Revista de Estudios Andaluces (REA) | Núm. 42, julio (2021) | e-ISSN: 2340-2776.
https://dx.doi.org/10.12795/rea.2021.i42 | © Editorial Universidad de Sevilla 2021
https://editorial.us.es/es/revistas/revista-de-estudios-andaluces
https://revistascientificas.us.es/index.php/REA

SUMMARY OF ARTICLE: HTTPS://DX.DOI.ORG/10.12795/REA.2021.I42.07

Analysis of the determinants of export performance in the spanish companies from the footwear industry

Fernando González-Ferriz
fernando.gonzalez.ferriz@ui1.es 0000-0002-2007-4862
Universidad Isabel I. Calle de Fernán González, 76. 09003 Burgos, España

KEYWORDS

Internationalization
International marketing
Export performance
Exports
Management
Footwear industry

This investigation pretends to examine the behaviour of the exporting companies in the footwear sector, one of the most important in the eastern region of Spain, which generates sustainable added value through fashion. On one hand, defining the determinants of export performance helped to analyze the most important variables in international processes and their behaviour in this particular industry. On the other, the testimony of the managers from a selection of companies contributed to show the strengths and weaknesses of their internationalization processes. Consequently, the final objective has been to provide an analysis based on an academic perspective that will help managers to introduce the necessary changes to improve profitability in their organizations.

A first step leads us to the determination of four different inputs (management, international environment, firm characteristics and international marketing strategy) that will affect a final variable (export performance), which will determine the efficiency of the company. This is consistent with the most important literature on the subject, and is supported by theories like Resource Based View (RBV), dynamic capabilities or the contingency theory. According to them, every company must develop the necessary capabilities to be more competitive, and they cannot remain static, because the environment is constantly changing. Additionally, the international marketing strategy construct, which is one of the most important intangible assets of the firm, will consider aspects such as corporate social responsibility (CSR) policies, the incorporation of new technologies to the process, or customer loyalty, which will be promoted through relationship marketing techniques.

A second step will take us to determine a methodology based on a quantitative analysis of the items that compose each variable. To do so, a questionnaire with a 7 point Likert scale was sent to a selection of 25 companies that represent the industry, according to factors like number of years in exports, increasing figures of international sales or brand recognition (both in domestic and international markets). The descriptive analysis of these items will show the most important features of their performance in foreign markets, the way they are managed, and how their marketing policies are established and carried out.

DOI: https://dx.doi.org/10.12795/rea.2021.i42.07
Formato de cita / Citation: González-Ferriz, F. (2021). Analysis of the determinants of export performance in the spanish companies from the footwear industry. *Revista de Estudios Andaluces, 42*, 138-157. https://dx.doi.org/10.12795/rea.2021.i42.07
Correspondencia autores: fernando.gonzalez.ferriz@ui1.es (Fernando González-Ferriz)

Regarding management, we can confirm that the items with the highest score correspond to the managers' high degree of experience in the industry, and to their language, new technologies, and international marketing skills. As a consequence, managers in the footwear industry are generally well trained, although there is still a margin to improve weaknesses like the ability to facilitate communication within the company or to manage teams. Besides, those companies with highly skilled and trained managers showed better results when considering the degree of satisfaction with export processes and international sales figures. This is not strange, as managers are responsible for the implementation of the strategy, which is the result of analyzing the constant changes in the environment in order to adapt the company to customer needs and requirements.

When considering the environment, the focus was placed on the international background, showing that the most important factors for new market entry strategies were market stability (few technological, social or political changes), a low level of competition, and the ability to detect customer needs in those foreign markets. Other positive features were the absence of entry barriers and political and legal similarities, while difference in language or culture did not remain so important. As a consequence, we can conclude that the peculiarities of international markets will have an effect on the marketing strategy, and therefore, on the final performance of the company.

As per firm characteristics, we can conclude from the descriptive analysis that the footwear sector in Spain is composed by many different small and medium sized companies (SMEs), especially when considering number of workers (below 100 in most cases) and total turnover of the company. The local industry is quite fragmented, with plenty of family-run businesses and different structure. This can also be explained by the high number of trading companies, which are not producers. Besides, the industry is quite mature, with companies representing an average age of 28 years, and even lower (almost 20) when considering exports. If we concentrate on the number of countries they sell to, the average is around 25, with an export intensity (exports/total sales) slightly above 60%, despite the fact that most of them are still concentrated in the European Union. Accordingly, the descriptive analysis has shown that, companies with a bigger size and experience in international markets, export their products to a higher number of countries, making a huge effort to adapt their international marketing policies, something which results in a higher degree of satisfaction with the final performance of the company. Besides, larger companies are able to develop intangible assets and hire market-oriented and well-trained managers, who will contribute to the achievement of the firm's objectives.

The international marketing strategy can be considered as an intermediate variable which is affected by other inputs like managers or the environment, although it also has a clear effect on the final success of the company. The items with the highest marks in the footwear industry (when compared to competitors) are: the concern to improve corporate image, the knowledge of customers and competitors, and the effectiveness of relationship marketing policies (mainly the ability to retain customers, the development of efficient sales teams and after-sales services, and the connection to channel members like agents or distributors). On the opposite, other items with more modest ratings are: the planning of marketing activities, the development of market research programs, or the incorporation of new technologies to marketing policies. These findings lead us to the conclusion that, although companies are making a big effort to incorporate relationship marketing aspects to international marketing strategy, there is still a margin to improve the processes that pretend to integrate new technologies with strategic marketing decisions. On the other hand, this is quite logical, as small and medium sized companies find it more difficult to access new technologies like big data analysis, development of sales platforms...

Finally, managers from the footwear industry, show a remarkable degree of satisfaction with internationalization processes (7.52 out of 10), especially regarding exports volume. Market share in international markets and exports growth are also items with positive results. On the contrary, other items like the degree of satisfaction with profit margins or access to international markets could still be improved. Moreover, this construct has been crucial to determine the relation between other inputs and profitability. Consequently, highly trained and experienced managers are proven to get more positive results according to general satisfaction with exports. In the same direction, other intangible assets (namely international marketing strategy, relational aspects, and the intensive use of new technologies) and bigger company size, are related to higher efficiency levels in international markets.

Once the most important features of every variable have been introduced, special attention will be paid to the idiosyncrasy of the industry. The concentration of exports within the European Union and the slow increase in sales to other regions like USA, Russia, or south-east Asia, together with the maturity of the sector and the number of years before international ventures are carried out, suggest that the companies in this investigation can be associated to gradualist models, which state the importance of physical and psychical distance when considering internationalization processes. Firms tend to expand to close countries (in terms of economic, legal and political similarities) before they make the decision to go overseas. Another important fact is the incorporation of new approaches to the marketing strategy (mainly relational aspects and the incorporation of new technologies), which comes to confirm the evolution from a product-based to a services-based kind of marketing.

The final conclusions from the descriptive analysis show that all the variables in the process are interconnected. In this way, the role of managers will be fundamental to analyze international environments and the way customer needs have changed, in order to introduce the necessary changes in the organization through the international marketing strategy. Other tangible and intangible assets will also contribute to the efficiency of the company. A bigger size of the company, for example, will contribute to the development of other tangible and intangible assets, resulting in a competitive advantage that will differentiate each organization from its competitors.

A last consideration shows the importance of new technologies and the effort the companies are doing to integrate them in their strategies. However, there is still a lot of work to be done, and this is a subject that could be considered separately in future investigations, due to the importance of the construct.