**A CONFIGURATIONAL APPROACH THAT EXPLAINS THE IMPLEMENTATION OF STRATEGIES ON EXPORT PERFORMANCE IN EMERGING ECONOMIES**

**ABSTRACT**

This study examines the study of competitive strategies in export performance by exploring their implementation with institutional factors and the firm's capabilities. We collect the information from 201 firms through surveys of four countries: Brazil, Mexico, Chile and Peru, and we use a novel method approach (qualitative comparative analysis) to analyze how these antecedents combined to lead to the export performance. We found that the implementation of strategies depends on, institutional factors and the firm's capabilities. Curiously, firms can use a cost strategy or in conjunction cost and differentiation strategy to achieve a high export performance but conditional to institutional and firm's capabilities.

*Keywords:* Export performance, cost strategy, differentiation strategy, qualitative comparative analysis, emerging economy.

# INTRODUCTION

The study of export in the international business, marketing, and international strategy has been importance on the increase in commercial transactions between countries (Sousa, Martinez and Coelho, 2008; Aulakh, Kotabe and Teegen, 2000; Carneiro, Rocha and Ferreira, 2011; Yong Gao, and Kotabe, 2010). Export researches in emerging economies are growing fields (Yong et al., 2010; Aulakh et al., 2000). The export strategy is one of the fastest mechanisms to open new markets, especially in medium-sized enterprises and emerging economies (Yong et al., 2010; Peng, Wang and Jiang, 2008; Peng, Sun, Pinkham and Chen (2009).

Respect to the variables that influence on export performance on marketing and international business field, some studies have been presented contradictory and partial results because of the different conditions of each study (Sousa et al.,2008; Leonidou, Katsikeas, and Coudonaris, 2010). Several studies have used the resources and capabilities view to successfully achieve a great export performance (Homburg, Krohmera, and Workman, 2004). Few studies take the importance of using institutional variables as essential factors of export performance, although it is a crucial variable (Yong et al., 2010; Peng et al., 2008; Peng et al., 2009). Also, some studies find the importance of introducing export destination dependence as a variable of export performance (Tookson and Mohamad, 2010).

Therefore, we explain the study of the implementation of strategies to achieve an excellent export performance in emerging economies with external and internal variables, such as institutional factors and firm’s capabilities. We believe it is fundamental to use a holistic strategic tripod approach, focusing on institutional and firm's capabilities, to determine the factors that support the implementation of export performance strategies. So, in our study, we use the strategic tripod approach and a novel method, the fuzzy set qualitative comparative analysis (FsQCA). We answer the following research questions: i) from an institutional and firms perspective, competitive strategies in conjunction with what variables achieve a great export performance?

As a theoretical contribution, we show that firms can use the cost strategy or both strategies and achieve a great export performance because there are additional variables (institutional and resources view) that condition the use of each strategy.

This research is structured as follows: it begins by providing a theoretical background of the outcome and antecedents. Next, we describe the outcome and antecedent’s measurement and the FsQCA method used to determine which configurations lead to export performance. Finally, we examine the results, conclusions and implications and the value of this research for future studies.

# THEORETICAL BACKGROUND

***Strategy tripod and export performance.***Many research studies the relations of different variables on export performance (Katsikeas, Leonidou, and Morgan, 2000; Dhanaraj and Beamish, 2003; Leonidou et al., 2010). However, there are several contradictory results and limitations about the research conditions (Stoian, Rialp, and Rialp, 2010; Dhanaraj and Beamish, 2003; Katsikeas et al., 2000). One of the reasons of these contradictory results is because studies usually focus on methods that analyze a single relationship between the independent variable and the dependent variable, without considering the joint relationship between all variables and the dependent variable (Chang, Chang, Chi, Chen, and Deng , 2012). So, we will use a novel FsQCA method studied in previous studies, for example, Chen, Li and Fan (2018), and the strategy tripod approach studied in previous studies (Heredia, Kuncb, Durstc, Flores and Geldes, 2018 ; Heredia, Flores, Geldes and Heredia, 2017) to explain export performance more holistically.

We will use variables based on the institutional view (Peng et al., 2008) and firms view (Barney, 1991) to explain the use of strategies in the export performance. We consider the local effect of institutions and the institutional distance variables as institutional view, and we consider marketing and technological capabilities as firms view. Also, we will use the export destination dependence and two strategies (cost and differentiation strategies) to explain the export performance. According to the methodology (FsQCA) that we will explain better further on, we will call "antecedents" instead of "variables."

In the next part, we will explain the theory relation based on different researches between the antecedents with export performance.

***Competitive strategies and performance in emerging economies.*** The effect of strategy implementation on export performance is essential in emerging economies (Aulakh et al., 2000), where strategy failure happens more in the implementation phase than in conceptualization (Voola and O'Cass, 2010) and is evidenced in performance (Aulakh et al., 2000; Pertusa, Molina, and Claver, 2010; Parnell, 2011; Voola and O'Cass, 2010).

Aulakh et al. (2000) argue that in Brazil, Chile and Mexico, cost strategies increase performance in developed countries, and differentiation strategies increase performance in developing markets. Parnell (2009) states that innovation-oriented strategies are positively associated with high performance in Peru, Mexico, and the United States. On the other hand, Mexico maintains the negative relationship between low-cost strategies and performance, while the United States maintains a positive relationship between these variables. Mainly, Peruvian firms are low-cost oriented, and Mexican firms are innovative. Parnell (2009) finds that top managers in Mexico consider their strategies to be less innovative and more cost-oriented than the average manager. In Peru, top managers also consider that their strategies are more cost-oriented than average and low managers. In the United States, there is no differentiation of the type of strategy by management type. From this, the strategy differs more between countries of emerging economies than in developed economies (Parnell, 2008). Therefore, cost and differentiation strategies are essential variables (we will call them antecedents in the following section), that we must consider in the study of export performance in emerging economies.

Moreover, Acquaah and Ardekani (2008) points out the importance of the application of more than one strategy in a firm. In this study, they show empirically that the implementation of two combined strategies produces more excellent performance in the company on the implementation of a single strategy. Therefore, for our study, we will use as an antecedent of export performance, cost strategy, and differentiation strategy and we will analyze if these strategies necessarily need to be combined to obtain high performance in exports.

***Export destination dependence.***Export destination dependence is measured as the ratio of export sales of a particular destination to total sales (Tookson and Mohamad, 2010). Prasad, Ramamurthy, and Naidy (2001) affirm that export dependence moderates the relation between export performance and marketing capabilities. Cadogan, Diamantopoulos, and Siguaw (2002) find that the ability to use marketing depends mostly on the degree of export dependence. Prasad et al., (2001) point out that the amount of resources spent on exports is linked to reliance on exports. So in our study, we expect export destination dependence to be a relevant antecedent in export performance, that is, that export performance outcome depends on the combination of export destination dependence and other antecedents. We will define, export destination dependence as a developed economy and developing the economy.

***Institutional Conditions and Transitions.***About the institutional view, we use the local effect of institutions and Institutional distance antecedents. Several researchers have analyzed the influence of institutions on export performance, and show that countries with better institutions have a good export performance (Bernard, Eaton, Jensen and Kortum, 2003; Faruq, 2011; Rodrik, 1995). Moreover, studies find that institutional distance is negatively related to the company's performance (Chao and Kumar, 2010; Gaur and Lu, 2007). So, in our study, we will use the positive performance of institutions on the property right and the institutional distance as antecedents of export performance, and we will analyze whether these antecedents combine with other antecedents achieve the export performance.

***Firm-specific Resources and Capabilities.***About the firm's view, we show marketing capability and technological capability as antecedents. Previous research suggests that firms with greater marketing competencies are more successful in export performance than their competitors (Cavusgil and Zou, 1994; Piercy, Kaleka, and Katsikeas, 1998). About the technological capability, it is the transformation and absorption of technology to achieve technical-economic efficiency (Zawislak, Alves, Tello-Gamarra, Barbieux and Reichert, 2012). Abereijo, Adegbite, Ilori, Adeniyi and Aderemi (2009) recommend that institutions promote technology transfer to achieve a better connection between the Science and Technology system and firm's production. Reichert and Zawislak (2014) find that in addition to technological capability, firms need other elements to achieve high performance. Likewise, many studies have analyzed the relation between technological capability and export performance and have found a positive relationship (Athreye and Kapur, 2015; Ernst, Ganiotsos, and Mytelka, 1995; Krammer, 2016; Wang, Cao, Zhou and Ning, 2013). Based on this analysis, in our study, we examine whether firms that achieve high export performance possess the technological capability or marketing capability as antecedents and whether they combine each other and with other antecedents.

So, based on the strategic tripod approach performed above, we find three possible configurations that lead to high export performance. a) Companies that have a high local effect of institutions (Faruq, 2011), low institutional distance (Chao and Kumar, 2010), high marketing capability (Cavusgil and Zou, 1994) high use of cost strategies and have as destination countries, developed economies (Aulakh et al., 2000), increase the export performance. b) Companies that have a high local effect of institutions (Faruq, 2011), low institutional distance (Chao and Kumar, 2010), greater marketing capability (Cavusgil and Zou, 1994) use differentiation strategies and have developing economies as destination countries (Aulakh et al., 2000), increase the export performance. (c) Firms that have a high local effect of institutions (Faruq, 2011), low institutional distance (Chao and Kumar, 2010), greater technological capability (Guan and Ma, 2003) and combine more than one strategy (Acquaah and Ardekani, 2008) increase the export performance.

**[Insert Table 1]**

# METHOD

# *Sample and Data*

Aulakh et al. (2000) affirm that the developing economies of Latin America is a particular group, given the common problems between them of inflation and external debt. We use Chile, Brazil and Mexico data because they have a high economic growth rate in recent years, between 6% and 8% (Illescas and Jaramillo, 2011) and has been previously studied in strategy studies in Latin American emerging economies (Aulakh et al., 2000). Also, we include Peru because their exports have overgrown in volume and profitability in recent years (Illescas and Jaramillo, 2011), as a result of the application of trade opening policies (Awokuse, 2008), favorable market conditions such as the cost of metals (Illescas and Jaramillo, 2011) and productivity improvements (Tulet, 2010; Illescas and Jaramillo, 2011).

For the sample size, we consider a database of exporting companies from Chile, Brazil, Mexico, and Peru. Primary data were collected through surveys applied to managers of exporting firms from Peru, Chile, Brazil, and Mexico. Before the survey application, we validated with interviews with four people in business from different countries. We realize an online survey using the Survey Monkey plan Premium software to recollect the responses. We collected the survey data between January and April 2012, and we sent a total of 4311 emails (one mail per company), addressed to executives responsible for export. A total of 262 responses, 201 were complete. Of the complete responses, 45% belong to Mexican companies, 22% to Peruvian companies, 21% to Brazilian companies and 11% to Chilean companies.

**[Insert Table 2]**

# *Research Design*

FsQCA is a method based on boolean mathematics and fuzzy sets that link different paths to the same outcome (Rihoux and Ragin, 2009). In our case, the outcome is export performance. Rihoux and Ragin (2009) affirm that FsQCA is ideal for the study of complex variables, where different relationships complex lead to a single outcome. The asymmetric causality is a fascinating and particular characteristic of FsQCA. Asymmetric causality indicates that not necessarily the relations that led to the outcome presence, when it is combined oppositely will lead to the result absence (Schneider and Wagemann, 2012). Also, FsQCA, unlike conventional regression analysis, is ideal to explain a result through several theoretical explanations and which there is evidence of asymmetric causality (Brenes, 2017; Chen et al., 2018). For our study, we will use FsQCA to link seven antecedents to the export performance.

# *Outcome and antecedents measure*

***Outcome: Export performance.*** Export performance was measured through a seven-point scale, which evaluated exports performance through the profitability of export sales compared to the three main competitors in the last three years. (1) means very low performance and (7) means very high performance. This measure is consistent with some previous studies (Aulakh et al., 2000; Murray, Yong et al., 2010). The next part explains the measure of the antecedents.

***Antecedents***

* *Differentiation strategy and Cost strategy*. Our measures are based on the measurement of one of the dimensions of cost and differentiation strategies found in previous studies, such as Aulakh et al. (2000) and Voola and O' Cass (2010). We use two survey questions for each to measure these variables. For the differentiation strategy, the company was asked, whether it agreed or not, always to be the first to market a new product in the last three years. For the cost strategy, the company was asked, whether it agreed or not, to invest mainly in large projects to achieve economies of scale in the last three years. To see a descriptive tabulate of this antecedents, please see table 3.
* *Export destination dependence*. Our export destination dependence variable was measured according to the classification of developing and developed countries by Aulakh et al. (2000). The variable created was a dummy variable, where (0) meant that the destination economy was a developing country and (1) if the destination economy was a developed country. Of the total number of firms surveyed, 69% exported to developed economies and 31% to developing economies (see table 3).
* *Institutional Conditions and Transitions*. This section presents the measures of the institutional antecedent: Institutional distance and local effect of institutions. To measure institutional distance, we used the concept of institutional distance in the normative used by Chao and Kumar (2010). In the survey, the company was asked about the perception of institutional differences between the export home country and the export destination dependence (measured according to profitability in the last three years) about regulations on customer regulations. Moreover, to measure the local effect of institutions, we used one of the three institutional dimensions used by Faruq (2011): property rights. In the survey, the company answered whether the performance was negative or positive of local institutions (public and private) of the property right on the export activity of their company in the last three years. To see a descriptive tabulate of this antecedents, please see table 3.
* *Firm-specific Resources and Capabilities*. This section presents the measures of the antecedents that are related to the characteristics of firms: marketing capability and technological capability. Conant, Mokwa and Varadarajan, (1990) and Desarbo et al. (2005) measures marketing capabilities through the knowledge of customers, competition, integration of marketing programs, skills in targeting and effectiveness of advertising programs and cost. In our study, we use the effectiveness of advertising programs as a measure of marketing capability. In the questionnaire, the company was asked how well or poorly they believe that their company carries effective promotion and advertising programs compared to the three main competitors. Technological capability is related to the efficiency of the production process, cost reduction, better delivery service, better competitiveness (Day, 1994; Desarbo et al., 2005). In the questionnaire, the company was asked how well or poorly they believe that their company can predict technological changes in the industry compared to the three main competitors. To see a descriptive tabulate of these antecedents, please see table 3.

**[Insert Table 3]**

# *Calibration*

It is first essential and vital to calibrate the antecedents and the outcome to be able to use the FsQCA method. Calibrating in FsQCA helps to understand when cases are or are not members of a category (Ragin, 2008). For our study, we used the QCA principles (Ragin, 2008; Schneider and Wagemann, 2012) to calibrate. We used the direct method of calibration, we divide into four intervals the antecedents and the outcome, taking each one as extremes to the values between 0, 0,05, 0,5, 0,95 and 1. The values 0,05, 0,5, 0,95 represent the not full membership, the crossing point and the full membership (Ragin, 2008). We show the calibration in Table 4.

**[Insert Table 4]**

# *Coverage and Consistency*

FsQCA requires to analyze the consistency and coverage of the model to know representative models, supporting the researcher to select a correct FsQCA model (Brenes, 2017; Chen et al., 2018). These measures are different from the measures of significance used in other methods, such as linear regressions. Consistency measures the degree of deviation of data from a whole subset which is represented by a numerical value. Coverage measures the degree of explanation of outcome through antecedents (Schneider and Wagemann, 2012). Consistency does have a minimum threshold, but coverage does not have a minimum threshold, because even models with low coverage could be of great interest for the explanation of an outcome (Schneider and Wagemann, 2012). We set consistency values higher than 0.8 and coverage values between 0.2 and 0.6, values that are by other studies such as Brenes, (2017).

1. **RESULTS AND DISCUSSION**

The results presented differences with export performance expectations (see table 5). The first difference is that even with a high institutional distance, the company can have a good export performance. The second difference is that the company does not necessarily apply differentiation strategies when exporting to a developing country, we observe that in configuration 2, the company uses the cost strategy to export to developing countries. The third difference is that even when local institutions have a low effect on property right, companies can have a good export performance (configuration 1 and 2). Three configurations are linked to high export performance.

The first configuration shows that if the company have as an export destination dependence a developed economy, low local performance of the institutions on property rights, independent or not if have high institutional distance, high effectiveness of advertising and promotion programs (high marketing capability). Moreover, the company have low ability to predict technological changes in the company (low technological capability), high frequency in being the first to commercialize a product (high use of differentiation strategy) and high investment in large projects to achieve economies of scale (high use of cost strategy) will have a significant export performance.

This type of companies are companies that export products that do not need high technology to developed countries and use a lot of marketing capability. Different investigations have shown that having low costs and maintaining excellent product quality (differentiation strategy) is effective in raising profitability in mature industries (Anderson and Zeithaml, 1984; MacMillan, Hambrick and Day, 1982; Spanos, Zaralis and Ioukas, 2004). It is essential that companies entering developed countries achieve a high market share, so they need a combination of both strategies. Therefore, this type of companies combine the cost strategy and differentiation strategy using their marketing capability on a large scale to achieve the product to the final customer and achieve an excellent export performance. The company uses the differentiation strategy for export because it has a low effect of institutions on property rights of the export home country, which drives it to look for new markets where its product is protected. So, we propose the following:

**Proposition 1:** *If the company exports to a developed economy with low local effect of the institutions, has high marketing capability, has low technological capability, and uses two strategies (the cost strategy and the differentiation strategy), independent or not if have different regulations on customer orientation, it will have a high export performance.*

The second configuration shows that if the company have as an export destination dependence a developing economy, low performance of the institutions on property rights, different regulations on customer orientation (high institutional distance), low effectiveness of advertising and promotion programs (low marketing capability). Moreover, the company have high ability to predict technological changes in the company (high technological capability), low frequency in being the first to commercialize a product (low use of differentiation strategy) and high investment in large projects to achieve economies of scale (high use of cost strategy).

This configuration is for companies that seek to reduce their cost through large scale production, the success of that strategy depends on, principaly, the adoption of the lastest technology in production, and capital allocations for new equipment and machinery (Zahra and Covin, 1993; Desarbo, 2005). Additonally, companies that achieve cost leadership positions focus on refining their existing products rather than new models (Dess and Davis, 1984; Zahra and Covin, 1993). Therefore, since those companies focus on the process of the existint products, they tend to not consider important to carry effective promotions and advertising programs (Zahra and Covin, 1993; Buzzell and Gale, 1987). The cost strategies tend to be used for companies that operate in context of poor local institutions of property rights since technologies of production are difficult to imitate by competitors (Frances, 2006) what at the same time does not encourage to use differentiation strategies. This strategy is further intensified if its exports go mostly to developing countries where the level of instituionality is low (Subramaniam, 2015). Finally, a high institutional distance for companies that export to developing countries translates into export to countries with poor regulations to consumer due to the high degree of institutional evasion in developing countries (Subramaniam, 2015). This context facilitates the export and ensures the success of the market strategy that is being used.

From the above, we find that it is necessary to combine these seven antecedents of the strategy tripod to achieve export performance. Therefore, we propose the following:

***Proposition 2:*** *If the company exports to a developing economy with low local effect of the institutions, maintain a high institutional distance from the destination country, has low marketing capability, has high technological capability, and just uses one strategy (uses the cost strategy and does not use the differentiation strategy) it will have a high export performance.*

The third configuration shows that if the company have as an export destination dependence a developing economy, high performance of the local institutions on property rights, different regulations on customer orientation (high institutional distance). Moreover, the company have high effectiveness of advertising and promotion programs (high marketing capability) and high ability to predict technological changes in the company (high technological capability), high frequency in being the first to commercialize a product (high use of differentiation strategy) and high investment in large projects to achieve economies of scale (high use of cost strategy) will have a high export performance.

These are types of firms that have an excellent institutional reputation in the sale of final products for having a high local effect of institutions on property rights and require good marketing skills to reach the product to the final customer of the destination economy. Marketing capabilities support the company to harness its technological capabilities and implementing effective marketing programs. These companies use cost strategy and differentiation strategy for higher quality, better service, and lower cost to export in developing economies. Studies affirm that in emerging economies, companies that combine cost and differentiation strategy obtain more significant benefits compared to companies that apply only one strategy (Acquaah and Ardekani, 2008). We show that the combination of strategies works in combination with marketing capability and technological capability. Also, unlike studies that show that the institutional distance negatively affects the performance of the company (Chao and Kumar, 2010; Gaur and Lu, 2007) we show that even at a high institutional distance this kind of firms achieves a high export performance. The above is because we observe that the company uses high marketing capabilities to break the barrier of institutional distance from customer orientation, i.e., the marketing capability improve the uncertainty in the difference of consumers regulations between the export home country and the export destination country. Additionally, Khanna, Palepu, and Sinha (2005) affirm that emerging economies usually have institutional voids, which explains that the export home country does not have complications about the regulations of the market of the export destination country and thus achieve greater success here through a high export performance. So, we propose the following:

**Proposition 3:** *If the company exports to a developing economy with high local effect of the institutions, has different regulations on customer orientation, has high marketing capability, has high technological capability, and uses two strategies (the cost strategy and the differentiation strategy) it will have a high export performance.*

# [Insert Table 5]

1. **CONCLUSION AND IMPLICATIONS**

**Conclusion.** Our study explores the configurations that lead to a great export performance in Brazil, Mexico, Peru and Chile using FsQCA, an innovative non-linear methodology that explains that several causal paths lead to an equifinal result, for our study, export performance. To have a holistic perspective, we use the institutions and capabilities of the strategy tripod to classify the antecedents of export performance. We use marketing capability and technological capability as the firm's antecedents. Also, we use the local effect of the institutions and the institutional distance as institutional antecedents. Likewise, we consider the export destination dependence (Prasad et al., 2001; Tookson and Mohamad, 2010) and the differentiation and cost costs as antecedents of export performance.

The results show that firms are taking into account the export destination dependence and combine the use of strategy with at least an institutional antecedent and a firm antecedent to achieve an excellent export performance.

The first configuration shows that when low institutions perform on a property right, the company achieves a great export performance, combining differentiation and cost strategies with marketing capability.

The second configuration shows that companies that seek to reduce their cost through large scale production choose to increment the level of automation of plants and facilities in order to refine their exiting products rather than new models so that it is not necessary for firms to count with marketing capabilities. In the other side, the context of poor local institutions of property rights encourages companies to adopt cost strategy due to technology producction is difficult to imitate. Also, the success of cost strategy it much more likely when the export is directed to a country with poor regulation on consumer.

The third configuration shows that before a great performance of the institutions on the property right and a great difference between the regulation of orientation to the client between the home country and the destination country, the company achieves a great export performance, combining the technological and marketing capability, with the use of differentiation and cost strategies. The export destination dependence is essential to achieve a great export performance.

The added value of our study is that, by analyzing different combinations of antecedents with a single result, we have a more refined, holistic and simulated analysis of the antecedents of export performance.

**Theoretical Contributions.** We extend the previous studies on export performance through the strategy tripod (specifically, through institutional and firm variables) and FsQCA and explaining the effectiveness of the combinations of antecedents that drive an excellent export performance.

Our first contribution is that we add to their analysis, the institutional environment and firm's capabilities that conditions the choice of a particular type of strategy and explain the effectiveness of export performance.

Aulakh et al. (2000) argue that the cost strategy achieves better results in developed countries. They argue that companies in emerging economies that compete with these markets have fewer advantages over human, financial, and technological resources, innovative products, and established brands of more developed countries. Also, consumer perceptions of these markets are more in line with low-cost products. Our second contribution is shown in the first configuration, we affirm that firms that export to a more developed economy achieve a high performance not only using the cost strategy but also using the differentiation strategy. Low performance of institutions over property right not encourage competition to have stable, innovative products and established brands, achieving the export firm has a market space to compete. That is explained because in this configuration we observe that in addition to the combination of strategies, the company uses effective marketing programs, the support the applying a differentiation strategy.

Besides, Aulakh et al. (2000) state that the differentiation strategy achieves excellent results in developing country markets. Consumers in developing countries perceive foreign products (regardless of where products come from) as better quality products and would be willing to pay a higher cost (Aulakh et al. 2000; Hulland, Todino and Lecraw, 1996). Our third contribution is shown in the second and third configuration where we affirm that the company can use the cost strategy (second configuration) or both strategies (second and third configuration) and achieve a great export performance, this because there are additional factors that condition the use of each strategy. For the second configuration, we would expect companies in developing countries to be less competitive and maintain lower established brands (Aulakh et al. 2000); however, considering that there is a low performance of local institutions on property right that protects innovative products and brands, exporting companies will not use the differentiation strategy. On the contrary, they will use cost strategies based on their technological capability to achieve lower costs. In the third configuration, we expect firms in developing countries to be less competitive and maintain lower established brands (Aulakh et al. 2000). In this case, the companies are in an institutional environment that protects property right, that is, an environment that protects brands and innovative products, so in addition to the cost strategy, they will use the differentiation strategy accompanied by technological and marketing capability to achieve great performance.

**Table 1. Expectations leading to Export performance**

|  |  |  |  |
| --- | --- | --- | --- |
| **Causal configurations** | **First** | **Second** | **Third** |
| Great performance of export destination | Yes | No | Not relevant |
| High local effect of institutions on property right | Yes | Yes | Yes |
| High institutional distance | No | No | No |
| High marketing capability | Yes | Yes | Not relevant |
| High technological capability | Not relevant | Not relevant | Yes |
| High use of differentiation strategies | Not relevant | Yes | Yes |
| High use of Cost strategies | Yes | Not relevant | Yes |

Source: Elaborated by the authors

# Table 2. Percentages of responses by country

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Country** | **% Responses to surveys** | **Email submitted** | **Total responses** | **Incomplete responses** | **Complete responses** | **% Total responses** | **% Complete responses** |
| Brazil | 11% | 461 | 51 | 9 | 42 | 19% | 21% |
| Chile | 10% | 400 | 39 | 16 | 23 | 15% | 11% |
| Mexico | 4% | 2800 | 100 | 9 | 91 | 38% | 45% |
| Peru | 11% | 650 | 72 | 27 | 45 | 27% | 22% |
| **Total** | 6% | 4311 | 262 | 61 | 201 | 100% | 100% |

Source: Elaborated by the authors

# Table 3. Descriptive indicators

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Variable | Observations | Mean | Standard desviation | Minimum[[1]](#footnote-1) | Maximum[[2]](#footnote-2) |
| Export performance | 201 | 4.06 | 1.45 | 1 | 7 |
| Destination economy dependence | 201 | 0.74 | 0.44 | 0 | 1 |
| Local effect of institutions on property right | 201 | 4.90 | 1.50 |  | 7 |
| Institutional distance | 201 | 3.93 | 1.78 |  | 7 |
| Marketing capability | 200 | 4.16 | 1.64 | 1 | 7 |
| Technological capability | 200 | 4.55 | 1.52 | 1 | 7 |
| Use of differentiation strategies | 201 | 3.64 | 1.81 | 1 | 7 |
| Use of Cost strategies | 201 | 4.07 | 1.82 | 1 | 7 |

Source: Elaborated by the authors

# Table 4. Calibrations

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Type** | **Outcome and antecedents of export performance** | **Measurement** | **Membership score** | **Fuzzy Membership** |
| Outcome | Export performance | Exports performance was measured through the profitability of export sales compared to the three main competitors in the last three years. (1) means very low performance and (7) means very high performance | Very high performance = 7 | 0.95 |
| Average performance = 4 | 0.5 |
| Very low performance = 1 | 0.05 |
| Market strategy | Differentiation strategy (High frequency in being the first to commercialize a new product) | The firm was asked, whether it agreed or not, always to be the first to market a new product in the last three years. | Totally agrees = 7 | 0.95 |
| Neither agree nor disagree=4 | 0.5 |
| Totally disagrees = 1 | 0.05 |
| Cost strategy- High investment mainly in large projects to achieve economies of scale. | The firm was asked, whether it agreed or not, to invest mainly in large projects to achieve economies of scale in the last three years. | Totally agrees = 7 | 0.95 |
| Neither agree nor disagree=4 | 0.5 |
| Totally disagrees = 1 | 0.05 |
|  | Export destination dependence | A dummy variable, where (0) meant that the export destination dependence was a developing country and (1) if the export destination dependence was a developed country | Developed country=1 | Dichotomized variables |
| Developing country=0 |
| Resource based- view | Marketing capability | The firm was asked how well or poorly they believe that their company carries effective promotion and advertising programs compared to the three main competitors. Its values range from (1) poorly to (7) well. | Well = 7 | 0.95 |
| Average=4 | 0.5 |
| Poorly = 1 | 0.05 |
| Technological capability | The firm was asked how well or poorly they believe that their company can predict technological changes in the industry compared to the three main competitors. Its values range from (1) poorly to (7) well. | Well = 7 | 0.95 |
| Average=4 | 0.5 |
| Poorly = 1 | 0.05 |
| Institution based-view | Institutional distance | The company was asked about the perception of institutional differences between the export home country and the export destination country (measured according to profitability in the last three years) about regulations on customer orientation. Values ranged from 1 to 7, where (1) meant low institutional distance and (7) meant long institutional distance. | Long institutional distance= 7 | 0.95 |
| Average institutional distance=4 | 0.5 |
| Low institutional distance = 1 | 0.05 |
| Local effect of institutions on property right | The company answered whether the performance was negative or positive of local institutions (public and private) of the property right on the export activity of their company in the last three years. Values ranged from 1 to 7, where (1) meant very negative performance of local institutions and (7) very positive. | Very positive= 7 | 0.95 |
| Average =4 | 0.5 |
| Very negative = 1 | 0.05 |

Source: Elaborated by the authors

# Table 5. Configurations leading to Export performance

|  |  |  |  |
| --- | --- | --- | --- |
| **Causal configurations** | **First** | **Second** | **Third** |
| Export destination dependence (Yes= Developed country=1, No=Developing country) | Yes | No | No |
| High local effect of institutions on property rights | No | No | Yes |
| High institutional distance | Not relevant | Yes | Yes |
| High marketing capability | Yes | No | Yes |
| High technological capability | No | Yes | Yes |
| High use of differentiation strategies | Yes | No | Yes |
| High use of Cost strategies | Yes | Yes | Yes |
| Raw coverage | 0.20 | 0.06 | 0.08 |
| Unique coverage | 0.20 | 0.03 | 0.04 |
| Consistency | 0.90 | 0.97 | 0.92 |
| Solution coverage | 0.30 | | |
| Solution consistency | 0.91 | | |

Source: Elaborated by the authors

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1. Lowest value. [↑](#footnote-ref-1)
2. Greatest value. [↑](#footnote-ref-2)