THE EFFECTS OF GLOBALIZATION ON MARKETING STRATEGY AND

PERFORMANCE

By

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To the Faculty of Washington State University:

The members of the Committee appointed to examine the dissertation of

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Chair

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Abstract

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Building on international business, strategic management, and marketing literature, this dissertation advances prior knowledge on globalization and business by analyzing different effects of globalization on firms. Globalization—the process of increasing social, cultural, political, and economic interdependence—has resulted in several changes in business environment. Global market opportunities and threats are major effects of globalization. While the former refers to the increases in market potential, trade and investment potential, and resource accessibility, the latter refers to the increases in number and level of competition, and the level of uncertainty. Two empirical studies included in this dissertation explore how these effects influence firms' international marketing activities and performance.

The first empirical study investigates the effects of globalization on firm performance. The second study examines the role of firms' cooperation in alliances in enhancing their performance amid globalization by specifically focusing on co-marketing alliances and international marketing performance of firms. Conceptual models are developed based on environment-organization literature, transaction cost economics, and market power perspective. Results from both empirical investigations lend support to theoretical conjectures. Specifically, the first study found that while firm performance is enhanced by increased market opportunities

evoked by globalization, it is also hampered by growing competitive threats. Moreover, the second study indicates that globalization drives more collaboration in international marketing activities among firms in co-marketing alliances, and such cooperation enables firms to enhance their international marketing effectiveness.

Thus, central contributions of this dissertation include: first, it classifies the effects of globalization on firms into global market opportunities and global competitive threats; second, it integrates literature on international business, strategic management, and marketing to address the effects of globalization on firms' marketing conduct and outcomes; third, it demonstrates the generalizability of the transaction cost economics, the market power perspectives, and the literature on environment-organization interfaces in the domain of globalization; fourth, it confirms that globalization acts as a two-edged sword and that alliance cooperation presents a viable alternative for firms to navigate successfully in this new competitive landscape.

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INTRODUCTION

Overview

Globalization has caused dramatic changes to business practices around the world. Companies such as IBM, Intel, Microsoft, and Philips have started to outsource specialists from various parts of the world, causing job shifts and changes in companies' structures (Engardio, Bernstein, and Kripalani, 2003). Alliances among automakers (e.g., GM-Ford- DaimlerChrysler, Ford-Mazda, and GM-Honda), petroleum manufacturers (e.g., BP-Mobil, NUPI-Chevron Texaco), and airlines (e.g., star alliances) are other examples of changes driven by this phenomenon. Therefore, this dissertation investigates the effects of globalization on business firms with a particular interest on how it affects firms from both emerging economies (i.e., Thailand), and developed economies, (i.e., the U.S). In this study, "globalization" refers to the process of increasing social and cultural inter-connectedness, political interdependence, and economic, financial and market integrations that are driven by advances in communication and transportation technologies, and trade liberalization (Eden and Lenway, 2001; Giddens, 1990; Molle, 2002; Orozco, 2002).

The dissertation is comprised of three related studies. The first study is empirical research designed to examine the effects of globalization on the performance of exporting firms in Thailand and in the U.S. The second study examines the relationships between the effects of globalization and the degree of co-marketing alliance and international marketing performance of firms. The last study makes an empirical investigation of the effects of globalization on the degree of co-marketing alliance and international marketing performance of firms from two distinct economic contexts—developed and emerging economies, which are represented by American and Thai firms, respectively. Thailand and the U.S. are appropriate research settings

since these two countries differ greatly in their degree of globalization (Foreign Policy, 2001, 2003, 2004), level of economic development, and national competitiveness (Porter, et al., 2000; Porter and Schwab, 2003).

While the U.S. is highly globalized, Thailand is considerably less globalized. According to the survey conducted by AT Kearney and EDS Company in cooperation with Foreign Policy Magazine (2004), Thailand is ranked 48th, and the U.S. is ranked 7th on the globalization index. Thailand is classified as a lower-middle-income economy, one in which the Gross National Income (GNI) per capita is between $736 and $2,935, while the U.S. is considered a high-income-economy whose GNI per capita is above $9,076 (The World Bank Group, 2003). Furthermore, the national competitiveness of these two nations differs dramatically. The U.S. is the second most competitive country in the world whereas Thailand is ranked number 40 on the national competitiveness index (Porter and Schwab, 2003).

In this introduction, the phenomenon of globalization, including the effects of globalization on businesses, is first described. The purpose of the study, the major research questions, and the scope of the study are then presented. Finally, the organization of the dissertation is provided in the last section.

Globalization and its effects

Globalization is an interesting phenomenon since it is obvious that the world has been going through this process of change towards increasing economic, financial, social, cultural, political, market, and environmental interdependence among nations. Virtually, everyone is affected by this process. Given these changes, globalization brings about a borderless world (Eden and Lenway, 2001; Ohmae, 1989a). Globalization drives people to change their ways of living,

prompts firms to change their ways of conducting business, and, spurs nations to establish new national policies. Events transpiring in different parts of the world now have dramatic consequences to other parts of the world at a faster pace than anyone could imagine in the past. For example, the Asian financial crisis in 1997 has severely affected businesses around the world (McLean, 2001; Woo, 2000) and the outbreak of SARS (Severe Acute Respiratory Syndrome) in 2003 has shown how globalization permits the rapid spread of the disease (Anthony, 2003; Meredith, 2003), which affects many airlines, the hospitality industry, and other businesses around the globe.

On the positive side, globalization enables firms to outsource and find customers around the world, e.g., the auto and electronics industries. The globalization of production and operations benefits firms through the realization of economies of scales and scope (Corswant, 2002; Reyes, Raisinghani, and Singh, 2002). Hence, no one can deny that globalization has changed the way we conduct business.

Although globalization is a worldwide phenomenon, the extent to which each country is globalized is not identical. To measure the degree of globalization of each nation, a globalization index was recently developed by a cooperation between Foreign Policy Magazine, AT Kearney and EDS Company (Foreign Policy, 2001, 2003). The index indicates that some small developing countries in emerging economies such as Singapore and Malaysia were among the top twenty most globalized nations from 2001 to 2004 with Singapore being ranked as the most globalized nation in 2001 (AT Kearney, 2002). Thus, it is clear that globalization is an important phenomenon, one that cannot be simply ignored, because every nation—regardless of size or level of development—is globalized and affected by globalization. With the prevalence of this worldwide phenomenon, it is not surprising that businesses are inevitably affected.

Throughout this dissertation, the effects of globalization are classified into two broad categories: 1) global market opportunities, and 2) global market threats. These two major effects are chosen to be investigated here because they are frequently cited in the past literature as the most apparent and immediate effects of globalization (e.g., Fawcett, Calantone, and Smith, 1997; Fawcett and Closs, 1993; Hafsi, 2002; Jones, 2002; Molle, 2002). Global market opportunities refer to the increases in market potential, trade and investment potential and resource accessibility (Contractor and Lorange, 1988; Fawcett and Closs, 1993; Jones, 2002; Levitt, 1983; Shocker, Srivastava, and Ruekert, 1994). Global market threats refer to the increases in the number and level of competition, and the level of uncertainty (Burgers, Hill, and Kim, 1993; Fawcett and Closs, 1993; Jones, 2002; Ohmae, 1989a; Perlmutter and Heenan, 1986).

Globalization and business

The opportunities and threats evoked by globalization have caused firms to adapt their organizational structures and strategies accordingly (Jones, 2002; Knight, 2000). Firms that respond to these trends have been found to improve their performance (Knight, 2000). Although many scholars have often discussed these two effects of globalization, a review of related literature reveals that empirical work on such effects and business firms is still scarce (Clougherty, 2001; Eden and Lenway, 2001; Oxley and Schnietz, 2001). Therefore, this dissertation specifically aims at analyzing the effects of global market opportunities and threats on 1) a firms' overall performance, and 2) a firms' cooperation in marketing alliances and international marketing performance.

Globalization and firm performance

Since the effects that global market opportunities and threats have on firm performance are almost unexplored, the two studies included in this dissertation are designed to study the relationships between these two effects of globalization on firms' performance and their international marketing cooperation and performance. On the one hand, it is suggested that global market opportunities enable firms to access worldwide resources and expand into many new overseas markets; thus, enhancing firm performance (Hafsi, 2002; Jones, 2002; Levitt, 1983; Shocker, Srivastava, and Ruekert, 1994). On the other hand, global market threats can be destructive to firm performance due to an increasing number of competitors and an increase in intensity of competition coupled with higher market uncertainty (Eng, 2001; Fawcett and Closs, 1993; Hafsi, 2002; Jones, 2002; Levitt, 1983; Sanchez, 1997).

However, no conclusion can yet be drawn on how these two aspects of globalization effects relate to firm performance due to the absence of an empirical study that tests these relationships. Hence, investigating the magnitude and directions of the relationships between these two globalization effects and firm performance will help us gain a better understanding about the directions of the effects, and determine appropriate strategies to better manage these effects and help firms stay competitive in a globalized era.

Globalization and cooperative arrangements among firms

The fact that globalization is affecting business is undeniable since we have witnessed remarkable changes in the business environment that have caused transformations and/or alterations in business conduct and marketing activities of firms around the world. To achieve superior marketing performance in the globalization era, firms need to manage relationships with

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partners, customers, and different parties in the value chain (Webster, 1992). As a result, there has been an increasing trend towards more cooperation among firms (Evans, 2001; Hoskisson, Hitt, and Ireland, 2004). Building on two prominent theoretical perspectives—the transaction cost economics (Williamson, 1975, 1981) and the classical industrial organization (the market power perspective)—cooperative arrangements such as strategic alliances offer an excellent alternative for business firms to manage the effects of globalization and attain superior performance. The expansion of a firm's strategic capabilities and the reduction of competition are two main motives for the proliferation of cooperative strategies such as strategic alliances in today's business environment (Burgers, Hill, and Kim, 1993; Kogut, 1988).

Types of cooperative marketing relationships

Building on the conceptualization of Morgan and Hunt (1994), strategic alliances represent one form of lateral partnership between competitors. Figure 1.1, taken from Morgan and Hunt (1994), illustrates the relational exchanges in relationship marketing.

The supplier and buyer partnerships (1, 2, 6 and 7) indicate vertical relationships between a focal firm and its suppliers and/or buyers. While internal partnerships (8, 9, and 10) deal with horizontal relationships within an organization, lateral partnerships (3, 4, and 5) are more concerned with the focal firm's relationships with external parties such as competitors, non-profit organizations, and government. It is the cooperative relationships between the focal firm and its competitors (3) that is the focus of this study.

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Figure 1. 1
The Relational Exchanges in Relationship Marketing
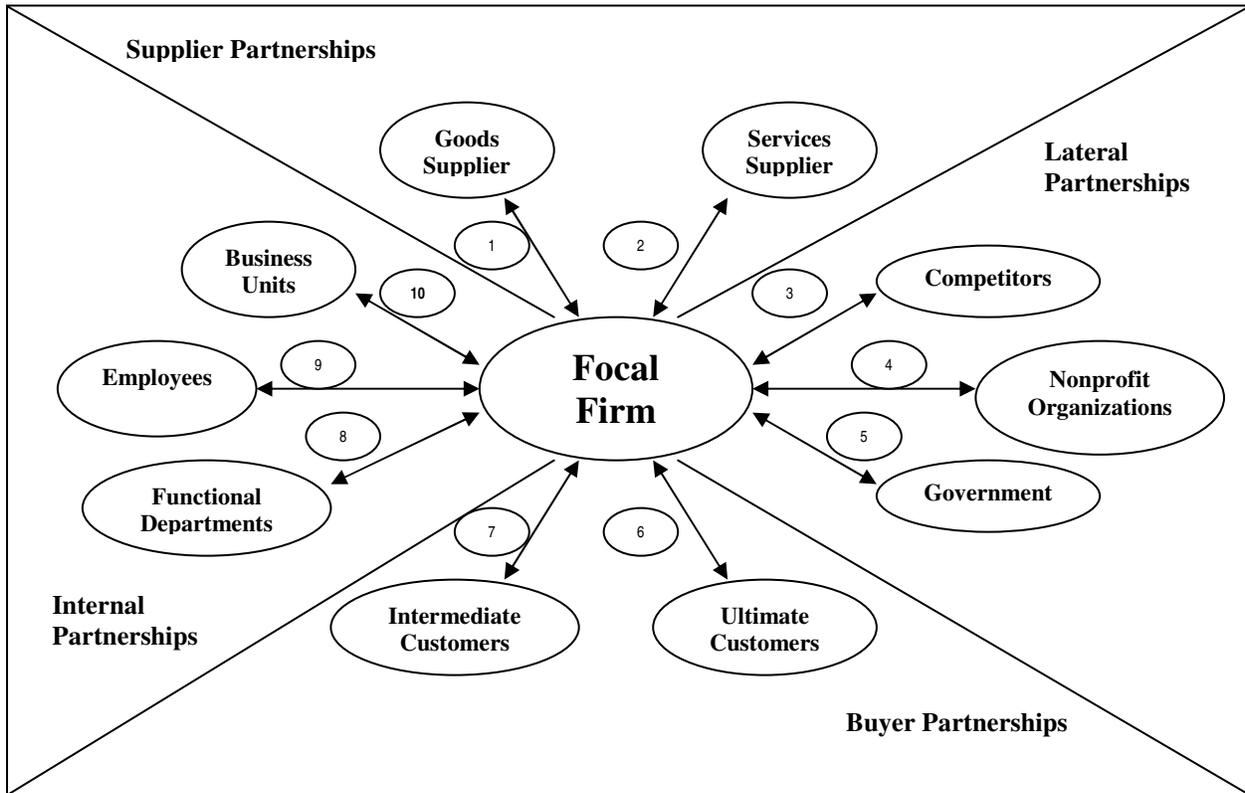
Source: Morgan and Hunt (1994)

Strategic alliances among competitors are of particular research interest for two main reasons: 1) recent literature in management and marketing suggest that we have good theories on vertical integration but not on horizontal relationships (Sheth and Sisodia, 1999), and 2) strategic alliances among competitors comprise more than half of the total alliances formed within a recent two-year period (Hoskisson, Hitt, and Ireland, 2004). Cooperative relationships between a firm and its competitors can be in the form of technology alliances, co-marketing alliances, global strategic alliances, etc. (Morgan and Hunt, 1994). In recent years, we have witnessed a dramatic growth in the formation of such alliances (Dyer, Kale, and Singh, 2001; Ireland, Hitt, and Vaidyanath, 2002; Lambe, Spekman, and Hunt, 2002). Previous studies also indicate that

cross-national alliances are formed in many industries, e.g., automobile, large-scale and high-tech industries, to help firms cope with competition and uncertainty brought about by globalization (Burgers, Hill, and Kim, 1993; Jones, 2002; Shocker, Srivastava, and Ruekert, 1994; Shrader, 2001).

Globalization and marketing cooperation

Among the various types of cooperative arrangements mentioned above, co-marketing alliances are the focus of this dissertation since they are considered a specific type of strategic alliances whose scope is limited to marketing activities (Varadarajan and Cunningham, 1995). They involve the coordination of one or more aspects of marketing—ranging from research and development to production (Bucklin and Sengupta, 1993)—which are central to most types of strategic alliances. Coordinating marketing activities to achieve superior marketing performance in terms of sales, market share and profitability is the fundamental task of most interfirm cooperation.

Moreover, co-marketing alliances are quite common in many industries in which staying at the forefront or markets that require huge investments in R&D is difficult to attain (Bucklin and Sengupta, 1993). This problem of continually maintaining cutting-edge positions in the markets becomes even more serious given the fast pace of technological changes in the phase of globalization such as is found in today's business environment (Ohmae, 1989b). As a result, there has been an increasing trend towards more marketing cooperation among competitors in this business era (Hoskisson, Hitt, and Ireland, 2004; Webster, 1992). Nonetheless, limited research attention has been given to these specific types of strategic alliances (Bucklin and Sengupta, 1993; Sheth and Sisodia, 1999). Hence, an investigation of the degree of cooperation

in co-marketing alliances should provide more insights on how globalization drives cooperation in international marketing activities, and how such cooperation, in turn, affects the firms' international marketing performance.

Despite our knowledge of the presence of globalization, inadequate attempts have been made to assess its effects on firms. In the last two decades, we have witnessed dramatic changes in business and marketing activities, driven by a trend towards more interdependence among nations. These changes demonstrate the significant impact that globalization has on businesses, and thus calls for the need to study this topic. Since marketing is a "context-driven" discipline (Sheth and Sisodia, 1999), an investigation of globalization effects—as one of the contextual factors surrounding marketing activities—proves to be worthwhile.

Developed and emerging economies as the research contexts

Amid globalization where dramatic changes in opportunities and threats are pervasive, a firms' need to respond quickly and flexibly to its environment has significantly stimulated the development of alliances in both developed and emerging economies (Buckley and Casson, 1997; Spekman and Sawhney, 1990; Webster, 1992). Emerging economies are defined as "low-income, rapid-growth countries using economic liberalization as their primary engine of growth" (Hoskisson et al., 2000, 249). To be considered 'emerging,' a country must possess two properties: 1) have a rapid pace of economic development, and 2) be in the process of a free-market system (Arnold and Quelch, 1998). Hoskisson et al. (2000) further classify emerging economies into two groups: 1) developing countries and 2) transition economies.

Emerging-economy firms are those that were originally located in the emerging economies. These firms are interesting to study for several reasons. First, most studies of

emerging economies have been devoted to explaining how firms from developed economies can expand and be successful in emerging economies, yet little is known about how firms from emerging economies can succeed in the international marketplace. Second, these firms have increased their presence and participation in the world market in recent years (Aulakh, Kotabe, and Teegen, 2000; Craig and Douglas, 1997). The success of emerging-economy firms, especially those from Korea, Taiwan, and Singapore, has been well recognized and documented (Aulakh, Kotabe, and Teegen, 2000; Craig and Douglas, 1997; Song, Montoya-Weiss, and Schmidt, 1997). Examples of emerging-economy firms that have gained global success include Samsung and Lucky Goldstar from Korea (Craig and Douglas, 1997), Acer Group and Mitac from Taiwan (Hung, 2002), Creative Technology from Singapore (Cunningham, 1995), and Infosys Technologies from India (Business Week, 2000). Third, some strategies that work well for firms from developed economies may not be perfectly replicated to firms from emerging economies. Moreover, such strategies may not provide firms with the same successes due to the unique characteristics of both the emerging economies and the firms per se (Craig and Douglas, 1997; Khanna and Rivkin, 2001).

Emerging-economy firms are usually different from developed-economy firms in various ways. On average, the former are usually relatively young with limited foreign and market-oriented experiences (Hitt, et al., 2000), lacking managerial, financial and technological skills (Aulakh, Kotabe, and Teegen, 2000; Hitt, et al., 2000), and possessing negative brand and country-of-origin images (Aulakh, Kotabe, and Teegen, 2000). Moreover, some of them are newly privatized with limited resource endowments (De Castro and Uhlenbruck, 1997), and typically are smaller in size than the latter.

Provided the aforementioned distinct characteristics of firms from emerging economies, it is interesting to study how globalization affects such firms, and whether these effects are similar to or different from those of firms in developed markets. In addition, since the majority of research in business disciplines merely focuses on firms in developed nations with little interest in emerging-economy firms, the study of firms in an emerging-economy context should also fill this gap in the literature and thus provide avenues for future research.

The purpose, the major research questions, and the scope of the study

The primary objective of this research is to gain a better understanding of the effects of globalization on firms' international marketing cooperation and performance of firms, both in developed and emerging economies (i.e., the U.S. and Thailand, respectively). The first two research questions of this dissertation are: 1) Does globalization affect firm performance? and 2) Is the relationship between global market opportunities and performance stronger than the relationship between global market threats and performance? By answering these research questions, the first study of this dissertation uses data collected from firms in the U.S. and Thailand. The study indicates the extent to which firms in two different economic contexts are affected by globalization. It also shows which dimension of globalization effects tends to have stronger impact on the performance of firms that are located in very different market environments.

Another related emphasis of this dissertation is on how the degree of cooperation in co-marketing alliances enables firms to manage globalization effects and stay competitive in international markets. As suggested in past literature, globalization makes alliances an essential part of a firm's strategy in order to stay competitive and to achieve superior performance

(Ohmae, 1989a; Sheth and Sisodia, 1999; Spekman and Sawhney, 1990; Webster, 1992). To better capture global opportunities, firms tend to cooperate with other firms to capitalize on and leverage their limited resources (Adler, 1966; Robson and Dunk, 1999; Varadarajan and Rajaratnam, 1986) since it is impossible for one firm to "do it all and go it alone" (Ohmae, 1989b). Similarly, in order to cope with increasing global competitive threats, firms are likely to form alliances (Gulati, 1998; Ireland, Hitt, and Vaidyanath, 2002; Rindfleisch and Moorman, 2001; Sheth and Sisodia, 1999; Spekman and Sawhney, 1990). Based on the classical industrial organization perspective—the market power (Burgers, Hill, and Kim, 1993; Kogut, 1988)— firms form alliances to reduce competition and uncertainty. Through such cooperation, companies gain market power that helps alleviate competition and improve its competitive position (Gulati, 1998; Kale, Dyer, and Singh, 2002).

Therefore, the next two research questions of this dissertation are: 1) Does globalization affect the degree of cooperation in co-marketing alliances? and 2) Do co-marketing alliances influence firms' international performance? Guided by these two broad research questions, a more specific emphasis of this paper is on the degree of cooperation in international marketing activities of the co-marketing alliances among firms.

Past literature also suggests that firms from emerging economies usually possess characteristics which distinguish them from those of developed economies (Arnold and Quelch, 1998; De Castro and Uhlenbruck, 1997; Hitt, et al., 2000; Luthans, Patrick, and Luthans, 1995). Therefore, empirical investigations on the relationships among globalization effects, degree of co-marketing alliances, and performance of firms from Thailand and the U.S., which possess different backgrounds and characteristics, are undertaken by a primary data approach. The data collection using survey technique is thus used.

Organization of the dissertation

This dissertation consists of three manuscripts, and it is organized as follows:

Chapter One presents the general phenomenon of interest, demonstrates the value of the study, and summarizes the topic of the study.

Chapter Two is an empirical study designed to investigate the effects of globalization on the performance of firms from two distinct market contexts—Thailand and the U.S. Research questions, a conceptual model, and researcg hypotheses are presented. Then, the cross-cultural research technique, the results of the study and major research findings are discussed. This chapter ends with theoretical contributions, managerial implications, limitations of the study, and directions for future research.

Chapter Three presents a conceptual paper proposing an examination of the relationships among globalization effects, degree of co-marketing alliance, and international marketing performance of firms from emerging economies. A review of related literature on globalization and alliances is provided. Theoretical underpinnings are discussed, a conceptual model is presented, and research hypotheses are developed.

Chapter Four empirically tests the proposed relationships among globalization effects, degree of co-marketing alliance and performance of firms in two distinct economic settings— Thailand, and the U.S. Next, the cross-cultural research method is described, and results of the study and major research findings are presented and discussed. Finally, the theoretical contributions, managerial implications, limitations of the study, and possible extension of the research are provided.

Chapter Five concludes with major findings, theoretical contributions, managerial implications and limitations of the studies included in this dissertation. Potential avenues for future research are also presented.

CHAPTER TWO

GLOBALIZATION EFFECTS AND FIRM PERFORMANCE

Introduction

In the past two decades, the world has gone through the process of globalization, one that causes

increasing economic, financial, social, cultural, political, market, and environmental

interdependence among nations. Business, as well, is inevitably affected by this process of

change towards more interdependence. Many forms of organizational restructuring (such as

downsizing, reengineering, implementation of cooperative strategies) have been witnessed as

responses to globalization (Jones, 2002). Yet, limited empirical studies have been conducted to

investigate how globalization actually affects firms. International business scholars (e.g., Clark

and Knowles, 2003; Clougherty, 2001; Eden and Lenway, 2001; Young, 2001) point out the

need to explore further the effects of globalization on firms. Therefore, we aim to investigate the

effects of globalization on firm performance.

In this study, globalization is defined as the process of increasing social and cultural

inter-connectedness, political interdependence, and economic, financial and market integrations

(Eden and Lenway, 2001; Giddens, 1990; Molle, 2002; Orozco, 2002). Although much

descriptive and theoretical literature is published on the impact of globalization, very little

empirical work exists that tests globalization effects. A few exceptions of empirical studies

examining the impact of globalization include, for example, Clougherty (2001), and Oxley and

Schnietz (2001). While Clougherty's (2001) study is related to industry-level variables (i.e.,

domestic competition policy in the airline industry), the study conducted by Oxley and Schnietz

(2001) is more focused on firm-level variables by relating globalization to firm performance. At

the macro level, globalization is found to undermine autonomy in domestic airline competition

policy (Clougherty, 2001). At the micro level, globalization (operationalized as trade liberalization) is found to improve the performance of U.S. multinational enterprises (Oxley and Schnietz, 2001). From these two studies, we have learned that globalization is a multi-faceted construct. Therefore, the classification of its effects into different dimensions and the study of their impact on firms prove to be worthwhile.

Based on the aforementioned discussion, the purpose of this study is twofold. We aim to classify and define the effects of globalization based on a review of globalization-related literature. Furthermore, we operationalize such effects and conduct an empirical test on the relationships between each of the key globalization effects and the performance of exporting firms in two distinct economic contexts, the developed markets (the U.S.) and the emerging markets (Thailand). Hence, this research attempts to answer two research questions: 1) Does globalization affect firm performance? and 2) Is the relationship between global market opportunities and performance stronger than the relationship between global market threats and performance?

This paper is organized as follows. We first review the literature on globalization effects, and define global market opportunities and global market threats. We then discuss the theoretical frameworks underlying this study and the hypotheses. The two research contexts of the study (i.e., the developed and emerging markets) are then described. The next section discusses the research method and presents the results of the study. The research contributions and conclusions are provided in the last section of the paper.

Globalization Literature

Forces of globalization

According to Harvey and Novicevic (2002), various factors that drive increasing globalization can be grouped under four broad categories: 1) Macro-economic factors, 2) political factors, 3) technological factors, and 4) organizational factors. Macro-economic factors include, for example, an acceleration of technology transfer among countries and a rapid increase in populations in emerging economies (Harvey and Novicevic, 2002; Manardo, 1991). Political factors refer to privatization, deregulation and trade liberalization of many nations in favor of free flows of trade and investments (Eden and Lenway, 2001; Hafsi, 2002). Technological forces such as advance development in communication and transportation technologies, which promote growth in international business transactions, are also key drivers of rapid globalization (Graham, 1996; Knight, 2000).

Organizations such as multinational enterprises are another major agent of this process (Eden and Lenway, 2001; Harvey and Novicevic, 2002). Shifting organizational strategic attention towards a more global mindset is an example of organizational forces of globalization. Consequently, these forces have inevitably caused changes in the global marketplace. Such changes can be viewed as effects of globalization, which ultimately have impact on firms. These effects are discussed in detail in the following sections.

Globalization effects

Since the 1980s, we have witnessed dramatic changes in the international and global marketplace. Liberalization of world trade and capital markets led by globalization has created a new and challenging competitive arena for all firms (Nolan and Zhang, 2003). With the trend

towards more interdependence among nations, several changes in the business environment have emerged. There has been an emergence of global markets for goods, services, labor and financial capital (Deardorff and Stern, 2002; Hansen, 2002). Consumers' demands around the world have converged (Fram and Ajami, 1994; Levitt, 1983; Ohmae, 1989a). Increasing trade and investment liberalization evoked by advances in transportation and communication technologies has resulted in larger volumes of international business transactions (Deardorff and Stern, 2002; Fawcett, Calantone, and Smith, 1997; Fawcett and Closs, 1993).

These aforementioned trends have brought about two key effects of globalization, global market opportunities and global market threats (Contractor and Lorange, 1988; Fawcett and Closs, 1993; Hitt, Keats, and DeMarie, 1998; Molle, 2002; Perlmutter and Heenan, 1986; Sanchez, 1997). It is obvious that globalization not only presents more opportunities to firms, but also higher levels of threats (D'Aveni, 1994; Eng, 2001; Jones, 2002; Oxley and Yeung, 1998; Shocker, Srivastava, and Ruekert, 1994). While opportunities can arise from globalization, competition and uncertainty are inevitable. Although frequently mentioned in past literature, empirical studies relating these effects to firm performance are still scarce. This calls for a need to study globalization-performance relationships. These two dimensions along with our theoretical framework and hypotheses are discussed next.

Theoretical framework and hypotheses

Since our study attempts to establish the link between the external environment (i.e., globalization effects) and firm performance, we will draw from environmental organization literature. Due to the multi-level and multi-dimensional nature of the environmental construct, the level and dimension of the environment to be studied must be clearly specified to minimize

conceptual ambiguity and overabstraction (Castrogiovanni, 1991). Among the five levels of environmental conceptualization (i.e., resource pool, subenvironment, task environment, aggregation environment, and macro environment), this paper focuses on investigating the macro environment (i.e., globalization), which is the highest level of environmental conceptualization and encompasses all the other lower levels of environmental construct mentioned above. It is the context containing forces which significantly influence organizational characteristics and outputs (Osborn and Hunt, 1974).

The environment in which firms operate provides resources that influence their survival and growth and the ability of new entrants to join the environment (Randolph and Dess, 1984). This refers to one of many environmental dimensions, the environmental munificence, which can be defined as the scarcity or abundance of critical resources needed by firms operating within an environment (Castrogiovanni, 1991; Dess and Beard, 1984; Pfeffer and Salancik, 1978). Three sub-dimensions of environmental munificence include: 1) growth/decline, 2) capacity, and 3) opportunities/threats.

Amid globalization, firms are affected by the changes in both market opportunities and threats (Frenkel and Peetz, 1998; Hitt, Keats, and DeMarie, 1998; Kulmala, Paranko, and Uusi-Rauva, 2002). These opportunities and threats are two dimensions of the macro environment emphasized in this study. They can also be regarded as forces, which affect organizational outputs, i.e., firm performance. Hence, we hypothesize that there is a direct relationship between these two dimensions of globalization effects and firm performance (see Figure 2.1).

Figure 2. 1
A Model of Globalization Effects and Firm Performance
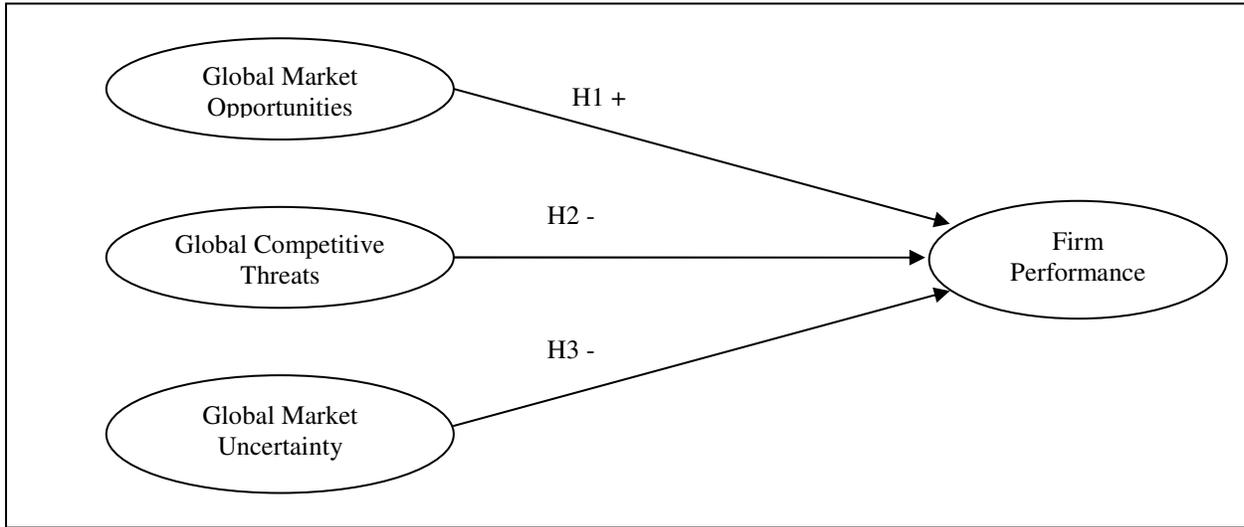
Global market opportunities and firm performance

Global market opportunities can be defined as increases in market potential, trade and investment

potential and resource accessibility resulting from globalization (Contractor and Lorange, 1988;

Fawcett and Closs, 1993; Jones, 2002; Levitt, 1983; Shocker, Srivastava, and Ruekert, 1994).

Developments in information technology, removal of trade and investment barriers,

privatization, and deregulation of trade and investment policies have provided firms seeking

international markets with tremendous opportunities (Scully and Fawcett, 1994). Such changes

in the business environment enable firms to not only access new markets but also lower costs by

relocating their operations and exploiting cheap resources around the world (Czuchry and Yasin,

2001). Firms can outsource their production in various locations to lower their costs (Chimerine,

1997). Market transactions have also become more efficient due to globalization of technology

(Peterson, Welch, and Liesch, 2002). These new market opportunities have eventually fostered

rapid growth in various economic sectors in many regions around the world (Graham, 1996). A

large volume of cross-border flows of trade, investment, and technology during the 1990s and

early 2000s is excellent evidence of increasing opportunities driven by globalization (UNCTAD, 2003).

As discussed earlier, globalization increases market potential, trade and investment potential and resource accessibility of firms. It has become easier for firms to outsource their production to different locations to gain benefits from location advantage since less trade and investment barriers are present in today's global marketplace (Chimerine, 1997; Czuchry and Yasin, 2001). Firms are able to reach out and serve many new untapped markets around the globe. Liberal movements of financial and human capital also facilitate their business transactions. Moreover, advances in communication technology and information systems also lower search costs and improve efficiency (Peterson, Welch, and Liesch, 2002).

Hence, it is clear that globalization makes resources necessary for a firm's growth and success more abundant. Given that these opportunities are likely to enhance the firm performance, the first hypothesis of this study can be stated as:

H1: Firm performance is positively influenced by global market opportunities.

Global market threats and firm performance

Global market threats can be further categorized into 1) global competitive threats and 2) global market uncertainty. Global competitive threats are defined as the intensified competition in global markets resulting from larger numbers of competitors in the global marketplace (D'Aveni, 1994; Hafsi, 2002). Along with higher competition, another threat posed by globalization is global market uncertainty, which refers to the increasing complexity and demand uncertainty in the market (Burgers, Hill, and Kim, 1993; Chimerine, 1997; Courtney, 2001; Oxelheim and

Wihlborg, 1991). These two types of global market threats and their hypothesized relationships are discussed in detail in the following sections.

Global competitive threats

Although globalization enhances a firm's market opportunities, it also increases the amount and level of competition faced by such firms. Trade liberalization, technological developments, and convergence of governmental macroeconomic policies associated with globalization have made it easy for firms around the globe to enter different geographic markets, and thus, intensify the competitive atmosphere for firms around the world (Hafsi, 2002; Harvey and Novicevic, 2002). Globalization has dramatically changed the competitive terrain faced by firms from both developed and emerging economies (Nolan and Zhang, 2003; Scully and Fawcett, 1994). Firms operating at different levels—domestic, regional, international and global—are now competing against one another. Hence, it is obvious that globalization has brought about a new competitive landscape referred to as "hypercompetitive markets" (Hitt, Keats, and DeMarie, 1998, 24), one that presents enormous threats to firms in every economic sector since it makes a firm's relative competitive advantage very time-sensitive (Harvey and Novicevic, 2002).

In addition, globalization also enables consumers to gather information easier, faster, and at lower costs. Thus, they become well aware of alternative products, and are ready to switch. Given a growing number of competitors, resources are becoming increasingly scarce (Castrogiovanni, 1991; Dess and Beard, 1984; Porter, 1980). Such hypercompetitive situations coupled with scarce resources is harmful to firm performance (Beard and Dess, 1981; Singh, House, and Tucker, 1986). Firms are now faced with less pricing flexibility due to intensified competition and buyers' resistance, which have led to a lower rate of return (Chimerine, 1997).

Therefore, we hypothesize that there is a negative relationship between global competitive threats and firm performance.

H2: Firm performance is negatively influenced by global competitive threats.

Global market uncertainty

Global market uncertainty, which refers to the increasing complexity and demand uncertainty in the market (Burgers, Hill, and Kim, 1993; Courtney, 2001; Oxelheim and Wihlborg, 1991) is another threat confronted by firms operating in the global marketplace. Firms are faced with increasing difficulties in planning and making decisions (Chimerine, 1997; Hitt, Keats, and DeMarie, 1998). Demand has become hard to forecast for various reasons. Since a growing number of firms now participate in the global marketplace, forecasting demand and/or competitors' responses has become increasingly difficult. Moreover, technology is changing at a rapid pace and information about new products is easily accessible by consumers. This has enabled consumers to shift between producers, making demand become less predictable and uncertain (Chimerine, 1997).

Since operating in the global marketplace increases the level of uncertainty encountered by firms, their performance is affected. In addition, past studies found a negative relationship between perceived uncertainty and firm performance (Downey and Slocum, 1982; Gerloff, Muir, and Bodensteiner, 1991; Waddock and Isabella, 1989). Thus, global market uncertainty is hypothesized to negatively affect firm performance.

H3: Firm performance is negatively influenced by global market uncertainty.

Research context

The two countries selected as the research settings for this study are Thailand and the U.S. These countries provide rich research contexts due to differences in terms of their degree of globalization (Foreign Policy, 2001, 2003), level of economic development, and national competitiveness (Porter, et al., 2000; Porter and Schwab, 2003). While the U.S. is highly globalized, Thailand is considerably less globalized. According to a survey conducted by AT Kearney and EDS Company in cooperation with Foreign Policy Magazine (2004), Thailand is ranked 48th, and the U.S. is ranked 7th on the globalization index.

Thailand is classified as a lower-middle-income economy, one in which the Gross National Income (GNI) per capita is between $736 and $2,935, while the U.S. is considered a high-income-economy whose GNI per capita is above $9,076 (The World Bank Group, 2003). Furthermore, the national competitiveness of these two nations differs dramatically. The U.S. is the second most competitive country in the world whereas Thailand is ranked number 40 on the national competitiveness index (Porter and Schwab, 2003).

Given those sharp contrasts, it is perhaps worthwhile to examine whether the relationships between globalization effects and firm performance are similar or different. Moreover, using sample groups from two countries allows us to focus on the generalizability of this study in order to provide useful information for further research.

Research method

Sample

The electronics and chemical industries were found to have a large number of exporters in both Thailand and the U.S. due to lower manufacturing costs in the former and more advanced

technology in the latter. For this reason, firms in these two industries were selected as the population base of this study. Recent lists of exporting firms in Thailand were identified from two sources: 1) Export-Import Bank, Thailand (2001-2003) and 2) Department of Export Promotion, Thailand (2003). These two sources are reliable and legitimate because they represent the authorities that oversee and support exporters in Thailand. Therefore, these sources provide the most complete set of exporting firms in Thailand classified by industries. A total of 1,050 firms (450 electronic exporters; 600 chemical and pharmaceutical exporters) are included in the sampling frame.

The sample in the U.S. consists of firms in manufacturing sectors having the first three digits of the North American Industry Classification System (NAICS) of 334- and 325-. Lists of qualified firms were obtained from Harris InfoSource's (2001) database and Ward's Business Directory of U.S. Private and Public Companies by Gale Group (2001). We relied on these two directories because they classify firms based on the NAICS and provide information regarding a firms' export activity, necessary information for this study. Therefore, we randomly selected our samples from these lists. This yielded the final sample size of 692 U.S. exporters.

Survey design and data collection

The main research instrument in this study was a questionnaire, initially designed based on previous studies. The questionnaire was designed in English and revised after discussing with fifteen experts and managers and a pretest with twenty firms. It was then translated into Thai and back-translated by two independent bilinguals using the method suggested by Douglas and Craig (1983). This involved original translation, back-translation, and extensive refinements

until the translated instruments possessed both conceptual and functional equivalences (Cavusgil and Das, 1997; Green and White, 1982; Mintu, Calantone, and Gassenheimer, 1994).

The key informant technique (Campbell, 1955) was used to collect data. The targeted key informants included the presidents, owners, or middle-level managers (general managers or marketing managers) who are typically top decision makers of the firms and are most knowledgeable about the firms' overall activities. The questionnaires were mailed to 1,050 and 692 firms in Thailand and the U.S., respectively. In both countries, three waves of mailings were sent to the key informants in our sampling frame. In addition, a telephone follow-up was conducted one week after each of the mailings to request and encourage participation. After eliminating undelivered mail and firms that are no longer exporting or out of business, the total valid mailings were 767 in Thailand and 359 in the U.S.

A total of 223 completed surveys were returned, and 208 were usable. Table 2.1 shows the distribution and summary of responses by country. The overall response rate was 20%.

Table 2. 1

Survey Response Rate

	U.S.	Thai	Total
Total number of questionnaires mailed	692	1050	1742
Number of invalid addresses	(333)	(283)	(616)
Number of successfully mailed questionnaires	359	767	1126
Number of incomplete returned questionnaires	(2)	(13)	(15)
Number of unreturned questionnaires	(299)	(604)	(903)
Number of valid returned questionnaires	58	150	208
Response Rate	17%	21%	20%

Non-response bias analysis

We used two methods to estimate non-response bias. The first approach involves dividing responses into early and late response groups on the basis of their arrival dates (Armstrong and Overton, 1977) while the second approach requires a random and equal split of responses. Then,

a comparison of differences in the mean of responses between early and late groups and between two equally and randomly split groups can be conducted along key constructs of the study. Such comparison is considered a valid test of non-response bias as documented and practiced by a volume of studies (e.g., Li and Calantone, 1998; Wu, Mahajan, and Balasubramanian, 2004).

The questionnaires of two countries were initially divided into two groups based on their arrival dates. The first group of responses, early response group, consisted of questionnaires received during the first four weeks of the survey period. Questionnaires received afterwards were considered late responses. The early response group included 119 firms (90 from Thailand and 29 from the U.S.) or 57 percent of total valid replied mails. The remaining 89 firms (60 from Thailand and 29 from the U.S.) were grouped as late responses, and this accounted for 43 percent of the total responses.

The questionnaires were categorized randomly into two equal groups. Following this approach, two data groups with an equal number of responses (i.e., 104) were generated. The means of the major constructs in this study were compared in both groupings, and no significant differences were found (see Tables 2.2 and 2.3). This suggests that non-response bias is not a concern.

Table 2. 2

Comparison of Early and Late Responses

Construct	F-Statistics: Test of Equality of Variances (P-value)	T-Statistics: Equal Variances Assumed (P-value)	T-Statistics: Equal Variances Not Assumed (P-value)	Wilcoxon W Z-Statistics (P-value)
Global market opportunities	0.186 (0.666)	0.633 (0.527)	0.628 (0.531)	-0.221 (0.825)
Global competitive threats	1.460 (0.228)	-0.990 (0.323)	-0.999 (0.319)	-0.382 (0.703)
Global market uncertainty	0.028 (0.867)	0.317 (0.751)	0.316 (0.752)	-0.827 (0.408)

Table 2. 3

Comparison of Two Randomly and Equally Split Responses

Construct	F-Statistics: Test of Equality of Variances	T-Statistics: Equal Variances Assumed	T-Statistics: Equal Variances Not Assumed	Wilcoxon W Z-Statistics
Global market opportunities	2.073 (0.151)	-1.177 (0.241)	-1.177 (0.241)	-1.012 (0.312)
Global competitive threats	0.000 (0.994)	1.366 (0.173)	1.366 (0.173)	-0.048 (0.961)
Global market uncertainty	0.214 (0.644)	0.312 (0.756)	0.312 (0.756)	-1.465 (0.143)

Note: P-value is in parentheses.

Measures

Dependent variable: Firm performance

Firm performance was measured using four self-reported items that reflect the level of a managers' satisfaction in terms of return on investment, sales goals, profit goals, and growth. These items were adopted from Grewal and Tansuhaj (2001) and were rated on a seven-point scale (1 = very unsatisfactory and 7 = very satisfactory). We used subjective performance measures in this study for two major reasons. First, past studies indicate that both perceptual and objective measures of performance yield consistent results (Dess and Robinson, 1984; Hart and Banbury, 1994; Naman and Slevin, 1993; Pearch, Robbins, and Robinson, 1987). Next, the secondary financial data indicating the expenses and revenues of firms from emerging markets is either unavailable or difficult to obtain due to the size and non-public nature of their businesses (Sapienza, Smith, and Gannon, 1988).

Globalization effects

Global market opportunities are defined as increases in market potential, trade and investment potential and resource accessibility resulting from globalization. Global market threats can be

further categorized into 1) global competitive threats and 2) global market uncertainty. Global competitive threats refer to the intensified competition in global markets resulting from a larger number of competitors in the global marketplace. Global market uncertainty is defined as the increasing complexity and demand uncertainty in the market.

Based on these dimensions of globalization effects, measurement items were generated based on a review of past literature (Archibugi and Michie, 1995, 1997; Fawcett, Calantone, and Smith, 1997; Fawcett and Closs, 1993; Fram and Ajami, 1994; Levitt, 1983; Morrissey and Filatotchev, 2000; Ohmae, 1989a; Zou and Cavusgil, 2002). All items were rated on a seven-point Likert scale. Global market opportunities were measured using six items. Global competitive threats and global market uncertainty were measured using two and three items, respectively. Table 2.4 presents the items used to measure globalization effects. Scale items anchored by "strongly disagree" (1) to "Strongly Agree" (7).

Table 2. 4

Measures of Globalization Effects

Global market opportunities:
GMO1 Globalization has increased my firm's opportunities to develop customer markets worldwide.

GMO2 Globalization has increased my firm's opportunities for trade and investment.
GMO3 Globalization has increased my firm's market potential.
GMO4 Globalization has increased my firm's opportunities to expand the firm's products and/or markets.
GMO5 Globalization has facilitated my firm's international market expansion.
GMO6 Globalization has made it easy for my firm to identify potential customers.

Global competitive threats:
GCT1 Globalization has increased the number of competitors my company is facing.
GCT2 Globalization has increased the level of competition my company is facing.

Global market uncertainty:
GMU1 Globalization has increased the difficulty in forecasting demand for the firm's products.
GMU2 Markets have become increasingly uncertain due to globalization.
GMU3 Globalization has caused unpredictable changes in consumer purchasing patterns.

Measure development and validation

General measurement approach

Given the scarcity of prior empirical research, the scale to measure the effects of globalization was newly generated. Since observed variables were manifestations of underlying construct, reflective measures were used to assess the constructs of interest in this study (Bagozzi and Baumgartner, 1994). Therefore, confirmatory factor analysis by means of AMOS 4.01 (Arbuckle, 1999) was used to assess the psychometric properties of the scales to validate the measures (Anderson and Gerbing, 1988; Fornell and Larcker, 1981).

Scale assessment

Before merging two national sub-samples for measurement validation, an assessment of measurement invariance was conducted to ensure cross-cultural equivalence of the constructs (Steenkamp and Baumgartner, 1998). Following the procedure suggested by Steenkamp and Baumgartner (1998), configurational invariance and metric invariance must be achieved. While the former refers to the cross-cultural equivalence in the factorial structure underlying a set of observed measures, the latter implies equivalence in the scale intervals. Applying multiple group confirmatory factor analysis, the results revealed full configurational invariance and metric invariance. Hence, it can be concluded that merging the two national sub-samples is valid.

Table 2.5 provides a summary of our scale assessment. The chi-square (χ^2) of the measurement model was 104.278 (degree of freedom = 82). The comparative fit index (CFI), normed fit index (NFI), non-normed fit index (NNFI), and goodness of fit index (GFI) were .98, .95, .98, and .94, respectively. These fit indices of above .90 are considered acceptable (Bentler, 1992; Byrne, 2001; Diamantopoulos and Siguaw, 2000; Jöreskog and Sörbom, 1993).

Table 2. 5

Factor Loadings (λ), Squared Multiple Correlation (R^2), Composite Reliability (ρ_c), and Cronbach Alpha (α)

Items	Thailand				The U.S.				Total			
	λ	R^2	ρ_c	α	λ	R^2	ρ_c	α	λ	R^2	ρ_c	α
GMO1	0.787	0.620			0.924	0.853			0.828	0.685		
GMO2	0.877	0.769			0.737	0.543			0.829	0.687		
GMO3	0.818	0.670	0.86	0.91	0.840	0.706	0.94	0.87	0.824	0.679	0.86	0.92
GMO4	0.854	0.730			0.900	0.810			0.873	0.762		
GMO5	0.784	0.615			0.915	0.837			0.836	0.700		
GMO6	0.605	0.533			0.745	0.555			0.677	0.548		
GCT1	0.912	0.831	0.83	0.88	0.921	0.847	0.95	0.87	0.892	0.796	0.84	0.92
GCT2	0.865	0.748			0.988	0.977			0.952	0.906		
GMU1	0.790	0.623			0.786	0.617			0.742	0.551		
GMU2	0.687	0.501	0.60	0.73	0.958	0.918	0.89	0.79	0.841	0.707	0.66	0.81
GMU3	0.574	0.530			0.822	0.676			0.721	0.519		
FP1	0.761	0.579			0.703	0.520			0.740	0.547		
FP2	0.900	0.810	0.86	0.92	0.806	0.650	0.85	0.77	0.884	0.782	0.84	0.91
FP3	0.948	0.898			0.874	0.763			0.923	0.852		
FP4	0.859	0.738			0.715	0.512			0.825	0.681		

Labels of variables: GMO = global market opportunities, GCT = global competitive threats, GMU = global market uncertainty, FP = firm performance

Root mean square of error approximation (RMSEA) was .036. This value of RMSEA is indicative of good fit since it is less than .05, which is commonly regarded as the threshold (Browne and Cudeck, 1993; McCallum, Browne, and Sugawara, 1996). Construct reliabilities were assessed using squared multiple correlation (R^2), Cronbach alpha and composite reliability (ρ_c). Every indicator was a reliable measure of its designated construct since each squared multiple correlation was substantial, i.e., greater than 0.5 (Diamantopoulos and Siguaw, 2000). The Cronbach alphas of all constructs were greater than 0.7, the minimum acceptable level suggested by Nunnally and Bernstein (1994). In addition, the composite reliabilities of the constructs exceeded 0.6, the benchmark recommended by Bagozzi and Yi (1988).

All indicators loaded significantly and substantively on their hypothesized factors (p <.001). We assessed the discriminant validity of each construct in two ways. First, the square roots of the average variance extracted in Table 2.6 are greater than all corresponding correlations (Fornell and Larcker, 1981). Second, all constructs exhibit discriminant validity because each correlation is less than 1 by an amount greater than twice its respective standard error (Bagozzi and Warshaw, 1990). Based on the aforementioned criteria, all scales used in this study proved to be valid and reliable. Table 2.6 presents the descriptive statistics for latent constructs along with their correlations, which are based on averages of items. From our preliminary investigation on the correlations, the direction of relationships between three dimensions of globalization effects and firm performance were consistent with our hypotheses.

Table 2. 6

Descriptive Statistics: Mean, Standard Deviation, and Correlations

	GMO	GCT	GMU	FP
1. Global market opportunities (GMO)	**0.72**			
2. Global competitive threats (GCT)	.22**	**0.85**		
3. Global market uncertainty (GMU)	-.03	.46**	**0.63**	
4. Firm performance (FP)	.14*	-.11	-.06	**0.75**
Mean	5.11	5.49	4.51	4.61
Standard Deviation	1.15	1.41	1.28	1.25

** $p < .01$
* $p < .05$
Notes: Numbers shown in boldface denote the square root of the average variance extracted.

Results and discussion

Preliminary test of country and industry effects

We initially assessed the differences in the mean of the dependent variable—firm performance—between two national sub-samples and two industry sub-samples by using one-way ANOVA. The result revealed that there is no difference in the mean of firm performance between Thai and the U.S. exporters (F-statistics = 2.226 at $p > .10$) or between electronics and chemical industries (F-statistics = 0.336 at $p > .10$). Therefore, there is no significant difference in firm performance between firms from these two countries and industries. This is not unexpected since the performance of firms in similar industries (i.e., high-tech industries such as chemical and electronics) may be very similar.

Estimation

Since there is no difference in the mean of dependent variable across industries and countries and the results of measurement invariance have confirmed equality in the constructs across these two countries, data were pooled for model estimation. Maximum Likelihood Estimation (MLE) was used to fit the structural model presented in Figure 2.1. Fitting the structural model after the measurement model has been purified is the procedure suggested by Anderson and Gerbing (1988) and is commonly practiced by many academic scholars such as Li and Calantone (1998) and Zou and Cavusgil (2002). The estimates were computed using AMOS 4.01 (Arbuckle, 1999). The structural proposed model of globalization effects and firm performance is presented in Figure 2.2 along with parameter estimates and fit statistics.

Figure 2. 2
MLE Estimation for Model
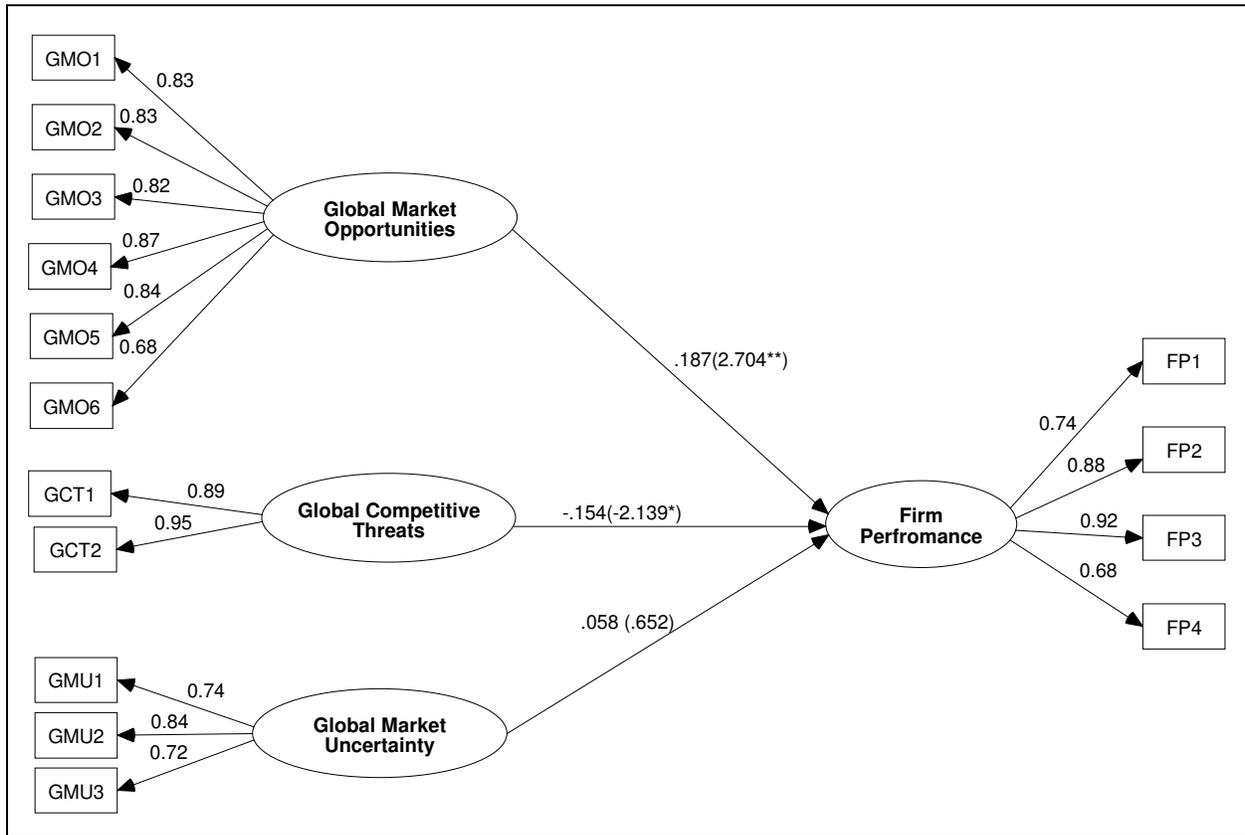
** Significant at .01.
* Significant at .05.

Notes: Model statistics: Chi-square (χ^2) = 145.889, degree of freedom = 84, p <.01; goodness of fit index (GFI) = .915, normed fit index (NFI) = .931, non-normed fit index (NNFI) = .961, and comparative fit index (CFI) = .969.

As shown in Figure 2.2, the χ^2 of 145.889 (degree of freedom = 84) is significant at .05 level.   Other fit indices examined in this paper included goodness of fit index (GFI), normed fit index (NFI), non-normed fit index (NNFI), and comparative fit index (CFI). The GFI of .915, NFI of .931, NNFI .961, and CFI of .969 were above .90, the minimum desirable level recommended by Bentler (1992), Byrne (2001), Diamantopoulos and Siguaw (2000) and Jöreskog and Sörbom (1993). Moreover, all the standardized residuals were small. Thus, we conclude that the model fits data well.

Hypothesis testing

To test the hypothesized relationships between globalization effects and firm performance, we used the estimates of the path coefficients. The path coefficients in Figure 2.2 indicate that firm performance is affected positively and significantly by global market opportunities ($t = 2.704$, $p < .01$). As hypothesized, global competitive threats negatively influence the firm performance. The path coefficient between the global competitive threat and firm performance is positive and significant ($t = -2.139$, $p < .05$). Thus, H1 and H2 are supported. Nonetheless, we found no support for H3 since firm performance is not significantly influenced by global market uncertainty ($t = .652$, $p > .5$). Overall, the structural model fits the data adequately, and the hypothesized relationships between two effects of globalization—global market opportunities and global competitive threats—and firm performance are significant, and supported by the findings. Table 2.7 summarizes the results of the hypothesis testing.

Table 2. 7

Results of Hypothesis Testing

Variables	Hypotheses
Global market opportunities → Firm Performance	H1 Positive (Supported)
Global competitive threats → Firm Performance	H2 Negative (Supported)
Global market uncertainty → Firm Performance	H3 Negative (Not supported)

In addition to testing the hypothesized relationship, we also tested whether the effect of global market opportunities is greater than global market threats. We then compared the two path coefficients (i.e., between global market opportunities and firm performance and between global competitive threats to firm performance) by using the following method:

$$\frac{\hat{\beta}_1 + \hat{\beta}_2}{\sqrt{(SE_{\hat{\beta}_1})^2 + (SE_{\hat{\beta}_2})^2 + 2COV(\hat{\beta}_1\hat{\beta}_2)}}$$

The result shows that the difference between the two path coefficients is not statistically significant (t = .3378). Since there is no substantial difference in the two paths, we conclude that the effects of global market opportunities on firm performance are neither greater nor less than the effects of global competitive threats on firm performance. This finding substantiates the argument that globalization brings about both opportunities and competition.

The insignificance of hypothesis 3 suggests that there is no direct relationship between global market uncertainty and performance. This is not surprising since the causal relationship between uncertainty and performance has been debatable (Khatri and D'Netto, 1997). As alluded to by Khatri and D'Netto (1997), it is the complex nature of the uncertainty construct per se that obscures the causal relationship between uncertainty and performance. Frequently, studies have treated uncertainty as a moderator (c.f., Choe, 2003; Grewal and Tansuhaj, 2001; Sarkar, Echambadi, and Harrison, 2001) because it is difficult to establish a direct causal link between uncertainty and performance. However, we did not find a significant moderating effect of global market uncertainty on performance when the variable was added as an interaction term in the model.

Another possible way to establish an indirect relationship between uncertainty and performance is by including some mediating variables. As shown in a recent study, the

relationship between uncertainty and performance can be indirect, i.e., mediated by networking activities (Sawyerr, McGee, and Peterson, 2003). The results of their study show that as uncertainty increases, firms engage more in networking activities, which finally enhances firm performance. This implies that uncertainty alone can be harmful for firm performance unless certain strategies, such as networking activities and alliance participation, are implemented to mitigate its negative impact. Therefore, the investigation of an indirect relationship between global market uncertainty and performance in future research proves to be worthwhile.

Contributions and future directions for research

Theoretical contributions and managerial implications

Despite a large volume of literature discussing the effects of globalization, there is a scarcity of empirical research investigating its effects on business performance. We advance the literature by categorizing the effects of globalization into different dimensions, and develop a model to test the relationships between these effects and firm performance. The findings from this study support the argument that globalization not only benefits firms in terms of increasing opportunities, but also hurts business performance due to higher competitive threats (e.g., Contractor and Lorange, 1999, D'Aveni, 1994, Jones, 2002, Shocker, Srivastava, and Ruekert, 1994). In addition, we expand literature on globalization and environmental-organization interface by developing valid and reliable measures of globalization effects, and testing the scale across two distinct cultures. The measures were confirmed equivalent across cultures. We hope that these constructs generate venues for future research on globalization and related topics.

The findings of our study have several implications for managers in the global marketplace. This study elaborated on the different effects that globalization has on business.

The results indicate that such effects are not significantly different across cultures. This study also confirms that globalization is a universal phenomenon and that firms are inevitably affected. Globalization can affect firm performance positively and negatively. While global market opportunities are likely to enhance firm performance, global competitive threats tend to worsen it. Therefore, managers must be aware of such double-edged effects, and try to capitalize on opportunities while converting threats into opportunities. Appropriate strategies, such as developing networking relationships with other firms, must be carefully designed and implemented in order to take advantage of global market opportunities and minimize the threats from increasing competitive intensity.

Limitations and directions for future research

Our study is among a very few empirical studies of globalization effects. Although the scales to measure globalization effects were developed from a careful literature review, they are new, and thus need further verifications and applications. Moreover, the model presented here is limited to the effects of globalization on business but not on society. In the short run, intense global competition may be deemed harmful for firm performance. However, in the long run, such competition will provide a healthier economy that benefits the overall society. Higher competition will eventually encourage firms to aim for continual improvements, which are good for both the firms and society. Therefore, the results of this study must be viewed with these limitations.

Future research may attempt to find theories to explain the effects of globalization and investigate the role of different strategies and organizational structures in mediating the effects of globalization on firm performance. Alliance formation and strategic flexibility have been

recommended as effective means to maneuver firms through globalization (Contractor and Lorange, 1988; Hitt, Keats, and DeMarie, 1998; Ohmae, 1989b; Spekman and Sawhney, 1990). A study examining such relationships would provide useful information for managers operating in global industries on how to manage the effects of globalization more effectively. Furthermore, research on how the fit among different organizational structures (e.g., mechanistic vs. organic) and strategies (e.g., cost leadership, differentiation, diversification, etc.) may enhance firm performance in the presence of globalization effects and offers another fruitful venue for future studies.

Conclusion

In this paper, we have advanced our knowledge of globalization phenomenon by defining its effects and categorizing them into opportunities and threats. In doing so, we addressed the question of how globalization affects firm performance by empirically examining the influence that each globalization effect has on business performance. This study provides considerable support for literature arguing that globalization acts as a two-edged sword, one that can be beneficial and detrimental to business. Managers should be prepared to cope with such effects and try to capitalize on global market opportunities while carefully managing its inherent threats. Innovative and effective strategies should be designed and implemented to enable firms to gain competitive advantage and attain long-term victory. Building on our theoretical framework, further research should focus on how different strategies help firms navigate successfully through today's increasingly globalized condition.

CHAPTER THREE

GLOBALIZATION EFFECTS, CO-MARKETING ALLIANCES, AND PERFORMANCE

Introduction

During the past two decades, globalization has caused dramatic changes to business practices around the world. Companies (e.g., IBM, Intel, Microsoft, and Philips) have not only start outsourcing from various parts of the world, but also forming alliances with other firms (GM-Ford- DaimlerChrysler, Ford-Mazda, and GM-Honda, BP-Mobil, NUPI-Chevron Texaco, and star alliances). Nevertheless, limited empirical studies have been conducted to investigate how globalization actually affects firms and how firms respond to such effects. Thus, this paper aims to examine such effects by focusing on how globalization influences the degree of a firm's international marketing cooperation, which ultimately affects its international marketing performance.

Globalization refers to the process of increasing social and cultural inter-connectedness, political interdependence, and economic, financial and market integrations (Eden and Lenway, 2001; Giddens, 1990; Molle, 2002; Orozco, 2002). Dramatic changes in the business environment that cause shifts in business conduct and marketing activities of firms around the world include, for example, the emergence of global markets for goods and services, labor, and financial capital, advances in technologies, and a reduction in traditional barriers to trade and investment (Deardorff and Stern, 2002; Jones, 2002; Orozco, 2002; Richmond, 2002). These changes have resulted in two significant globalization effects—the emergence of global market opportunities and threats—which are the two most often cited effects in globalization-related literature (Contractor and Lorange, 1988; Fawcett and Closs, 1993; Hitt, Keats, and DeMarie, 1998; Molle, 2002). These two major globalization effects eventually lead to adjustments in

business and marketing activities of firms around the world (Hitt, Keats, and DeMarie, 1998; Jones, 2002; Shrader, 2001).

Globalization effects and firm responses

Due to the emergence of global market opportunities and global market threats, firms have been forced to respond quickly to these effects. Unlike other environmental changes, the effects of globalization are far more pervasive—affecting every individual, business, industry, and country (Garrette, 2000). The environment surrounding business today is characterized as a "hypercompetitive" environment—a faster and more aggressive competitive environment (D'Aveni, 1994; Harvey and Novicevic, 2002). Major forms of business restructuring in response to the dramatic changes brought by globalization include, for example, investments in new technologies, downsizing and reengineering, the formation of strategic alliances and networks, and a shift from international and multinational to global and transnational strategies (Jones, 2002). Among these various forms of business restructuring designed to manage globalization effects, alliance formation is considered the most remarkable business trend of the past decades (Hwang and Burgers, 1997; Kasmai and Iijima, 2002). Therefore, it is of interest to both academics and practitioners to explore how alliances help firms achieve superior international marketing performance in the globalization era.

Since globalization makes alliances an integral part of a firm's strategy to better satisfy customers and to achieve sustainable competitive advantage (Hitt, Keats, and DeMarie, 1998), the proliferation of alliances in recent years is not surprising. It has become difficult for firms to stay competitive in this era without allying with other firms (Kasmai and Iijima, 2002; Ohmae, 1989b; Webster, 1992). Moreover, to achieve superior marketing performance in the present

business environment, firms need to manage relationships with partners, customers, and different parties in the value chain (Webster, 1992). As a result, there has been an increasing trend towards more cooperation among firms, both vertically and horizontally (Hoskisson, Hitt, and Ireland, 2004; Ireland, Hitt, and Vaidyanath, 2002). Such inter-firm cooperation is especially important for firms to compete in the global marketplace. In order for firms to succeed in international markets, they need cooperate with other firms and/or governmental agencies (Ireland, Hitt, and Vaidyanath, 2002; Shrader, 2001; White, 2000). Thus, the purpose of this paper is to explore whether globalization affects the degree of international marketing cooperation of firms participating in co-marketing alliances, a type of strategic alliance in which partners cooperate in one or more marketing activities (Bucklin and Sengupta, 1993, 32). Specifically, we propose to investigate the influence of globalization effects on the degree of firms' cooperation in co-marketing alliances, and the relationship between such cooperation and the firms' international marketing performance.

Research emphasis and research questions

Co-marketing alliances

Although many authors have alluded to the influence of globalization on the growth in alliance formation (e.g., Ariño and Torre, 1998; Hitt, Keats, and DeMarie, 1998; Hwang and Burgers, 1997; Ohmae, 1989b), there is no empirical study that establishes any links between the two. By investigating the effects of globalization on the degree of cooperation in alliances, this study extends current literature on the rationale for alliance cooperation and the performance of allying firms. While most past studies focus on other forms of strategic alliances—R&D collaboration teams, joint ventures, etc.—little research attention has been paid to co-marketing alliances. The

two reviews of literature on strategic alliances conducted by Spekman et al. (1998) and Ireland, Hitt and Vaidyanath (2002) indicate that most empirical studies focus on strategic supplier-buyer alliances (supply chain alliances) and technological alliances between firms in high-tech industries. Very few studies pay attention to alliances among firms at the same level of the value chain (e.g., Bucklin and Sengupta, 1993; Robson and Dunk, 1999; Venkatesh, Mahajan, and Eitan, 2000; Young, Gilbert, and McIntyre, 1996). To further develop this under-researched area of alliance research, we chose to focus on co-marketing alliances.

Co-marketing alliances are considered a specific type of strategic alliance. It is one type of business-level competitive strategy—horizontal complementary strategic alliance—whose primary focus is on creating a competitive advantage in specific product markets by pooling resources and capabilities of firms at the same stage of the value chain (Hoskisson, Hitt, and Ireland, 2004). The scope of co-marketing alliances is limited to marketing activities such as customer service, marketing, promotion, and distribution (Bucklin and Sengupta, 1993; Das, Sen, and Sengupta, 2003; Varadarajan and Cunningham, 1995). This particular type of alliance is worthwhile studying because most types of inter-firm cooperation are formed in order to strengthen their market position, which is the objective of co-marketing alliances. The coordination of marketing activities to achieve superior market position and performance in terms of sales, market share, and profitability is their most fundamental task. Moreover, being non-equity in nature, these alliances are less formal and less committed than others (Hoskisson, Hitt, and Ireland, 2004). This has made them increasingly popular in recent years. These unique features and benefits of co-marketing alliances make them an important area for further investigation.

In addition, there has been a lack of research on horizontal alliances, especially in marketing and international business disciplines since the foci of such inter-firm relationships in these fields are mainly on vertical alliances (Rindfleisch and Moorman, 2001; Sheth and Sisodia, 1999). Since the role of marketing in formulating and implementing strategic alliances is highly implicated in most strategic alliances (Varadarajan and Cunningham, 1995), marketing alliances are usually formed to help firms achieve marketing objectives. Firms form co-marketing alliances to help them develop market power that enables them to achieve sustainable competitive advantage, which can never be realized alone.

Furthermore, co-marketing alliances are common in many technology-related industries where maintaining a position at the forefront in such markets is difficult (Bucklin and Sengupta, 1993). This problem of maintaining continually cutting-edge positions in markets becomes even more serious given the fast pace of technological changes in globalization era such as today's business environment (Ohmae, 1989b). As a result, there has been an increasing trend towards more marketing cooperation among competitors in response to globalization (Hoskisson, Hitt, and Ireland, 2004; Webster, 1992). Nonetheless, limited research attention has been given to these specific types of strategic alliances (Bucklin and Sengupta, 1993; Sheth and Sisodia, 1999). Hence, the investigation of the degree of cooperation in co-marketing alliances should provide more insights on how globalization drives such cooperation.

Despite the prevalence of globalization effects, which cause changes in business conduct and marketing activities around the world, limited attempts have been put forth to assess such effects on firms. Since marketing is a "context-driven" discipline (Sheth and Sisodia, 1999), the investigation of globalization effects—as one of the contextual factors surrounding marketing activities—proves to be worthwhile.

Research questions

This paper attempts to answer the following research questions: 1) Does globalization affect the degree of cooperation in co-marketing alliances? and 2) Do co-marketing alliances influence firms' international marketing performance? In answering these research questions, this study explores the relationship between two major effects of globalization—global market opportunities and global market threats—and the degree of cooperation in co-marketing alliances. In addition, the associations between the degree of cooperation and international marketing performance are also examined.

Global market opportunities and threats are emphasized here because they are often viewed as the most immediate and apparent effects of globalization (Fawcett, Calantone, and Smith, 1997; Fawcett and Closs, 1993; Jones, 2002; Molle, 2002). Amid globalization where dramatic changes in opportunities and threats are pervasive, the need of firms to respond quickly and with flexibility to their environment has significantly driven an increase in the development of alliances (Buckley and Casson, 1997; Spekman and Sawhney, 1990; Webster, 1992). The following sections discuss the theoretical underpinnings, and present a conceptual model of this study to help provide a better understanding of the relationships among globalization effects, degree of co-marketing alliance, and international marketing performance of firms.

A review of literature on alliances

In this section, we briefly review alliance literature and discuss different forms of organizational relationships.

Forms of organizational relationships

Based on the conceptualization of Morgan and Hunt (1994), there are ten distinct forms of inter-

and intra- organizational relationships pertaining to the study of relationship marketing. These

ten forms of relationships can be further grouped into four types of partnerships (See Figure 3.1):

1. Supplier partnerships with (1) goods suppliers and (2) service suppliers

2. Lateral partnerships with (3) competitors, (4) nonprofit organizations, and (5) government

3. Buyer partnerships with (6) ultimate customers and (7) intermediate customers

4. Internal partnerships with (8) functional departments, (9) employees, and (10) business units

Figure 3. 1

The Relational Exchanges in Relationship Marketing
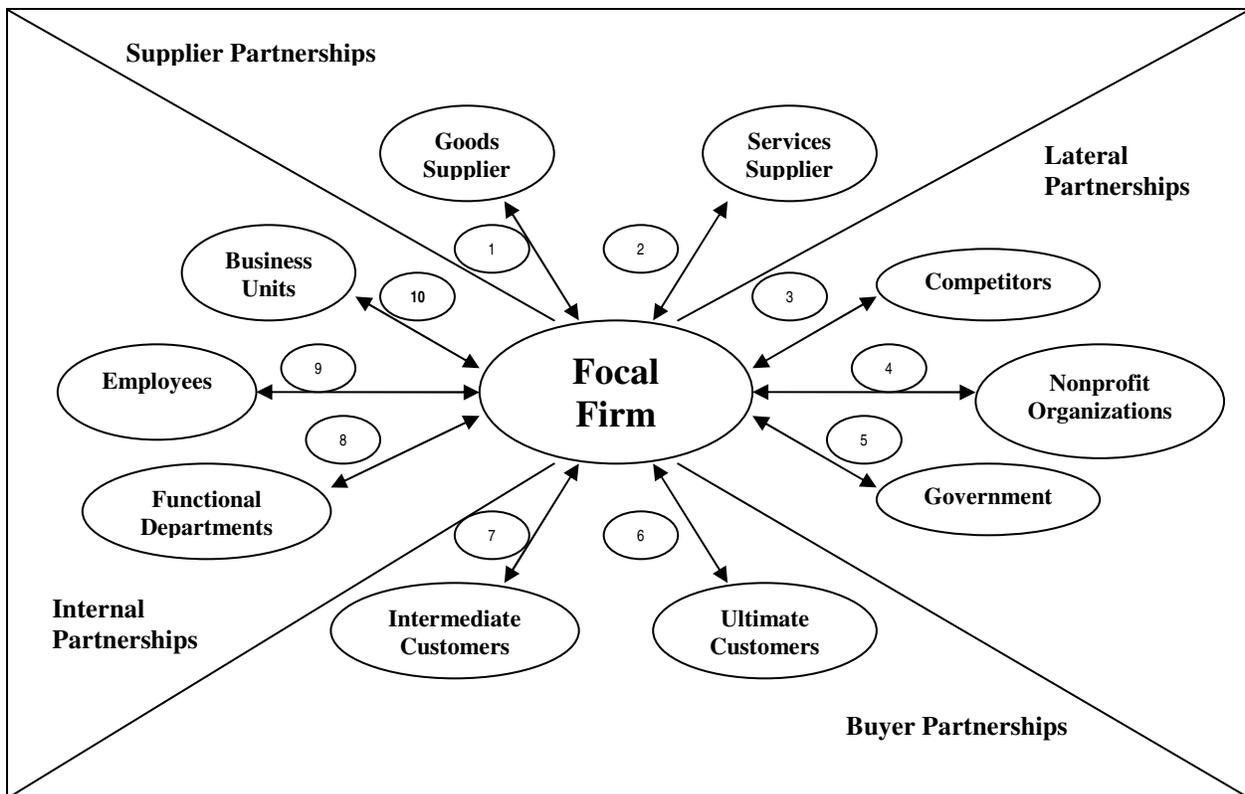
Source: Morgan and Hunt (1994)

While supplier and buyer partnerships represent vertical relationships and alliances, the lateral and internal partnerships are horizontal in nature. Supplier partnerships can be referred to as buyer-seller relationships, whereas buyer partnerships are often referred to as channel relationships. Horizontal relationships, on the other hand, refer to those relationships that exist at the same level of the value chain, such as relationships among competitors. While lateral partnerships involve cooperative relationships with external entities, internal partnerships entail those that are within a firm (Morgan and Hunt, 1994). This lateral partnership between the focal firm and its competitors, defined as strategic alliance (3 in Figure 3.1) by Morgan and Hunt (1994), is the focus of this study.

Strategic alliances

A strategic alliance is one form of interorganizational cooperative strategy to improve a firms' competitive position and performance and to achieve the goals of both individual firms by integrating and sharing specific resources and skills of the partners (Hitt, et al., 2000; Ireland, Hitt, and Vaidyanath, 2002; Jarillo, 1988; Varadarajan and Cunningham, 1995). This type of alliances is worth further study for two main reasons. First, recent literature in management and marketing suggest that there are well-developed theories on vertical integration, but not on horizontal relationships (Rindfleisch and Moorman, 2001; Sheth and Sisodia, 1999). Second, although many studies have been conducted on this type of alliance, little is known about how the degree of cooperation in such alliances improves the performance of the participating firms. In addition, strategic alliances among competitors comprise more than half of the total number of alliances formed within a recent two-year period (Hoskisson, Hitt, and Ireland, 2004).

Since there is a wide array of organizational forms, e.g., long-term purchasing agreements, co-marketing, licensing agreements, R&D collaboration teams, joint ventures, etc. that constitute strategic alliances (Ireland, Hitt, and Vaidyanath, 2002; Spekman, et al., 1998; Spekman and Sawhney, 1990), a proper classification of strategic alliances may provide a better idea of the purposes and differences among types. Following the most recent classification of Hoskisson et al. (2004), four main types of strategic alliances include 1) joint ventures, 2) equity strategic alliances, 3) non-equity strategic alliances, and 4) strategic cooperative networks.

Due to the less formal and committed nature of a non-equity alliance, it is not surprising to see a rapid growth in this type of strategic alliances in recent years (Das, Sen, and Sengupta, 1998). Moreover, non-equity alliances are deemed appropriate for today's complex environment characterized by globalization (Inkpen, 2001). Therefore, the emphasis of this paper is to explore the effects which globalization has on the degree of cooperation in co-marketing alliances, which is one type of non-equity alliance.

Co-marketing alliances

Co-marketing alliances are a form of strategic alliance (Bucklin and Sengupta, 1993; Morgan and Hunt, 1994; Robson and Dunk, 1999). It is defined as "a form of working partnership [which] involve[s] coordination among partners in one or more aspect of marketing and may extend into research, product development, and even production" (Bucklin and Sengupta, 1993, 32). Working partnership here is referred to as the presence of "mutual recognition and understanding that the success of each firm depends in part on the other firm, with each firm consequently taking actions so as to provide a coordinated effort focused on jointly satisfying the requirements of the customer marketplace" (Anderson and Narus, 1990, 42).

A co-marketing alliance is a type of lateral relationship between two or more independent and legally separated firms that operate at the same level of the value-added chain (Leisen, Lilly, and Winsor, 2002). From these definitions (Anderson and Narus, 1990; Bucklin and Sengupta, 1993), co-marketing alliances are considered cooperative agreements between firms which indicate a non-equity structure of strategic alliances. Members of the co-marketing alliance are expected to coordinate their firms' resources towards a common marketing strategy, which adds value to customers (Bucklin and Sengupta, 1993). Co-marketing alliances help collaborating firms create customer awareness, leverage their unique resources, skills and capabilities in order to enter into new markets, and gain stronger market positions (Adler, 1966; Bucklin and Sengupta, 1993; Das, Sen, and Sengupta, 2003; Venkatesh, Mahajan, and Eitan, 2000).

As mentioned in Webster (1994, 8), "in the global markets of the 1990s and beyond, superior marketing will be a more sustainable source of unique competitive advantage than superior technology." It is obvious that marketing has become an important factor to help firms achieve a competitive advantage. Customer satisfaction is then the key to this success (Webster, 1994). In order to serve customers more successfully in the globalization era, firms need to ally with other firms since it is difficult or even impossible for one firm to do everything quickly, effectively, and efficiently due to high competition and uncertainty in the markets (Ohmae, 1989b). Unlike other types of strategic alliances, co-marketing alliances are mainly designed to help partners coordinate marketing activities with an objective of fulfilling customers' needs (Bucklin and Sengupta, 1993; Das, Sen, and Sengupta, 2003). Thus, co-marketing alliances then become a significant tool to help firms satisfy customers, stay on the competitive edge, and gain market power in the global marketplace.

Building on the aforementioned definition of co-marketing alliances, the degree of cooperation in co-marketing alliances is defined as the extent to which a firm cooperates with other firms in the alliance in coordinating marketing activities such as customer service, advertising, promotion, and sharing distribution channels (Das, Sen, and Sengupta, 2003; Porter, 1985; Venkatesh, Mahajan, and Eitan, 2000). Since international marketing performance is crucial to the success of firms engaging in international activities, only cooperation in international marketing activities is an emphasis here. As such, the degree of co-marketing alliance in this study encompasses only the degree of collaboration for international marketing activities, which range from international marketing research to marketing plans of the firms in overseas markets.

Theoretical framework and proposed relationships

A review of literature on alliances indicates that several theoretical perspectives have been used to explain the formation and success of alliances, for example, transaction cost economics (Williamson, 1975, 1981), the interorganizational exchange literature (Aldrich, 1979; Benson, 1975; Frazier, 1983; Pfeffer and Salancik, 1978), the market power perspective (Burgers, Hill, and Kim, 1993; Kogut, 1988), the resource-based view of the firm (Barney, 1991; Wernerfelt, 1984), and the social network theory (Gulati, 1998). Transaction cost economics and interorganizational exchange literature have been applied to investigate the formation, the governance structure and the success of co-marketing alliances (e.g., Bucklin and Sengupta, 1993; Robson and Dunk, 1999; Venkatesh, Mahajan, and Eitan, 2000; Young, Gilbert, and McIntyre, 1996).

In the alliance literature, transaction cost economics and market power perspective have long been used to describe the formation of joint ventures (Jarillo, 1988; Kogut, 1988) and the governance structure of strategic alliances (Chen and Chen, 2003; Spekman and Sawhney, 1990). Only recently have the social network theory and the resource-based view of the firm been suggested for investigating the formation and success of strategic alliances (c.f., Chen and Chen, 2003; Das and Teng, 2000; Gulati, 1998; Ireland, Hitt, and Vaidyanath, 2002; Lambe, Spekman, and Hunt, 2002).

To gain a better understanding of the relationships between globalization effects and the degree of cooperation in co-marketing alliance of firms, the present study applies two theoretical perspectives—the transaction cost economics and the market power perspective—to explain the phenomenon. Figure 3.2 illustrates the conceptual model and relationships of this study.

Figure 3. 2

Conceptual Model of Globalization Effects, Cooperation and Performance
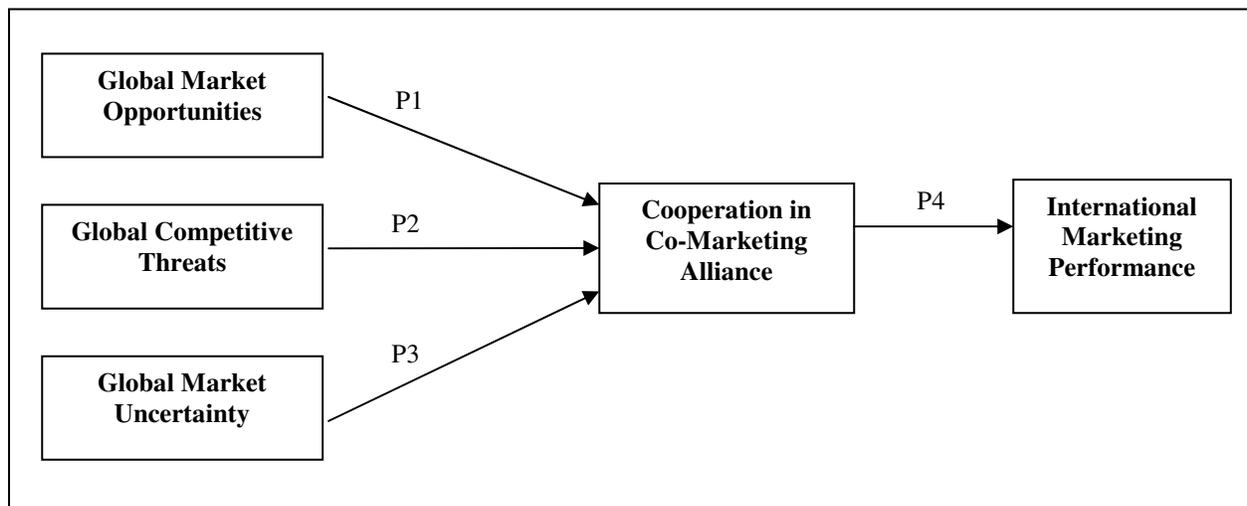
Globalization effects and co-marketing alliances

Figure 3.2 shows the proposed relationships among the major constructs: globalization effects, degree of cooperation in co-marketing alliances and international marketing performance. In the model, globalization effects are classified into two broad categories, global market opportunities and global market threats. These two effects are proposed to have different relationships with the degree of cooperation in co-marketing alliances of firms. In the following section, theoretical underpinnings, conceptual framework, and hypotheses are presented.

Transaction cost economics and market power perspective

The two key behavioral assumptions underlying transaction cost economics are 1) bounded rationality and 2) opportunism (Rindfleisch and Heide, 1997; Williamson, 1981). Bounded rationality indicates human limited ability in processing information, and opportunism refers to "self-interest seeking with guile" (Williamson, 1975, 6). Due to bounded rationality, opportunism, uncertainty, frequency of transactions, small-number bargaining, and degree of assets specificity, hazards in transactions are introduced (Rindfleisch and Heide, 1997; Williamson, 1991a, b). Therefore, certain safeguarding mechanisms must be employed in order to control such hazards, and thus increase the costs of the transactions (Kogut, 1988; Rindfleisch and Heide, 1997).

Alliances enable firms to monitor possible opportunistic behaviors with less costs than internalizing their operations and more control than leaving the transactions to be performed by the markets (Chen and Chen, 2003; Gulati, 1998; Jarillo, 1988; Kale, Singh, and Perlmutter, 2000; Spekman, et al., 1998; Tsang, 2000). This is especially true when firms are faced with high levels of competition and market uncertainty. Since competing in global markets incurs

huge fixed costs that make it difficult for one firm to absorb alone, a firm needs to ally with others in order to share costs and to better serve customers worldwide (Ohmae, 1989b). Therefore, transaction cost economics considers forming alliances as a strategy that helps firms expand their strategic capabilities (Burgers, Hill, and Kim, 1993).

Building on the market power perspective (Kogut, 1988), alliances provide a means to reduce competition and minimize uncertainty evoked by globalization (Burgers, Hill, and Kim, 1993; Gulati and Singh, 1998; Kale, Dyer, and Singh, 2002). Through alliances, firms can increase their market power in order to gain a competitive position in their market (Bucklin and Sengupta, 1993; Kogut, 1988). Hence, this perspective regards alliances as a strategy to help firms reduce competition.

Globalization market opportunities and global market threats

As discussed above, the two key categories of globalization effects most frequently cited in past literature are 1) global market opportunities and 2) global market threats (Fawcett, Calantone, and Smith, 1997; Fawcett and Closs, 1993; Jones, 2002; Molle, 2002). For the purpose of this study, global market opportunities refer to the increases in market potential, trade and investment potential and resource accessibility resulting from globalization (Contractor and Lorange, 1988; Fawcett and Closs, 1993; Jones, 2002; Levitt, 1983; Shocker, Srivastava, and Ruekert, 1994). Such opportunities have enabled firms to access international markets for resources and customers due to trade liberalization, advances in telecommunication technologies, and a worldwide convergence of consumers' demands.

Global market threats, on the other hand, refer to the increases in the number and the level of competition, coupled with the higher level of uncertainty brought about by globalization

(Burgers, Hill, and Kim, 1993; Fawcett and Closs, 1993; Jones, 2002; Ohmae, 1989a; Perlmutter and Heenan, 1986). Two types of global market threats are 1) global competitive threats and global market uncertainty. Global competitive threats are defined as the intensified competition in global markets resulting from a larger number of competitors in the global marketplace (D'Aveni, 1994; Hafsi, 2002). Trade liberalization, technological developments, and the convergence of governmental macroeconomic policies associated with globalization have made it easy for firms from all over the world to enter different geographic markets, thus, intensifying the competitive atmosphere for firms around the world. At the same time, such changes also evoke global market uncertainty, which is another threat to firms operating in the global marketplace, and can be defined as the increasing complexity and demand uncertainty in the market (Burgers, Hill, and Kim, 1993; Chimerine, 1997; Courtney, 2001; Oxelheim and Wihlborg, 1991). In sum, while globalization provides more market opportunities to firms, it also leads to more intense competition and higher market uncertainty (D'Aveni, 1994; Eng, 2001; Jones, 2002; Oxley and Yeung, 1998; Shocker, Srivastava, and Ruekert, 1994).

Conceptual relationships and propositions

Global market opportunities and co-marketing alliances

According to transaction cost economics (Williamson, 1975, 1979, 1981, 1991a, b), firms will choose the most efficient governance mechanism. Due to increasing global market opportunities, resources and markets are more easily accessible, thus, lowering the costs of transactions (Fawcett and Closs, 1993; Levitt, 1983; Peterson, Welch, and Liesch, 2002). Therefore, firms perceiving ample market opportunities resulting from globalization tend to be reluctant to increase their degree of cooperation in their existing alliances since the costs arising

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from opportunistic behaviors might outweigh the potential benefits expected from cooperative arrangements (Heide, 1994; Heide and John, 1990; White, 2000). When there is more than one party involved in a transaction, there exists behavioral uncertainty. This is the uncertainty arising from the difficulties regarding performance evaluation of parties involved in the transaction (Rindfleisch and Heide, 1997; Williamson, 1985). In the case of increasing global market opportunities, it becomes more difficult to evaluate the performance of the allying partners due to the bounded rationality condition—the limited ability to process all information—and information asymmetry. Therefore, internalizing the firms' operations may prove to be the most cost-effective means of governance structure (Williamson, 1985).

Moreover, since globalization provides more opportunities for firms to conduct most of their transactions more efficiently within their organizations (Peterson, Welch, and Liesch, 2002), firms are more likely to internalize their international marketing activities and less likely to cooperate with other firms in their co-marketing alliances. Hence, the first proposition for this study may be stated as:

Proposition 1: The degree of cooperation in co-marketing alliances is negatively

influenced by global market opportunities.

Global competitive threats and co-marketing alliances

To cope with increasing global competitive threats, firms tend to form alliances (Gulati, 1998; Ireland, Hitt, and Vaidyanath, 2002; Rindfleisch and Moorman, 2001; Sheth and Sisodia, 1999; Spekman and Sawhney, 1990). Based on the classical industrial organization perspective—the market power perspective—reducing competition is a means to create and strengthen a firm's market power (Burgers, Hill, and Kim, 1993; Kogut, 1988). Firms cooperate instead of compete

with one another to gain stronger market power and competitive market position. Cooperating with other firms not only alleviates competition and improves their competitive position in the market, but also helps them avoid potential costs resulting from intensified competition (Contractor and Lorange, 1988; Gulati, 1998; Kale, Dyer, and Singh, 2002).

Furthermore, since globalization inhibits firms from possessing all necessary resources to compete effectively and efficiently in many markets (Ariño and Torre, 1998; Ohmae, 1989b), many firms have formed co-marketing alliances with other firms that possess complementary resources. Alliances enable firms to leverage their unique skills and combine their specialized resources to build competitive advantages, which help them gain stronger market position and succeed in global markets (Adler, 1966; Bucklin and Sengupta, 1993; Ireland, Hitt, and Vaidyanath, 2002). In addition, cooperative arrangements such as alliances are considered one of the effective means to manage global competitive threats brought about by globalization (Hamel, 1991; Kasmai and Iijima, 2002; Perlmutter and Heenan, 1986).

Given such intensified competition in global markets, firms are likely to avoid destructive competition, which raises costs and deprives potential profits, by not only forming alliances with their competitors, but also increasing their level of cooperation in existing alliances. This strategy enables firms to gain stronger market position, which finally enhances performance. Hence, the second proposition may be stated as:

Proposition 2: The degree of cooperation in co-marketing alliances is positively

influenced by global competitive threats.

Global market uncertainty and co-marketing alliances

Drawing from transaction cost economics, the effects of external market uncertainty on governance decisions are ambiguous (Rindfleisch and Heide, 1997). Since external uncertainty makes it difficult to write an a priori comprehensive contract (Williamson, 1985), problems of adapting to changes in an external market environment emerge (Williamson, 1991a). Such adaptations usually incur high transaction costs, especially in cases where the degree of asset specificity is high (Williamson, 1975). This indicates an interaction effect between asset specificity and external market uncertainty—the argument posited in the original framework of transaction cost economics. However, empirical studies in the past have failed to show significant interaction effects between asset specificity and external uncertainty (e.g., Gatignon and Anderson, 1988; Klein, Frazier, and Roth, 1990). These insignificant results suggest that an investigation into the direct effect of external uncertainty may prove to be worthwhile. Hence, this study proposes to examine the effect of global market uncertainty on degree of cooperation in co-marketing alliances, which can be considered a mode governance structure (Tsang, 2000; Williamson, 1991a).

Williamson (1991a) advances his transaction cost analysis by incorporating the hybrid mode of governance, which falls in the middle of the market-hierarchy continuum. When market uncertainty is high, hybrids are a viable choice of governance structure because they possess stronger adaptive capabilities than hierarchies, yet provide more administrative control than market transactions (Tsang, 2000). Given the high level of market uncertainty, changes become increasingly unpredictable. Internalizing operations is not an appropriate alternative since investments in specific assets usually incur high fixed costs, and such assets are difficult to adapt to change. Relying on market transactions also deprives firms from having full control over the

operations. In this case, alliances enable firms to monitor possible opportunistic behaviors with less costs than internalizing their operations, and gives more control than leaving the transactions to be performed by the markets (Chen and Chen, 2003; Gulati, 1998; Jarillo, 1988; Kale, Singh, and Perlmutter, 2000; Spekman, et al., 1998; Spekman and Sawhney, 1990; Young-Ybarra and Wiersema, 1999). Since competing in global markets incurs huge fixed costs that make it difficult for one firm to absorb alone, a firm needs to ally with others in order to share costs and better serve customers worldwide (Ohmae, 1989b). Therefore, the third proposition may be stated as:

> Proposition 3: The degree of cooperation in co-marketing alliances is positively
> influenced by global market uncertainty.

Co-marketing alliances and international marketing performance

Many researchers have postulated (and some have found) positive outcomes of alliances. For instance, alliances enable firms to assess complementary resources, to develop new resources and products, and to minimize global competition (Adler, 1966; Ireland, Hitt, and Vaidyanath, 2002; Robson and Dunk, 1999; Varadarajan and Rajaratnam, 1986). Thus, many studies propose that such collaboration among firms should provide them with positive outcomes (e.g., Dyer, 1997; Madhok and Tallman, 1998). Some studies show positive performance consequences from such alliances including, for example, Hausman (2001) and Sarkar, Echambadi and Harrison (2001). The results from Hausman (2001) indicate that relationship strength, which is composed of inter-firm trust, relationship commitment, and relationalism, is positively related to firm performance. Sarkar et al. (2001) found that alliance proactiveness—the extent to which an organization engages in identifying and responding to partnering opportunities—is positively

related to market-based performance. However, the direct relationship between firms'

cooperation in alliances and firm performance is not yet well established. Previous studies only

hypothesize that the degree of cooperation in alliances should have a positive relationship with

efficiency, profitability, and effective marketing activities (Anderson and Weitz, 1992; Lorange

and Ross, 1992), but such relationships have not been empirically tested.

The rationale for explaining the performance implications of alliances relies on the

market power perspective and transaction costs economics. Through inter-firm collaborations

such as alliances, firms gain a competitive market position and a competitive advantage which

ultimately yields higher performance (Burgers, Hill, and Kim, 1993; Dyer, 1997; Ireland, Hitt,

and Vaidyanath, 2002; Kogut, 1988; Ohmae, 1989b; Webster, 1992). Hence, this form of

organization is particularly crucial in managing firms and enhancing their performance,

especially in a globalized business environment (Ohmae, 1989b; Sheth and Sisodia, 1999;

Spekman and Sawhney, 1990; Webster, 1992). It is difficult to empirically establish the link

between alliances and firm performance because there are many activities apart from the mere

participation in alliances that contribute to the performance of each firm (Gulati, 1998).

Nonetheless, it is possible to relate the degree of the firm's cooperation in the alliances to firm

performance and test the relationships between them.

One of the benefits of co-marketing alliances is to help firms strengthen their market

power and eliminate potential competition in a cost-effective manner (Bucklin and Sengupta,

1993; Das, Sen, and Sengupta, 2003). Thus, firms that wish to enhance their international

marketing performance are encouraged to form co-marketing alliances to jointly conduct

international marketing activities with other firms. International marketing performance is

defined here as marketing effectiveness and efficiency attained in international markets.

Building on the concept of marketing performance (Vorhies and Morgan, 2003), international

marketing performance refers to the extent to which an organization achieves more international

outcomes than the marketing resources allocated (i.e., efficiency) and the degree to which an

organization achieves its goals in international markets (i.e., effectiveness).

When an alliance is formed, the partner firms make collaborative efforts and share

resources in helping each other conduct international marketing activities and achieve higher

performance outcomes. Costs of performing international marketing activities are reduced due

to less competition among firms, and competitive advantage is then realized through cooperative

efforts of co-marketing alliances (Dyer, 1997; Ireland, Hitt, and Vaidyanath, 2002; Ohmae,

1989b; Webster, 1992). Previous literature on alliances suggest that potential benefits expected

from alliances include lower transaction costs, increased market power, shared risks and resource

accessibility (Gulati, Nohria, and Zaheer, 2000; Jarillo, 1989; Mowery, Oxley, and Silverman,

1996). Furthermore, prior research also recommends alliances as an important tool to help

internationalizing firms alleviate resource and capability shortages and achieve superior

performance (Jarillo, 1989; Zacharakis, 1997).

Some empirical studies indicating a positive alliance-performance relationship include,

for example, Lu and Beamish (2001) and Kaynak (2002). While Lu and Beamish studied

horizontal alliances, Kaynak studied vertical alliances. Performance of small-medium

enterprises is found to be positively related to the level of alliances (Lu and Beamish, 2001).

The supplier-buyer cooperation is also found to enhance firm performance (Kaynak, 2002).

Hence, success in international markets can be realized through participation in alliances in order

to acquire resources and capabilities necessary to cope with changes brought about by

globalization. Ultimately, firms' international marketing performance can be enhanced through increased cooperation in co-marketing alliances. As such, our last proposition may be stated as:

Proposition 4: The international marketing performance is positively influenced by the degree of co-marketing alliance.

In sum, we propose that global market opportunities will undermine the degree of firms' cooperation in co-marketing alliances. Nonetheless, global market threats will drive more cooperation. Such cooperation is hypothesized to enhance firms' international marketing performance.

Theoretical contributions

This paper contributes to both international business and marketing literature by linking globalization effects to firms' marketing conduct (i.e., cooperation in co-marketing alliance) and performance in international markets. We aim to fill the gap in existing marketing and international business literature. In our framework, we propose that marketing collaboration provides an effective means to help firms manage globalization effects. Co-marketing alliances are treated here as marketing strategy that enables firms to cope with changes in the business environment led by globalization, and achieve superior marketing performance in international markets. Since past business research has paid little attention to issues related to the degree of firms' cooperation in alliances, we attempt to explore, in particular, how such cooperation helps firms navigate successfully through this new competitive landscape.

It is believed that this research makes significant contributions to the literature on globalization, alliances, and performance implications on allying firms. The application of the

two complementary theories—transaction costs economics and market power perspective—to explain the relationships among globalization effects, degree of cooperation in co-marketing alliance and international marketing performance helps expand the application of these two theories. Since these two theories have different emphases, applying both of these two theories helps us gain a more complete picture of 1) the rationales behind the degree of cooperation in co-marketing alliances, and 2) the performance implications of allying firms. While transaction cost economics focuses on governance structure that minimize a firm's transaction costs, the market power perspective focuses on the reduction of competition to gain market control.

Based on these two theoretical perspectives, each effect of globalization is proposed to have different relationships with the degree of cooperation in co-marketing alliances in the international marketing activities of firms. Since a single theory seems insufficient to explain this complex phenomenon, such as the effects of globalization on business, the application of these two complementary theories helps us gain better insights on such effects.

Moreover, the application of these two theories to explain the unexplored phenomenon of globalization expands the body of knowledge in both international business and marketing literatures. This paper applies key concepts of transaction costs economics—uncertainty, bounded rationality, and opportunism—in relating two effects of globalization to the degree of cooperation in co-marketing alliances. It also employs the market power rationale to explain the relationship between global competitive threats and the degree of cooperation in co-marketing alliances.

Managerial implications

To business practitioners, this study illustrates the significant roles of co-marketing alliances in enhancing the international marketing performance of firms in the context of globalization. It identifies the impact that each globalization effect has on the degree of cooperation in co-marketing alliances, and indicates the performance implications of such cooperation on firms engaging in international activities. Since globalization presents both opportunities and threats, managers need to recognize how such opportunities and threats may affect their firms' marketing and business practices. From this study, managers can gain a better understanding of how globalization may affect their firms' cooperation in alliances, which in turn affects performance. In today's global economy, firms are trying to gain competitive advantages that strengthen their market position and ensure their long-term success. By increasing firms' collaboration in co-marketing alliances, firms may enhance their international marketing performance since such alliances enable firms to create stronger market position and reduce potential competition and uncertainty.

This study also shows that globalization effects do not have the same impact on firms. While more global market opportunities may lower the degree of firms' cooperation in co-marketing alliances, higher global market threats tend to increase such cooperation. We point out that such alliance cooperation may eventually improve firms' international marketing performance. The BP-Mobil co-marketing alliance is a good example of an effective collaborative venture that fosters symbiotic growth opportunity amid globalization. Unless managers understand the significance of these issues, proper strategies regarding inter-firm collaboration cannot be successfully implemented.

Suggestions for future research

The propositions put forth in this study need to be empirically tested. The roles of other related factors such as the levels of trust and commitment in the co-marketing alliances that are not incorporated into this research should be investigated. As stated in Dyer (1997), the transaction costs of the firms vary based on the choice of safeguarding mechanisms used. Lower transaction costs can be realized due to 1) higher commitment between exchange partners, 2) higher economies of scale and scope of exchange relationships, 3) higher inter-firm information sharing, 4) higher reliance on "self-enforcing safeguards," namely goodwill, trust, financial hostages, and 5) higher level of investments in co-specialized assets (Dyer, 1997). Since levels of trust and commitment may affect the degree of cooperation and satisfaction of each partner, it may be interesting to explore this issue in the future.

Other research avenues may include comparative studies of differences in the degree of co-marketing alliances and their performance implications between firms from emerging markets and those from developed economies, and among emerging economies themselves. Although most emerging economies appear to possess similar characteristics, they tend to differ in various ways, e.g., political regimes, levels of economic development, and managerial styles. Moreover, empirical studies of firms in different emerging markets are scarce. Thus, studies comparing firms from different emerging economies are worth exploring in the future.

Conclusion

This study is one of the early attempts to propose a conceptual framework to investigate globalization effects at the firm level. It explores how firms with international activities can enhance their performance in the global marketplace, and proposes that superior international

marketing performance of such firms can partially be attributed to the degree of cooperation in co-marketing alliances. As suggested by the classical industrial organization—the market power perspective—firms form alliances to reduce competition. Faced with global competitive threats, firms need to be equipped with all necessary resources, which are usually not present in a firm, but can be obtained by forming alliances with other firms. Building on transaction cost economics, increasing the degree of cooperation in co-marketing alliances may be a viable option for firms facing global market uncertainty because hybrid governance structures possess stronger adaptive capabilities than hierarchies, yet provide more administrative control than market transactions. Therefore, this study hypothesizes that firms tend to increase their cooperation in co-marketing alliances due to perceived global market threats. Less cooperation in such alliances can be expected due to perceived abundant global market opportunities. Given such opportunities, firms tend to conduct business on their own to avoid potential opportunistic behaviors, arising from bounded rationality and behavioral uncertainty.

CHAPTER FOUR

THE EFFECTS OF GLOBALIZATION ON CO-MARKETING ALLIANCES AND FIRM PERFORMANCE: AN EMPIRICAL STUDY

Introduction

In the past two decades, we have witnessed dramatic changes in the business environment that has caused shifts in business conduct and marketing activities of firms around the world. The world has gone through the process of globalization, i.e., increasing social and cultural inter-connectedness, political interdependence, and economic, financial and market integrations (Eden and Lenway, 2001; Giddens, 1990; Orozco, 2002). Multinational enterprises (MNEs), the major agents and beneficiaries of this phenomenon (Eden and Lenway, 2001; Ghemawat, 2003; Rugman and Verbeke, 2004), are inevitably being affected by the process.

Many forms of organizational restructuring (such as downsizing, reengineering, and implementation of cooperative strategies) have been witnessed as responses to globalization (Jones, 2002). Among various forms of business restructuring, alliance formation is considered the most remarkable business trend in the past two decades (Hwang and Burgers, 1997; Kasmai and Iijima, 2002). Nonetheless, empirical studies that investigate how globalization actually affects firms' cooperation in alliances, and how such cooperation ultimately enhances their performance are scarce.

As suggested by many international business scholars (e.g., Clougherty, 2001; Eden and Lenway, 2001; Young, 2001), the effects of globalization on firms remain unexplored. Thus, we hope to advance current literature on the rationale for alliance cooperation and performance of allying firms. Since superior marketing is a sustainable source of unique competitive advantage in this new competitive terrain, firms should focus on building such advantage (Webster, 1992). Given that inter-firm cooperation in international marketing activities enables firms to achieve

superior marketing, it is our emphasis here to investigate whether such cooperation is crucial to firms' marketing performance. The two research questions of this study are: 1) Does globalization affect the degree of cooperation in co-marketing alliances? and 2) Do co-marketing alliances influence firms' international marketing performance? To answer these research questions, this study investigates the relationship between two major effects of globalization—global market opportunities and global market threats—and the degree of cooperation in co-marketing alliances. In addition, the influence of the degree of cooperation on a firm's international marketing performance is also examined.

A Review of literature on globalization effects and co-marketing alliances

Globalization effects

Since the 1980s, the liberalization of world trade and capital markets led by globalization has created a new and challenging competitive arena for all firms (Nolan and Zhang, 2003). Several changes in the business environment arising from this trend are, for instance, convergence of consumers' demend (Fram and Ajami, 1994; Levitt, 1983; Ohmae, 1989a), expansion in international business transactions (Deardorff and Stern, 2002; Fawcett, Calantone, and Smith, 1997; Fawcett and Closs, 1993), and the emergence of global markets for goods, services, labor and capital (Deardorff and Stern, 2002; Hansen, 2002). Although, such integration of markets and factors of production is still far less perfect than expected by economists (Ghemawat, 2003), it is undeniably significant. Therefore, it is interesting to study how these changes affect firms.

The aforementioned trends have resulted in two major effects of globalization, global market opportunities and global market threats (Contractor and Lorange, 1988; Fawcett and Closs, 1993; Ohmae, 1989b; Perlmutter and Heenan, 1986; Sanchez, 1997; Shocker, Srivastava,

and Ruekert, 1994). These effects are chosen to be investigated here because they are frequently

cited in the past literature as the most apparent and immediate effects of globalization (e.g.,

Fawcett, Calantone, and Smith, 1997; Fawcett and Closs, 1993; Hafsi, 2002; Jones, 2002).

Moreover, while globalization increases market opportunities, it also raises the level of threats

faced by firms. Hence, it is interesting to explore these two contrasting effects on firms'

marketing activities.

Global market opportunities

Developments in information technologies, privatization, and deregulation of trade and

investment policies have offered tremendous opportunities to firms seeking to expand

internationally (Scully and Fawcett, 1994). Such expansions in market potential, trade and

investment potential and resource availability and accessibility resulting from globalization are

refered to as global market opportunities (Contractor and Lorange, 1988; Fawcett and Closs,

1993; Jones, 2002; Levitt, 1983). Firms can access not only new markets but also lower-cost

inputs by relocating their operations and exploiting cheap resources around the world (Czuchry

and Yasin, 2001). These enormous opportunities have eventually fostered rapid growth in

various economic sectors in many regions around the world (Graham, 1996). A large volume of

cross-border flows of trade, investment, technology, etc. during the1990s and early 2000s

(UNCTAD, 2003) is excellent evidence of increasing opportunities driven by globalization.

Global market threats

Globalization brings along global market threats, which can be further categorized into 1) global

competitive threats and 2) global market uncertainty. Global competitive threats are defined as

the intensified competition in global markets resulting from larger number of competitors in the global marketplace (D'Aveni, 1994; Hafsi, 2002). Trade liberalization, technological developments, and convergence of governmental macroeconomic policies associated with globalization have made it easy for firms around the globe to enter different geographic markets, thus, intensifying the competitive atmosphere for firms around the world (Hafsi, 2002; Harvey and Novicevic, 2002). Globalization has radically changed the competitive terrain faced by firms from both developed and emerging economies (Nolan and Zhang, 2003; Scully and Fawcett, 1994). Firms operating at different levels—domestic, regional, international and global—are now competing against one another. Hence, it is obvious that globalization has brought about a new competitive landscape referred to as "hypercompetitive markets" (Hitt, Keats, and DeMarie, 1998, 24), one that presents enormous threats to firms in every economic sector since it makes a firm's relative competitive advantage very time-sensitive (Harvey and Novicevic, 2002).

Together with higher competition, another threat posed by globalization is global market uncertainty—the increasing complexity and demand uncertainty in the market (Burgers, Hill, and Kim, 1993; Chimerine, 1997; Courtney, 2001; Oxelheim and Wihlborg, 1991). Such uncertainty has caused difficulties in firm's decision making and planning processes (Chimerine, 1997; Hitt, Keats, and DeMarie, 1998). Due to rapid technological changes and a growing number of firms now participating in the global marketplace, forecasting demands and/or competitors' responses has become increasingly difficult. This has enabled consumers to shift between producers, making demand become less predictable and uncertain (Chimerine, 1997).

In sum, while opportunities can arise from globalization, competition and uncertainty are unavoidable. As a result, firms need to formulate strategies that allow them to gain competitive

advantage and cope with globalization effects. Among different strategies implemented by firms in response to such inevitable changes in global marketplace, collaboration among firms appears to be the most popular and viable strategy because it enables firms to reduce competition and uncertainty while better capitalizing on opportunities (Contractor and Lorange, 1988; Hitt, Keats, and DeMarie, 1998; Ohmae, 1989b; Perlmutter and Heenan, 1986).

Co-marketing alliances

Co-marketing alliances, a specific type of strategic alliance, is one kind of business-level competitive strategy—horizontal complementary strategic alliance—whose primary focus is on creating a competitive advantage in specific product markets by pooling resources and capabilities of firms at the same stage of the value chain. The scope of co-marketing alliances is limited to marketing activities such as customer service, marketing, promotion, and distribution (Bucklin and Sengupta, 1993; Das, Sen, and Sengupta, 2003; Varadarajan and Cunningham, 1995). Unlike other types of strategic alliances, co-marketing alliances are mainly designed to help partners coordinate marketing activities with an objective of fulfilling customers' needs (Bucklin and Sengupta, 1993; Das, Sen, and Sengupta, 2003). Since marketing has obviously become an important factor that helps firms achieve a competitive advantage, this type of alliances is emphasized here.

As mentioned in Webster (1994, 8), "in the global markets of the 1990s and beyond, superior marketing will be a more sustainable source of unique competitive advantage than superior technology." Customer satisfaction is then the key to this success (Webster, 1994). In order to serve customers more successfully in the globalization era, firms need to ally with other firms since it is difficult or even impossible for one firm to do everything quickly, effectively,

and efficiently due to high competition and uncertainty in the markets (Ohmae, 1989b). Thus, co-marketing alliances then become a significant tool to help firms satisfy customers, stay on the competitive edge, and gain market power in the global marketplace.

Theoretical framework and hypotheses

To gain a better understanding of the relationships between globalization effects and the degree of cooperation in co-marketing alliance of firms, the present study applies two theoretical perspectives—transaction cost economics and market power perspective—to explain the phenomenon. While transaction cost economics explains why cooperation among firms provides them with efficiency, the market power perspective focuses on gaining market control through competitive collaboration. Thus, combining these two perspectives gives us a more complete explanation of the phenomenon.

Transaction cost economics

Bounded rationality and opportunism are two key behavioral assumptions underlying transaction cost economics (Rindfleisch and Heide, 1997; Williamson, 1981). Bounded rationality indicates human limited ability in processing information, and opportunism refers to "self-interest seeking with guile" (Williamson, 1975, 6). Due to bounded rationality, opportunism, uncertainty, frequency of transactions, small-number bargaining, and degree of assets specificity, hazards in transactions are introduced (Rindfleisch and Heide, 1997; Williamson, 1991a, b). As a result, certain safeguarding mechanisms must be employed in order to control such hazards, and thus increase the costs of the transactions (Kogut, 1988; Rindfleisch and Heide, 1997).

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Alliances enable firms to monitor possible opportunistic behaviors with less costs than internalizing their operations and gives them more control than leaving the transactions to be performed by the markets (Chen and Chen, 2003; Gulati, 1998; Jarillo, 1988; Kale, Singh, and Perlmutter, 2000; Spekman, et al., 1998; Tsang, 2000). This is especially true when firms are faced with high levels of competition and market uncertainty.

Since competing in global markets incurs huge fixed costs that make it difficult for one firm to absorb alone, a firm needs to ally with others in order to share costs and to better serve customers worldwide (Ohmae, 1989b). Therefore, transaction cost economics considers forming alliances as a strategy that helps firms expand their strategic capabilities (Burgers, Hill, and Kim, 1993). In addition to cost considerations, alliances also help firms reduce potential competition. This notion is consistent with the market power perspective, which will be briefly discussed next.

Market power perspective

Building on the market power perspective (Kogut, 1988), alliances provide a means to reduce competition and minimize uncertainty evoked by globalization (Burgers, Hill, and Kim, 1993; Gulati and Singh, 1998; Kale, Dyer, and Singh, 2002). Through alliances, firms can increase their market power in order to gain a competitive position in their market (Bucklin and Sengupta, 1993; Kogut, 1988). Hence, this perspective views alliances as a strategy to help firms reduce competition. Building on these two theoretical frameworks, the next section discusses the hypothesized relationships and the conceptual model illustrated in Figure 4.1.

Figure 4. 1
Model of Globalization Effects, Cooperation, and International Marketing Performance
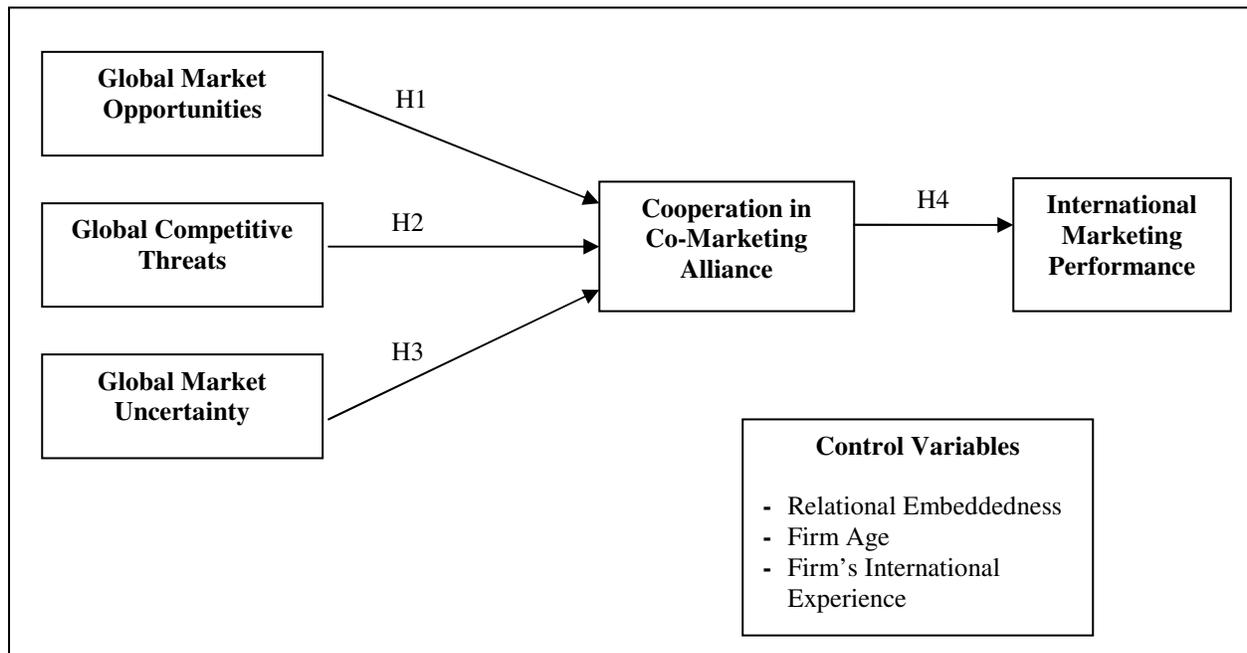
Model and hypotheses

Global market opportunities and co-marketing alliances

According to transaction cost economics (Williamson, 1975, 1979, 1981, 1991a, b), firms will choose the most efficient governance mechanism. Due to increasing global market opportunities, resources and markets are more easily accessible; thus, lowering the costs of transactions (Fawcett and Closs, 1993; Levitt, 1983; Peterson, Welch, and Liesch, 2002). Therefore, firms perceiving ample market opportunities resulting from globalization tend to be reluctant to increase their degree of cooperation in their existing alliances since the costs arising from opportunistic behaviors might outweigh the potential benefits expected from cooperative arrangements (Heide, 1994; Heide and John, 1990; White, 2000). When there is more than one party involved in a transaction, there exists behavioral uncertainty. This is the uncertainty

arising from the difficulties regarding performance evaluation of parties involved in the transaction (Rindfleisch and Heide, 1997; Williamson, 1985).

In the case of increasing global market opportunities, it becomes more difficult to evaluate the performance of the allying partners due to the bounded rationality condition—the limited ability to process all information—and information asymmetry. Therefore, internalizing the firms' operations may prove to be the most cost-effective means of governance structure (Williamson, 1985). Since globalization provides more opportunities for firms to conduct most of their transactions more efficiently within their organizations (Peterson, Welch, and Liesch, 2002), firms are more likely to internalize their international marketing activities and less likely to cooperate with other firms in their co-marketing alliances. Since we are interested in the degree of cooperation in international marketing activities among exporting firms, the degree of cooperation in co-marketing alliances is defined as the extent to which a firm cooperates with other firms in the alliance to coordinate international marketing activities such as customer service, advertising, promotion, and sharing distribution channels. Hence, the first hypothesis for this study can be stated as:

> Hypothesis 1: The degree of cooperation in co-marketing alliances is negatively
>
> influenced by global market opportunities.

Global competitive threats and co-marketing alliances

In order to cope with increasing global competitive threats, firms tend to form alliances (Ireland, Hitt, and Vaidyanath, 2002; Rindfleisch and Moorman, 2001; Sheth and Sisodia, 1999). Based on the classical industrial organization—the market power perspective—reducing competition is a means to create and strengthen a firm's market power (Burgers, Hill, and Kim, 1993; Kogut,

1988). Firms cooperate instead of compete with one another to gain stronger market power and competitive market position. Collaborating with other firms not only alleviates competition and improves their competitive position in the market, but also helps them avoid potential costs resulting from intensified competition (Contractor and Lorange, 1988; Gulati, 1998; Kale, Dyer, and Singh, 2002).

Furthermore, since globalization inhibits firms from possessing all necessary resources to compete effectively and efficiently in many markets (Ariño and Torre, 1998; Ohmae, 1989b), many firms have formed co-marketing alliances with other firms that possess complementary resources. Alliances enable firms to leverage their unique skills and combine their specialized resources to build competitive advantages, which help them gain stronger market position and succeed in global markets (Adler, 1966; Bucklin and Sengupta, 1993; Ireland, Hitt, and Vaidyanath, 2002). In addition, cooperative arrangements such as alliances are considered one of the effective means to manage global competitive threats brought about by globalization (Hamel, 1991; Kasmai and Iijima, 2002; Perlmutter and Heenan, 1986).

Given such intensified competition in global markets, firms are likely to avoid destructive competition, which raises costs and deprives potential profits, by not only forming alliances with their competitors, but also increasing their level of cooperation in existing alliances. In doing so, it enables firms to gain stronger market position, which finally enhances performance. Therefore, our second hypothesis can be stated as:

Hypothesis 2: The degree of cooperation in co-marketing alliances is positively

influenced by global competitive threats.

Global market uncertainty and co-marketing alliances

Drawing from transaction cost economics, the effects of external market uncertainty on governance decisions are ambiguous (Rindfleisch and Heide, 1997). Since external uncertainty makes it difficult to write an a priori comprehensive contract (Williamson, 1985), the problems of adapting to changes in an external market environment emerge (Williamson, 1991a). Such adaptations usually incur high transaction costs, especially in cases where the degree of asset specificity is high (Williamson, 1975). This indicates an interaction effect between asset specificity and external market uncertainty

However, empirical studies in the past have failed to show significant interaction effects between asset specificity and external uncertainty (e.g., Gatignon and Anderson, 1988; Klein, Frazier, and Roth, 1990). These insignificant results suggest that an investigation into the direct effect of external uncertainty may prove to be worthwhile. Thus, we propose to examine the effect of global market uncertainty on degree of cooperation in co-marketing alliances, which can be considered a hybrid mode governance structure (Tsang, 2000; Williamson, 1991a).

Williamson (1991a) advances his transaction cost analysis by incorporating the hybrid mode of governance, which falls in the middle of the market-hierarchy continuum. When market uncertainty is high, hybrids are a viable choice of governance structure because they possess stronger adaptive capabilities than hierarchies, yet provide more administrative control than market transactions (Tsang, 2000). Given the high level of market uncertainty, changes become increasingly unpredictable.

On one extreme, internalizing operations is not an appropriate alternative since investments in specific assets usually incur high fixed costs, and such assets are difficult to adapt to change or other usages. On the other extreme, relying on market transactions also deprives

firms from having full control over operations. In this case, alliances enable firms to monitor possible opportunistic behaviors with less costs than internalizing their operations, and giving more control than leaving the transactions to be performed by the markets (Chen and Chen, 2003; Gulati, 1998; Jarillo, 1988; Kale, Singh, and Perlmutter, 2000; Spekman, et al., 1998; Spekman and Sawhney, 1990; Young-Ybarra and Wiersema, 1999). Since competing in global markets incurs huge fixed costs that make it difficult for one firm to absorb alone, a firm needs to ally with others in order to share costs and better serve customers worldwide (Ohmae, 1989b). Therefore, the third hypothesis of this study can be stated as:

> Hypothesis 3: The degree of cooperation in co-marketing alliances is positively
>
> influenced by global market uncertainty.

Co-marketing alliances and international marketing performance

One of the benefits of co-marketing alliances is to help firms strengthen their market power and eliminate potential competition in a cost-effective manner (Bucklin and Sengupta, 1993; Das, Sen, and Sengupta, 2003). Thus, firms that wish to enhance their international marketing performance are encouraged to form co-marketing alliances to jointly conduct international marketing activities with other firms. International marketing performance is defined here as the extent to which an organization achieves more international outcomes than the marketing resources allocated (i.e., efficiency) and the degree to which an organization achieves its goals in international markets (i.e., effectiveness).

When an alliance is formed, the partner firms make collaborative efforts and share resources in helping each other conduct international marketing activities and achieve higher performance outcomes. Costs of performing international marketing activities are reduced due

to less competition among firms, and competitive advantage is then realized through cooperative efforts of co-marketing alliances (Dyer, 1997; Ireland, Hitt, and Vaidyanath, 2002; Ohmae, 1989b; Webster, 1992). Other potential benefits expected from alliances include lower transaction costs, increased market power, shared risks and resource accessibility (Gulati, Nohria, and Zaheer, 2000; Jarillo, 1989; Mowery, Oxley, and Silverman, 1996). Furthermore, alliances are recommended as an important tool in firm internationalization since they help firms alleviate resource and capability shortages and achieve superior performance (Jarillo, 1989; Zacharakis, 1997).

Hence, success in international markets can be realized through participation in alliances in order to acquire resources and capabilities necessary to cope with changes arising from globalization. Ultimately, the international marketing performance of firms can be enhanced through increased cooperation in co-marketing alliances. As such, the next hypothesis can be stated as:

Hypothesis 4: International marketing performance is positively influenced by the degree of co-marketing alliance.

Research context

Thailand and the U.S. provide contrasting research contexts due to differences in their degree of globalization (Foreign Policy, 2001, 2003), level of economic development, and national competitiveness (Porter, et al., 2000; Porter and Schwab, 2003). While the U.S. is highly globalized, Thailand is considerably less globalized. According to a survey conducted by AT Kearney and EDS Company in cooperation with Foreign Policy Magazine (2004), Thailand is ranked 48th, and the U.S. is ranked 7th on the globalization index, which consists of indicators

such as trade and financial flows, movement of people across borders, international telephone traffic, Internet usage, and participation in international treaties and peacekeeping operations.

Thailand is classified as a lower-middle-income economy, one in which the Gross National Income (GNI) per capita is between $736 and $2,935, while the U.S. is considered a high-income-economy whose GNI per capita is above $9,076 (The World Bank Group, 2003). Furthermore, the national competitiveness of these two nations differs dramatically. The U.S. is the second most competitive country in the world whereas Thailand is ranked number 40 on the national competitiveness index (Porter and Schwab, 2003). Given that these two countries are different in many aspects, it is worthwhile to examine the generalizabilty of relationships among globalization effects, degree of cooperation in co-marketing alliances and international marketing performance across countries.

Research method

Sample

Our sample was drawn from the electronics and chemical industries, which consist of a large number of exporters in both Thailand and the U.S. These two industries are export-oriented in both countries due to lower manufacturing costs in Thailand and more advanced technology in the U.S. In Thailand, firms were identified from two sources: 1) The Export-Import Bank, Thailand (2001) and 2) The Department of Export Promotion, Thailand (2003). These two sources are reliable and legitimate because they represent the authorities that oversee and support exporters in Thailand. Therefore, these sources provide the most complete set of exporting firms in Thailand classified by industries. A total of 1,050 firms (450 electronic exporters; 600 chemical and pharmaceutical exporters) are included in the sampling frame.

The sample in the U.S. consists of firms in manufacturing sectors having the first three digits of the North American Industry Classification System (NAICS) of 334- and 325-. Lists of qualified firms were obtained from Harris InfoSource's (2001) database and Ward's Business Directory of U.S. Private and Public Companies by Gale Group (2001). We relied on these two directories because they classify firms based on the NAICS and provide information regarding a firms' export, necessary information for this study. Therefore, we randomly selected our samples from these lists. This yielded the final sample size of 692 U.S. exporters.

Survey design and data collection

The main research instrument in this study was a questionnaire. Questions were initially developed in English and revised after discussing with fifteen experts and managers and a pretest with twenty firms. It was then translated into Thai and back-translated by two independent bilinguals using the method suggested by Douglas and Craig (1983). This involved original translation, back-translation, and extensive refinements until the translated instruments possessed both conceptual and functional equivalences (Cavusgil and Das, 1997; Green and White, 1982; Mintu, Calantone, and Gassenheimer, 1994).

The key informant technique (Campbell, 1955) was used to collect data. This technique has been successfully adopted in many studies of strategic alliances (e.g., Bucklin and Sengupta, 1993; Lamb, Spekman, and Hunt, 2002; Rindfleisch and Moorman, 2001; Young-Ybarra, 1999, etc.). The targeted key informants included the presidents, owners, and middle-level managers (general managers or marketing managers) who are typically top decision makers of the firms and are most knowledgeable about the firms' overall activities.

The questionnaires were mailed to 1,050 and 692 firms in Thailand and the U.S., respectively. In both countries, three waves of mailings were sent to the key informants in our sampling frame. In addition, a telephone follow-up was conducted one week after each of the mailings to request and encourage participation. After eliminating undelivered mail and firms that are no longer exporting or out of business, the total valid mailings were 767 in Thailand and 359 in the U.S.

A total of 223 completed surveys were returned, and 208 were usable. Among 58 completed questionnaires in the U.S., 36 firms (62%) participate in co-marketing alliances. A total of 48 out of 150 firms (32%) in Thailand participate in co-marketing alliances. Given the proportion of firms engaging in co-marketing alliances, it is obvious that U.S. firms tend to be more cooperative than Thai firms. The response rates in the U.S. and Thailand are 17% and 21%, respectively. The overall response rate from the survey is 20%.

Non-response bias analysis

We used two methods to estimate non-response bias. The first approach involves dividing responses into early and late response groups on the basis of their arrival dates (Armstrong and Overton, 1977) while the second approach requires a random and equal split of responses. Then, a comparison of differences in the mean of responses between early and late groups and between two equally and randomly split groups can be conducted along key constructs of the study. Such comparison is considered a valid test of non-response bias as documented and practiced by a volume of studies (e.g., Li and Calantone, 1998; Wu, Mahajan, and Balasubramanian, 2004).

Hence, the questionnaires of two countries were initially divided into two groups based on their arrival dates. The first group of responses, the early response group, consisted of

questionnaires received during the first four weeks of the survey period. Questionnaires received afterwards were considered late responses. The early response group included 119 firms (90 from Thailand and 29 from the U.S.) or 57 percent of total valid replied mails. The remaining 89 firms (60 from Thailand and 29 from the U.S.) were grouped as late responses, and this accounted for 43 percent of the total responses. Next, the questionnaires were categorized randomly into two equal groups. Following this approach, two data groups with an equal number of responses (i.e., 104) were generated. The means of the major constructs in this study were compared in both groupings, and no significant differences were found (see Appendix A for details). Thus, we can conclude that non-response is not an issue here.

Measures

The samples of items used to measure key constructs in this study and the sources of the scales are summarized in the Appendix B. The following section discusses all the measures in detail.

Dependent variable: International marketing performance

International marketing performance is the extent to which an organization achieves 1) more international marketing outcomes than the resources allocated to overseas marketing activities (efficiency) and 2) organizational goals in international markets (effectiveness). Both of these concepts are adopted from Vorhies and Morgan (2003). The scale to measure international marketing performance is composed of items reflecting both efficiency and effectiveness in international markets.

Although efficiency is usually assessed using secondary data, e.g., the ratio of marketing and selling expenses to the firm's gross operating revenue (Vorhies and Morgan, 2003), this study proposes to use perceptual measures of international marketing efficiency for two reasons.

First, past studies indicate that both perceptual and objective measures of performance yield consistent results (Dess and Robinson, 1984; Hart and Banbury, 1994; Naman and Slevin, 1993; Pearch, Robbins, and Robinson, 1987). Next, the secondary financial data indicating the expenses and revenues of firms from emerging markets are either unavailable or difficult to obtain due to the size and non-public nature of their businesses (Sapienza, Smith, and Gannon, 1988). The three-item perceptual measure of international marketing efficiency was generated based on the definition of the marketing efficiency construct conceptualized by Vorhies and Morgan (2003). The other three items that were used to measure international marketing performance reflect international marketing effectiveness. All items were rated on a seven-point scale.

Globalization effects

Global market opportunities are defined as the increases in market potential, trade and investment potential and resource accessibility resulting from globalization. Global market threats can be further categorized into 1) global competitive threats and 2) global market uncertainty. Global competitive threats refer to the intensified competition in global markets resulting from a larger number of competitors in the global marketplace. Global market uncertainty is defined as the increasing complexity and demand uncertainty in the market.

Based on these dimensions of globalization effects, measurement items were generated based on past literature (Archibugi and Michie, 1995, 1997; Fawcett, Calantone, and Smith, 1997; Fawcett and Closs, 1993; Fram and Ajami, 1994; Levitt, 1983; Morrissey and Filatotchev, 2000; Ohmae, 1989a; Zou and Cavusgil, 2002). All items were rated on seven-point Likert

scale. Global market opportunities were measured using six items. Global competitive threats and global market uncertainty were measured using two and three items, respectively.

Degree of cooperation in co-marketing alliance

In this paper, the degree of co-marketing alliance is defined as the extent to which a firm cooperates with other firms participating in the alliance in coordinating some marketing activities. Formative indicators were used to measure this construct. Each of these indicators reflects different types of international marketing activities that can be jointly completed by two or more organizations which operate at the same level in the value-added chain (Bucklin and Sengupta, 1993). We generated items based on past literature (Bucklin and Sengupta, 1993; Kotler, 1991; Varadarajan and Rajaratnam, 1986).   As such, a fourteen-item seven-point scale (1 = no cooperation 0% to 7= cooperation most of the time 80-100%) was designed to measure the construct.

Control Variables

Relational embeddedness.

Relational embeddedness refers to the degree of reciprocity and closeness among alliance participants (Rindfleisch and Moorman, 2001). Past studies (e.g., Gulati, 1998; Hansen, 1999; and Uzzi, 1999) suggest that high levels of cooperation are present in alliances with a high degree of relational embeddedness. Hence, relational embeddedness needs to be controlled in order for this study to capture the effects of globalization on the degree of cooperation in co-marketing alliances. The scale to measure relational embeddedness is adopted from Rindfleisch and Moorman (2001). The construct was measured by a four-item seven-point Likert scale.

Firm age

Past studies show that firm age tends to affect firm performance since older firms are likely to

have accumulated greater stocks of resources over time (Mohan-Neill, 1995; Pett and Wolff,

2003). These stocks of resources are important to help firms successfully manage challenges,

especially in their internationalization (Mohan-Neill, 1995). Therefore, we included firm age as

one of the control variables in order to capture the effect of degree of cooperation in co-

marketing alliances on international marketing performance of firms. A single self-reported item

was used to measure this variable.

Firm international experience.

According to Shrader (2001), international experience of a firm—defined as the number of years

a firm has been involved in international markets—may have influenced its performance. Since

international experience was found to be a crucial factor in helping firms manage international

challenges and achieve superior performance (Aulakh, Kotabe, and Teegen, 2000; Pett and

Wolff, 2003; Rueuber and Fischer, 1997), we included this variable as a control variable in our

study. This variable is measured using one self-reported item.

Measure development and validation

General measurement approach

Given the scarcity of prior empirical research, the scale to measure the effects of globalization

was newly generated. Since observed variables were manifestations of underlying construct,

reflective measures were used to assess the constructs of interest in this study (Bagozzi and

Baumgartner, 1994). Therefore, a confirmatory factor analysis by means of AMOS 4.01

(Arbuckle, 1999) was used to assess the psychometric properties of the scales to validate the measures (Anderson and Gerbing, 1988; Fornell and Larcker, 1981). AMOS is a new structural equation modeling program that has recently gained popularity among academic scholars.

For a formative scale measuring the degree of cooperation in co-marketing alliances, the content validity of the measures provides the major validation tool (Howell, 1987). Interviews and pre-testing of the scale items provide evidence of content validity. This procedure of assessing formative scales has been widely practiced in business literature (Homburg, Hoyer, and Fassnacht, 2002; Johnson, Sohi, and Grewal, 2004).

Scale assessment

Table 4.1 provides a summary of our scale assessment. The chi-square (χ^2) of the measurement model was 289.41 (degree of freedom = 215). The comparative fit index (CFI), incremental fit index (IFI), and non-normed fit index (NNFI) were .95, .97, and .95, respectively. These fit indices of above .90 are considered acceptable (Bentler, 1992; Byrne, 2001; Diamantopoulos and Siguaw, 2000; Jöreskog and Sörbom, 1993). Root mean square of error approximation (RMSEA) was .065 with a very narrow 90% confidence interval (i.e., upper RMSEA = .083 and lower RMSEA = .044), which shows the precision of this index to reflect a model fit in the population (McCallum, Browne, and Sugawara, 1996).

Squared multiple correlation (R^2), Cronbach alpha and composite reliability (ρ_c) were used to assess construct reliabilities. Every indicator was a reliable measure of its designated construct since each squared multiple correlation was substantial, i.e., greater than 0.5 (Diamantopoulos and Siguaw, 2000). All Cronbach alphas were greater than 0.7, the minimum

acceptable level suggested by Nunnally and Bernstein (1994). In addiion, all composite

reliabilities exceeded 0.6, the benchmark recommended by Bagozzi and Yi (1988).

Table 4. 1

Factor Loadings (λ), Squared Multiple Correlation (R^2), Composite Reliability (ρ_c), and Cronbach Alpha (α)

Items	Thailand				The U.S.				Total			
	λ	R^2	ρ_c	α	λ	R^2	ρ_c	α	λ	R^2	ρ_c	α
GMO1	0.787	0.620			0.924	0.853			0.828	0.685		
GMO2	0.877	0.769			0.737	0.543			0.829	0.687		
GMO3	0.818	0.670	0.86	0.91	0.840	0.706	0.94	0.87	0.824	0.679	0.86	0.92
GMO4	0.854	0.730			0.900	0.810			0.873	0.762		
GMO5	0.784	0.615			0.915	0.837			0.836	0.700		
GMO6	0.605	0.533			0.745	0.555			0.677	0.548		
GCT1	0.912	0.831	0.83	0.88	0.921	0.847	0.95	0.87	0.892	0.796	0.84	0.92
GCT2	0.865	0.748			0.988	0.977			0.952	0.906		
GMU1	0.790	0.623			0.786	0.617			0.742	0.551		
GMU2	0.687	0.501	0.60	0.73	0.958	0.918	0.89	0.79	0.841	0.707	0.66	0.81
GMU3	0.574	0.530			0.822	0.676			0.721	0.519		
REM1	0.763	0.582			0.726	0.527			0.768	0.590		
REM2	0.868	0.754			0.851	0.724			0.863	0.745		
REM3	-0.611	0.503	0.82	0.72	-0.924	0.854	0.77	0.70	-0.726	0.527	0.80	0.70
REM4	0.798	0.636			0.679	0.461			0.762	0.581		
REM5	0.903	0.815			0.877	0.769			0.874	0.763		
REM6	0.879	0.773			0.766	0.587			0.808	0.653		
EFC1	0.926	0.858			0.892	0.796			0.913	0.833		
EFC2	0.930	0.866	0.87	0.89	0.819	0.671	0.77	0.83	0.857	0.734	0.82	0.86
EFC3	0.739	0.546			0.65	0.513			0.692	0.518		
EFT1	0.920	0.846			0.940	0.884			0.940	0.681		
EFT2	0.859	0.737	0.85	0.90	0.977	0.955	0.93	0.98	0.925	0.547	0.87	0.95
EFT3	0.829	0.687			0.986	0.972			0.918	0.782		

Labels of variables: GMO = global market opportunities, GCT = global competitive threats, GMU = global market uncertainty, REM = relational embeddedness, EFC = international marketing efficiency, EFT = international marketing effectiveness

All indicators loaded significantly and substantively on their hypothesized factors (p

<.001). The discriminant validity of each construct was assessed by two methods. First, we

compared the square root of the average variance extracted (AVE) of each construct to all of its

corresponding correlations, which are based on averages of items. Since each of the square roots of AVE is greater than all corresponding correlations (see Table 4.2), all constructs exhibited discriminant validity (Fornell and Larcker, 1981; White, Varadarajan, and Dacin, 2003). Second, we compared each correlation with its respective standard error. Since each correlation is less than 1 by an amount greater than twice its respective standard error, all constructs revealed discriminant validity (Bagozzi and Warshaw, 1990). Based on the aforementioned criteria, all scales used in this study proved to be valid and reliable. Table 4.2 presents the descriptive statistics for latent constructs along with their correlations.

Table 4. 2

Descriptive Statistics: Mean, Standard Deviation, and Correlations

	REM	GMO	GCT	GMU	CMA	EFC	EFT
1. Relational embeddedness (REM)	**.76**						
2. Global market opportunities (GMO)	.12	**.72**					
3. Global competitive threats (GCT)	.03	.22*	**.85**				
4. Global market uncertainty (GMU)	.08	-.06	.42**	**.63**			
5. Degree of cooperation (CMA)	.41**	.16	.28*	.30**	--		
6. International marketing efficiency (EFC)	.10	.08	-.12	-.16	.06	**.74**	
7. International marketing effectiveness (EFT)	.30**	.40**	.05	.01	.41**	.29**	**.86**
Mean	4.81	5.14	5.24	4.26	3.36	4.55	4.32
Standard Deviation	0.71	1.24	1.59	1.28	1.59	1.19	1.41

** $p < .01$
* $p < .05$

Notes: Numbers shown in boldface denote the square root of the average variance extracted (for reflective constructs only).

Before merging two national sub-samples for measurement validation, an assessment of measurement invariance was conducted to ensure cross-cultural equivalence of the constructs

(Steenkamp and Baumgartner, 1998). Following the procedure suggested by Steenkamp and Baumgartner (1998), configurational invariance and metric invariance must be achieved. While the former refers to the cross-cultural equivalence in the factorial structure underlying a set of observed measures, the latter implies equivalence in the scale intervals. Applying multiple group confirmatory factor analysis, the results revealed full configurational invariance and metric invariance after removing one item from the scale measuring relational embeddedness. This item (i.e., the relationship that my firm has with my major marketing partner is very much like being family) was removed due to the non-equivalent pattern of factor loadings across two nations. Hence, merging the two national sub-samples is valid after deleting this item.

Results and discussion

Preliminary test of country and industry effects

We initially assessed the differences in the mean of the dependent variables—international marketing efficiency and international marketing effectiveness—between two national sub-samples and two industry sub-samples by using one-way ANOVA. The result revealed that there is a significant difference in the mean of international marketing effectiveness (F-statistics = 4.626 at $p < .01$), but not efficiency (F-statistics = 2.282 at $p > .10$) between Thai and the U.S. exporters. However, there is no significant difference in international marketing effectiveness (F-statistics = 0.215 at $p > .10$) and efficiency (F-statistics = 0.165 at $p > .10$) between the two industries. This indicates that the international marketing effectiveness between the two countries is significantly different from each other. Therefore, we included country as a dummy variable in our analysis.

Model specification

Ordinary least square (OLS) regression analysis was used to test our hypotheses. Three regression models in this study are:

$$CMA = \beta_0 + \beta_1\,REM + \beta_2\,GMO + \beta_3\,GCT + \beta_4\,GMU + \varepsilon$$

$$EFC = \beta_0 + \beta_1\,Age + \beta_2\,IE + \beta_3\,CMA + \varepsilon$$

$$EFT = \beta_0 + \beta_1\,Age + \beta_2\,IE + \beta_3\,CMA + \beta_4\,Country + \varepsilon$$

Note: CMA = Degree of co-marketing alliances
REM = Relational Embeddedness
GMO = Global Market Opportunities
GCT = Global Competitive Threats
GMU = Global Mart Uncertainty
EFC = International Marketing Efficiency
EFT = International Marketing Effectiveness
IE = International Experience
Age = Firm Age
Country is the dummy variable where 0 represents U.S. firms and 1 represents Thai firms

Hypothesis testing and discussion

Since the results of measurement invariance have confirmed equality in the constructs across these two countries and there is no difference in the mean of dependent variable across industries, data were pooled for model estimation. Variance inflation factors (VIFs) and conditional indices were used to diagnose potential multicollinearity problems. From the results presented in Table 4.3, the maximum VIF obtained is 1.947, which is below the suggested cutoff of 10.00 for a multiple regression (Mason and Perreault, 1991; Neter, et al., 1985). Moreover, none of the condition indices for the regression model exceeds the acceptable value of 30.0 (Belsley, Kuh, and Welsch, 1980). Therefore, no severe multicollinearity problem is found here.

Table 4. 3
Results of Ordinary Least Square Regression Analysis [a]

Variable	Degree of cooperation in co-marketing alliances	International marketing efficiency	International marketing effectiveness
	Model 1	Model 2	Model 3
Control variables			
Relational embeddedness	.393*** (.152) (1.014)	--	--
Firm age	--	.104 (.095) (1.846)	.125 (.090) (1.873)
Firm international experience	--	.216 (.100) (1.779)	.053 (.098) (1.947)
Other variables			
Global market opportunities	.102 (.158) (1.098)	--	--
Global competitive threats	.214** (.157) (1.074)	--	--
Global market uncertainty	.252*** (.152) (1.019)	--	--
Degree of cooperation in co-marketing alliances		.138 (.069) (1.050)	.343*** (.072) (1.323)
Country	--	--	.213* (.235) (1.380)
Adjusted R^2	.251	.061	.179
F-statistics	7.967***	2.810**	5.512***

[a] The coefficients are standardized. Standard errors are in the first parentheses; variance inflation factors are in the second parentheses.
   * $p < .10$
  ** $p < .05$
*** $p < .01$

The results indicate that globalization effects explain a significant variance in the degree of cooperation in co-marketing alliances (R^2 = .251, p < .01). Furthermore, the variance in international marketing effectiveness is significantly explained by this degree of cooperation (R^2 = .179, p < .01). Regarding the effects of globalization on the degree of cooperation in co-marketing alliances, the results from Model 1 indicate strong support for hypotheses 2 and 3. Global competitive threats positively influence the degree of cooperation (β = .214, p < .05). Similarly, global market uncertainty positively influences the degree of cooperation (β = .252 p < .01).

We do not gain support for hypothesis 1. The coefficient is positive, but not statistically significant (β = .102, p > .1). Given ample opportunities in the market but limited firm capability, perhaps firms may not reduce their cooperation in alliances due to the bounded rationality condition as hypothesized. Instead, they slightly increase their collaboration with other firms in order to exploit the benefits of alliance participation and to expand their strategic capabilities. This is contrary to our hypothesis. Our findings show that although increasing global market opportunities are present, firms may not be able to capture them alone so they collaborate with others. Firms might realize that the benefits from such collaboration may outweigh the costs of safeguarding opportunistic behaviors under bounded rationality. Therefore, cooperation in alliances may be perceived by firms as a viable option to gain competitive advantage amid globalization.

In addition to these hypothesized relationships, relational embeddedness, which is the control variable in Model 1, has a significant positive influence on the degree of cooperation. This is consistent with the literature since prior studies (e.g., Gulati, 1998; Hansen, 1999; and

Uzzi, 1999) suggest that a high level of cooperation is present in alliances with a high degree of relational embeddedness.

Models 2 and 3 were used to test hypothesis 4. We gain partial support for this hypothesis since the degree of cooperation only significantly influences international marketing effectiveness ($\beta = .343$, $p < .01$), but not efficiency ($\beta = .138$, $p > .10$). Furthermore, country has an effect on international marketing effectiveness, but the coefficient is only significant at $p < .10$ ($\beta = .214$). This result helps us explain that the cooperation in co-marketing alliances may enable firms to enhance their effectiveness but not efficiency since higher costs may arise from firms' attempts to cooperate with one another; thus deteriorating their efficiency. This is consistent with literature in transaction cost economics. The higher costs of transactions may result from higher monitoring expenses incurred from safeguarding the behaviors of allying partners. Table 4.4 summarizes the results of the hypothesis testing.

Table 4. 4

Results of Hypothesis Testing

Variables	Degree of cooperation in co-marketing alliances	International marketing efficiency	International marketing effectiveness
Global market opportunities	Negative (Not supported)		
Global competitive threats	Positive (Supported)		
Global market uncertainty	Positive (Supported)		
Degree of cooperation in co-marketing alliances		Positive (Not supported)	Positive (Supported)

Contributions and future directions for research

Theoretical contributions

Alliances were recommended by many scholars as a means to achieve competitive advantage and enhance firm performance during globalization. Yet, there is a scarcity of empirical research investigating this issue. We address the question of whether forming alliances matters in globalization. We extend both international business and marketing literature by linking the globalization effects to firms' marketing conduct (i.e., cooperation in co-marketing alliance) and performance in international markets. Since past business research has paid limited attention to this form of alliance, this research attempts to explore, in particular, issues related to firms' cooperation in international marketing activities.

We found that globalization drives more cooperation among alliance partners. Global competitive threats and global market uncertainty were found to have a strong influence on such cooperation. From our findings, higher cooperation in international marketing activities (e.g., international market research, selecting overseas target markets, manufacturing the products to be exported, and international sales promotion) enables firms to enhance their international marketing effectiveness. Therefore, we can conclude that globalization stimulates alliance cooperation and a higher degree of cooperation helps firms strengthen their international performance.

It is believed that this research makes significant contributions to the literature on globalization, alliances, and performance implications on allying firms. By applying two complementary theories (i.e., transaction costs economics and market power perspective), we explain the relationships among globalization effects, degree of cooperation in co-marketing alliances and international marketing performance. Since these two theories have different

emphases, the application of these two theories helps us gain a more complete picture of 1) the rationales behind the degree of cooperation in co-marketing alliance, and 2) the performance implications of allying firms. While transaction cost economics focuses on the governance structure that minimize a firm's transaction costs, the market power perspective focuses on the reduction of competition to gain market control. Based on these two theoretical perspectives, we analyzed different relationships between each effect of globalization on the degree of cooperation in co-marketing alliances in international marketing activities of firms. Therefore, this paper extends the application of these two theoretical perspectives by applying them to the unexplored phenomenon of globalization.

Managerial implications

To business practitioners, this study illustrates the significant role of co-marketing alliances in enhancing the international marketing performance of firms in the context of globalization. Managers can gain a better understanding of how globalization may affect their firms' cooperation in alliances, which in turn affects performance. In today's global economy, firms are trying to gain competitive advantages that strengthen their market position and ensure their long-term success. Therefore, managers need to understand how globalization may affect their firms' marketing conduct, such as their cooperation in alliances so that they can formulate strategies to help them stay competitive in the global marketplace.

From our findings, firms should collaborate in international marketing activities such as cooperatively selling their products in foreign markets, conducting international sales promotion and advertising, providing overseas customer services, and developing new products for international markets in order to achieve superior international marketing performance. Through

such cooperation, firms not only reduce potential competitors, but also expand their strategic capabilities by sharing and combining their resources. This results in higher effectiveness. However, allying firms need to control higher costs arising from working together so that efficiency can be achieved. Clear job descriptions and responsibilities of each partner should reduce redundancy, which ultimately lower total costs.

Since globalization presents both opportunities and threats to managers, they need to recognize how such opportunities and threats may affect their firms' marketing and business practices. This study shows that global market threats (i.e., competitive threats and market uncertainty) influence the degree of firms' cooperation in co-marketing alliances. It also shows that firms can enhance their international marketing effectiveness through such alliance cooperation. In addition, our study confirms that globalization drives firms to increase cooperation in alliances, and such cooperation, in turn, benefits their performance. Unless managers are familiar with these issues, proper strategies regarding inter-firm collaboration cannot be successfully implemented.

Limitations and directions for future research

Our study is among a very few empirical studies of globalization effects. Therefore, the results of this study must be viewed with these limitations. The scales to measure globalization effects were newly developed. The scope and domain of our formative measure for the degree of cooperation in co-marketing alliances represents another measurement concern. Although these scales were developed from a careful literature review, they are new, and thus need further verifications and applications.

Several variables were not included in this study, but are worth incorporating in further studies. The roles of trust and commitment in the co-marketing alliances should be investigated. As stated in Dyer (1997), the transaction costs of the firms vary based on the choice of safeguarding mechanisms used. For instance, higher commitment between exchange partners, higher economies of scale and scope of exchange relationships, and higher inter-firm information sharing can help lower transaction costs (Dyer, 1997). Since levels of trust and commitment may affect the degree of cooperation and satisfaction of each partner, further studies could investigate the relationships between the two and its effects on firms' efficiency.

Other research avenues may include comparative studies of differences in the degree of co-marketing alliances and their performance implications among firms from emerging economies themselves. Although most emerging economies appear to possess similar characteristics, they tend to differ in various ways (e.g., political regimes, levels of economic development, and managerial styles). Moreover, empirical studies of firms in different emerging markets are scarce. Thus, studies comparing firms from different emerging economies are worth exploring in the future.

Conclusion

From both theoretical and practical perspectives, globalization is a complex phenomenon. Our study is one of only a few empirical studies investigating the effects of globalization on firms. We emphasize how globalization affects firms' cooperation in international marketing activities, and how such activities help them enhance their international marketing performance. Given that globalization is multifaceted and only three of its dimensions were explored here, there remain many issues to be addressed. Future studies should emphasize a search for theories to

explain the globalization phenomenon. It is hoped that our research inspires more studies on the

impact of globalization on business.

CHAPTER FIVE

CONCLUSION

This dissertation is comprised of three papers relating to the effects of globalization on firms. The first paper advances prior knowledge on globalization and business by empirically investigating how this phenomenon affects firm performance. The second and third papers explore the role of firms' cooperation in alliances in enhancing their performance amid globalization by specifically focusing on co-marketing alliances and international marketing performance of firms. A particular emphasis is paid to this type of alliance since superior marketing is crucial for firms to build a sustainable source of unique competitive advantage. Such advantage eventually enables firms to achieve long-run success in a hypercompetitive terrain under globalization. While the second paper proposes a conceptual framework relating globalization effects to alliance cooperation and firm performance, the last paper empirically tests the proposed relationships in two distinct economies (i.e., Thailand and the U.S.).

Given that globalization is a complex phenomenon, there is a scarcity of empirical research investigating its effects on businesses. The three aforementioned papers are among a few empirical studies that explore the effects of globalization on firms. Hence, there are several significant contributions of this dissertation. First, the effects of globalization on firms are classified into two key dimensions—global market opportunities and global market threats—based on an extensive review of scattered literature on the topic. Second, these major effects are operationalized and empirically tested in two conceptual models to examine the relationships among these effects, cooperation in alliances, and firm performance. Third, literature on international business, strategic management, and marketing are integrated to address the effects of globalization on firms' marketing conduct and outcomes. Forth, two complementary

theories—transaction cost economics and market power perspectives—and literature on environment-organization interfaces are integrated to explain the phenomenon.

The first paper in this dissertation discusses how globalization affects firms. It draws from environment-organization literature. Building on this stream of research, macro environment such as globalization represents a context in which organizational characteristics and outputs are strongly shaped. For this reason, this paper attempts to demonstrate and address how globalization influences firm performance. Although academic scholars have alluded to various impacts of globalization, limited empirical studies have been conducted to investigate its effects on firms. Therefore, the purpose of this paper is to classify and define such effects into two major categories, i.e., global market opportunities and global market threats. Then, scales to measure these effects were developed and empirically tested in two different economic contexts (i.e., Thailand and the U.S.) to answer two research questions: 1) Does globalization affect firm performance? and 2) Is the relationship between global market opportunities and performance stronger than the relationship between global market threats and performance. The results of this study provide considerable support for the notion that globalization can be both beneficial and detrimental to business. Moreover, this study confirms that globalization is a universal phenomenon in which firms, regardless of where they are located, are inevitably affected.

The second paper proposes a conceptual framework to investigate relationships among globalization effects, degree of cooperation in co-marketing alliances, and international marketing performance. This paper focuses on relationships between globalization effects and alliances because past research often mentions that globalization drives more collaboration and alliance participation, yet no empirical study establishes the link between these two. Co-marketing alliances and international marketing performance are particularly emphasized here

since gaining a competitive edge in today's globalized business environment requires firms to excel in marketing activities. As in Webster's (1994) words, "in the global markets of the 1990s and beyond, superior marketing will be a more sustainable source of unique competitive advantage than superior technology" (p.8). Thus, this paper explores how firms with international marketing activities can enhance their performance in the global marketplace through increased cooperation in co-marketing alliances. Building on market power perspective and transaction cost economics, this paper proposes that increased global market threats, including competitive threats and market uncertainty, will encourage more cooperation in alliances while global market opportunities will not. While transaction costs economics considers alliances as a strategy enabling firms to expand their strategic capabilities, market power perspective regards alliances as a means to reduce competition and minimize uncertainty evoked by globalization (Burgers, Hill, and Kim, 1993, Gulati and Singh, 1998; Dyer and Singh, 2002). Hence, a higher degree of cooperation in co-marketing alliances is then hypothesized to enhance firms' international marketing performance.

The last manuscript included in this dissertation presents an empirical study which tests the hypothesized relationships put forth in the previous conceptual paper. It advances our knowledge of globalization phenomenon by investigating the effects of globalization on degree of co-marketing alliances and international marketing performance. The findings of this study indicate that globalization drives more collaboration among firms, allowing them to better cope with higher global competitive threats and market uncertainty. Such cooperation eventually increases international marketing effectiveness of firms engaging in co-marketing alliances. Whereas an increase in cooperation is influenced by higher global market threats (i.e., both competitive threats and uncertainty), it is not affected by global market opportunities. The

absence of any effect of global market opportunities on alliance cooperation can be attributed to the fact that ample opportunities in the markets may result in the lack of collaboration among firms. Moreover, it is found that increased cooperation in co-marketing alliances helps firms enhance international marketing effectiveness but not efficiency. Since higher expenses may arise from such cooperative attempts, efficiency becomes difficult to realize. In sum, these results validate globalization-alliance literature by showing that globalization actually drives more cooperation among firms.

As discussed throughout the dissertation, globalization acts as a two-edged sword. Managers should be prepared to cope with these diverse effects by capitalizing on global market opportunities while carefully managing the inherent threats. Alliance participation and cooperation presents a viable option for firms to navigate successfully in this new competitive landscape. From both theoretical and practical perspectives, globalization is a complex phenomenon. The three manuscripts included in this dissertation are among a few empirical studies emphasizing the effects of globalization on firms. Given that globalization is multifaceted and only a few key dimensions of its effects were explored here, many issues remain to be addressed. It is hoped that this research will inspire more studies on the impact of globalization on business and a search for theories to explain the phenomenon.

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APPENDICES

APPENDIX A

Non-response Bias

Table 1
Comparison of Early and Late Responses

Construct	F-Statistics: Test of Equality of Variances (P-value)	T-Statistics: Equal Variances Assumed (P-value)	T-Statistics: Equal Variances Not Assumed (P-value)	Wilcoxon W Z-Statistics (P-value)
Global market opportunities	0.563 (0.455)	0.710 (0.480)	0.685 (0.496)	-0.188 (0.851)
Global competitive threats	0.006 (0.936)	-1.426 (0.158)	-1.449 (0.152)	-1.369 (0.171)
Global market uncertainty	0.576 (0.450)	-0.597 (0.552)	-0.613 (0.542)	-0.398 (0.690)
Degree of co-marketing alliances	0.785 (0.378)	-1.224 (0.225)	-1.185 (0.241)	-1.067 (0.286)
Relational embeddedness	0.646 (0.424)	0.118 (0.906)	0.116 (0.908)	-0.014 (0.989)

Table 2
Comparison of Two Randomly and Equally Split Responses

Construct	F-Statistics: Test of Equality of Variances (P-value)	T-Statistics: Equal Variances Assumed (P-value)	T-Statistics: Equal Variances Not Assumed (P-value)	Wilcoxon W Z-Statistics (P-value)
Global market opportunities	0.744 (0.391)	-1.114 (0.268)	-1.114 (0.269)	-0.886 (0.376)
Global competitive threats	1.172 (0.282)	-0.123 (0.903)	-0.123 (0.903)	-0.027 (0.979)
Global market uncertainty	0.096 (0.758)	-0.751 (0.455)	-0.751 (0.455)	-0.769 (0.442)
Degree of co-marketing alliances	0.393 (0.533)	-0.542 (0.590)	-0.542 (0.590)	-0.425 (0.671)
Relational embeddedness	0.822 (0.367)	1.265 (0.209)	1.265 (0.209)	-1.172 (0.241)

APPENDIX B

Measures

Measures

Globalization Effects: New scale drawn from Burgers, Hill, and Kim (1993), Fawcett, Calantone and Smith (1997), Fawcett and Closs (1993), and Zou and Cavusgil (2002)

Global market opportunities:
GMO1 Globalization has increased my firm's opportunities to develop customer markets worldwide.

GMO2 Globalization has increased my firm's opportunities for trade and investment.
GMO3 Globalization has increased my firm's market potential.
GMO4 Globalization has increased my firm's opportunities to expand the firm's products and/or markets.
GMO5 Globalization has facilitated my firm's international market expansion.
GMO6 Globalization has made it easy for my firm to identify potential customers.

Global competitive threats:
GCT1 Globalization has increased the number of competitors my company is facing.
GCT2 Globalization has increased the level of competition my company is facing.

Global market uncertainty:
GMU1 Globalization has increased the difficulty in forecasting demand for the firm's products.
GMU2 Markets have become increasingly uncertain due to globalization.
GMU3 Globalization has caused unpredictable changes in consumer purchasing patterns.

Scale items anchored by "strongly disagree" (1) to "Strongly Agree" (7).

Relational embeddedness: Scale adapted from Rindfleisch and Moorman (2001)
The <u>relationship</u> that my firm has with my major marketing partner…

    REM1 … is something we are very committed to.
    REM2 … is very important to my firm.
    REM3 … is of very little significance to us.
    REM4 … is something my firm intends to maintain definitely.
    REM5 … is something my firm really cares about.
    REM6 …deserves our firm's maximum effort to maintain.

Scale items anchored by "strongly disagree" (1) to "strongly agree" (7).

Degree of cooperation in co-marketing alliances (New scale; formative)
Level of cooperation in (samples from a total of 14 items):
1. international market research
2. selecting overseas target markets
3. sharing production facilities for exported products
4. international sales promotion
5. selling in foreign markets
6. storing products to be exported
7. selecting and sharing wholesalers in foreign markets

Scale items anchored by "no cooperation 0%" (1) to "cooperation most of the time 80-100%" (7)

International Marketing Performance: Scale adapted from Vorhies and Morgan (2003)
International marketing effectiveness:
My company has <u>very well</u> achieved its goals in terms of….
EFT1 Growth in international market share
EFT2 International sales growth
EFT3 International market position

International marketing efficiency:
EFC1 My firm has achieved more sales revenue in foreign markets than the amount of marketing and selling expenses allocated in those markets.
EFC2 My firm's profits in foreign markets exceed the marketing and selling costs expended in those markets.
EFC 3 My firm has achieved international sales and profit goals with minimum marketing costs.

Scale items anchored by "strongly disagree" (1) to "strongly agree" (7).

APPENDIX C

Cover Letter and Questionnaires

Date:

Dear:

We want to thank you for your interest in our research study. The study is part of Ms. Amonrat Thoumrungroje's dissertation work at International Business Institute, Washington State University. The purpose of this research is to study firm's international business practices in the globalization era. We expect the findings of this research to have significant implications to managers, and therefore we would like to make them available to you. We have provided a space below for you to indicate whether you would like to receive an executive summary of the results. We will be happy to provide you with the information.

In addition, **all responses will be held strictly confidential and no information which could reveal your firm's or your own identity will be used in any data reporting, nor will it be shared in its individual form with any outside party without your expressed permission to do so.**

Thank you very much for your time. We hope that you agree with us about the potential value of this project. Please help us complete the survey and return it to us in the postage-paid return envelope as soon as possible. If you think that someone else in your firm is more informed to participate and complete the survey, please forward the enclosed questionnaire to the appropriate person in your firm. Should you have any concerns or questions related to this survey, please do not hesitate to contact Dr. Patriya Tansuhaj or Amonrat Thoumrungroje at 509-335-2180 or email: ping@wsu.edu, The International Business Institute, Washington State University, PO Box 4815, Pullman, WA 99164-4815.

Sincerely,   Sincerely,

Patriya Tansuhaj,   Amonrat Thoumrungroje
Director and Professor   Ph.D. Candidate
International Business Institute

Summary data desired?   ❑ ˌ Yes   ❑   No
Please enclose a business card with your response if you would like a copy of the results.

Questionnaire
Ph. D. Dissertation Research Project on International Business Practices

* Thank you for taking time to complete this questionnaire. We assure you of complete confidentiality on all of your responses.

International Business Institute
College of Business and Economics
Washington State University

International Business Management
School of Management
Assumption University Thailand

<center>**Ph. D. Dissertation Research Project**</center>

Thank you for taking the time to participate in the study. This questionnaire should take about 10 minutes to complete. *All responses are strictly confidential and no information which could reveal your firm's or your own identity will be used in any data reporting, nor will it be shared in its individual form with any outside party without your expressed permission to do so.*

Q1. How is your firm's business activity divided between domestic and foreign markets?

Domestic market _____%
Foreign markets _____%
Total   100%

Q2. Please list the firm's major foreign markets (countries)

1) _____
2) _____
3) _____
4) _____
5) _____

Q3. How many years has your firm been doing business overseas?

❑ Less than 1 year   ❑ 1-6 years   ❑ 7-12 years
❑ 13-18 years   ❑ 19-24 years   ❑ 25- 32 years
❑ Over 32 years

In the following questions, GLOBALIZATION is defined as the process of increasing social/cultural inter-connectedness, political interdependence, and economic and market integrations.

Q4. To what extent do you agree/disagree with the following statements?

		Strongly Disagree	Disagree	Some-what Disagree	Neutral	Some-what Agree	Agree	Strongly Agree
1)	Globalization has increased my firm's opportunities to develop customer markets worldwide.	1	2	3	4	5	6	7
2)	Globalization has increased my firm's opportunities for trade and investment.	1	2	3	4	5	6	7
3)	Globalization has increased my firm's market potential.	1	2	3	4	5	6	7
4)	Globalization has increased my firm's opportunities to access raw materials and labor worldwide.	1	2	3	4	5	6	7
5)	Globalization has increased my firm's opportunities to expand the firm's products and/or markets.	1	2	3	4	5	6	7
6)	Globalization has facilitated my firm's international market expansion.	1	2	3	4	5	6	7
7)	Globalization has made it easy for my firm to identify potential customers.	1	2	3	4	5	6	7

Q5. Please indicate the extent to which you agree with the following statements regarding the effects globalization on your business.

		Strongly Disagree	Disagree	Some-what Disagree	Neutral	Some-what Agree	Agree	Strongly Agree
1)	Globalization has increased the number of competitors my company is facing.	1	2	3	4	5	6	7
2)	Globalization has increased the level of competition my company is facing.	1	2	3	4	5	6	7
3)	Globalization has made it difficult for my firm to out-compete the competitors.	1	2	3	4	5	6	7
4)	Globalization has increased the difficulty in forecasting demand for the firm's products.	1	2	3	4	5	6	7
5)	Markets have become increasingly uncertain due to globalization.	1	2	3	4	5	6	7
6)	Globalization has caused unpredictable changes in consumer purchasing patterns.	1	2	3	4	5	6	7
7)	Globalization has increased the costs of my business operations	1	2	3	4	5	6	7
8)	Globalization adds complexity to my business operations	1	2	3	4	5	6	7

Q6. From 1997 to 2003, the <u>PERCENTAGE CHANGE in the NUMBER</u> of my firm's….

		Reduced by 100%	Reduced by 51-99%	Reduced by 1-50%	Remained Unchanged 0%	Increased by 1-50%	Increased by 51-100%	Increased by more than 100%
1)	**domestic suppliers**	1	2	3	4	5	6	7
2)	**foreign suppliers**	1	2	3	4	5	6	7
3)	**domestic competitors**	1	2	3	4	5	6	7
4)	**foreign competitors**	1	2	3	4	5	6	7
5)	**domestic customers**	1	2	3	4	5	6	7
6)	**foreign customers**	1	2	3	4	5	6	7
7)	**domestic financial sources**	1	2	3	4	5	6	7
8)	**foreign financial sources**	1	2	3	4	5	6	7

Q7. Does your firm <u>cooperate with other firms</u> in at least one <u>marketing activity</u> (e.g., selling, advertising, distribution, production, R&D, pricing, product/service development, warehousing, branding, etc.)?

❑   Yes   ❑   No **(Skip to Question # 13)**

Q8. Does your firm have any equity investment in this marketing alliance?

❑   No   ❑   Yes. If yes, approximately _____%

From questions 8 to 10, MARKETING ALLIANCE refers to the collaboration between two or more firms in performing at least one marketing activity together.

Q9. Both my firm and other firms in the marketing alliance……

		Strongly Disagree	Disagree	Some-what Disagree	Neutral	Some-what Agree	Agree	Strongly Agree
1)	contribute different resources to the relationship that help us achieve mutual goals.	1	2	3	4	5	6	7
2)	have complementary strengths that are useful to our relationship.	1	2	3	4	5	6	7
3)	have separate abilities that, when combined together, enable us to achieve goals beyond our individual reach.	1	2	3	4	5	6	7

Q10. The <u>relationship</u> that my firm has with my major marketing partner…

		Strongly Disagree	Disagree	Some-what Disagree	Neutral	Some-what Agree	Agree	Strongly Agree
1)	…is something we are very committed to.	1	2	3	4	5	6	7
2)	...is very important to my firm.	1	2	3	4	5	6	7
3)	…is of very little significance to us.	1	2	3	4	5	6	7
4)	…is something my firm intends to maintain definitely.	1	2	3	4	5	6	7
5)	…is very much like being family.	1	2	3	4	5	6	7
6)	…is something my firm really cares about.	1	2	3	4	5	6	7
7)	…deserves our firm's maximum effort to maintain.	1	2	3	4	5	6	7

Q11. Please indicate the level of <u>cooperation</u> between your company and the marketing partners regarding the following activities

		Absolutely No Cooperation	Co-operate	Co-operate	Moderate Co-operation	Co-operate	Co-operate	Cooperation most of the Times
		0%	1-15%	16-30%	31-50%	51-65%	66-80%	80-100%
1)	International market research	1	2	3	4	5	6	7
2)	Selecting overseas target markets	1	2	3	4	5	6	7
3)	New product development for international markets	1	2	3	4	5	6	7
4)	Sharing production facilities for exported products	1	2	3	4	5	6	7
5)	Research and development	1	2	3	4	5	6	7
6)	Manufacturing the products to be exported	1	2	3	4	5	6	7
7)	International sales promotion	1	2	3	4	5	6	7
8)	Selling in foreign markets	1	2	3	4	5	6	7
9)	International advertising	1	2	3	4	5	6	7
10)	Providing international customer services	1	2	3	4	5	6	7
11)	Storing products to be exported	1	2	3	4	5	6	7
12)	Sharing containers for products to be exported	1	2	3	4	5	6	7
13)	Selecting and sharing wholesalers in foreign markets	1	2	3	4	5	6	7
14)	Selecting and sharing retailers in foreign markets	1	2	3	4	5	6	7

Q12. My company has <u>very well</u> achieved its goals in terms of….

		Strongly Disagree	Disagree	Some-what Disagree	Neutral	Some-what Agree	Agree	Strongly Agree
1)	Growth in international market share	1	2	3	4	5	6	7
2)	International sales growth	1	2	3	4	5	6	7
3)	International market position	1	2	3	4	5	6	7

Q13. Please indicate the extent to which you agree with the following statements regarding marketing efficiency of your firm <u>in foreign markets</u>.

		Strongly Disagree	Disagree	Some-what Disagree	Neutral	Some-what Agree	Agree	Strongly Agree
1)	My firm has achieved international sales growth with less resources than expected.	1	2	3	4	5	6	7
2)	My firm has achieved more sales revenue in foreign markets than the amount of marketing and selling expenses allocated in those markets.	1	2	3	4	5	6	7
3)	My firm's profits in foreign markets exceed the marketing and selling costs expended in those markets.	1	2	3	4	5	6	7
4)	My firm has achieved international sales and profit goals with minimum marketing costs.	1	2	3	4	5	6	7
5)	My firm is efficient in utilizing marketing and selling resources allocated to foreign markets in generating more revenues in those markets.	1	2	3	4	5	6	7

Q14. Please choose the number that most accurately describes the general <u>performance of operations</u> of your firm's:

		Very Unsatis-factory	Unsatis-factory	Somewhat Unsatis-factory	Neutral	Somewhat Satis-factory	Satis-factory	Very Satis-factory
1)	Marketing strategy	1	2	3	4	5	6	7
2)	Distribution strategy	1	2	3	4	5	6	7
3)	Pricing strategy	1	2	3	4	5	6	7
4)	Promotion strategy	1	2	3	4	5	6	7
5)	Maintaining contacts with customers	1	2	3	4	5	6	7
6)	Customer service	1	2	3	4	5	6	7
7)	Return of investment	1	2	3	4	5	6	7
8)	Sales goals	1	2	3	4	5	6	7
9)	Profit goals	1	2	3	4	5	6	7
10)	Growth goals	1	2	3	4	5	6	7

Q15. Please choose the range of percentages that most accurately describes the firm's domestic and international performance.

	Percentage per year						
1) Percentage of <u>total</u> profit to <u>total</u> sales (Total profit divided by total sales)	❑ Under 5%	❑ 5 - 10%	❑ 11 - 20%	❑ 21 - 30%	❑ 31 - 40%	❑ 41 - 50%	❑ Above 50%
2) Percentage of <u>total</u> profit to <u>total</u> assets (Total profit divided by total assets)	❑ Under 5%	❑ 5 - 10%	❑ 11 - 20%	❑ 21 - 30%	❑ 31 - 40%	❑ 41 - 50%	❑ Above 50%
3) Percentage of sales in <u>foreign markets</u> to total sale (International sales divided by total sales)	❑ Under 5%	❑ 5 - 10%	❑ 11 - 20%	❑ 21 - 30%	❑ 31 - 40%	❑ 41 - 50%	❑ Above 50%
4) Percentage of profit in foreign markets to total profit (International profit divided by total profit)	❑ Under 5%	❑ 5 - 10%	❑ 11 - 20%	❑ 21 - 30%	❑ 31 - 40%	❑ 41 - 50%	❑ Above 50%
5) Percentage of sales growth in foreign markets	❑ Under 5%	❑ 5 - 10%	❑ 11 - 20%	❑ 21 - 30%	❑ 31 - 40%	❑ 41 - 50%	❑ Above 50%

Q16. How many percent of the firm's expenditure is used for research and development?

- ❑ Less than 5%
- ❑ 5 – 9%
- ❑ 10 – 14%
- ❑ 15 – 19%
- ❑ 20 – 24%
- ❑ 25 – 29%
- ❑ 30% and above

Q17. Please indicate which ownership best describes your firm's organization by selecting only one of the choices below.

- ❑ Sole Proprietorship
- ❑ Partnership
- ❑ Corporation
- ❑ Cooperative
- ❑ Other (please specify) _____

Q18. What are the main products/services of your firm?
1) _____
2) _____
3) _____
4) _____
5) _____

Q19. How many years has your firm been established?

- ❑ Less than 1 year
- ❑ 1-6 years
- ❑ 7-12 years
- ❑ 13-18 years
- ❑ 19-24 years
- ❑ 25- 32 years
- ❑ Over 32 years

Q20. The number of full-time employees of your firm is…………….

- ❑ 1-9
- ❑ 10-19
- ❑ 20-49
- ❑ 50-99
- ❑ 100-149
- ❑ 150-199
- ❑ 200 and over

Q21. Please indicate the percentage of foreign ownership of your firm:

- ❑ 0 %
- ❑ 1-15 %
- ❑ 16-30 %
- ❑ 31-45 %
- ❑ 46-60 %
- ❑ 61- 75 %
- ❑ More than 75%

Q22. How long have you worked for your firm? _____ years

Q23. What is your position?_____

Thank you for your participation. Please return this completed questionnaire in the provided envelope. If you would like a summary of the results of this survey, please include your business card with this questionnaire and I will be happy to mail it to you upon completion of the study.

แบบสำรวจ

โครงการวิจัยวิทยานิพนธ์ปริญญาเอกเกี่ยวกับการดำเนินธุรกิจระหว่างประเทศ*

* ขอขอบคุณที่กรุณาสละเวลาตอบแบบสำรวจฉบับนี้ คำตอบของท่านจะถูกเก็บรักษาเป็นความลับ

ภาควิชาธุรกิจระหว่างประเทศ	ภาควิชาธุรกิจระหว่างประเทศ
คณะบริหารธุรกิจและเศรษฐศาสตร์	คณะบริหารธุรกิจ
มหาวิทยาลัยวอชิงตันสเตท สหรัฐอเมริกา	มหาวิทยาลัยอัสสัมชัญ ประเทศไทย

โครงการวิจัยวิทยานิพนธ์ปริญญาเอก

        ขอขอบพระคุณที่ท่านกรุณาสละเวลาตอบแบบสำรวจฉบับนี้ เวลาที่ใช้ตอบแบบสำรวจควรจะไม่เกิน **10** นาที *คำตอบของท่านจะถูกเก็บรักษาเป็นความลับและจะไม่มีข้อมูลใดที่อาจแสดงถึงชื่อหรือสถานภาพของบริษัทของท่านหรือตัวท่านเองที่จะถูกนำไปใช้ในการรายงานผลการวิจัย และจะไม่มีการใช้ข้อมูลดังกล่าวร่วมกับบุคคลภายนอกอื่นใดทั้งสิ้นเว้นเสียแต่จะได้รับการอนุญาตจากท่าน*

Q1. กิจกรรมธุรกิจของบริษัทท่านมีสัดส่วนระหว่างตลาดในประเทศและต่างประเทศอย่างไร

        ตลาดในประเทศ   _____%

        ตลาดต่างประเทศ   _____%

               รวม   100%

Q2. โปรดระบุรายชื่อตลาดต่างประเทศหลัก ๆ ของบริษัทของท่าน

    _____

    _____

    _____

    _____

Q3. บริษัทของท่านได้ดำเนินกิจการในตลาดต่างประเทศมาแล้วกี่ปี

❑ น้อยกว่า 1 ปี	❑ 1-6 ปี	❑ 7-12 ปี
❑ 13-18 ปี	❑ 19-24 ปี	❑ 25- 32 ปี
❑ มากกว่า 32 ปี		

คำถามต่อไปนี้ **"โลกาภิวัตน์"** หมายถึง กระบวนการเพิ่มความเกี่ยวโยงด้านสังคมและวัฒนธรรม การพึ่งพาระหว่างกัน ทางการเมือง และการรวมตัวกันทางด้านเศรษฐกิจ การเงิน การธนาคาร และการตลาด

Q4. ท่านเห็นด้วยกับประโยคดังต่อไปนี้มากน้อยเพียงใด

		ไม่เห็นด้วย อย่างยิ่ง	ไม่เห็น ด้วย	ค่อนข้าง ไม่เห็นด้วย	ไม่มี ความเห็น	ค่อนข้าง เห็นด้วย	เห็นด้วย	เห็นด้วย อย่างยิ่ง
1)	โลกาภิวัตน์ได้เพิ่มโอกาสของบริษัทข้าพเจ้าที่ จะพัฒนาตลาดผู้บริโภคทั่วโลก	1	2	3	4	5	6	7
2)	โลกาภิวัตน์ได้ได้เพิ่มโอกาสของบริษัทข้าพเจ้า ในการทำการค้าและลงทุน	1	2	3	4	5	6	7
3)	โลกาภิวัตน์ได้เพิ่มศักยภาพทางการตลาดของ บริษัทข้าพเจ้า	1	2	3	4	5	6	7
4)	โลกาภิวัตน์ทางเศรษฐกิจได้เพิ่มโอกาสของ บริษัทข้าพเจ้าในการเข้าถึงแหล่งวัตถุดิบและ แรงงานทั่วโลก	1	2	3	4	5	6	7
5)	โลกาภิวัตน์ได้เพิ่มโอกาสในการขยาย ผลิตภัณฑ์และ/หรือตลาดของบริษัทข้าพเจ้า	1	2	3	4	5	6	7
6)	โลกาภิวัตน์ทำให้การขยายตลาดใน ต่างประเทศง่ายขึ้น	1	2	3	4	5	6	7
7)	โลกาภิวัตน์ทำให้บริษัทข้าพเจ้าสามารถระบุ กลุ่มลูกค้าที่มีแนวโน้มต้องการสินค้า/บริการ ได้ง่ายขึ้น	1	2	3	4	5	6	7

Q5. โปรดระบุว่าท่านเห็นด้วยกับประโยคดังต่อไปนี้มากน้อยเพียงใดเกี่ยวกับผลกระทบของโลกาภิวัตน์

		ไม่เห็นด้วยอย่างยิ่ง	ไม่เห็นด้วย	ค่อนข้างไม่เห็นด้วย	ไม่มีความเห็น	ค่อนข้างเห็นด้วย	เห็นด้วย	เห็นด้วยอย่างยิ่ง
1)	โลกาภิวัตน์ได้เพิ่มจำนวนคู่แข่งขันที่บริษัทข้าพเจ้ากำลังประสบอยู่ในขณะนี้	1	2	3	4	5	6	7
2)	โลกาภิวัตน์ได้เพิ่มระดับการแข่งขันที่บริษัทข้าพเจ้ากำลังประสบอยู่ในขณะนี้	1	2	3	4	5	6	7
3)	โลกาภิวัตน์ทำให้บริษัทข้าพเจ้าเอาชนะคู่แข่งได้ยากขึ้น	1	2	3	4	5	6	7
4)	โลกาภิวัตน์ได้เพิ่มระดับความยากในการคาดการณ์ความต้องการซื้อสินค้าของบริษัท	1	2	3	4	5	6	7
5)	ตลาดมีความไม่แน่นอนมากขึ้นเนื่องมาจากโลกาภิวัตน์	1	2	3	4	5	6	7
6)	โลกาภิวัตน์ได้ก่อให้เกิดความเปลี่ยนแปลงทางด้านรูปแบบการจับจ่ายของผู้บริโภคโดยไม่สามารถคาดการณ์ได้ล่วงหน้า	1	2	3	4	5	6	7
7)	โลกาภิวัตน์ได้เพิ่มต้นทุนการดำเนินธุรกิจของบริษัทข้าพเจ้า	1	2	3	4	5	6	7
8)	โลกาภิวัตน์เพิ่มความซับซ้อนในการดำเนินธุรกิจของบริษัทข้าพเจ้า	1	2	3	4	5	6	7

Q6. ระหว่างปี<u>พ.ศ. **2540** ถึง พ.ศ .**2546** </u>เปอร์เซนต์การเปลี่ยนแปลงของ

		ลดลง 100%	ลดลง 51-99%	ลดลง 1-50%	ไม่ เปลี่ยนแปลง 0%	เพิ่มขึ้น 1-50%	เพิ่มขึ้น 51-100%	เพิ่มขึ้น มากกว่า 100%
1)	จำนวน**ผู้ป้อนปัจจัยการผลิตในประเทศ**ของบริษัทข้าพจ้าได้......	1	2	3	4	5	6	7
2)	จำนวน**ผู้ป้อนปัจจัยการผลิตต่างชาติ**ของบริษัทข้าพเจ้าได้......	1	2	3	4	5	6	7
3)	จำนวน**คู่แข่งในประเทศ**ของบริษัทข้าพเจ้าได้.....	1	2	3	4	5	6	7
4)	จำนวน**คู่แข่งต่างชาติ**ของบริษัทข้าพเจ้าได้.....	1	2	3	4	5	6	7
5)	จำนวน**ลูกค้าในประเทศ**ของบริษัทข้าพเจ้าได้.....	1	2	3	4	5	6	7
6)	จำนวน**ลูกค้าต่างชาติ**ของบริษัทข้าพเจ้าได้.....	1	2	3	4	5	6	7
7)	จำนวน**แหล่งเงินทุนในประเทศ**ของบริษัทข้าพเจ้าได้......	1	2	3	4	5	6	7
8)	จำนวน**แหล่งเงินทุนต่างชาติ**ของบริษัทข้าพเจ้าได้......	1	2	3	4	5	6	7

Q7. บริษัทของท่านมีการ<u>ร่วมมือกับบริษัทอื่น ๆ ในกิจการรมการตลาด</u>) เช่น การขาย การโฆษณา การจัดจำหน่าย การผลิต การวิจัยและพัฒนา การตั้งราคา การพัฒนาสินค้าและบริการ การจัดการโกดังสินค้า การกำหนดยี่ห้อสินค้า ฯลฯ

    ❑ ใช่   ❑ ไม่ใช่ (กรุณาข้ามไปตอบข้อ **13**)

Q8. บริษัทของท่านได้ลงทุนในลักษณะถือหุ้นส่วนในพันธมิตด้านการตลาดนี้หรือไม่ ?

    ❑ ไม่   ❑ ใช่ ถ้าใช่ ลงทุนประมาณ _____%

สำหรับคำถามต่อไปนี้ตั้งแต่ข้อ **9** ถึง **13** "<u>สัมพันธมิตรทางการตลาด</u>" หมายถึง การร่วมมือกันระหว่างบริษัทตั้งแต่ **2** บริษัทขึ้นไปในการทำกิจกรรมทางการตลาดร่วมกัน

Q9. บริษัทของของเราและบริษัทอื่นในสัมพันธมิตรทางการตลาดร่วมได้..........

	ไม่เห็นด้วยอย่างยิ่ง	ไม่เห็นด้วย	ค่อนข้างไม่เห็นด้วย	ไม่มีความเห็น	ค่อนข้างเห็นด้วย	เห็นด้วย	เห็นด้วยอย่างยิ่ง
1) .....ร่วมกันสนับสนุนด้านทรัพยากรต่าง ๆ เพื่อให้สัมพันธภาพระหว่างบริษัทบรรลุเป้าหมายร่วมกัน	1	2	3	4	5	6	7
2) .....มีจุดแข็งที่ส่งเสริมซึ่งกันและกันอันเป็นประโยชน์ต่อสัมพันธภาพระหว่างกัน	1	2	3	4	5	6	7
3) .....มีความสามารถแตกต่างกันซึ่งเมื่อนำมารวมกันแล้วทำให้เราสามารถบรรลุเป้าหมายซึ่งไม่สามารถทำให้สำเร็จด้วยตนเอง	1	2	3	4	5	6	7

Q10. ความสัมพันธ์ที่บริษัทข้าพเจ้ามีต่อหุ้นส่วนหลักในทางการตลาด.....

		ไม่เห็นด้วยอย่างยิ่ง	ไม่เห็นด้วย	ค่อนข้างไม่เห็นด้วย	ไม่มีความเห็น	ค่อนข้างเห็นด้วย	เห็นด้วย	เห็นด้วยอย่างยิ่ง
1)	.....เป็นสิ่งที่บริษัทข้าพเจ้ามุ่งมั่นทุ่มเท	1	2	3	4	5	6	7
2)	.....เป็นสิ่งสำคัญมากต่อบริษัทข้าพเจ้า	1	2	3	4	5	6	7
3)	.....แทบจะไม่มีความสำคัญเลยต่อบริษัทข้าพเจ้า	1	2	3	4	5	6	7
4)	.....เป็นสิ่งที่บริษัทข้าพเจ้าตั้งใจที่จะเก็บรักษาไว้อย่างแน่นอน	1	2	3	4	5	6	7
5)	...เสมือนหนึ่งเป็นครอบครัวเดียวกัน	1	2	3	4	5	6	7
6)	...เป็นสิ่งที่บริษัทข้าพเจ้าเอาใจใส่จริงจัง	1	2	3	4	5	6	7
7)	...สมควรได้รับความทุ่มเทจากบริษัทข้าพเจ้าอย่างเต็มที่เพื่อรักษาไว้ซึ่งความสัมพันธ์ทางการตลาด	1	2	3	4	5	6	7

Q11. โปรดระบุระดับ<u>ความร่วมมือ</u>ระหว่างบริษัทของท่านกับบริษัทหุ้นส่วนทางการตลาดในกิจกรรมดังต่อไปนี้

		ไม่ร่วมมือเลย 0%	ร่วมมือ 1-15%	ร่วมมือ 16-30%	ร่วมมือปานกลาง 31-50%	ร่วมมือ 51-65%	ร่วมมือ 66-80%	ร่วมมือตลอดเวลา 81-100%
1)	การวิจัยตลาดในต่างประเทศ	1	2	3	4	5	6	7
2)	การเลือกตลาดเป้าหมายในตลาดต่างประเทศ	1	2	3	4	5	6	7
3)	การพัฒนาผลิตภัณฑ์ใหม่ ๆ สำหรับตลาดต่างประเทศ	1	2	3	4	5	6	7
4)	การใช้สิ่งอำนวยความสะดวกทางการผลิตสำหรับผลิตภัณฑ์ที่ต้องการส่งออก	1	2	3	4	5	6	7
5)	การวิจัยและพัฒนา	1	2	3	4	5	6	7
6)	การผลิตสินค้าเพื่อส่งออก	1	2	3	4	5	6	7
7)	การส่งเสริมการขายในตลาดต่างประเทศ	1	2	3	4	5	6	7
8)	การขายในตลาดต่างประเทศ	1	2	3	4	5	6	7
9)	การโฆษณาในตลาดต่างประเทศ	1	2	3	4	5	6	7
10)	การให้บริการลูกค้าในตลาดต่างประเทศ	1	2	3	4	5	6	7
11)	การจัดเก็บผลิตภัณฑ์เพื่อส่งออก	1	2	3	4	5	6	7
12)	การใช้ตู้ขนสินค้าเพื่อส่งออก	1	2	3	4	5	6	7
13)	การเลือกสรรและร่วมกันใช้บริการผู้ขายส่งในตลาดต่างประเทศ	1	2	3	4	5	6	7
14)	การเลือกสรรและร่วมกันใช้บริการผู้ขายปลีกในตลาดต่างประเทศ	1	2	3	4	5	6	7

Q12. บริษัทข้าพเจ้าได้บรรลุเป้าหมาย<u>อย่างดียิ่ง</u>ในด้าน......

		ไม่เห็นด้วย อย่างยิ่ง	ไม่เห็นด้วย	ค่อนข้าง ไม่เห็นด้วย	ไม่มี ความเห็น	ค่อนข้าง เห็นด้วย	เห็นด้วย	เห็นด้วย อย่างยิ่ง
1)	การเติบโตในส่วนแบ่งการตลาดใน ต่างประเทศ	1	2	3	4	5	6	7
2)	การเติบโตของยอดขายใน ต่างประเทศ	1	2	3	4	5	6	7
3)	ตำแหน่งทางการตลาดในต่างประเทศ	1	2	3	4	5	6	7

Q13. โปรดระบุว่าท่านเห็นด้วยกับประโยคต่อไปนี้มากน้อยเพียงใดเกี่ยวกับประสิทธิภาพทางการตลาดจากผลดำเนินการของ บริษัท<u>ในตลาดต่างประเทศ</u>

		ไม่เห็นด้วย อย่างยิ่ง	ไม่ เห็น ด้วย	ค่อนข้าง ไม่เห็นด้วย	ไม่มี ความเห็น	ค่อนข้าง เห็นด้วย	เห็นด้วย	เห็นด้วย อย่างยิ่ง
1)	บริษัทของข้าพเจ้าได้บรรลุการเติบโตของ ยอดขายในตลาดต่างประเทศโดยใช้ ทรัพยากรน้อยกว่าที่คาดไว้	1	2	3	4	5	6	7
2)	บริษัทข้าพเจ้ามีรายได้จากการขายในตลาด ต่างประเทศมากกว่าจำนวนค่าใช้จ่ายทาง การตลาดที่จัดสรรให้ตลาดเหล่านั้น	1	2	3	4	5	6	7
3)	จำนวนผลกำไรของบริษัทข้าพเจ้าในตลาด ต่างประเทศนั้นมากกว่าจำนวนของต้นทุน การตลาดที่ใช้ไปในตลาดเหล่านั้น	1	2	3	4	5	6	7
4)	บริษัทข้าพเจ้าบรรลุเป้าหมายยอดขายและผล กำไรในตลาดต่างประเทศโดยเสียต้นทุน การตลาดน้อยที่สุด	1	2	3	4	5	6	7
5)	บริษัทข้าพเจ้ามีประสิทธิภาพในการใช้ ทรัพยากรการตลาดที่จัดสรรให้กับตลาด ต่างประเทศเพื่อสร้างรายได้ที่มากขึ้นในตลาด เหล่านั้น	1	2	3	4	5	6	7

Q14. โปรดเลือกหมายเลขที่บรรยาย<u>ผลประกอบการ</u>ของบริษัทท่านได้ถูกต้องมากที่สุด

		ไม่น่าพอใจ อย่างยิ่ง	ไม่น่า พอใจ	ค่อนข้างไม่ น่าพอใจ	ไม่มี ความเห็น	ค่อนข้างน่า พอใจ	น่า พอใจ	น่าพอใจ อย่างยิ่ง
1)	กลยุทธ์ทางการตลาด	1	2	3	4	5	6	7
2)	กลยุทธ์ในการจัดจำหน่าย	1	2	3	4	5	6	7
3)	กลยุทธ์ในการกำหนดราคา	1	2	3	4	5	6	7
4)	กลยุทธ์ในการส่งเสริมการขาย	1	2	3	4	5	6	7
5)	ความสัมพันธ์กับลูกค้า	1	2	3	4	5	6	7
6)	การบริการลูกค้า	1	2	3	4	5	6	7
7)	ผลตอบแทนจากการลงทุน	1	2	3	4	5	6	7
8)	เป้าหมายยอดขาย	1	2	3	4	5	6	7
9)	เป้าหมายผลกำไร	1	2	3	4	5	6	7
10)	เป้าหมายการเจริญเติบโต	1	2	3	4	5	6	7

Q15. โปรดเลือกจำนวนเปอร์เซนต์ที่บรรยายผลประกอบการในประเทศและระหว่างประเทศของบริษัทของท่านได้ถูกต้องมากที่สุด

เปอร์เซนต์ต่อปี

	น้อยกว่า 5%	5 - 10%	11 - 20%	21 - 30%	31 - 40%	41 - 50%	มากกว่า 50%
1) เปอร์เซนต์จากผลกำไรทั้งหมดหารด้วยยอดขายรวม	❏	❏	❏	❏	❏	❏	❏
2) เปอร์เซนต์จากผลกำไรทั้งหมดหารด้วยสินทรัพย์รวม	❏	❏	❏	❏	❏	❏	❏
3) เปอร์เซนต์จากยอดขายต่างประเทศหารด้วยยอดขายรวม	❏	❏	❏	❏	❏	❏	❏
4) เปอร์เซนต์จากผลกำไรจากการประกอบการในตลาดต่างประเทศหารด้วยผลกำไรรวม	❏	❏	❏	❏	❏	❏	❏
5) เปอร์เซนต์การเจริญเติบโตของยอดขายในตลาดต่างประเทศ	❏	❏	❏	❏	❏	❏	❏

Q16. งบประมาณด้านการวิจัยและพัฒนาคิดเป็นกี่เปอร์เซนต์ของรายจ่ายทั้งหมดของบริษัท

❏ น้อยกว่า 5%   ❏ 5 – 9%   ❏ 10 – 14%
❏ 15 – 19%   ❏ 20 – 24%   ❏ 25 – 29%
❏ เท่ากับหรือมากกว่า 30%

Q17. โปรดระบุลักษณะความเป็นเจ้าของกิจการของบริษัทท่าน ที่เหมาะสมที่สุดเพียงหนึ่งข้อ

❏ กิจการเจ้าของคนเดียว   ❏ ห้างหุ้นส่วนจำกัด   ❏ บริษัทจำกัด
❏ สหกรณ์   ❏ อื่น ๆ (โปรดระบุ) _____

Q18. สินค้าและบริการหลักของบริษัทท่านได้แก่อะไรบ้าง

1) _____
2) _____
3) _____
4) _____
5) _____

Q19. บริษัทของท่านได้ก่อตั้งและดำเนินกิจการมาแล้วกี่ปี **?**

- [ ] น้อยกว่า 1 ปี
- [ ] 1-6 ปี
- [ ] 7-12 ปี
- [ ] 13-18 ปี
- [ ] 19-24 ปี
- [ ] 25- 32 ปี
- [ ] มากกว่า 32 ปี

Q20. บริษัทของท่านมีพนักงานประจำทั้งหมดกี่คน **?**

- [ ] 1-9 คน
- [ ] 10-19 คน
- [ ] 20-49 คน
- [ ] 50-99 คน
- [ ] 100-149 คน
- [ ] 150-199 คน
- [ ] 200 คนขึ้นไป

Q21. โปรดระบุเปอร์เซนต์การถือหุ้น (หรือการลงทุน) ของบริษัทต่างชาติในบริษัทของท่าน

- [ ] 0 %
- [ ] 1-15 %
- [ ] 16-30 %
- [ ] 31-45 %
- [ ] 46-60 %
- [ ] 61- 75 %
- [ ] มากกว่า 75%

Q22. ท่านทำงานที่บริษัทของท่านมาแล้วกี่ปี   _____ ปี

Q23. ตำแหน่งของท่านคือ _____

ขอขอบพระคุณที่ท่านร่วมตอบแบบสำรวจนี้ โปรดส่งคืนแบบสำรวจที่ครบถ้วนสมบูรณ์แล้วใส่ลงในซองที่แนบมาพร้อมกันนี้ หากท่านมีความประสงค์ที่จะขอรับสรุปผลการวิจัยชิ้นนี้ กรุณาแนบนามบัตรของท่านมาพร้อมกับแบบสอบถามฉบับนี้ และ ข้าพเจ้ายินดีที่จะจัดส่งสรุปผลการวิจัยให้ท่านโดยทางไปรษณีย์ภายหลังจากการที่ได้ทำการวิเคราะห์ข้อมูลเสร็จสิ้น