

REVISITING THE CONCENTRATION VERSUS SPREADING DEBATE: AN INVESTIGATION INTO THE OVERSEAS MARKET SERVICING STRATEGIES OF QUEEN'S AWARD FOR EXPORT WINNERS

Dave Crick, University of Central England, U.K.
Robert Bradshaw, De Montfort University, U.K.
Shiv Chaudhry, University of Central England, U.K.

ABSTRACT

Although a body of knowledge exists on both the areas of export strategy and competitiveness, empirical data has tended to relate to general industrial surveys rather than concentrating on higher performing firms. Existing studies have provided mixed results concerning the merits of managers adopting particular international growth strategies. This paper reports on findings from a survey of winners of the Queen's Award for Export, arguably the premier award for export achievement in the U.K. Multivariate quantitative analysis of survey data and subsequent findings from interviews indicate that limited statistical differences exist between the performance and competitiveness of two groups drawn from the sample of 'successful' firms. The two groups are those that employ as a growth strategy an approach which concentrates on key overseas markets compared with those that spread their efforts over a number of markets.

INTRODUCTION

This paper reports on a study that investigates factors associated with the performance and competitiveness of successful firms adopting different growth strategies in overseas markets. Specifically, the paper revisits what has become known as 'the concentration versus spreading debate', namely, the merits of concentrating efforts by serving a few key markets as opposed to spreading resources in serving a number of markets. It could be argued that better performing firms will have developed competencies in serving foreign markets and therefore no single 'best' strategy should be recommended as a way of meeting groups of overseas customers' needs. It is proposed that the concentration versus spreading debate might be purely an academic matter for classroom discussion, since the practicalities of the issue should hold that either approach could be suitable for managers depending on the various circumstances prevailing at a given time. As such, this paper explores this proposition and considers whether differences exist between the performance and competitiveness of firms that have undertaken particular overseas market expansion strategies.

RESEARCH FOCUS

Two hypotheses (placed in the conventional null hypothesis format) are put forward in this study in order to investigate the proposition advanced earlier. In formulating the two hypotheses, the first provides a test for differences in perceived performance on different measures, whilst the second addresses differences in the sources of performance.

H1: there are no significant differences between higher performing firms adopting either a market concentration or spreading strategy in relation to their perceived performance in overseas markets.

H2: there are no significant differences between higher performing firms adopting either a market concentration or spreading strategy in relation to their perceived competitiveness in overseas markets.