25 percent in Bangladesh, whereas it stands at 80 percent in India, 60 percent in China and 69.50 percent in Japan. This paper studies export performance indicators of Bangladesh based SMEs, through a structured questionnaire.

Keywords: SME, export performance, Bangladesh economy, garment industry

Introduction

In a publication on SMEs of Bangladesh in 2016, World Trade Organization reported that we know very little about contributions of SME firms in total trade of the country, and what determinants/factors SMEs need to consider

during their decisions to start exporting or the benefits SMEs may derive from the process of internationalization (WTO 2016). Exports plays a major role to create greater value for SMEs, and thus, companies need to know how to increase the export performance and this will eventually enhance the performance of the most of the companies

(Maurel, 2009). So eventually, firms need to understand what helps them to perform better in international markets. Firms, especially SME firms, need to identify their controllable factors for this and thus they can enhance their efforts and resources to the appropriate areas.

SMEs are the significant source of job creation as well as they stand as the foundation for future big business as well as companies. SMEs are extra innovative than larger companies, due to their adaptability, flexibility as well as their capability to promptly and successfully integrate inventions in the firms' developmental activities. Studying SMEs can boost our overall understanding of their needs in respect to their as well as social development as a whole. Such understanding would certainly allow SMEs business owners, managers, specialists, policy-makers, and scientists to formulate sound assistance methods for the SMEs firms to sustain and grow. Due to the importance of SMEs to local economic climates, it is needed to research and review their performance, and most importantly the diagnosis of the factors/indicators that effect their performance is crucial.

Scope of the Study

The study is limited to the SMEs firms of Bangladesh, engaged in operations and are registered/controlled under rules of Bangladesh Govt. This research work only categorizes and emphatically studies the internal determinants of export performance of SMEs. It does not include the external factors/determinants of export performance of SMEs. The effects of COVID-19 have not been considered in the research work. Reference period was 2019–20 FY.

Brief Industrial Overview of Bangladesh

The contribution of Industrial Sector to GDP is progressively increasing in Bangladesh. According to the GDP of FY2017-18 the contribution of the manufacturing sector in real GDP is 22.85 percent which was 21.74

percent in FY2016-17. The main industries of the country include textile, pharmaceutical products, electronics, shipbuilding, automotive, bicycle, leather, jute, glass, paper, plastic, food and beverages, cement, tea, rice, natural gas and crude petroleum, iron and steel, etc. In order to accelerate the pace of industrialization of the country the government announced the 'National Industrial Policy-2016' with the goal of sustainable and inclusive industrial growth through generation of productive employment to create new entrepreneurs, mainstreaming women in the industrialization process and international market linkage.

Literature Review

Theoretical Backgrounds & Definitions of the Key Constructs

Export

An export is a function of international trade whereby goods produced in one country are shipped to another country for future sale or trade. Exports are a crucial component of a country's economy, as the sale of such goods adds to the producing nation's gross output. One of the oldest forms of economic transfer, exports occur on a large scale between nations that have fewer restrictions on trade, such as tariffs or subsidies. (SEGAL, 2019). "When a manufacturer exports indirectly, the responsibility for carrying out the foreign selling job is transferred to some other organization. On the other hand, in direct export the responsibility for performing international sales activities is in the hands of the producer." (Albaum et al., 2016)

Exports of goods and services are seen as an engine of economic and social development for a number of reasons, including exports that require companies to innovate and improve to maintain market share. On the other hand, exports ensure increased sales and profits. Alternatively, they reduce dependency on local markets since, in the

Table 1: Volume and Growth Rate of Manufacturing Industry

(In Crore Tk.)								
Note: Figures in parentheses indicate growth rate								
Type of Industry	2010–11	2011–12	2012–13	2013–14	2014–15	2015–16	2016–17	2017–18
Small and Cottage	21176.0	22569 (6.58)	24558 (8.81)	26113 (6.33)	28342 (8.54)	30909 (9.06)	33945 (11.20)	37456 (13.18)
Medium-Large	88475.3	97998.3 (10.76)	108436 (10.65)	118540 (9.32)	131225 (10.70)	147313 (12.26)	163819 (9.82)	186372 (13.77)
Total	109651.4	120567 (9.96)	132994 (10.31)	144653.4 (8.77)	159568 (10.31)	178222 (11.69)	197765 (10.97)	223827 (10.34)

Source: Bangladesh Bureau of Statistics & ("Bangladesh Economic Review," 2018)

Table 2: Classification of Cottage, Micro, SME and Large firms by Bangladesh Government.

Type of Enterprise		Fixed assets (Tk) (excl. land and buildings)	No of Employees
Cottage		Below 1 mn	1 to 15
Micro		1 mn to 7.5 mn	16 to 30
Small	Manufacturing	7.5 mn to 150 mn	31 to 120
	Service	1 mn to 20 mn	16 to 50
Medium	Manufacturing	150 mn to 500 mn	121 to 300
	Service	20 mn to 300 mn	51 to 120
Large	Manufacturing	More than 500 mn	More than 300
	Service	More than 300 mn	More than 120

Source: National Industrial Policy 2016, Bangladesh

event of expansion in foreign markets, the market base increases, leading to a reduction in local customers only. According to Jieke Chen, et al (2016), "With the rapid growth of international business, exporting plays a key role in many firms' survival and growth. Exporting activities enhance organizational capabilities, which, in turn, generate additional resources that boost the firms' performance (Filatotchev et al., 2009).

Export Performance

Export performance does not have an unanimously acknowledged definition. Whereas on definition of export performance refers to "a composite outcome of a firm's international sales, which includes three dimensions: export sales, export profitability and export growth" (Shoham, 1998). It highlights the multi-dimensionality of the construct but remains quite broad. It represents the variables which will indicate whether the export activity is more or less successful. Literature reviews regarding export performance determinants already exist but are not specific to SMEs. (Maurel, 2009). Export performance has been a central construct in the study of export marketing. Several studies have attempted to identify organizational and managerial antecedents of export performance and assess the relative importance of these antecedents. However, despite these fruitful efforts, there is little agreement in the literature about a conceptual definition of export performance, as well as about its operational definition. (Shoham, 1998).

Small and Medium Enterprises (SMEs)

SME has been defined differently by different countries and institutions. Besides country specific definitions, regional and financial bodies/institutions like World Trade Organization (WTO), European Union (EU) have their own definition and parameters to define and identify SME. Because to variance of various economic parameters worldwide and the differences in the policies for different types of enterprises, it was needed to have a uniform understanding and definition of SMEs in Bangladesh.

According to the Bangladesh National Industrial Policy 2016, Bangladesh Bank has reset the definitions of SME as *Table 2*.

Firm Level Determinants of Export Performance

The firm level determinates include the internal factors of the export performance and are classified into three broad categories, namely

- (i) Firm Characteristics, Resources and Capabilities
- (ii) Management Characteristics and
- (iii) Export Marketing Strategy

Each broad area is amplified in the following section through a literature survey.

Firm Characteristics, Resources and Capabilities

(Faruk, O., & Subudhi, R. N., 2019):

- a. Ownership type
- b. Firm Age
- c. Firm Size
- d. Export Experience
- e. Export intensity
- f. Export Diversity
- g. Export Mode
- h. Firm Resource & Firm Capabilities

Management Characteristics

- a. Technology Orientation
- b. Customer Orientation
- c. Export Commitment

Export Marketing Strategy

- a. *Product Strategy*
- b. *Price Strategy*
- c. *Promotion Strategy*
- d. *Distribution Strategy*

This section deals with the identification of the key internal determinants of export performance and their corresponding variables.

The variables of Company's Export Performance are categorized and then Sub-categorized as 1. Export Sales (*Export Sales Volume and Export Sales Growth*) 2. Export Profitability (*Export Profitability, and Export Profitability Growth*) 3. Export Market Share (*Export Market Share and Export Market Share Growth*) and 4. Other Export Performance Indicators (*Performance Compared to Competitors, Future Prospect, Overall Strategic Goals, and Overall Export Performance*).

The variable covered under firm's objective data are company location, industrial sector, ownership type, enterprise type, employee size, market diversity, exporting destination (continents), product diversity, exporting product diversity, exporting products category, target markets, export mode, sales revenue, export sales revenue, export intensity, loan to start operations, ongoing loan, government subsidy or financial support.

Research Objectives and Methodology

Study attempts to find out the various small and medium enterprises (SMEs) that are operational in the study area. Within those SMEs, the research focuses on the firms which are actively engaged in selling their products to foreign countries for latest 3 years. The various internal factors with special reference to SMEs have been identified through past literature review and their relation with export performance have been studied. The study identified the major factors which contributed to the export performance of the SMEs and suggested ways to improve the performance by focusing on the minor factors which might have been overlooked by the firms till recently. The research would be of importance to the policy makers of Bangladesh as they might be able to reinforce and support the weak areas of SMEs and make necessary procedural changes.

Objectives of the Study

Objective of this study is to identify the relationship of controllable internal determinants with Export Performance of SMEs in Bangladesh, as broad research objective.

For the emerging market, the effect of controllable internal determinants on the firm's export performance has been neglected in the previous literature.

Conceptual Framework

Resource Based View (RBV) of Export Performance

"To develop a more conceptually rigorous and parsimonious model of export strategy and performance, we draw on the RBV of the firm, and an emerging theoretical paradigm in strategic management. RBV focuses on how sustained competitive advantage is generated by the unique bundle of resources at the core of the firm. Early work by Penrose (1959) defined a firm as "a collection of physical and human resources" and pointed to the heterogeneity of these resources. Wernerfelt (1984) suggested that "resources and products are two sides of the same coin" and presented the possibility that by specifying a resource profile for a firm, it would be possible to find the optimal product-market activities. The term "resource" was conceived broadly of as "anything that can be thought of as a strength or a weakness" of the firm". Dhanaraj, C., & Beamish, P. W. (2003)

Sampling Frame and Population

Although there was an effort to make the sampling frame as exhaustive as possible but as many of the units were not registered with any chamber of commerce or other trade associations tracing them down for the purpose of data collection was a difficult task. Based on convenience and suitability of the study an appropriate sampling frame was prepared from records available with the following institutions:

Dhaka Chamber of Commerce and Industries (DCCI)
Chittagong Chamber of Commerce and Industries (CCCI)
Export Promotion Bureau of Bangladesh (EPB)
Bangladesh SME Foundation (BSF)

As the research aimed at knowing the internal organisation factors which influenced the export performance of the firm, only the firms which were in

Theoretical Model: Internal Determinants of Export Performance

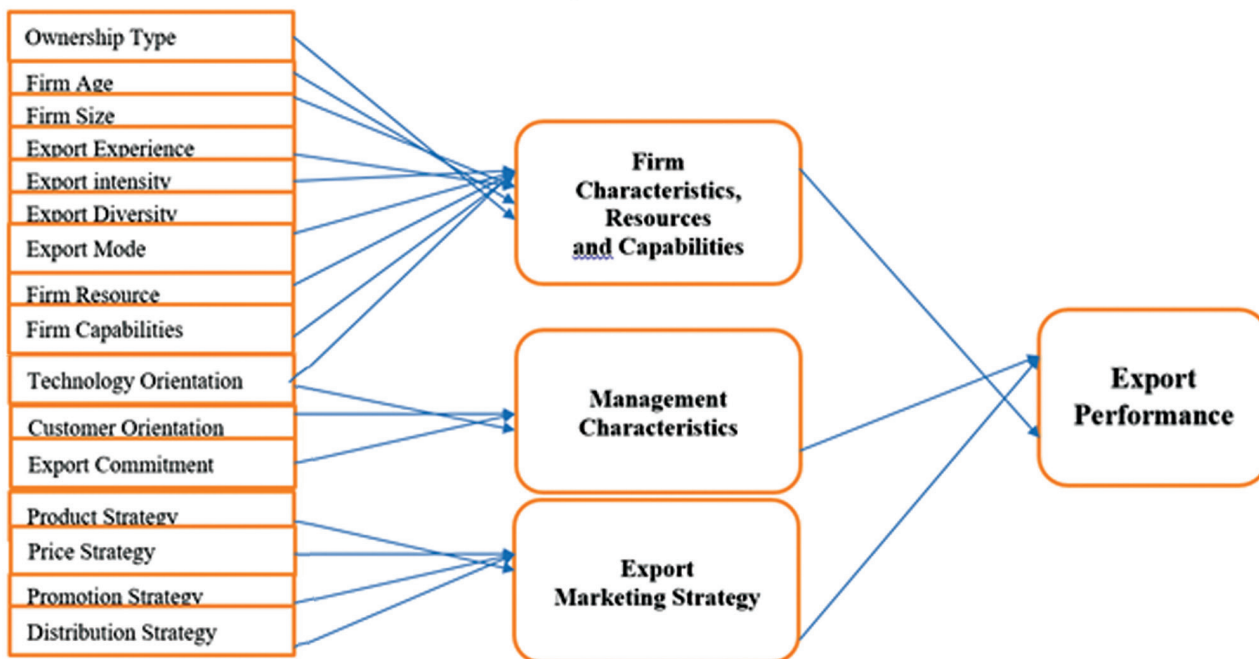


Figure-1:

the export business were taken into consideration. The research criteria demand the direct visit of the researchers to the factory and/or head office of the SME firm, the study only selected the forms whose contact information and address are publicly available. Our research required the direct meeting with Owner/ CEO/ MD/ top level manager of each SME firm, the appointment schedule has to be made contracting with the respondent directly or through the help of a staff of their offices.

From the database of Bangladesh Export Promotion Bureau (2018), the total population which formed part of the sample frame was around 800 exporting SMEs in Dhaka and Chittagong division from various industry sub-sectors. About 15 percent of the target population was chosen for the sample survey. Taking these factors into consideration a sample of 120 exporting SMEs were shortlisted for selection. Finally we ended up with complete useable data from 75 exporting SMEs, selected by convenience sampling.

Though initially 120 units were contacted, because of non-response/ incomplete response, finally the workable sample was reduced to 75. The detail of the workable sample is shown in table 3.

Analysis and Discussion

This section covers the analysis of the study. All hypotheses of the study were tested and presented

Table 3: Detail of the Sample

Industry Type	Original Sample	Final Sample	% Responded
Readymade Garments	40	36	90.00
Jute and Jute Products	25	10	40.00
Agricultural Products	15	8	53.33
Leather & Leather Goods	15	5	33.33
Pharmaceuticals & Chemicals	10	5	50.00
Other	15	11	73.33
TOTAL	120	75	62.5

through different statistical tools and techniques. The sections of the chapter is designed as Univariate Analysis of Respondents Information, Univariate Analysis of the Firm’s Objective Data, Univariate Analysis of the Firm’s Subjective Data, Bivariate Analysis and finally Multivariate Analysis to study the internal determinants of export performance of SMEs in Bangladesh.

Univariate Analysis of Respondents Information

The first section of the data analysis deals with the presentation of the basic information about the respondents of the questionnaire survey done for this research project. Respondent’s Age (in years), Respondent’s Gender, Respondent’s Education and Respondent’s Designation are described.

Respondent's Age (in years)

The leading age group of the respondents is 40-49 years, with a percentage of 38.7% among the respondents. 24% of the respondents are from the age group of 30-39 years and 21.3% are from the age group of 50-59. We have 10% respondent from 60 or more years of age and 5.3% from less than 30 years of age. Most of the respondents are the part of the higher management level of the firms, i.e. Owner, CEO, Managing Directors etc. Figure 2 shows the graphical presentation of the respondents age according to the representative age groups.

Respondent's Gender: We have both, male and female representatives in our study, where male respondents are 77.3% and female respondents are 22.7%. Female representation in the ownership and/or in the higher management level of the SMEs are comparatively much lower in Bangladesh.

Respondent's Education: The education level of the respondents shows most of the respondents (69.4%) either have a Masters or Bachelor degree. Where 14.7% has completed HSC level, 9.3% completed SSC level and 2.7% are below SSC level.

Univariate Analysis of the Firm's Objective Data

Company Location: In Bangladesh, there are currently 8 administrative divisions, each is named after the major city within its geographic jurisdiction. Each division is further split into several districts. This study covers the two major divisions, Dhaka Division and Chattogram Division, which are the two main industry hubs of the

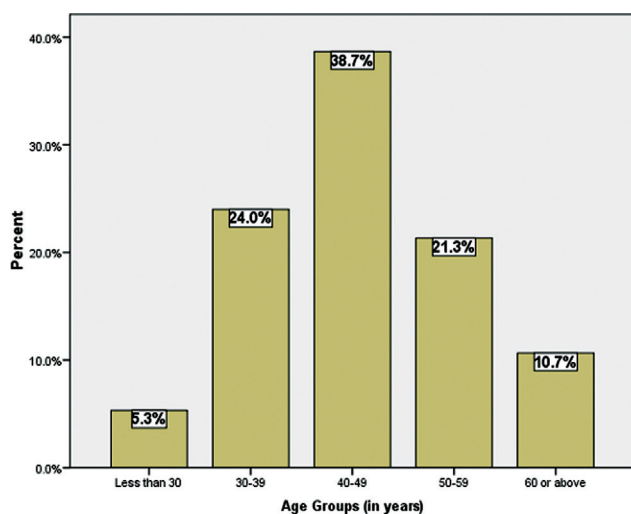


Figure 2: Respondent's Age (in years).

country. Out of all the companies we surveyed, 65.3% of the companies are from Dhaka division and 34.7% companies are from Chattogram Division. Table 4 shows the frequency distribution of the division wise company location.

Industrial Sector of the firms: According to the Bangladesh Economic Review (2018), the main industrial sectors of Bangladesh's export earnings are Readymade Garments, Jute and Jute Products, Agricultural Products, Leather & Leather Goods, Pharmaceuticals & Chemicals. The other main industrial sectors include Tea, Frozen Food, Engineering Product, Bicycles, Technological Products (Software), Ceramic etc.

Firms doing the business of Readymade Garments are the leading sector with 48% which has a huge difference from the second most leading sector which is 13.3% by Jute and Jute Products as shown in Figure 3. The main list of the firms was selected from the database of Bangladesh Export Promotion Bureau and the responses came in accordance with the dominance of Readymade Garments sector (almost half of the total responses) which actually provides the major parts of the export earnings of the country.

Ownership Type of the firms: Among the different ownership types of the SME firms in Bangladesh Private (Local) and Joint Venture (Local) comprises 73.3% cumulative percentage of the ownership type where 52% of the firms are Private firms owned by Bangladeshi citizens. As shown in table 5, there are 12% of firms are Joint Venture (Local + Foreign ownership) and Private (Foreign Ownership), Public-Private Partnership (PPP), Public Limited Company, State Owned firms holds the percentage of 6.7%, 4.0%, 2.7% and 1.3% respectively.

Enterprise Type of the firms: Table 6 demonstrates the Enterprise Type of the firms, where 72% of the firms are manufacturing companies and 28% of the firms are service providing companies.

The companies engaged in both types of operations (Manufacturing and Service) in the same time, were not included in the study to maintain the inclusion

Table 4: Company Location

Location	Frequency	Percent	Cumulative Percent
Dhaka Division	49	65.3	65.3
Chattogram Division	26	34.7	100.0
Total	75	100.0	

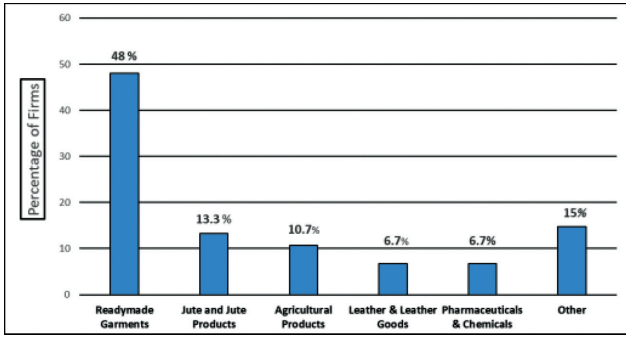


Figure 3: Industrial Sector of the firms.

Table 5: Ownership Type of the firms

Ownership Type	Frequency	Percent	Cumulative Percent
Private (Local)	39	52.0	52.0
Joint Venture (Local)	16	21.3	73.3
Joint Venture (Local & Foreign)	9	12.0	85.3
Private (Foreign Ownership)	5	6.7	92.0
Public-Private Partnership (PPP)	3	4.0	96.0
Public Limited Company	2	2.7	98.7
State Owned	1	1.3	100.0
Total	75	100.0	

requirements as a SME in the study because we could not identify any literature about how such a company would be clearly classified as SME or other types such as cottage, micro or large firms.

Employee Size of the firms: According to the National Industrial Policy 2016, Bangladesh the SMEs are categorized with the number of employees they employ. The employee size requirements are different for manufacturing and service companies, respectively. Medium Enterprises are categorized as - Manufacturing firms with 121-300 employees and Service firms with 51-120 employees. Whereas Small Enterprises are categorizing as - Manufacturing firms employ 31-120 employees and Service firms employs 16-50 employees. This study uses employee size groups in consistent with the National Industrial Policy Bangladesh (2016) to easily identify the SME firms.

Number of Countries the firms are exporting their products: Location diversification are demonstrated in table 7 to show country wise market reach of the firms. Here exporting firms are classified into the groups on the basis of how many countries they cover for their sales outside Bangladesh. 46.7% of the companies reach to more than 10 countries where

Table 6 Enterprise Type of the firms

Enterprise Type	Frequency	Percent	Cumulative Percent
Manufacturing	54	72.0	72.0
Service	21	28.0	100.0
Total	75	100.0	

Table 7: Number of Countries the firms are exporting their products

Number of Countries	Frequency	Percent	Cumulative Percent
Less than 5	19	25.3	25.3
5 - 10	21	28.0	53.3
11 - 15	12	16.0	69.3
16 - 20	17	22.7	92.0
More than 20	6	8.0	100.0
Total	75	100.0	

53.3% of the companies reach less than or equals to 10 countries.

8% of the companies cover more than 20 countries for their export sales and 30.7% of the companies reach more than 15 countries.

Exporting Destination (Continents) of the firms

68% of the companies cover the markets in Europe where 62.7% of the companies cover North American markets. Australia is the least covered market for Bangladeshi export firms as per the study for this research project. The percentage of the companies that reach to Asian, African and South American countries are 54.7%, 33.3% and 30.7%, respectively.

Total Number of Product vs Number of Exporting Product

We investigated the Total Number of Product that each firm produces and also Number of Exporting Product of each of the firms. 17.3% of the companies produces less than 5 products, 26.7% of the companies produces 5-10 products, 22.7% company produces 11-15 products, 12% of companies produces 16-20 products and 21% produces more than 20 products.

Now, if we look at the export product types, significant percentage of the companies (41.3%) exports only less than 5 products. And, 44.1% (18.7%+ 18.7%+ 6.7%) of

Table 8: Total Sales Revenue During Last Three Years (2019, 2018 & 2017)

Sales Revenue (in BDT)	Percent			Cumulative Percent		
	2019	2018	2017	2019	2018	2017
00–100 cr.	24.0	24.0	24.0	24.0	24.0	24.0
101–200 cr.	21.3	21.3	20.0	45.3	45.3	44.0
201–300 cr.	17.3	21.3	22.7	62.7	66.7	66.7
301–400 cr.	10.7	10.7	13.3	73.3	77.3	80.0
401–500 cr.	10.7	8.0	6.7	84.0	85.3	86.7
>500 cr	16.0	14.7	13.3	100.0	100.0	100.0
Total	100.0		100.0		100.0	

Note: USD 1 = BDT 84; 1cr. = 10 million

Table 9: Export Sales Revenue During Last Three Years (2019, 2018 & 2017)

Export Sales Revenue (in BDT)	Percent			Cumulative Percent		
	2019	2018	2017	2019	2018	2017
00–100 cr.	36.0	34.7	34.7	36.0	34.7	34.7
101–200 cr.	26.7	33.3	34.7	62.7	68.0	69.3
201–300 cr.	14.7	9.3	10.7	77.3	77.3	80.0
301–400 cr.	8.0	9.3	8.0	85.3	86.7	88.0
401–500 cr.	4.0	2.7	2.7	89.3	89.3	90.7
>500 cr	10.7	10.7	9.3	100.0	100.0	100.0
Total	100.0	100.0	100.0		100.0	

Note: USD 1 = BDT 84; 1cr. = 10 million

the companies exports 5-20 products type where 14.7% companies export more than 20 products.

Category of the Exporting Products

Majority of the firms (82.7%) export only consumer products, 9.3% of the firms export Industrial Products and 8% of the companies export both category products.

Target Markets of the firms

24% of the companies are fully concentrated on export markets and does not produces any product for local market. But, majority number of the companies (76%) produces products for both local market and export market. The companies who produce products for only local market are not included in this study as this study only focuses on exporting firms.

Export Mode of the firms

Some exporting companies export their products directly to their counterparts whereas some companies use

export agents. 16% of the companies export directly, 24% use agents whereas 60% of the companies use both mode of export operations.

Total Sales Revenue During Last Three Years (2019, 2018 & 2017)

Total Sales Revenue earned (from local sales and export sales) of the companies of last three years operations are demonstrated in *table 8*. The companies are divided into six groups according to their sales revenue level. In the year 2019, 62.6% of the companies earned sales revenue ranged BDT 00-300 cr. 21.4% companies earned BDT 301-500 cr and 16% earned more than BDT 500cr. The year wise comparative earnings remain almost same for 2019, 20018 and 2017.

Export Sales Revenue During Last Three Years (2019, 2018 & 2017)

Export Sales Revenue earned (from export sales only) of the companies of last three years operations are demonstrated in *table 9*. The companies are divided into six groups according to their sales revenue level. In the

year 2019, 62.7% of the companies earned sales revenue ranged BDT 00-200 cr. 26% companies earned BDT 201-500 cr and 10.7% of the companies earned more than BDT 500cr of export revenue. There is no significant difference found in the percentage of the companies for 2019, 20018 and 2017 on the basis of their export earnings level.

Average Export Sales as a Percentage of Total Sales (Export Intensity) During Last Three Years

Export Intensity of a company is determined by Average Export Sales as a percentage of Total Sales. A good number of the companies (36%) has Export Intensity between 81%-100% and 4% of the companies has Intensity of 0-20%. 78.7% of the companies has Export Intensity more than 40% and 52% of the companies has more than 60% Export Intensity.

Taken Loan to Start Operations by the Firms: 58.7% of the companies received loan to start their operations whereas 41.3% did not take any loan during their commencement of the business operations.

Any Ongoing Loan of the firms: 68% of the companies has current loans whereas 32% of the companies do not have any ongoing loan.

The Firms Received any Government Subsidy or Financial Support: 62.7% of the companies have received any form of Government Subsidy or Financial Support during the lifetime of the company whereas 37.3% of the companies never received any form of Government Subsidy or Financial Support.

Univariate Analysis of the Firm's Subjective Data

This section demonstrates the Objective Data of the companies collected through questionnaire survey during this research project. The Subjective data collected using Likert Scale are presented regarding Company's Resources and Capabilities; Management Orientation; Export Marketing Strategy and Export Performance.

Company's Resources and Capabilities

The Resources and Capabilities of the company are categorized and then sub-categorized as 1. Resources (Human Resources, Physical Resources, Financial

Resources, Technological Resources and Legal Resources), 2. Capabilities (Ease of Exporting, Ability to Improve Products, Ability to Develop New Products, Adopts New Methods and Ideas and Innovation &RnD) and 3. Relationship & Experience (Customer Relations, Customer Connections, International Marketing, Competence in Production Process and Language & Cultural Experiences).

Human Resources: The first variable, Human Resources, identifies, whether company has sufficient Human Resources. 65.3% of the respondent said they are either Agree or Strongly Agree. 14.7% are undecided and 20% are Disagree and none are Strongly Disagree.

Physical Resources: The respondent said they are either Agree or Strongly Agree that the firm has sufficient Physical Resources. 10.7% are undecided and 21.3% are Disagree and none are Strongly Disagree.

Financial Resources: 66.6% of the respondent said they are either Agree or Strongly Agree that the firm has sufficient Financial Resources. 14.7% are undecided and 18.6% are either Disagree or Strongly Disagree.

Technological Resources: 16% of the respondent said they are either Disagreed or Strongly Disagree that the firm has sufficient Technological Resources. 33.3% are Agree and 29.3% are Strongly Agree that the firm has sufficient Technological Resources. Whereas 21.3% are undecided.

Legal Resources: In the Frequency Distribution about the respondents' responses regarding whether the firm has sufficient Legal Resources, 24% are either Disagree or Strongly Disagree and 52% are either Agree or Strongly Agree but 24% of the respondents remained undecided.

Ease of Operation: 18.6% of the respondent said they are either Disagree or Strongly Disagree that Export Operation is Easy for the company. 33.3% agree, 29.3% strongly agree and 1.3% respondents were undecided.

Firms' Ability to Improve Existing Products: 62.6% of the respondent said they are either Agree or Strongly Agree that the firm has the Ability to Improve Existing Products. 20% are undecided and 17.3% are disagree and none are Strongly Disagree.

Ability to Develop New Products: 17.3% of the respondent said they are either Disagree or Strongly Disagree that the firm has the Ability to Develop New Products when required. 44% are Agree and

22.7% are Strongly Agree that the firm has sufficient Technological Resources. Whereas 16% are undecided

Ability to Adopts New Methods and Ideas: 69.4% of the respondent said they are either Agree or Strongly Agree that the firm has the Ability to Adopts New Methods and Ideas. 14.7% are undecided and 16% are disagree and none are Strongly Disagree.

Appreciate Innovation and R&D: 29.3% of the firms are Strongly Agree that the firm Appreciate Innovation and R&D where 38.7% responded Agree. 12% firms are neutral in their responses about it. 20% of the firms are either Disagree or Strongly Disagree.

Customer Relations: The firms were asked whether they take necessary steps to build and maintain Customer Relationship. 45.3% of the respondent said they Agree and 24% are Strongly Agree. 12% are undecided and 17.3% are Disagree and 1.3% responded Strongly Disagree.

Customers Connections: 18.7% of the respondent said they are Disagree to the fact that the key personnel of the firm Create and Maintain Regular Connections with Customers where 65.4% responded either Agree or Strongly Agree. 16% are undecided and none are Strongly Disagree.

Experience to Run Business Process: The key people of the firm have extensive experience in running successful Business Process. 49.3% of the respondent said they Agree and 18.7% are Strongly Agree. 9.3% are undecided and 22.7% are Disagree and none of the firms responded Strongly Disagree.

Experience in International Marketing: 66.6% of the respondent said they are either Agree or Strongly Agree that the key people have required experiences in international marketing. 10.7% are undecided and 22.7% are disagree and none are Strongly Disagree.

Language and Cultural Experiences: 65.3% of the respondent said they are either Agree or Strongly Agree that the key people have sufficient Language and Cultural Experiences. 13.3% are undecided and 20% are Disagree and 1.3% are Strongly Disagree.

Management Orientation

Product Feature as Competitive Advantage: The first variable is Product Feature, which identifies, weather

the management of the firm considers Product Feature as a Competitive Advantage. 24% and 32% firms Strongly Agree and Agree respectively to the matter. 21.3% are Neutral to their opinion and 22.6% are either Disagree or Strongly Disagree.

New Technology Use: 62.7% of the respondent said they are either Agree or Strongly Agree that Management Uses New Technology in their operations. 22.7% are Undecided and 13.3% are Disagree and 1.3% are Strongly Disagree.

Technological Edge over Competitors: 20% of the firms are Strongly Agree that the Management has Technological Edge over Competitors where 36% responded Agree to this. 25% firms are Neutral in their responses. 18.6% of the firms are either Disagree or Strongly Disagree.

Awareness on Export Demands: Awareness on Export Demands, which identifies, weather the management of the firm is aware about their Export Demands. 25.3% and 36% firms Strongly Agree and Agree respectively to the matter. 22.7% are Neutral to their opinion and 16% are Disagree and none Strongly Disagree.

Export Customer Relations: 72% of the respondent said they are either Agree or Strongly Agree that Management builds Customer Relationships in Export Market. 18.7% are Undecided and 9.3% are Disagree and none are Strongly Disagree.

Personal Connection with Export Customers: The management of the firms maintains Personal Relationships with Customers/Agents is demonstrated here, where 14.6% of the respondents are either Disagree or Strongly Disagree and 17.3% remained Neutral in their responses. 40% are Agree and 28% are Strongly Agree.

Management Competence: Management Competence, which identifies, weather Management has Competence in International Marketing or not. 16% and 44% firms Strongly Agree and Agree respectively to the matter. 25.3% are Neutral to their opinion and 14.7% are Disagree but non is Strongly Disagree.

Sufficient Manpower for Export Operations: Management employs Sufficient Employees for Export Operations is demonstrated here, where 20% of the respondents are either Disagree or Strongly Disagree and 24% remained Neutral in their responses. 28% are Agree and 28% are Strongly Agree

Sufficient Investments for Export Operations: 20% of the firms are Strongly Agree that Management employs Sufficient Investments for Export Operations where 46.7% responded Agree. 20% firms are Neutral in their responses about it. 13.3% of the firms are Disagree and none responded Strongly Disagree.

Export Marketing Strategy

Product Design: The first variable is Product Design, which identifies, if Products are Designed Before Production Process 29.3% and 38.7% firms Strongly Agree and Agree respectively to the matter. 17.3% are Neutral to their opinion and 14.7% are Disagree and none responded Strongly Disagree.

Quality Criteria of Products: 66.6% of the respondent said they are either Agree or Strongly Agree that Products Follow Defined Quality Criteria in the firm. 10.7% are Undecided and 18.7% are Disagree and 4% are Strongly Disagree.

Product Branding: Product Branding is done in Export Markets is demonstrated here, where 17.3% of the respondents are either Disagree or Strongly Disagree and 24% remained Neutral in their responses. 36% are Agree and 22.7% are Strongly Agree

Product Packaging and Labelling: 36% of the firms are Strongly Agree that Packaging and Labelling are done Attentively where 30.7% responded Agree. 12% firms are Neutral in their responses about it. 21.3% of the firms are either Disagree or Strongly Disagree.

Product Adaption Policy: 58.7% of the respondent said they are either Agree or Strongly Agree that Product Adaption Policy is Maintained Regularly in their operations. 21.3% are Undecided and 17.3% are Disagree and 2.7% are Strongly Disagree.

Pricing Strategy: The variable Pricing Strategy, which identifies, weather Pricing Strategy is followed in the International Markets or not. 32% and 37.3% firms Strongly Agree and Agree respectively to the matter 12% are Neutral to their opinion and 18.7% are either Disagree or Strongly Disagree.

Sales Terms: Sales Terms are Used for Exporting Products is demonstrated here, where 17.3% of the respondents are either Disagree or Strongly Disagree and 20% remained Neutral in their responses. 38.7% are Agree and 24% are Strongly Agree

Delivery Schedule are Fulfilled: The variable Delivery Schedule, which identifies, weather the firm fulfill shipping orders or other transactions within the period of time promised to an overseas client or customer. 25.3% and 40% firms Strongly Agree and Agree respectively to the matter. 16% are Neutral to their opinion and 18.6% are either Disagree or Strongly Disagree.

Promotion Policy: Promotion Policy are used International Markets is demonstrated here, where 18.6% of the respondents are either Disagree or Strongly Disagree and 13.3% remained Neutral in their responses. 41.3% are Agree and 26.7% are Strongly Agree.

Export Performance

The variables of Company's Export Performance are categorized and then Sub-categorized as 1. Export Sales (*Export Sales Volume and Export Sales Growth*) 2. Export Profitability (*Export Profitability, and Export Profitability Growth*) 3. Export Market Share (*Export Market Share and Export Market Share Growth*) and 4. Other Export Performance Indicators (*Performance Compared to Competitors, Future Prospect, Overall Strategic Goals, and Overall Export Performance*).

Export Sales Volume: The first variable, Export Sales Volume, which identifies, weather Export Sales Volume is Satisfactory or not. 32% and 26.7% firms Strongly Agree and Agree respectively to the matter. 18.7% are Neutral to their opinion and 22.7% are either Disagree or Strongly Disagree.

Export Sales Growth: Export Sales Growth is Satisfactory, is demonstrated here, where 25.4% of the respondents are either Disagree or Strongly Disagree and 17.3% remained Neutral in their responses. 32% are Agree and 25.3% are Strongly Agree.

Export Profitability: 30.7% of the firms are Strongly Agree that the Export Profitability is Satisfactory where 26.7% responded Agree. 18.7% firms are Neutral in their responses about it. 24% of the firms are either Disagree or Strongly Disagree.

Export Profitability Growth:The variable Export Profitability Growth, which identifies, if Export Profitability Growth is Satisfactory. 18.7% and 38.7% firms Strongly Agree and Agree respectively to the matter. 18.7% are Neutral to their opinion and 24% are either Disagree or Strongly Disagree.

Export Market Share: Export Market Share is Satisfactory or not is demonstrated here, where 24% of the respondents are either Disagree or Strongly Disagree and 32% remained Neutral in their responses. 22.7% are Agree and 21.3% are Strongly Agree.

Export Market Share Growth: The variable Export Market Share Growth, which identifies, whether Export Market Share Growth is Satisfactory or not. 22.7% and 25.3% firms Strongly Agree and Agree respectively to the matter. 25.3% are Neutral to their opinion and 26.7% are either Disagree or Strongly Disagree.

Performance Compared to Competitors: Performance is Satisfactory as Compared to the Competitors is demonstrated here, where 28% of the respondents are either Disagree or Strongly Disagree and 18.3% remained Neutral in their responses. 32% are Agree and 21.3% are Strongly Agree.

Future Prospect: 30.7% of the firms are Strongly Agree that the firm is Satisfied with the Company's Bright Future Prospect where 29.3% responded Agree. 14.7% firms are neutral in their responses about it. 25.3% of the firms are Disagree but none responded Strongly Disagree.

Overall Strategic Goals: Overall Strategic Goals are Achieved nor not is demonstrated here, where 25.3% of the respondents are either Disagree or Strongly Disagree and 20% remained Neutral in their responses. 28% are Agree and 26.7% are Strongly Agree.

Overall Export Performance: The last variable is Overall Export Performance, which identifies, whether Overall Export Performance is Satisfactory or not 28% and 29.3% firms Strongly Agree and Agree respectively to the matter. 17.3% are Neutral to their opinion and 25.3% are either Disagree or Strongly Disagree.

Conclusion

The empirical findings suggest that better performance in export market by Bangladeshi SME firms depends on their resources, capabilities, relationship & experience, management's technology development orientation, management's customer orientation, management's export commitment, product strategy, price strategy, distribution strategy, promotion strategy and business characteristics (employee size, market diversity, product diversity, exporting product

diversity, exporting products category, target markets, export mode).

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