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**THE IMPACT OF A FIRM'S STRATEGIC  
ORIENTATION ON ENVIRONMENTAL  
SCANNING PRACTICES IN TWO AUSTRALIAN  
EXPORT INDUSTRIES**

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**ABSTRACT**

This exploratory research examined the environmental scanning practices of 129 Australian beef and wine exporters. It focused on the amount of scanning undertaken, its relationship to strategic orientation (measured by entrepreneurship), and characteristics that influence use of information sources.

Respondents did not consider environmental scanning a specific function of strategic planning. The customer, economic, and competitor sectors were perceived most important to scan. Analysis of scanning performed in various environmental sectors helped identify each firm's strategic orientation. The results indicated that industry type, not organisation size and export experience, had a major impact on the amount of scanning undertaken.

# THE IMPACT OF A FIRM'S STRATEGIC ORIENTATION ON ENVIRONMENTAL SCANNING PRACTICES IN TWO AUSTRALIAN EXPORT INDUSTRIES

## INTRODUCTION

This study used exploratory research to determine the importance of environmental scanning, and its relationship to the strategic orientation (measured by entrepreneurship) in two Australian exporting industries. The industries selected were beef and wine. The beef industry can be classed as mature, has exported for a considerable time and is currently one of the world leaders in exporting. The wine industry is immature, undergoing rapid growth, and is relatively new to international business.

## REASON FOR THIS STUDY

There is an absence of studies that have empirically tested or explored the environmental scanning practices of exporters (Aaby, 1988; Bilkey, 1982; Brasch, 1981; Cavusgil, 1994; Keng, 1988; Madsen, 1988; Rabino, 1980; Seifert, 1988). Ortiz-Buonafina (1991) believes that environmental scanning is particularly important when exporting organisations formulate their strategy. It is for this reason that an analysis of the environmental scanning practices of Australian exporting industries appeared warranted. This study:

- 1 Assessed the amount of *environmental scanning* undertaken by two Australian exporting industries.
- 2 Ascertained whether a relationship exists between an organisation's *strategic orientation* and amount of scanning conducted in the international environment.
- 3 Determined whether various *exporting characteristics* such as industry type, organisation size and export experience affect the amount of scanning.

**Linking Strategy and Environmental Scanning:** Strategic planning articulates an organisation's values and long-term objectives (Keen, 1994). It enables choices to be made pertaining to the firms future business scope and conducting business within its business environment (Godiwalla, Meinhart and Warde, 1980; Keen 1994). Duncan (1972:314) defines the environment as "the totality of physical and social factors that are taken directly into consideration in the decision-making behaviour of individuals in the organization". He segmented the environment into internal and external, describing the external environment as those relevant physical and social factors outside the boundaries of the organisation. Auster and Wei Choo (1993) went further defining the external environment according to Daft et al. (1988: 137-138) as comprising six environmental sectors: customer, competition, technological, economic, regulatory, and sociocultural.

Hambrick (1981) suggests that for an organisation to make the best strategic decisions possible it must scan its external business environment. Ortiz-Buonafina (1991) believes that environmental scanning is particularly important when exporting organisations formulate their strategy. Many companies, though they have adequate strategic planning systems, fail to implement any form of environmental scanning (Narchal, Kittappa and Bhattacharya, 1987). Jain (1984) suggests that the effectiveness of strategic planning is directly related to the firm's capacity to undertake environmental scanning. If a lack of environmental scanning may lead to poor strategic decisions by exporters it appears timely to better understanding their linkages.

**Measuring the amount of environmental scanning:** Hambrick (1982) devised a construct known as the multimethod measurement to specifically measure environmental scanning. It analyses the frequency with which environmental information is received; a managers level of interest in the environment and the time spent scanning. Auster and Wei Choo (1993) based their environmental scanning construct on Hambrick's work and their modified construct formed the basis for measuring the amount of scanning performed by Australian beef and wine exporters.

Two variables were adopted from the multimethod measurement to define the amount of scanning. These were the frequency with which information comes to exporters attention (FRSE)<sup>1</sup> and the extent to which they keep themselves informed (INSE)<sup>2</sup> about the international environment.

*Research Question : What amount of scanning is performed by Australian beef and wine exporters on the international environment?*

**Entrepreneurial Activity as a Measure of Strategic Orientation:** A systematic comparative analysis of Miles and Snow (1978) and Porter's (1980) typologies in studies by Govindarajan (1986); and White (1986) found that criteria used to classify them did not directly relate. Because Miles and Snow typology (1978) integrates the concept of environmental scanning into strategy types, it initially appeared appropriate for this study. However, Hambrick (1982) found the use of Miles and Snow typology (1978) in his research limited as it did not resemble the managers own views of strategy. Schafer (1990) believed that Miles and Snow(1978) postulated about environmental scanning across strategic types. According to Miles and Snow's (1978) strategic typology, an organisation classified as a defender would do limited scanning but the prospector firms would aggressively monitor a wide range of environmental conditions. Thus, these strategic extremes form a framework for conceptualising the level of entrepreneurial activity of a firm (Schafer, 1990: 20).

Schafer (1990) adopted Covin and Slevin's (cited in Schafer 1990) measurement variable of entrepreneurship and improved on Miller and Friesen's (1982) approach by assuming that a continuum of entrepreneurial behaviour existed. He defined environmental scanning by measuring the frequency with which information sources were used and their accessibility. The level of entrepreneurship construct was measured by a collection of nine variables. The variables were individual statements depicting a certain style of management. The responses were combined to form an aggregate score defining an organisation as possessing a low, medium or high level of entrepreneurship. Schafer's (1990) level of entrepreneurship construct was adapted for this study to measure the strategic orientation of Australia's beef and wine exporters.

In summary, the focus of this study was to investigate the relationship between scanning ( measured by FRSE and INSE) and determine whether it influences Australian exporters strategic orientation (measured by entrepreneurship).

*Research Question: Does the amount of scanning performed by Australian beef and wine exporters predict their strategic orientation(measured by entrepreneurship)?*

## **EXPORTING CHARACTERISTICS AFFECT ON THE AMOUNT OF SCANNING**

According to Louter (1991), the most important organisational characteristics for success in exporting are size of the firm, industry type and export experience. This study explores the role of these variables and the extent to which they influence the scanning activity of a sample of Australian beef and wine exporters.

### **1. Firm Size**

Research studies suggest that a firm with a high number of employees will possess greater resources available to scan the environment on a more regular basis than a smaller organisation (Hambrick, 1984; Reid, 1983) and Bonaccorsi (1992) concluded that absolute size affects export entry into new foreign markets.

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1 Frequency measure of scanning environment

2 Interest measure of scanning environment

*Research Question: Is the amount of scanning performed by Australian beef and wine exporters influenced by the size (number of employees) of an organisation?*

## **2. Export Experience**

It is believed that a firm that has accumulated more experience in international business has a greater appreciation of differences between markets, and is increasingly capable of responding to the idiosyncrasies of each market (Cateora, 1990). In light of this, it can be postulated that the longer you export, the more experience you gain and the more you keep abreast of trends and events in the international environment. Louter (1991) is of the opinion that export experience (measured by the number of years exporting) influences export results, as exporting can be seen as a learning process.

*Research Question: Is the amount of scanning performed by Australian beef and wine exporters influenced by an organisation's exporting experience?*

## **3. Industry Type**

The final factor suggested by Louter (1991), that may affect the amount of scanning is industry type. Porter (1980) highlighted differences that exist, based on industry characteristics, and their impact on the competitiveness of companies. He also underlined the importance of situational factors, by giving attention to competitive advantage, which can help companies become successful in less attractive industry sectors. Hambrick (1982) also found that the amount of scanning carried out by industries was inherently different.

*Research Question: Is the amount of scanning performed by Australian beef and wine exporters influenced by industry type?*

## **RESEARCH DESIGN**

This exploratory research utilised both qualitative and quantitative research techniques. The dominant-less dominant design was used to achieve triangulation (Creswell, 1994). A mail questionnaire was employed to obtain quantitative data, which constituted the dominant paradigm. This was supported by contextual information obtained from unstructured interviews, representing the less dominant paradigm. By analysing the results from both paradigms, "methodological triangulation" was achieved.

Due to the locality of organisations, time and financial limitations, only eight interviews could be completed. This total constituted three from the wine industry and five from the beef industry. The three wine exporters interviewed represented a small, medium and large organisation. Whereas, the beef exporters interviewed represented a small, two medium and two large organisations.

Pedhazur (1991:319) states that, "examining a sample rather than a population is usually preferable because of its greater feasibility and economy". To obtain information as to whom was licensed to export, the governing bodies of the beef and wine industries were contacted. That is, the Australian Meat and Livestock Corporation (AMLC) and Australian Wine and Brandy Corporation (AWBC). The subjects of the study were managers in charge of or whose job function was related to, the exporting process of beef or wine.

**Beef Sample:** The AMLC booklet of licensed meat exporters has an estimated total of 360 organisations. Unfortunately, the booklet outlines the organisations export facilities, but fails to depict the type of meat exported. This, coupled with the turbulent nature of the industry made it difficult to determine if a random sample chosen would be truly representative of beef exporters. Therefore, the sample was determined using Purposive sampling (Zikmund, 1994). This allowed subjects who would provide the requested information to be included (Sekaran, 1992).

Initially, telephone contact was used to communicate with the organisations. The objective of the phone call was twofold. Firstly, to determine if they exported beef. Secondly, to converse with the person responsible for beef exports. Those that agreed to participate were mailed a questionnaire.

**Wine Sample:** The AWBC has a listing of licensed organisations that export grape products. The information outlines the company name and address. No contact numbers are listed. The sampling technique used in this case was Convenience sampling. Zikmund (1994) classifies this technique as a nonprobability method and defines it as obtaining units or people who are most conveniently available. Organisations were chosen from the list with the intention to produce a representative sample of companies from around Australia. The advantage of using this research is that it enables the researcher to obtain a large number of completed questionnaires quickly and economically (Zikmund, 1994) . However, results of the study should be treated with caution when making inferences to the population because a nonprobability sampling technique has been employed. Therefore projecting data and results beyond the sample is not possible.

## DATA ANALYSIS

**Research Question:** *What amount of scanning is performed by Australian beef and wine exporters on the international environment?*

Two questions were used to measure the amount of scanning: the frequency with which information comes to their attention (FRSE), and their level of interest in keeping informed about that sector (INSE). Frequencies were computed to obtain the mean response for each environmental sector. The results were as follows:

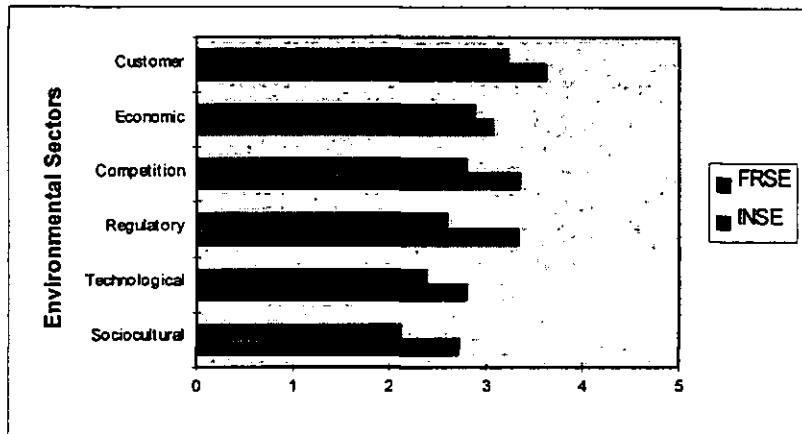
**Table 1: The amount of environmental scanning undertaken by firms**

Environmental Sectors	FRSE		INSE	
	Mean	SD	Mean	SD
Customer	3.22	1.23	3.63	1.05
Economic	2.87	1.15	3.07	1.02
Competition	2.80	1.22	3.35	1.14
Regulatory	2.59	0.97	3.33	1.07
Technological	2.39	0.93	2.81	0.96
Sociocultural	2.12	0.95	2.70	0.97

**FRSE:**-1=<1 Year; 2=Few times a year; 3= At least once a month; 4= At least once a week; 5= At least once a day **INSE:**-1= Generally not kept informed; 2= Try to be informed, existence of major events and trends; 3= Try to be informed, details of major events and trends; 4= Try to be informed, most events and trends; 5= Try to know everything

Table 1 depicts the international environment in six sectors, defining the mean responses and standard deviations for each. Analysis of the data reveals that the environmental sectors with which information frequently comes to exporters attention (FRSE) is, customer (M=3.227), economic (M=2.875), and competition (M=2.803) sectors. This suggests that the frequency of information from these sectors comes to the exporters attention between at least once a month and a few times a year. In contrast, the environmental sectors which exporters have the greatest desire to be informed about (INSE) are, the customer (M=3.638), competition (M=3.357) and regulatory (M=3.339) sectors. The results indicate that exporters try to keep themselves informed about major events and trends in these sectors.

The following graph depicts a comparison of the mean responses of FRSE and INSE from each environmental sector. It is evident from the graph that the amount of information exporters seek (INSE) from environmental sectors is higher than the amount of information available(FRSE). This suggests that it may be difficult for exporters to obtain relevant information from the environment.



**FRSE:**-1=<1 Year; 2=Few times a year; 3= At least once a month; 4= At least once a week; 5= At least once a day  
**INSE:**-1= Generally not kept informed; 2= Try to be informed, existence of major events and trends; 3= Try to be informed, details of major events and trends; 4= Try to be informed, most events and trends; 5= Try to know everything

**Research Question:** Does the amount of scanning performed by Australian beef and wine exporters predict their strategic orientation (measured by entrepreneurship)?

Factor analysis was used to discover which variables in the entrepreneurship set form a coherent subset, independent of one another (Tabachnick, 1989). A correlation Matrix was performed to determine whether a relationship existed. Multiple regression was then employed to analyse the relationship between the factors and the amount of scanning. In order to determine if a small number of factors were present in the entrepreneurship measurement, a correlation matrix was computed. The Kaiser-Meyer-Olkin test was used to measure sampling adequacy. The statistic was found to be .864, which is characterised by Kaiser (1974) as being “meritorious”, concluding that factor analysis was appropriate. Also, Bartlett’s test of sphericity was used to test that the variables were uncorrelated. This yielded a statistically significant value of 5765.7400( $p<.000$ ), indicating the variables were independent of each other.

Principal Component Analysis (PCA) was applied to determine the minimum number of factors that account for the maximum variance in the data for use in subsequent multivariate analysis. Factor extraction compiled a small number of factors from the nine variables. The eigenvalues and screeplots were analysed (Malhotra, 1993) with only factors with eigenvalues greater than 1.00 being extracted. This produced two factors that a scree plot then confirmed.

Orthogonal rotation was employed, using the Varimax procedure and saved by the regression method. This minimised the number of variables with high loadings on a factor, thereby enhancing the interpretability (Malhotra, 1993). Tabachnick and Fidell(1989) believe that the greater the loading, the more the variable is a pure measure of the factor. In this case the lowest of the factor loadings was E1 8, which was .68. Comrey (1973) suggests that loadings in excess of .71 (50% overlapping variance) are excellent, .63 (40% overlapping variance) very good, .55 (30% overlapping variance) good, and .45 (20% overlapping variance) fair. Therefore, the results of the loadings in this study range from excellent to very good. The variables and their loadings are labelled in table 2:

The nine variables were grouped into two factors. The factors were allocated labels based on the nature of the variable. In this case, factor one’s five variables focused on the organisations Decision-Making Process. Whereas, factor two’s four variables focused on the organisations Operating Management Philosophy. Cronbach alpha coefficients were computed to test the reliability of the factors (Malhotra, 1993). To ensure internal consistency, the alpha coefficient must be greater than point eight (Sekaran, 1992). Both factors were over .9, which means that they were very reliable measures.

**Table 2: Principal Components Analysis with Varimax Rotation on Entrepreneurship**

FACTORS	FACTOR LOADINGS		CRONBACH ALPHA
<b>1. DECISION MAKING</b>			
E1. Do top level decision makers search for big new exporting opportunities?	.89	.39	
E4. Do top level decision makers consider rapid international growth as the dominant goal ?	.89	.40	
E3. Does the top charismatic decision maker wield great power?	.89	.40	
E2. Do top level decision makers make bold decisions despite the uncertainty of their outcome?	.79	.18	
E8. How does the organisation respond to competitors actions?	.67	.38	.92
<b>2. OPERATING MANAGEMENT PHILOSOPHY</b>			
E5. What is the operating management philosophy in relation to R&D and Product innovation?	.36	.91	
E7. Adaption vs Standardisation for products exported?	.36	.91	
E6. What is the amount of products marketed overseas in the last 5 years?	.36	.91	
E9. Is this organisation the first to introduce new products, technologies etc?	.32	.83	.96

**Correlation Matrix:** In order to examine if a relationship exists between the entrepreneurship factors and scanning, defined by FRSE and INSE, a correlation matrix was generated. Entrepreneurship was represented by Decision Making (DEFACTOR) and Operating Management Philosophy (OPFACTOR). Analysis of the correlation matrix, identifies a significant relationship between OPFACTOR and the frequency with which exporters scan the Customer sector,  $r = -.17(p < .05)$  and Economic sector,  $r = -.22(p < .01)$ .

The results from this second correlation matrix indicate that there is a relationship between DECFATOR and the extent to which exporters keep themselves informed about developments in the Technological sector,  $r = .24 (p < .05)$ . Therefore multiple regression was performed to analyse the relationship between the entrepreneurship factors (DECFATOR and OPFACTOR) and scanning (FRSE and INSE) in more depth.

**Multiple Regression:** Multiple regression was performed between the level of entrepreneurship and scanning. Entrepreneurship was the dependent variable and was represented by Decision Making (DEFACTOR) and Operating Management Philosophy (OPFACTOR). These two factors were regressed against independent variables representing scanning (FRSE & INSE). In order to determine which environmental sectors from FRSE and INSE account for the most variance, stepwise selection of the independent variables was used. Listwise deletion of data was used for missing data.

Two regressions were performed, the first analyses the relationship between entrepreneurial Decision Making Factor and scanning (FRSE and INSE).

**Table 3: Multiple Regression of entrepreneurship Decision-Making Factor and amount of scanning.**

VARIABLE	DECISION MAKING FACTOR					
	R	R <sup>2</sup>	R <sup>2</sup> Change	β	F	p
INSE:-						
Technological Sector	.19	.03	.03	.19	4.94	.02
FRSE:-						
Economic Sector	.27	.07	.03	-.19	4.74	.01

The results of the multiple regression between Decision- Making Factor and scanning suggests that a relationship exists because two environmental sectors. In particular, the  $R^2$ Change indicates that INSE- Technological Sector accounts for 4% of the variance and FRSE- Economic Sector, 3% of the variance. Interpretation of the Beta value suggests that for every unit change in scanning, notably INSE- Technological Sector and FRSE- Economic Sector, there is a .1989 and a -.1956 change in Decision-Making respectively.

Thus, the more exporters scan the environment to be kept informed of developments within the technological sector, the more entrepreneurial is their Decision-Making Process. In contrast, the more frequently information is brought to exporter's attention about the economic sector, the less entrepreneurial is the Decision- Making Process. A second regression analysis was performed on the entrepreneurial factor Operating Management Philosophy and scanning (FRSE and INSE)

**Table 4: Multiple regression of entrepreneurship operating management philosophy and scanning amount**  
**OPERATING MANAGEMENT PHILOSOPHY FACTOR**

VARIABLE	R	R <sup>2</sup>	R <sup>2</sup> Change	β	F	p
FRSE:- Economic Sector	.22	.05	.05	-.22	6.46	.01
INSE:- Sociocultural Sector	.31	.09	.04	.26	6.59	.002

The results of the multiple regression between Operating Management Philosophy and scanning suggest that a relationship exists between two environmental sectors. In particular, the  $R^2$  Change indicates that FRSE- Economic Sector accounts for 5% of the variance and INSE-Sociocultural Sector, 4% of the variance. Interpretation of the Beta value suggests that for every unit change in scanning, notably FRSE- Economic Sector and INSE-Sociocultural Sector, there is a -.2261 and a .2683 change in the operating management philosophy, respectively.

Thus, the more frequently information is brought to exporters attention about the economic sector the less entrepreneurial is their operating management philosophy. In contrast, the more exporters scan the environment to be kept informed of developments within the Sociocultural sector, the more entrepreneurial they are about their management philosophy.

**Research Question:** *Is the amount of scanning performed by Australian beef and wine exporters influenced by the size (number of employees) of an organisation?*

Analysis of variance(ANOVA) was performed in order to determine if the amount of scanning was influenced by the size of the organisation. Levene's Test of Homogeneity was employed to conclude that the degree of heterogeneity was significant in all cases[Pedhazur, 1991 #110]. An F- Statistic was used to determine whether the sample means are significantly different. Results from the analysis are covered in table 5.



**Table 5. Oneway-ANOVA of mean Scores of Size of Organisation (No. Employees) on scanning amount**

ITEMS	Mean number of employees				F	F Probability
	(1) 0<5	(2) 5<25	(3) 25<100	(4) 100<200+		
<b>FRSE</b>						
Competition	2.74	2.53	3.09	3.35	2.35	.07
Customer	3.1	3.00	3.66	3.76	2.67	.050
Economic	2.8	2.74	2.95	3.23	.764	.516
Regulatory	2.45	2.51	2.90	2.81	1.41	.24
Sociocultural	2.25	1.95	2.23	2.17	.810	.490
Technological	2.28	2.25	2.75	2.62	1.86	.139
<b>INSE</b>						
Competition	3.48	2.95	3.66	3.52	2.59	.05
Customer	3.62	3.41	3.76	4.11	1.84	.143
Economic	3.2	2.9	3.09	3.17	.624	.600
Regulatory	3.37	3.18	3.47	3.47	.496	.685
Sociocultural	2.75	2.46	2.85	3.0	1.59	.195
Technological	2.65	2.79	2.95	3.05	.891	.447

FRSE:-1=<1 Year; 2=Few times a year; 3= At least once a year; 4= At least once a week; 5= At least once a day INSE:-1= Generally not kept informed; 2= Try to be informed, existence of major events and trends; 3= Try to be informed, details of major events and trends; 4= Try to be informed, most events and trends; 5= Try to know everything

The results of analysis indicate that there is no significant relationship between FRSE/INSE and the number of employees within an export organisation. Therefore there are no significant findings to suggest a relationship exists between scanning activity and firm size.

*Research Question: Is the amount of scanning performed by Australian beef and wine exporters influenced by an organisation's exporting experience?*

In order to determine the variance attributable to the organisations exporting experience with the amount of scanning, a correlation matrix was analysed to see if a relationship existed. The amount of scanning was defined by FRSE and INSE. The correlation matrix between FRSE and Export Experience follows in table 6. The results of analysis indicate that there is no significant relationship between FRSE/INSE and export experience.

**Table 6: Correlation Matrix for amount of scanning (FRSE) and export experience**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Competition(1)	1.00						
Customer(2)	.81***	1.00					
Economic(3)	.70***	.63***	1.00				
Regulatory(4)	.67***	.57***	.67***	1.00			
Sociocultural(5)	.57***	.47***	.68***	.59***	1.00		
Technological(6)	.54***	.52***	.57***	.60***	.48***	1.00	
Export Experience (7)	-.09	-.06	-.08	.005	-.11	.001	1.00

\*p<.05; \*\*p<.01; \*\*\*p<.001

Export experience does not appear to influence the amount of scanning. However, this is not to say that export experience combined with other variables does not influence scanning.

**Research Question:** *Is the amount of scanning performed by Australian beef and wine exporters influenced by an organisations industry?*

The objective of this question was to determine if the amount of scanning performed by exporters was influenced by the nature of the industry they competed in.

**t-Tests:** The results for the t-Tests between scanning, defined by FRSE & INSE, and industry, defined by beef and wine, are as follows:

**FRSE:** It is evident from the frequency results that a significant difference exists between the beef and wine industries across all environmental sectors.

**Table 7: t-Tests for Mean scores on Industry type by amount of scanning.**

INDUSTRY TYPE	AMOUNT OF SCANNING:- FRSE				t-Value	p-Value
	BEEF		WINE			
ENVIRONMENTAL SECTORS	Mean	SD	Mean	SD		
Competition	3.42	1.21	2.30	.99	5.7	.000
Customer	3.78	1.14	2.77	1.13	5.07	.000
Economic	3.45	1.18	2.4	.90	5.69	.000
Regulatory	3.10	1.03	2.17	.68	6.12	.000
Sociocultural	2.45	1.07	1.85	.76	3.68	.000
Technological	2.69	.952	2.14	.845	3.43	.001

(1=<1 Year; 2=Few times a year; 3= At least once a year; 4= At least once a week; 5= At least once a day)

**INSE:** Once again a significant result is evident in every sector, indicating that there is a substantial difference in the way industries, in particular beef and wine exporters scan the international environment. Therefore industry type influences the amount of scanning organisations perform.

**Table 8: t-Tests for mean scores on industry type by amount of scanning**

INDUSTRY TYPE	AMOUNT OF SCANNING:- INSE				t-Value	p-Value
	BEEF		WINE			
ENVIRONMENTAL SECTORS	Mean	SD	Mean	SD		
Competition	3.83	1.04	2.97	1.09	4.53	.000
Customer	4.01	.93	3.32	1.05	3.84	.000
Economic	3.52	.92	2.71	.95	4.84	.000
Regulatory	3.70	.94	3.04	1.08	3.61	.000
Sociocultural	3.03	.98	2.44	.89	3.55	.001
Technological	3.00	.98	2.65	.92	2.05	.043

## DISCUSSION AND CONCLUSIONS

**Amount of Scanning:** This study found that information was obtained from all 6 sectors, although, some sectors were scanned more heavily than others. Analysis of the data revealed that the environmental sectors with which information frequently comes to exporters attention(FRSE)is, customer(M=3.227), economic(M=2.875), and competition (M=2.803) sectors. In contrast, the environmental sectors which exporters have the greatest desire to be informed (INSE) of are, the customer(M=3.638), competition (M=3.357) and regulatory (M=3.339) sectors.

The results indicated that the amount of information exporters seek(INSE) from environmental sectors is higher than the amount of information available(FRSE). This suggests that it is difficult for exporters to

obtain relevant information from the international environment. Several reasons can be attributable as to why more importance is placed on customer, economic and competition sectors for exporters.

Firstly, exporters must be well informed of their customers needs. For both industries surveyed, the customer was generally a trader or importer who distributes the product. They were the "eyes of the market." Communication with them was identified as paramount. Most surveyed companies could not justify someone stationed within the country they export to, therefore they relied on the importer to inform them of environmental changes.

Secondly, the economic fluctuations which take place within the export market can significantly effect profits. For example, the beef industry scan the economic sector because of the "small margin" in the mark up of the product, thus "every dollar affects the bottom line." Finally, the competition sector is important because in order to stay competitive you must benchmark yourself against others. This is more important in the beef industry than wine because it is more susceptible to price fluctuations.

***Link between Strategic Orientation and amount of Scanning:*** The present study supports previous research that a relationship exists between an organisations strategic orientation (measured by entrepreneurship) and amount of scanning performed (Schafer, 1990). The survey results suggest that the more exporters scan the environment for developments within the technological sector, the more entrepreneurial becomes the Decision Making Process. Thus, the more an exporter is informed as to the developments of new production techniques, innovations and trends relevant to their firm, the more they search for new opportunities and make decisions despite the uncertainty of their outcome.

It was found that an increase in the amount of scanning performed within the Sociocultural sector, increased the entrepreneurship of the Operating Management Philosophy. This suggests that the more information exporters obtain about the values, trends and demographics within the international environment, the more innovative they become in researching and producing innovative products.

In contrast, the more frequently information is brought to exporters attention about the economic sector, the less entrepreneurial is their Decision Making Process and Operating Management Philosophy. One of the underlying factors that effects the success of exporting business are economic constraints. Information obtained from interviews suggested that anything that effects the price of your product is very important , particularly when exporting beef. In light of this, the results imply that the more you are kept abreast about the changes to international markets economies, then the more educated you are as to the implications and dangers involved with exporting your product. This Results in a reduction in the entrepreneurial attitude in exporters' management decision making process and operating philosophy.

***Impact of Export Characteristics:*** The statistical analysis performed suggested that a significant difference exists as to the amount of scanning performed in each industry. The industries selected represent export life cycle extremes. Organisations that export beef were depicted as competing in a mature environment. These organisations classified beef as a commodity. Some exporters furthered this argument by explaining that beef is "price sensitive" and beef export "is solely based on price." Respondents saw the beef industry's environment as erratic, unpredictable, dynamic and complex. Top management was concerned with developing faster adaptive and organic organisations with an external orientation for keeping in tune with the external changes affecting their firms. In contrast, wine exporters were depicted as competing in a growth industry. Wine can be perceived as a commodity but most of the exporters did not see it that way. One exporter explained that there are only about five or six firms who export wine as a commodity, that is in bulk. Once you add value to wine by giving it a label and an image it is no longer classified as a commodity. Therefore the wine industry's environment was perceived as more stable, predictable and simple. This resulted in a more internal orientation and dedication to adding value to product.

The study's findings suggest there is no significant differences in the amount of scanning performed by organisations of different size or export experience. These results contradict previous research findings. Reliance on intermediaries for environmental information by beef and wine exporters does not appear a

logical long-term strategy and further investigation is warranted to compare practices by exporters in other Australian industries, in other forms of foreign operations and across cultures.

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