Export Barriers and Firm Internationalisation: A Study of Lebanese Entrepreneurs

Zafar U. Ahmed
Texas A&M University at Commerce, USA

Craig C. Julian
University of Adelaide, South Australia

Imad Baalbaki
American University of Beirut, Lebanon

Tamar V. Hadidian
American University of Beirut, Lebanon

ABSTRACT
This study is concerned with an empirical investigation that explores the barriers to export that Lebanese entrepreneurs face when engaging in international business. The data was gathered from a survey of 61 Lebanese manufacturing firms. Statistical analysis was carried out using T-Tests, one-way analysis of variance and the Tukey-Kramer multiple comparison procedure. Results show that most manufacturers perceive lack of government assistance, competition from firms in foreign markets, the need to modify pricing and promotion policies, high foreign tariffs in export markets, and the lack of capital to finance expansion into foreign markets as the major barriers to export.

INTRODUCTION
The economic capacity of a country, particularly its industrial and agricultural capabilities, determines the trend that its exports follow. Lebanon’s industrial and agricultural exports have suffered mainly due to the extensive destruction that occurred during the civil war. The country also witnessed deterioration of its infrastructure, which made it even more difficult for these industries to recover. As a result of all this, the Lebanese economy has become increasingly dependent on imports ever since the 1980’s.

Lebanon today is predominantly an importing country and is characterized by large trade deficits. However, net foreign income earnings, remittances and earnings from tourism, banking, insurance, and other services have helped offset these trade deficits. Nevertheless, trade deficits have risen over the past years as imports of materials for reconstruction have also risen. The trade balance recorded deficits of approximately U.S. $6,402 million in 2001, U.S. $5,514 million in 2000 and U.S. $5,529 million in 1999 (Banque du Liban, 2003; available from http://www.bdl.gov.lb).

Several reasons underlie the problem of the trade deficit in Lebanon. The first is the weakness of both the agricultural and industrial sectors combined with the lack of government support. The second reason is the Lebanese economy during the second half of the 1990’s witnessed a decline in aggregate demand, purchasing power, and
consumption power. However, since 1999, the much-damaged Lebanese trade balance, started to witness some positive change in favour of exports.

It is worth noting that in 1999 the government increased customs and tariffs that also discouraged imports. After a subsequent decrease in customs duties by the government, imports for the year 2001 went up, whilst exports kept on increasing, but at a slower pace, (Banque du Liban, 2003; available from http://www.bdl.gov.lb). The results of this economic boost helped the local industry in the medium term because Lebanese exports became more affordable on the international market due to a decrease of customs taxes on production and raw material.

The relationship between imports and exports has always been problematic for Lebanon. There is now a need for an urgent action plan to correct the situation (Boyadjian, 2001). The action plan needs to include what causes or prevents Lebanese firms from exporting i.e. the various barriers to export Lebanese firms face when entering the export market. This knowledge is of critical importance if Lebanon is going to start correcting its trade deficit and that is what has driven the need for this study.

LITERATURE REVIEW

In general the expansion of a nation’s exports has positive effects on the growth of the economy as a whole as well as on individual firms (Cavusgil and Nevin, 1981). Exporting is of vital economic importance to trading nations and their firms. Exports boost profitability, improve capacity utilization, provide employment, and improve trade balances (Barker and Kaynak, 1992). According to Gripsrud (1990) the increasing globalisation of the world economy and the widespread opinion that increased exports benefit society has stimulated research in this area. In the U.S., the growing trade deficit is the most immediate factor behind the interest in this topic. A common objective in most countries today is to find ways to increase exports. This can be achieved either by encouraging exporting firms to export more or by inducing non-exporters to begin exporting. In 2000, Lebanese exports represented just about five percent of GDP, which is considered a very low level (UNDP, 2002; Tenbelian, 2003).

Sharkey, Lim and Kim (1989) proposed a three-stage model in export development, moving from non-exporters to marginal exporters to active exporters. Non-exporters are those who have never exported before and thus have very little knowledge about exporting processes and, therefore, have no experience with the barriers to export. Marginal exporters are those who are exploring exporting opportunities and may have filled some unsolicited orders (Sharkey, Lim and Kim, 1989). Marginal exporters have learnt the basics of exporting, however, their low level of commitment to exporting could also lead to perceiving more barriers to export than what actually exists (Bilkey, 1978). According to Sharkey, Lim and Kim (1989) active exporters have mastered the technicalities of exporting, have learnt that exporting is an important means for achieving organizational goals, and have learnt to cope with the various export barriers.

Leonidas (1995) suggests the most common mode of participation in the international marketplace is exporting, because it involves minimum business risk, requires low commitment of resources and offers high flexibility of movements. According to Johansson (2000), for a firm new to international marketing, the exporting option is often the most attractive means of market entry. When unsolicited orders start flowing in from abroad, the firm begins to pay more attention to foreign market potential, and
exporting becomes the obvious first step. A large number of studies have dealt with the issue of what factors influence the export performance of firms and the different perceptions of exporters and non-exporters (Bijmolt and Zwart, 1994). For example, Westhead (1995) found that the non-exporting firms are extremely dependent on a small number of suppliers, whereas exporting firms, in order to maintain their competitive position (with regard to price, quality and speed of delivery) have adopted a strategy of purchasing from a larger number of suppliers which are generally not located in the same region.

One of the most important research questions in international business is why some firms export and others do not? (Sharkey, Lim and Kim, 1989). An explanation offered by several researchers is that non-exporters perceive considerable barriers to exporting (Alexandrides, 1971; Torre, 1972; Simpson, 1973; Tesar, 1975; Bilkey and Tesar, 1977; Kedia and Chhokar, 1986). Thus, before non-exporters can export, a “threshold fear” must be overcome (Dichtl et al., 1984). However, the findings are inconclusive. For example, Doyle and Schommer (1978) found no difference between exporters and non-exporters in their perceptions of barriers to export yet Bilkey’s (1970) results suggest that exporters perceived more barriers to export than non-exporters (Bilkey, 1970).

A manufacturing firm is often exposed to a number of barriers to export, identifiable at all stages of the internationalisation process, from the early stages to the more advanced stages (Johanson and Wiedersheim-Paul, 1975; Bilkey and Tesar, 1977; Bilkey, 1978). Alexandrides (1971) was one of the first to investigate the barriers to export. His research concluded that the major problems preventing firms from initiating exporting were the existence of intense competition in foreign markets, followed by a lack of knowledge of exporting, inadequate understanding of export payment procedures and difficulties in locating foreign markets. With the exception of the latter, current exporters also consider these obstacles to be important (Bijmolt and Zwart, 1994).

The existence of a difference in export barrier perceptions between exporters and non-exporters was also confirmed in a study by Yaprak (1985). Yaprak (1985) concluded that non-exporters’ perceived worries about export involvement were due to a lack of information about exporting, limited foreign market contacts and personnel deficiencies. On the other hand, the problems of current exporters seemed to be of an operational nature and related primarily to external variables, such as too much red tape, slow payment by foreign buyers and deteriorating economic conditions in foreign markets.

Bilkey and Tesar (1977) further emphasised the dynamic nature of barriers to exporting. Their study concluded that the more advanced the export stage, the greater the proportion of firms that perceived difficulties in understanding foreign business practices, conforming to foreign product standards, collecting money from foreign customers and obtaining sufficient representation in foreign markets. In the early stages of export development obtaining necessary start-up funds was perceived to be a problem by many firms.

For non-exporting firms, Barker and Kaynak (1992) found that the lack of foreign contacts, high initial investment, trade barriers, lack of information about exporting, and insufficient personnel were their most important obstacles. Whereas, excessive red tape,
trade barriers, transport difficulties, the absence of export incentives and lack of trained personnel for export operations were the most important impediments encountered by exporters.

Furthermore, Bauerschmidt, Sullivan and Gillespie (1985) made a comprehensive analysis of the barriers to export in the U.S. paper industry. The study covered mainly experienced exporters who were asked to rank the importance of seventeen potential export barriers. The findings suggest that a high value of the U.S. dollar relative to foreign currencies was perceived to be an extremely important barrier and high transportation costs were also considered to be extremely important. Medium importance was attached to the risks involved in selling abroad, high foreign tariffs on imported products, and management emphasis on developing domestic markets.

Kedia and Chhokar (1986) also studied the differences between non-exporters and exporters regarding perceived export barriers. Non-exporters were found to be inhibited more by factors associated with knowledge of overseas markets, export procedures, and foreign business practices, while marketing-related factors dominated the perceptions of exporters. Cheong and Chong (1988) re-confirmed the conclusions of previous studies that perceptions of export barriers tend to differ between non-exporters and exporters. Their study found that non-exporters’ perceptions were associated more with future involvement issues (relating mainly to information needs, foreign contacts and management policy), while exporters encountered problems that were more closely connected with export procedures (such as lack of working capital to finance exports, confusing product specifications and keen competition in foreign markets).

Keng and Jiuan (1989) also found that non-exporters placed greater importance on problems associated with initiation of export activity, whilst exporters were primarily concerned with operational issues such as difficulties in matching foreign competitors’ prices, promoting products and establishing distribution networks overseas. Finally, Sullivan and Bauerschmidt (1990) measured the perceptions of managers on the barriers in engaging in international business. They used thirty barriers and their study was conducted on a sample of 62 European forest products firms. Sullivan and Bauerschmidt (1990) concluded that high transportation costs to ship products to foreign markets, problems of quoting prices with fluctuating exchange rates and high value of currency relative to those in export markets were the major barriers for firms engaging in international business.

Given the inconclusive findings from previous studies of the perceived barriers to export for exporting and non-exporting firms and the variety of research settings in which the previous studies were conducted, the following research question is offered for testing for Lebanese firms:

RQ: Do exporters and non-exporters differ in their attitudes towards the different barriers to export?

METHODOLOGY

The study was based on an empirical investigation of the barriers to export Lebanese firms face when engaging in international business. The sample of firms came from a wide cross section of industries including, food and beverage, jewellery, clothing and textiles, paints, plastics, paper, metallic, furniture, electronics, toiletries, ceramics,
marble and granite, concrete and pharmaceuticals. The sampling frame was provided by the Lebanese Ministry of Industry. In order to obtain valid and reliable measures of the variables, previously validated scales were used for all of the constructs in this study. The questionnaire was developed and pre-tested using a small sample of exporters with the final instrument used to personally interview all respondents. All items measuring barriers to export were measured via five-point bipolar scales with scale poles ranging from strongly disagree (1) to strongly agree (5).

The instrument contained items identified by the literature as measuring barriers to export such as difficulty in collecting payments from foreign customers and providing after sales service, high costs of selling abroad, problems associated in quoting prices with fluctuating exchange rates and the difficulty in arranging a licensing or joint venture arrangement with foreign firms (Katsikeas and Morgan, 1994). Further barriers to export included confusing import regulations and procedures, risks involved in selling abroad, the high value of foreign currency in export markets (Katsikeas, 1994; Leonidou, 1995; Da Silva and Da Rocha, 2000), management’s emphasis on developing domestic markets, lack of capital to finance expansion into foreign markets and a lack of capacity dedicated to a continuing supply of exports (Lages, 2000). Barriers to export involving distribution access and adapting to foreign market needs were also included that incorporated the difficulties associated with selecting a reliable distributor, gathering information on foreign markets (Karakaya, 1993), language and culture differences and the need to modify product, price and promotional strategies (Koh, 1991; Moini, 1997; Albaum and Tse, 2001). Finally, barriers to export involving government policy and competition were also included such as a lack of government assistance in overcoming export barriers, high foreign tariffs on imported products (Lages, 2000) and competition from foreign and Lebanese firms in foreign markets (Sullivan and Bauerschmidt, 1990).

After the pilot test the questionnaire was used to personally interview respondents from 61 firms out of an original sample of 82 accounting for an effective response rate of 74.4 percent and considered to be more than adequate (Groves, 1990).

DATA ANALYSIS

Prior to analysing the data a check for non-response bias was conducted. An ‘extrapolation procedure’ technique was used to assess non-response bias. This assumes that the groupings of actual respondents by an identified criterion are similar to the ‘theoretical’ non-respondents (Armstrong and Overton, 1977). Frequencies and independent t-tests were used to determine whether significant differences existed between the sample and the target population based on industry classification. No significant difference was identified between the sample and the target population for this classification variable. Therefore, as there appears to be no significant difference between respondents and non-respondents then the sample can be considered sufficient to draw conclusions about barriers to export for Lebanese firms.

A reliability analysis was conducted to evaluate the multi-item barrier scales. Cronbach’s alpha was used for the reliability analysis. The results of the analysis revealed a Cronbach’s alpha of 0.75 for the multi-item barrier scale indicating satisfactory internal reliability.

To test the Lebanese decision-makers’ attitudes toward the different barriers to export, a
one-sample *t*-test was conducted (see Table 1). From Table 1 it was concluded that Lebanese decision-makers had neutral feelings towards the following barriers to export: lack of capital to finance expansion into foreign markets, problems finding a reliable distributor, need to adapt products to meet foreign customer preferences, difficulty collecting accurate information on foreign markets, problems quoting prices with fluctuating exchange rates, difficulty arranging licensing and joint venture agreements, the high costs of selling abroad, management emphasis on developing domestic markets, confusing foreign import regulations, high value of currency relative to those in export markets and the risks involved in selling abroad.

Also from Table 1 it was concluded that Lebanese decision-makers had significant feelings towards the following barriers to export: lack of government assistance in overcoming export barriers, competition from firms in foreign markets, high foreign tariffs on imported products, the need to modify pricing and promotion policies, competition from firms in Lebanese markets, difficulty collecting payment from customers abroad, difficulty providing after sales service and language and cultural differences.

**Table 1 - Decision-Makers’ Attitudes toward Different Barriers to Exporting**

<table>
<thead>
<tr>
<th>Barriers to Exporting</th>
<th>Mean</th>
<th>t-value</th>
<th>p-value</th>
<th>Sig. at .05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of government assistance in overcoming export barriers</td>
<td>4.23</td>
<td>8.841</td>
<td>0.000</td>
<td>Yes</td>
</tr>
<tr>
<td>Competition from firms in foreign markets</td>
<td>3.80</td>
<td>5.742</td>
<td>0.000</td>
<td>Yes</td>
</tr>
<tr>
<td>High foreign tariffs on imported products</td>
<td>3.41</td>
<td>2.868</td>
<td>0.006</td>
<td>Yes</td>
</tr>
<tr>
<td>Need to modify pricing and promotion policies</td>
<td>3.34</td>
<td>3.148</td>
<td>0.003</td>
<td>Yes</td>
</tr>
<tr>
<td>Lack of capital to finance expansion into foreign markets</td>
<td>3.30</td>
<td>1.940</td>
<td>0.057</td>
<td>No</td>
</tr>
<tr>
<td>Problem finding reliable foreign distributor</td>
<td>3.21</td>
<td>1.496</td>
<td>0.140</td>
<td>No</td>
</tr>
<tr>
<td>Need to adapt products to meet foreign customer preferences</td>
<td>3.13</td>
<td>0.904</td>
<td>0.369</td>
<td>No</td>
</tr>
<tr>
<td>Difficulty collecting accurate information on foreign markets</td>
<td>3.13</td>
<td>1.000</td>
<td>0.321</td>
<td>No</td>
</tr>
<tr>
<td>Problems quoting price with fluctuating exchange rates</td>
<td>3.10</td>
<td>0.785</td>
<td>0.435</td>
<td>No</td>
</tr>
<tr>
<td>Difficulty arranging licensing and joint venture agreements</td>
<td>3.05</td>
<td>0.369</td>
<td>0.713</td>
<td>No</td>
</tr>
<tr>
<td>High costs of selling abroad</td>
<td>3.03</td>
<td>0.214</td>
<td>0.831</td>
<td>No</td>
</tr>
<tr>
<td>Management emphasis on developing domestic markets</td>
<td>2.98</td>
<td>-0.115</td>
<td>0.909</td>
<td>No</td>
</tr>
<tr>
<td>Confusing foreign import regulations</td>
<td>2.97</td>
<td>-0.217</td>
<td>0.829</td>
<td>No</td>
</tr>
<tr>
<td>High value of currency relative to those in export markets</td>
<td>2.92</td>
<td>-0.552</td>
<td>0.583</td>
<td>No</td>
</tr>
<tr>
<td>Risks involved in selling abroad</td>
<td>2.89</td>
<td>-0.785</td>
<td>0.435</td>
<td>No</td>
</tr>
<tr>
<td>Lack of capacity dedicated to continuing supply of exports</td>
<td>2.62</td>
<td>-2.646</td>
<td>0.010</td>
<td>Yes</td>
</tr>
<tr>
<td>Competition from Lebanese firms in foreign markets</td>
<td>2.57</td>
<td>-2.940</td>
<td>0.005</td>
<td>Yes</td>
</tr>
<tr>
<td>Difficulty collecting payment from customers abroad</td>
<td>2.54</td>
<td>-2.847</td>
<td>0.006</td>
<td>Yes</td>
</tr>
<tr>
<td>Difficulty providing after-sale service</td>
<td>2.52</td>
<td>-3.192</td>
<td>0.002</td>
<td>Yes</td>
</tr>
<tr>
<td>Language and cultural differences</td>
<td>2.00</td>
<td>-6.94</td>
<td>0.000</td>
<td>Yes</td>
</tr>
</tbody>
</table>
Do Lebanese exporters and non-exporters perceive the same barriers to export? To examine this issue the level of exports were analysed as a percentage of total sales. All non-exporters in the sample were included with those exporters who export 10% or less of their total sales. All those who export more than 40% of their total sales were combined into one category. Finally, all those whose share of exports over total sales was between 11% and 40% were also included as a separate category.

To examine this issue, twenty one-way ANOVA tests were conducted to analyse the effect of “Share of Exports over Total Sales” (independent variable) on the twenty barriers to export (dependent variables). The purpose of this test is to see whether the attitudes towards these 20 variables differ according to the share of exports over total sales. The results are reported in Table 2.

Table 2 - Effect of “Share of Exports over Total Sales” on Attitudes towards Barriers to Export

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>F-Value</th>
<th>p-value</th>
<th>Decision at 0.05 Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of government assistance in overcoming export barriers</td>
<td>1.402</td>
<td>0.255</td>
<td>No</td>
</tr>
<tr>
<td>Competition from firms in foreign markets</td>
<td>0.331</td>
<td>0.72</td>
<td>No</td>
</tr>
<tr>
<td>High foreign tariffs on imported products</td>
<td>0.873</td>
<td>0.423</td>
<td>No</td>
</tr>
<tr>
<td>Need to modify pricing and promotion policies</td>
<td>0.616</td>
<td>0.544</td>
<td>No</td>
</tr>
<tr>
<td>Lack of capital to finance expansion into foreign markets</td>
<td>0.247</td>
<td>0.782</td>
<td>No</td>
</tr>
<tr>
<td>Problem finding a reliable distributor</td>
<td>0.067</td>
<td>0.935</td>
<td>No</td>
</tr>
<tr>
<td>Need to adapt products to meet foreign customer preferences</td>
<td>3.355</td>
<td>0.042</td>
<td>Yes</td>
</tr>
<tr>
<td>Difficulty collecting accurate information on foreign markets</td>
<td>0.003</td>
<td>0.997</td>
<td>No</td>
</tr>
<tr>
<td>Problems quoting price with fluctuating exchange rates</td>
<td>0.159</td>
<td>0.854</td>
<td>No</td>
</tr>
<tr>
<td>Difficulty arranging licensing and joint venture agreements</td>
<td>0.922</td>
<td>0.404</td>
<td>No</td>
</tr>
<tr>
<td>High Costs of Selling abroad</td>
<td>0.530</td>
<td>0.592</td>
<td>No</td>
</tr>
<tr>
<td>Management emphasis on developing domestic markets</td>
<td>0.192</td>
<td>0.826</td>
<td>No</td>
</tr>
<tr>
<td>Confusing foreign import regulations</td>
<td>0.929</td>
<td>0.401</td>
<td>No</td>
</tr>
<tr>
<td>High value of currency relative to those in export markets</td>
<td>1.391</td>
<td>0.258</td>
<td>No</td>
</tr>
<tr>
<td>Risks involved in selling abroad</td>
<td>0.478</td>
<td>0.622</td>
<td>No</td>
</tr>
<tr>
<td>Lack of capacity dedicated to continuing supply of exports</td>
<td>3.606</td>
<td>0.034</td>
<td>Yes</td>
</tr>
<tr>
<td>Competition from Lebanese firms in foreign markets</td>
<td>1.537</td>
<td>0.224</td>
<td>No</td>
</tr>
<tr>
<td>Difficulty collecting payment from customers abroad</td>
<td>1.411</td>
<td>0.253</td>
<td>No</td>
</tr>
<tr>
<td>Difficulty providing after sale service</td>
<td>0.444</td>
<td>0.644</td>
<td>No</td>
</tr>
<tr>
<td>Language and cultural differences</td>
<td>0.360</td>
<td>0.700</td>
<td>No</td>
</tr>
</tbody>
</table>

From Table 2 we can see that the p-values are greater than .05 in 18 of the 20 barriers to export. Thus, we can conclude that exporters and non-exporters largely agree in their views of these barriers to export. However, it is evident after examining “Share of Exports over Total Sales” that this does affect the attitudes towards two barriers to export, namely, the need to adapt products to meet foreign customer preferences and the lack of capacity dedicated to a continuing supply of exports. Therefore, it is concluded
that exporters and non-exporters differ significantly in their views of the need to adapt products to meet foreign customer preferences and a lack of capacity dedicated to a continuing supply of exports as barriers to export.

At this point, all that can be concluded is that there is sufficient evidence to state that the combination of means is significantly different. To determine exactly which categories of exporters differ, pairwise comparisons were conducted using the Tukey-Kramer multiple comparison procedure.

The means of the dependent variable “Need to Adapt Products to Meet Foreign Customer Preferences” were calculated in each of the various categories of the independent variable “Share of Exports over Total Sales”. The results indicate that the means of the “Need to Adapt Products to Meet Foreign Customer Preferences” variable for those who export 10 per cent or less of their total sales and those who export 11 per cent to 40 per cent of their total sales were significantly different from each other. This was as expected, since all those who export 10 per cent or less of their total sales perhaps do not make many adaptations to their products and hence they do not perceive it as a barrier. However, those who export 11 per cent to 40 per cent of their total sales might need to make many more adaptations to meet foreign customer preferences. Since those who export 11 per cent to 40 per cent of their goods rely both on the local and foreign markets for their sales, adaptation becomes an important issue.

The means of the dependent variable “Lack of Capacity Dedicated to Continuing Supply of Exports” was calculated in each of the various categories of the independent variable “Share of Exports Over Total Sales”. The results indicate that the means of the “Lack of Capacity Dedicated to Continuing Supply of Exports” variable for those who export 11 per cent to 40 per cent of their total sales and those who export more than 40 per cent of their total sales were significantly different from each other. Those who export more than 40 per cent of their total sales perceive “Lack of Capacity Dedicated to Continuing Supply of Exports” as a more important barrier than those who export 11 per cent to 40 per cent of their total sales. This again, was to be expected, given those who export more than 40 per cent of their total sales will be required to have a greater capacity dedicated to a continuing supply of exports than those who only export 11 per cent to 40 per cent of their total sales.

DISCUSSION, SUMMARY AND CONCLUSION

This study examines the export barriers Lebanese entrepreneurs face when engaging in international business. The data were gathered based on a survey of 61 Lebanese manufacturing firms. The results revealed several useful insights. Lack of government assistance in overcoming export barriers, competition from firms in foreign markets, the need to modify pricing and promotion policies, high foreign tariffs in export markets and a lack of capital to finance expansion into foreign markets were the major barriers to export as perceived by Lebanese senior managers.

Lebanese exporters and non-exporters largely did not differ in their views of the barriers to export and this is different to the findings of some previous studies (e.g., Barker and Kaynak, 1992). In fact, “Share of Exports Over Total Sales” affects only the attitudes towards the need to adapt products to meet foreign customer preferences and a lack of capacity dedicated to continuing supplies of exports.
It seems that Lebanese entrepreneurs perceived the lack of government assistance to be a significantly important barrier to exporting. It is clear that Lebanese entrepreneurs continue to believe that their survival depends on assistance and protection. Lebanese entrepreneurs perceived competition from foreign firms to be a significantly important barrier as well. This clearly showed that international assistance programs should be targeted towards educating the Lebanese entrepreneur on how to compete in the global marketplace. Conferences and seminars should be organized so as to make the Lebanese entrepreneurs aware of the forces of globalization. Lebanese entrepreneurs should realize that government assistance and protection are not long-term solutions. The solution in fact lies in innovation and quality.

What is apparent is that promoting an export culture cannot be achieved by individual initiative alone. The public and private sectors, together with international assistance programmes should streamline their efforts to be able to successfully market Lebanese products in the global marketplace.

In spite of the significant findings, the study still has a number of limitations particularly related to sampling procedures and to sample size. Convenience sampling was the sampling technique used in this project. Although the abovementioned technique has many advantages, it also has serious limitations. Many sources of selection bias are present, including respondent self-selection. Moreover, convenience samples are not representative of any definable population. Therefore, it would not be theoretically meaningful for us to generalize to any population from a convenience sample, and convenience samples are not suitable for research that involves population inferences. Concerning sample size, the sample was relatively small (61 companies) and guided by a consideration of resource constraints. Although the study has helped shed light on the current situation, the data available are those that have been disclosed by the senior managers of Lebanese manufacturing firms. Finally, the lack of transparency in both the private and the public sectors in Lebanon is a major limitation to this type of research.

Future research should attempt to employ a more sophisticated definition of export. While the relatively basic measure of export employed in this study (share of exports over total sales) served to highlight some important differences between exporting and non-exporting firms, more refined and multi-dimensional export measures could offer more interesting insights. This study did not differentiate between the two different types of export: direct and indirect export. As a result, many companies who have sent a few packages by courier services declared themselves as exporters. Although, certain variables have been identified as being positively related to one another, what is still unknown is to what extent one variable is an antecedent of the other. This would be an interesting issue for future research. There is a need to empirically investigate the cause and effect relationship of these variables in order to properly guide Lebanese exporters and to encourage non-exporters to start exporting.

REFERENCES


Alexandrides, C.G. (1971), ‘How the Major Obstacles to Expansion Can be Overcome’?


