EXPORT BEHAVIOUR AND ATTITUDES OF AUSTRALASIA MEAT INDUSTRY FIRMS: A NORTH AMERICAN MARKET FOCUS

A thesis presented in partial fulfilment

of the requirements for the degree of

Master of Agricultural Science

in Agricultural Economics at

Massey University

Palmerston North, New Zealand

DANIEL BRENT WAGGONER

1993

MASSEY UNIVERSITY LIBRARY
THESIS COPYRIGHT FORM

Title of thesis: *Export Behaviour and Attitudes of Australasia Meat Industry Firms: A North American Market Focus*

(1) (a) I give permission for my thesis to be made available to readers in Massey University Library under conditions determined by the Librarian.

(b) I do not wish my thesis to be made available to readers without my written consent for 24 months.

(2) (a) I agree that my thesis, or a copy, may be sent to another institution under conditions determined by the Librarian.

(b) I do not wish my thesis, or a copy, to be sent to another institution without my written consent for 24 months.

(3) (a) I agree that my thesis may be copied for Library use.

(b) I do not wish my thesis to be copied for Library use for 3 months.

Signed: 

Date: 1 October 1993

The copyright of this thesis belongs to the author. Readers must sign their name in the space below to show that they recognize this. They are asked to add their permanent address.

NAME AND ADDRESS

DATE

ABSTRACT

The merchandising of agricultural commodities and products has assumed an increased international dimension over the past two decades. Meat export firms in both Australia and New Zealand continue to play an important role as a major provider of export earnings, technological innovation, and employment.

During the last several years, a body of literature has attempted to provide a more satisfactory explanation of differences in the export performance of the firm. Although previous studies contribute to a greater insight into export behaviour and attitudes, they are confounded by methodological and conceptual limitations which diminish the insights they offer for those involved in the meat export industry.

Studies of export marketing phenomena in different social, cultural, economic, political and institutional settings can provide improved understanding of the export behaviour and attitudes of firms in different environments. This study is undertaken to investigate the export behaviour and attitudes of Australasia meat export firms, particularly toward the North American marketplace.

The study is unique in two respects. First, it compares the *overseas* practices of Australia and New Zealand firms rather than the characteristics of their home operations. Second, the study attempts to hold constant differences in objectives and/or strategies which are due to the idiosyncrasies of particular markets or industries. It does this by limiting analysis to one overseas market -- North America.

This research effort includes most types of previously examined firm-related variables but gives particular attention to manager-related variables, especially managers' perceptions of exporting. The *Geobusiness Model* is presented as a framework to facilitate the operationalisation of the variables and measure the constructs utilised in the study. Research

questions surrounding the relationship between business strategy, structure, and performance in the North American marketplace are developed and investigated.

Primary data for the study is gathered from a random sample survey of 89 meat export firms based in Australasia (i.e., Australia and New Zealand), utilising a self-administered postal questionnaire targeted towards pre-identified senior managers. The sample frame is derived from a register (list) provided by the United States Department of Agriculture.

The empirical survey data obtained are analysed by country and compared to each other using frequency distribution analyses, matrix analyses and Spearman rank-order correlation (*rho*). Significant differences among countries are identified by using the Student's *t*-Test.

Though the study is exploratory in nature, the results of this interdisciplinary investigation suggest some common themes consistent with previous research. It was found that even among firms within the same industry, their attitudes and response to various variables differ. This demonstrates the importance of using both export involvement and export attitude dimensions when attempting to segment firms.

In sum, the findings and conclusions from the study should be of practical use to business enterprises, government trade policy officials and industry associations in identifying the areas of support and marketing strategy in greatest need of review and improvement. While these results cannot be freely generalised beyond the initial population, they provide some understanding of the theoretical and empirical issues related to the export marketing performance and behaviour of the firm. Future research efforts will find merit in examining further the relationship between the various variables presented and the unidimensional and multidimensional measure of export performance and attitudes among firms.

ACKNOWLEDGEMENTS

Conducting the study being reported herein and the preparation of this thesis depended on the support and assistance of many individuals and organisations. I am especially thankful to Dr. Rudy Nayga, my chief supervisor, for his enthusiasm, guidance and occasional push, needed for completion of this thesis. Thanks Rudy!

Dr. Bill Maughan provided guidance in the final development of this manuscript and posed searching questions that stimulated lateral thinking. He is a patient listener, always willing to provide constructive advice.

A few words cannot fully express the appreciation and admiration I hold for Dr. Allan Rae and the entire staff of the Department of Agricultural Economics and Business at Massey University. The support and accommodations provided by the Department during my tenure in New Zealand have been superb.

Furthermore, the generous financial support for this research programme, provided by the J. William Fulbright Foreign Scholarship Board and the New Zealand-United States Educational Foundation, is most appreciated. In this regard, I want to convey my sincere thanks to Mr. Laurie Cox, Executive Director of the Foundation, for his friendship and willingness to go the "extra mile" in accommodating my New Zealand studies and research interests. As a Fulbright recipient, I will always hold dear my association with the Foundation and the wonderful opportunities it has accorded me and many other Americans.

I also owe a special debt of gratitude to both the New Zealand Meat Producers Board and the Australian Meat and Live-stock Corporation for their support and interest in this research endeavour. Without the timely and accurate informational assistance provided by each organisation, this study would have been impossible.

Last, but certainly not least, I would like to thank my family. Their unyielding support and encouragement have been the driving force in my life and it is they whom I dedicate this thesis.

CONTENTS

CHAPTER THREE

OVERVIEW OF THE NORTH AMERICAN MARKETPLACE

CHAPTER FOUR

REVIEW OF THE RELEVANT LITERATURE

CHAPTER FIVE

RESEARCH DESIGN AND METHODOLOGY

CHAPTER SIX

ANALYSIS AND FINDINGS

CHAPTER SEVEN

CONCLUSIONS, IMPLICATIONS, LIMITATIONS AND SUGGESTIONS FOR FURTHER RESEARCH

LIST OF FIGURES

LIST OF TABLES

CHAPTER ONE

INTRODUCTION[1]

International trade, at least in the noncentrally planned economies, is increasingly dependent on the competitive advantages, product characteristics, and managerial skills and experiences of business enterprises. The strategic decision to export is frequently chosen by firms because their resources are perceived as most suited for this type of market expansion activity in contrast to alternate modes of corporate growth. Moreover, it is the decision makers of the firm that are faced with the export stimuli, and it is they who are typically responsible for the response.

Over the last several years, Australasia[2] meat industry firms have played an important role as a major provider of technological innovation, employment and export earnings. Despite the continuous development and growth of export activities of such firms, a paucity of research has been devoted to comparative export studies across national borders and within particular international market settings. This may be due to the conceptual and methodological difficulties as well as the high costs of such undertakings. Nonetheless, studies of export marketing phenomena in different social, cultural, economic, political and institutional settings can provide improved understanding of the export behaviour and performance of firms in different environments.

1.1 Statement of the Problem

The merchandising of agricultural commodities and products has assumed an increased international dimension over the past two decades. Moreover, international markets continue to gain importance for many Australasia agribusiness firms and agricultural industries. The ability to effectively compete in world markets is of critical interest to both New Zealand and Australian agricultural producers, processing firms, industry organisations and government.

---

[1]The style and format used in this thesis follow that of the *Australian Journal of Agricultural Economics*.

[2]*Australasia*, as used here, includes both Australia and New Zealand.

Interest in competitive strategy in global markets has been sparked in part by growing attention to competition in domestic markets and in part by the entry of foreign competition into established international markets. As noted by Porter (1986, p. 2), firms confront today's agenda of international competition amid currents and cross currents of change. Top-level corporate decision makers of today are charged with formulating, directing, coordinating and managing the organisation's response to environmental change. A crucial component of managerial behaviour in a rapidly changing environment is the cognitive process of noticing and constructing meaning about environmental changes so that the organisation can take action (Ali 1992).

One of the major challenges faced by both private-sector manager and government policy maker involves a determination of the factors that lead, or have led, to success in export marketing. Although a growing literature on exporting from the firm perspective has been generated in the last several years, it has been surprisingly lacking in specific insights that would be of use to decision makers in the private and public sector. In particular, an integrative view examining the implications of country choice determinations and entry decisions for competitive strategy and standardisation reasons has been limited from an Australasia agribusiness context.

Moreover, the central void in Australasia export analysis surrounds the lack of understanding of those factors that can account for the varied export behaviour and performance among firms (i.e., Australasia meat industry firms), within a particular international market setting. For instance, what are the determinants of the ongoing export decision; and, what are the prevailing export motives and behaviours of existing meat export enterprises within New Zealand and Australia? Previous studies in the United States (U.S.) and United Kingdom lack the focus and specificity to accurately discern the export decision process within the firms under study herein.

1.2 Objectives of the Study

As mentioned previously, Australasia meat industry firms have traditionally played an important role as a major provider of employment and technological innovation. Discontinuities in the external environment in which these firms must operate have become

a key area in need of in-depth investigation and analysis. Moreover, understanding the chosen marketing environment is crucial to export success and assessing how far products and strategy need to be adapted to specific international market conditions.

A review of past research within the chosen area of study reveals that the notion of managerial attitude toward exporting has been used to refer to decision makers' preconceived views, perceptual tendencies, expectations, beliefs and general attitudes towards foreign markets. Whether or not firms can continue to achieve export success depends largely on the quality, commitment and attitudes of management. The principal objective of this research endeavour is to investigate how exporting firms (i.e., Australasia meat industry firms) interact and perform within the complex marketing environment of North America[3]. Specifically, this study is designed to develop an integrated framework that examines the influence of internal and external factors on the ongoing export decision process.

Such a research effort requires a perspective that recognises exporting as a behaviour chosen by enterprises to satisfy a variety of objectives. Therefore, the chief focus of this study will be on those export related resources and market factors which lead to exporting as a favoured mode of firm expansion. Importantly, this empirical investigation attempts to compensate for some of the identified deficiencies in previous studies. For instance, it analyses the determinants of differing export behaviour within only one industry -- Australasia's meat export industry.

1.3 Rationale and Premise of the Study

Because of the complex nature of international marketing decisions, problem solving and decision making in actual practice tend to be more an art than a science. Understandably, then, there is considerable interest in improving our current understanding of the decision making and problem solving processes.

With regard to export behaviour, strategy and performance, clearly the micro-level of research offers the greatest attraction to governmental decision makers and corporate

[3] *North America*, as used here, includes the United States, Canada and Mexico.

management alike since it is more accessible and certainly more relevant to the day-to-day policy decisions of exporters. Consequently, this study reports the results of an extensive empirical investigation of exporters in one industry, and how the specific export strategies and attitudes these firms adopt affect their export behaviour and intensity. Further, this study follows the environment-strategy-performance paradigm. This paradigm suggests that a firm's performance is a function of differences in market conditions and the strategy pursued.

A key feature of this research endeavour is its effort to hold constant the differences in objectives, or strategy, which are due to the idiosyncrasies of particular markets or industries. It does this by limiting analysis to one overseas market -- North America.

In comparison to previous studies in the export behaviour and performance area, this study is unique in two respects. First, it compares the export behaviours and attitudes of New Zealand and Australian meat industry firms rather than focus on the characteristics of their home operations. By contrast, most prior studies of the international competitiveness of agribusiness firms have looked at the features and practices of management in their home bases. But the success and future viability of Australasia agribusinesses in overseas markets depends more on how they perceive and operate within international settings than on how they behave in their respective domestic marketing environment.

The research development of this investigation owes its genesis to the convergence of theoretical exploration from four separate disciplines -- agricultural economics, marketing, international business and strategic management -- each in turn emphasizing the importance of those animate factors inherent within the manager and firm as explanatory variables.

The relevance of this study lies in its theoretical and practical applications. From a theoretical perspective, existing studies focus primarily on managerial or organisational factors of the non-exporting or potential exporting firm's export marketing behaviour. Such a traditional view overlooks the export decision of actual exporters. A central premise of this study is that the traditional view of the export behaviour model is limited in scope and application because it fails to identify internal and external variables within the export decision process. In an effort to create a more thorough understanding of the ongoing export decision

process of existing export firms, this research effort combines the key variables involved in the export decision process by including: (1) firm specific characteristics; (2) management specific characteristics; and (3) environmental factors.

In summary, the findings and conclusions from this study should be particularly relevant to business enterprises, government trade policy officials and industry associations in identifying the areas of trade support and marketing strategy in greatest need of review and improvement.

1.4 Research Questions to be Explored

As outlined in Section 1.2, the general objectives of this study focus on observed differences between Australasia meat export firms in terms of export behaviour and attitudes, marketing mix decisions and competitive strategies, particularly within the North American marketplace. More specifically, the study will attempt to provide answers to the following research questions:

RESEARCH QUESTION ONE: What significant differences exist between Australasia meat export firms in terms of the degree of commitment to exporting?

RESEARCH QUESTION TWO: What significant differences exist between Australasia meat export firms in terms of the strength of managerial emphasis on, and satisfaction with, the business goals of profit, growth, market diversification, capacity utilisation, increased sales and minimising firm risk?

RESEARCH QUESTION THREE: What significant differences exist between Australasia meat export firms in terms of the extent to which organisational, production and governmental policy factors are seen as obstacles that operate to prevent the expansion of exports into North America?

RESEARCH QUESTION FOUR: What significant differences exist between Australasia meat export firms in terms of modifying their products and marketing mix elements for the North American market?

RESEARCH QUESTION FIVE: What significant differences exist between Australasia meat export firms in terms of management's satisfaction with the export performance achieved in North America?

RESEARCH QUESTION SIX: What significant differences exist between Australasia meat export firms in terms of management's satisfaction with the success achieved in responding to the following export marketing factors: opportunity and customer analysis, marketing research, product planning and development, pricing, distribution, market segmentation, selling and buying, and social responsibility?

As explained previously, a central premise of this study is that the traditional view of the export behaviour model is limited in scope and application because it fails to identify internal and external variables within the export decision process. The research questions outlined above are used as a framework to guide the study and should enhance our current understanding of key variables involved in competing in the North American marketplace.

1.5 Potential Contributions of the Study

Despite the continuous development and growth of the export activities of Australasia meat export firms, relatively little interest has been devoted to comparative export studies across national borders. This may be due to the conceptual and methodological difficulties as well as the high costs of such undertakings. However, studies of export marketing phenomena in different social, cultural, economic, political and institutional settings can provide improved understanding of the export behaviour of firms in different environments.

The results reported in this study should contribute to an increased understanding of the factors shaping Australasia meat export firms' export behaviour and performance and to help provide a basis for planning strategies for improving such performance, particularly within North America. In addition, such an exploratory study concerning the attitude of senior executives in firms across borders should help contribute to the understanding of competitive strategy for multinational firms and the shaping of government export policies.

1.6 Organisation of the Study

This thesis consists of seven chapters. *Chapter One* has presented an introduction to the general research area, the research problem and the study's justification.

Chapter Two provides an overview of the Australasia livestock and meat industry. The material presented is designed to provide the reader with a cursory understanding of the meat industry and statutory marketing framework found within both Australia and New Zealand.

Chapter Three presents an in-depth discussion of the North American marketplace. Moreover, key socioeconomic and demographic trends, meat consumption trends, import trade flows, and consumer characteristics found within the United States, Canada and Mexico are provided. In addition, a discussion of the possible implications of the North American Free Trade Agreement is presented.

Chapter Four consists of a review of the literature related to export marketing behaviour. The chapter is designed to identify the key determinants of export behaviour and performance and provide an explanation of export decision making process models utilised in previous studies. Further, the *Geobusiness Model* is presented as the research model employed to facilitate the operationalisation of the variables and measure the constructs utilised in the study.

Chapter Five provides a complete explanation of the research design and methodology. The specific method used to investigate the research questions is discussed and the measures for the variables are considered. The sample determination, research instrumentation, data collection and analysis techniques are outlined in detail.

Chapter Six presents the results of the research findings. The sample characteristics and representativeness, research assumptions and information necessary to answer the research questions set forth in *Chapter One*, are discussed.

Chapter Seven contains the conclusions, implications, and limitations of the study and offers suggestions for further research. Also, in the *Appendices*, a glossary is provided to help facilitate an understanding of the numerous and often overlapping terms in the extant literature.

CHAPTER TWO

OVERVIEW OF THE AUSTRALASIA LIVESTOCK AND MEAT INDUSTRY

This chapter, comprising two principal sections, presents an overview of the livestock and meat industry found in both Australia and New Zealand. Information pertaining to the industry's background, current profile and statutory marketing framework is provided.

2.1 Australian Livestock and Meat Industry

2.1.1 Background and Current Profile

Since World War II, Australian agriculture has been dominated by meat, wool and wheat production. Together, they accounted for approximately 17.5 per cent of the AU$54.9 billion in merchandise exports during 1992 (ABS 1993).

The meat and livestock industry, specifically, has played an important role in Australia's development since 1788. The country's meat and livestock export trade had its genesis in 1880 with the first successful shipment of frozen meat to London aboard the *S.S. Strathleven.* That first shipment contained 25 tonnes of beef, 15 tonnes of sheepmeat and utilised low temperature refrigeration which revolutionised the meat export industry worldwide. For Australia it marked the beginning of a prosperous and extensive international export trade in both meat and livestock.

Following the first World War, and during the period 1940-1980, agricultural policies encouraged expansion of production through a variety of support measures. Direct incentives included tax concessions, input subsidies and investment allowances. However, in the early 1980s, Australia instituted general economic reforms that devalued and subsequently floated its dollar and deregulated the financial system.

Resultant agricultural reform has been less comprehensive and slower than in New Zealand, principally due to the federal nature of Australia's political system. Consequently, further progress towards a complete market orientation for the nation's agricultural sector

will require complementary legislation by the individual States -- with reform being protracted and uneven at the State level.

Nonetheless, the Australian livestock and meat industry continues to be a major source of employment, investment and earnings. Currently, the production of livestock (cattle, sheep, goat and buffalo) provides about one-third of all rural income. Recent figures show annual rural income derived from livestock production to be over AU$4.0 billion, with export earnings from sales of meat and livestock exceeding AU$3.0 billion in 1992 (ABARE 1992, Table 1). Further, the industry employs nearly 300,000 persons in livestock production, meat processing, retailing and exporting -- with shipments of Australian meat and meat products finding their way to over 100 importing countries around the world (ABS 1992; AMLC 1992).

It should be noted that the specific destinations for Australia's meat export products have steadily changed. For over 120 years the main destination was Europe, reflecting Australia's historical and cultural origins and ties.

Presently, Australian red meat exports comprise about 11 per cent of world meat trade (FAO 1993; USDA 1992a). Beef and veal alone comprise approximately 75 per cent of Australia's total meat exports (see Figure 1), exceeding 1,150 thousand metric tonnes (MT) in 1992 -- the world's largest exporter of such products (USDA 1993b). Mutton is Australia's second largest meat export, comprising about 13 per cent of total meat exported in 1992 (AMLC 1992). Lamb represents an important component of the Australian meat and livestock industry although its relative contribution to national red meat production has varied considerably over the years (ABARE 1992).

Like New Zealand, the volume of meat shipped to many of Australia's principal export markets is strictly limited by the trade policies of importing countries such as the United States, Canada and Mexico. Nonetheless, the U.S. remains Australia's largest beef and veal export market with over 377,000 MT imported in 1992 -- an increase of about 11 per cent over the 1987 level of 339,300 MT (AMLC 1992, Table 1).

In addition, beef exports to Canada in 1992 totalled some 46,783 MT, an increase of approximately 62 per cent from 1991 (AMLC 1992, Table 1). Furthermore, Mexico has

TABLE 1

A Current Profile of Australia's Sheepmeat and Beef Sectors (Selected Key Indicators)

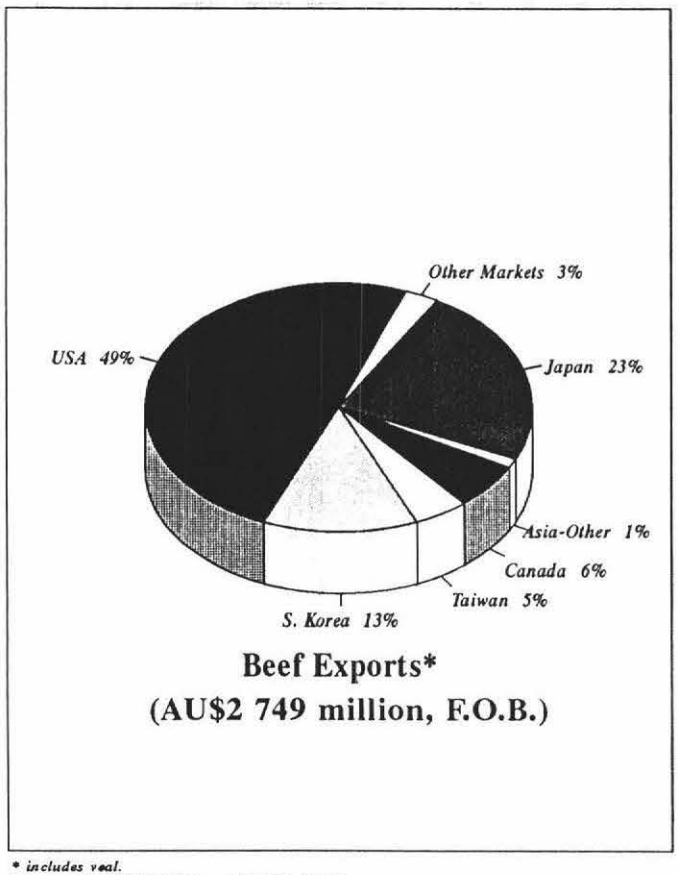
Item	1987	1988	1989	1990	1991	1992	% Change 1987 - 1992
Sheepmeat Sector:*							
Total sheep numbers (`000 head)	158 800	162 500	171 292	177 841	173 982	162 219	2.2%
No. head slaughtered -- total (`000)	34 870	29 100	30 649	33 864	34 146	32 900	-5.6%
Total sheepmeat production (`000 tonnes)**	591	549	585	646	657	634	7.3%
Total sheepmeat exports (`000 tonnes)**	207	202	193	241	306	270	30.4%
F.O.B. value of total exports (AU$ million)	287	287	256	304	384	381	32.8%
Volume of exports to North America (tonnes)							
United States	12 671	15 352	11 308	11 549	14 635	17 113	35.1%
Canada	11 409	4 037	2 135	2 881	4 453	2 980	-73.9%
Mexico	118	221	95	402	2 868	5 607	500%****
Beef Sector:**							
Total beef cattle numbers (`000 head)	23 540	23 469	23 938	24 673	25 026	25 630	8.9%
No. head slaughtered -- total (`000)	8 049	7 770	7 486	8 166	8 271	8 448	5.0%
Total beef and veal production (`000 tonnes)**	1 549	1 533	1 565	1 718	1 735	1 782	15.0%
Total beef and veal exports (`000 tonnes)**	908	890	872	1 064	1 080	1 160	27.8%
F.O.B. value of total exports (AU$ million)	1 719	1 958	1 743	2 345	2 529	2 749	60.0%
Volume of exports to North America (tonnes)							
United States	339 303	376 259	260 788	333 678	367 014	377 493	11.3%
Canada	34 173	41 119	23 293	30 345	28 894	46 783	36.9%
Mexico	0	0	0	17	366	3 882	500%****

**includes lamb and mutton; **carcass weight equivalent; ***includes veal;*
*****per cent change is > 500.*
Source: ABARE (1992), ABS (1992), AMLC (1992) and USDA (1993b).

FIGURE 1

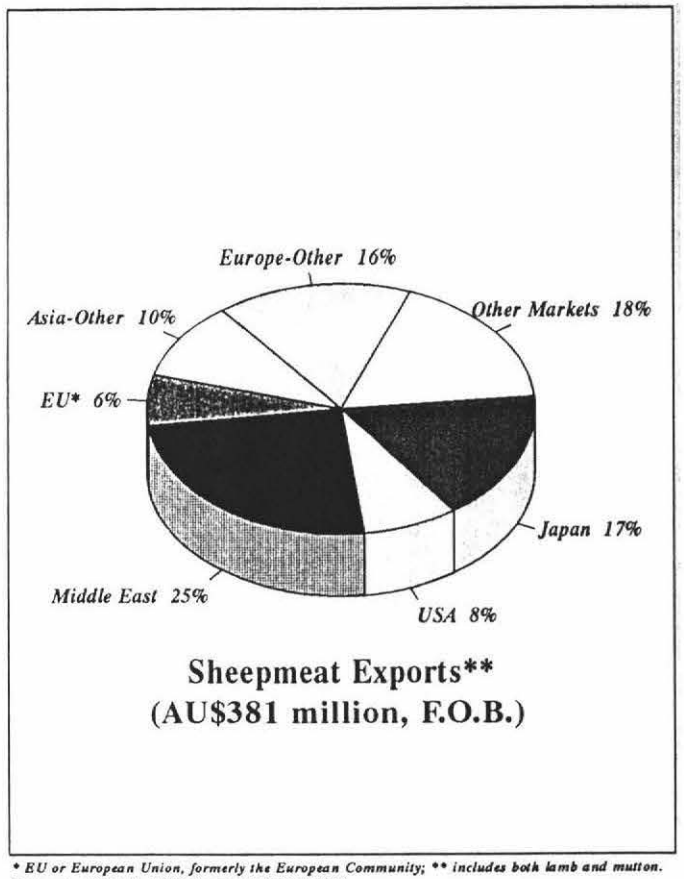
Major Destinations for Australia's Beef and Sheepmeat Exports, 1992

(In Per Cent of Total)



Beef Exports*
(AU$2 749 million, F.O.B.)

* *includes veal.*
Source: ABARE (1992) and AMLC (1992).



Sheepmeat Exports**
(AU$381 million, F.O.B.)

* *EU or European Union, formerly the European Community;* ** *includes both lamb and mutton.*
Source: ABARE (1992) and AMLC (1992).

become a growth market for direct shipments of Australian beef, with exports in 1992 totalling 3,882 MT (see Table 1).

Australian sheepmeat exports to the United States increased from 12,671 MT in 1987 to 17,113 MT in 1992 (AMLC 1992, Table 1). Lamb exports to Mexico increased from 273 MT in 1991 to 804 MT in 1992 (AMLC 1992). In addition, mutton exports to the U.S. increased from about 8,566 MT in 1991 to 10,386 MT in 1992, despite the imposition of the U.S. Meat Import Law. However, export shipments of mutton to Canada decreased from 2,730 MT in 1991 to approximately 1,341 MT in 1992 (AMLC 1992, Table 1).

The Australian meat industry has achieved a significant transformation to the form and delivery mode of its products over the past 3 decades. Until the early 1960s, beef, lamb and mutton were predominantly exported frozen in carcass form, manually stowed in lockers on refrigerated ships. However, air freighted chilled lamb to the U.S. and Canada has increased to a level where such product now comprises most of the total Australian airfreight shipments to North America. Australian beef is exported largely in boneless form, in standard sized cartons, to most export markets.

Since reaching an inventory low of 22.2 million head in 1984, Australia's beef cattle numbers have generally increased. At the beginning of 1992, the total number of beef cattle had reached approximately 25.6 million head (USDA 1993b). The growing national herd size reflects the emergence of perceived opportunities for expanding beef sales to Asia combined with an emerging downturn in the wool industry.

Today there are basically two types of cattle operations in Australia. The pastoral industry, which accounts for more than 50 per cent of beef output, is based mainly in the northern State of Queensland and Kimberly region of Western Australia. Cattle are maintained on native grazing pastures and at very low stocking densities. The principal product of this sector of the industry has been manufacturing beef destined for the U.S. market. In addition, there is the southern beef industry that is grazed largely on improved pastures, and supplies smaller, younger animals chiefly for the Australian domestic market.

Interestingly, feedlot production of beef is playing an expanding role in Australia's cattle industry. In 1991, there were about 72 feedlots with a capacity of more than 1,000 head of cattle each with a combined capacity of more than 352,000 head (AMLC 1992).

Currently, Australia is the world's second largest sheep producer, behind China, with approximately 162.2 million head in 1992 (USDA 1993b). Sheep numbers over the past two decades have fluctuated greatly in response to varying seasonal conditions, movement in wool prices and the relative profitability of other enterprises.

The production of sheep is widely distributed throughout Australia, with most large operations located in Queensland, South Australia, Western Australia and the largest sheep producing State, New South Wales. In more recent years the pattern of production has become more variable as agriculture in Australia has faced a number of rapid economic changes.

Sheep producers in Australia generally fall into one of the two categories: (1) those that raise sheep primarily for wool production; and (2) those that raise sheep primarily for lamb meat (range lamb). Further, the sheepmeat market in Australia has three distinct market components -- lamb, adult sheep and wool -- and, thus, three separate market clearing prices. These markets are closely interrelated on both the demand and supply sides.

It is important to note that Australian sheep production is dominated by the Australian wool industry with sheepmeat seen as a subsidiary product. Presently, about 85 per cent of the lamb produced in Australia is consumed on the domestic market (ABARE 1992).

2.1.2 Statutory Marketing Framework

Established on 1 December 1977, the Australian Meat and Live-stock Corporation (AMLC) is the national marketing organisation of the meat and livestock industry in Australia. Moreover, the AMLC was established as a statutory authority under the Australian Meat and Live-Stock Corporation Act of 1977 (the Act), assuming the responsibilities of the former Australian Meat Board.

The functions of the AMLC are clearly defined by legal statute, which states: "The functions of the Corporation are: (a) to improve the production of meat and live-stock in Australia; (b) to encourage and promote the consumption and sale of Australian meat, and the sale of Australian live-stock, both in Australia and overseas; (c) to encourage, assist, promote and control the export of meat and live-stock from Australia; and (d) to make recommendations to the Minister . . . .."

Consisting of 11 Board Members, the Corporation sees as its mission the following: " . . . to create a more consumer-oriented meat and livestock industry through leadership in marketing and systems development and to increase industry returns" (AMLC 1992). The long-term goal of the AMLC is to create an optimum marketing environment for producers, processors and sellers of Australian meat and livestock thereby enhancing the industry's profitability.

The AMLC has legislative control over the licensing of meat and livestock exporting firms, which currently totals around 100 for the North American market. Only those firms and individuals which meet certain criteria in relation to competency, financial standing and integrity, and can display expertise at a level necessary to achieve satisfactory performance are issued with a meat or livestock license. Further, licensees are also subject to quality assurance/control standards to help ensure that meat or livestock exported from Australia conform to the importer's contract conditions and specifications. While empowered to buy, sell and export meat and livestock, the AMLC has elected not to do so.

The AMLC is funded almost entirely by the industry it represents. Australian livestock producers, meat processors and livestock exporters all pay compulsory levies. All but approximately 2 per cent of the Corporation's operating budget is derived from such levies with the balance obtained through interest on reserves.

The AMLC's total income for 1991-1992 was approximately AU$102.1 million with total expenditures amounting to AU$90.3 million (AMLC 1992). The Corporation's largest budget item in 1992 was export marketing, accounting for about AU$38 million.

AMLC promotions in Australia and overseas are currently directed toward a wide range of target audiences including consumers, retailers, wholesalers, importers and end-users. The Corporation's marketing efforts for sheepmeat in both the U.S. and Canada has focused recently on the "Fresh Australian Range Lamb" (FARL) programme, promoting high quality, stringently specified chilled Australian lamb primals and sub-primals shipped direct to North American consumers through select retail outlets -- with the stated guarantee of not being more than 72 hours from processing. Presently, more than 80 per cent of all chilled lamb being exported to North America is marketed under the FARL specification and is being 'branded' as such, with all exporters airfreighting chilled lamb cuts to the areas participating in the programme.

In an effort to ensure quality control and consistency of product characteristics, the *Authority for Uniform Specification for Meat*, or AUS-MEAT®, was established on 1 July 1987 by the AMLC. The principal purposes of AUS-MEAT® is to assist the Australian meat industry in producing consistent, accurately described meat products. As such, AUS-MEAT® has instituted a nationally uniform description system for both meat and livestock, with all Australian export meat establishments required to be accredited under the scheme in order to maintain an export license. The accreditation process is based on a scoring system regarding procedures on the slaughter floor, in the boning room, offal room, load-out and cold storage area, and in portion-cutting operations. Accreditation of plants that slaughter for domestic consumption remains voluntary.

It is important to note that a significant characteristic of the Australian meat industry's institutional arrangements is the existence of State meat industry authorities (Statutory Marketing Authorities or SMA's). The rationale for the establishment of SMA's was to provide a large number of small producers some degree of influence over large merchants and traders. Recently, these bodies have been extensively involved in trying to remedy overcapacity problems in slaughtering and processing while at the same time attempt to 'protect' investment by State and local government in these facilities. Apart from commercial activities, SMA's undertake a range of regulatory, information gathering and administrative functions.

2.2 New Zealand Livestock and Meat Industry

2.2.1 Background and Current Profile

Agriculture, particularly pastoral agriculture, has traditionally been the mainstay of the New Zealand economy ever since the arrival of the first European settlers in 1840. Comprising mainly sheep, beef and dairy farming, pastoral agriculture is practiced throughout New Zealand, with over 90 per cent of agricultural land devoted to livestock grazing (NZDS 1993b).

New Zealand livestock farming tends to be a seasonal activity. The phasing of the grassland cycle dictates that most grassfed animals are ready for slaughter in the summer and autumn.

The livestock and meat sector currently account for more than 60 per cent of the value of agricultural production, and when processed, over 85 per cent of the value of agricultural based exports. In more specific terms, export receipts from pastoral agriculture during 1992 totalled approximately NZ$7.0 billion, an increase of almost 14.7 per cent over 1991 (NZDS 1993a, 1993b).

The processing of meat for export is one of New Zealand's longest established industries. The development and extent of the industry owe its past and present existence to the introduction of refrigeration in New Zealand. Since that first epic international shipment of meat on 11 February 1882 aboard the sailing ship *SS Dunedin*, the meat industry has played a leading and vital role in the New Zealand economy (Cross 1990). The success of this initial voyage, with a 1,200-tonne cargo of mainly sheep and lamb carcasses, heralded the birth of the New Zealand meat export industry (Barton 1984; Evans 1969).

By 1892, upwards of 17 export slaughter houses had been established, processing about 3.5 million carcasses per year -- with all export meat requisitioned and sold under contract to the United Kingdom (Woods 1989). Further, between 1892 and 1921 some 63 meat processing works were opened and located throughout New Zealand (Evans 1969), with most of the early export shipments of meat containing a heterogeneous assembly of sheep carcasses with varying levels of fatness and weights.

The early export initiatives of the New Zealand meat trade were founded on open access to the British market. During its first 35 years, the industry saw numerous meat companies formed but only few survived the economic difficulties of that period (Hayward 1972). Between 1922 and 1968 the industry experienced a long period of stability with just 3 new meat processing operations being established (Savage and Bollard 1990). In the 1970s and 1980s the export meat processing sector was subject to a variety of rationalisation pressures, discussed later in more detail.

Today, the livestock and meat industry continue to be a central feature of the economic landscape in New Zealand. It is the largest employer and generates a tremendous amount of export income, accounting for around 1 dollar in every 5 earned overseas, equating to more than 25 per cent of the country's total export merchandise (NZDS 1993b). Further, in 1992, there were about 40,000 New Zealand farms producing stock for export (New Zealand Meat & Wool Boards' Economic Service 1992b). As New Zealand's livestock and meat industry is focused on international trade opportunities, the key components of the industry comprise the processing and distribution systems from farm gate to the global marketplace.

In recent years the New Zealand livestock and meat industry has gone through a considerable number of changes. For all of New Zealand, 1984 marked a dramatic turning point in the trading environment for the country's economy, particularly for agriculture.

During mid-1984, the New Zealand Labour Government launched an ambitious, wide-ranging, and unilateral economic liberalisation programme consisting of broad macro policy changes and industry-specific reforms. Commonly referred to as *Rogernomics*, after the former Minister for Finance Sir Roger Douglas, these reforms have had important influences on the agricultural sector. A key goal of the Government since 1984 has been to reduce and simplify the range of government interventions in the economy -- moving toward what has been termed a "more market-oriented" environment (Bollard and Buckle 1987).

Behind the aforementioned reforms were two principal forces: a retreat by the Government from farm support schemes and a collapse of international meat prices in the early 1980s. Together, these forces created a turbulent and increasingly austere environment affecting all involved in the New Zealand livestock and meat industry. However, opinions have differed

about the nature and direction of change (see Britton *et al.* 1992; Dobson and Rae 1991; Johnson 1991; Sandrey 1992).

As mentioned previously, increased rationalisation and structural alterations in New Zealand's meat processing sector have had significant implications for the country's export meat returns during recent years. Plagued by plant over-capacity and a resulting high cost structure (Pappas *et al.* 1985), meat processing in New Zealand has witnessed a shift toward several private-sector companies, some of which are owned by producer cooperatives -- with a decline of large plants and the rise of single-chain killing operations.

The domestic segment of the New Zealand export marketing chain for meat extends from the farmgate to port. Principal activities include transport and slaughter of livestock, meat grading, further processing of carcasses, and storage.

New Zealand's principal meat exports are lamb, mutton and beef. During fiscal year 1992, over 90 per cent of lamb, 60 per cent of mutton and about 80 per cent of the beef processed in New Zealand was exported overseas (New Zealand Meat & Wool Boards' Economic Service 1992b).

Up to 1954, all New Zealand meat exports were shipped to the United Kingdom (Evans 1969). Following the end of the "Bulk Purchase Contract" in 1954, a rapid diversification of meat exports away from the United Kingdom (UK) market occurred. Currently, New Zealand meat export products are sold into a variety of markets worldwide (see Figure 2), and represent about one sixth of all the meat traded internationally (NZMPB 1992; USDA 1993b).

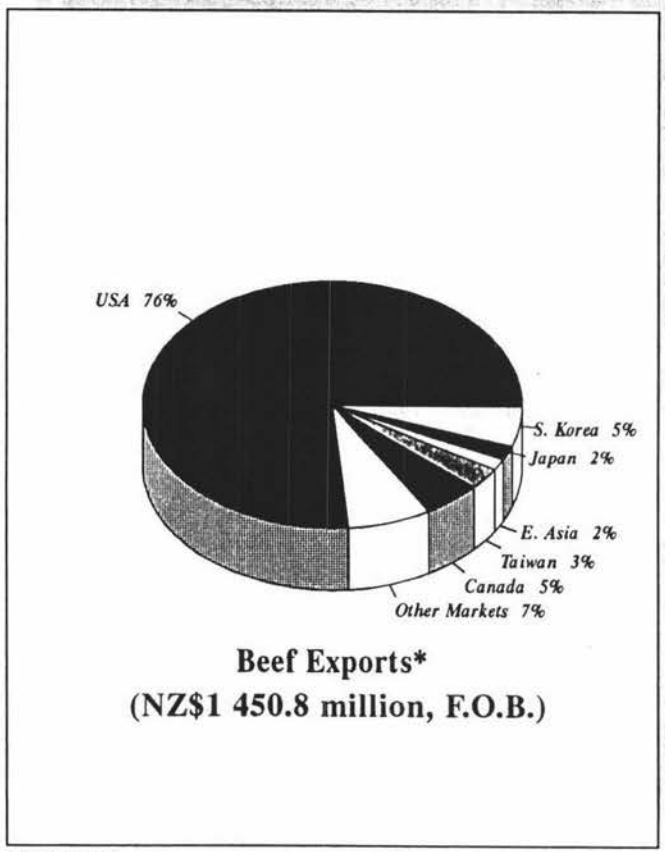
It is pertinent to note that lamb is the most diversified of New Zealand's meat exports with the top 5 markets accounting for only 53 per cent of total exports. Beef is the least diversified meat export with the top 5 markets accounting for 93 per cent of total exports (see Figure 2).

In terms of total meat exports (i.e., beef and sheepmeat), the steady trend of increasing diversification over the last several years has seen the share of total exports accounted for

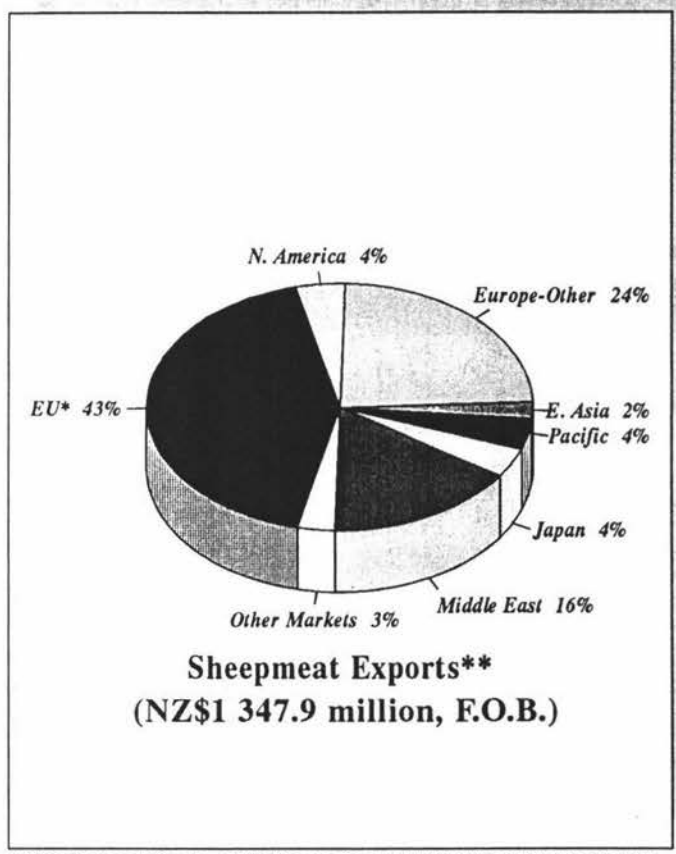
FIGURE 2

Major Destinations for New Zealand's Beef and Sheepmeat Exports, 1992

(In Per Cent of Total)



* *includes veal.*
Source: NZDS (1993a, 1993b) and NZMPB (1992).



* *EU or European Union, formerly the European Community;* ** *includes both lamb and mutton.*
Source: NZDS (1993a, 1993b) and NZMPB (1992).

by the top 5 markets decreasing from about 70 per cent in 1986-1987 to approximately 64 per cent in 1991-1992 (New Zealand Meat & Wool Boards' Economic Service 1992a). Such market diversification has resulted in modifications to the product mix, with a major emphasis on primal cuts to the U.S. and Canada, boneless and portion control products to Japan and Europe and the increased export of chilled lamb.

Since the 1970s, practically all of New Zealand's meat exports to Britain and North America has been carried in container ships. Recently, however, trials have been conducted utilising "unitised" cargo -- compact packages or cartons of carcasses that can be easily loaded on conventional vessels at regional ports in New Zealand.

Today, New Zealand's sheepmeat export trade is in the process of shifting from a bulk commodity orientation to a value-added orientation (Storey 1992). During 1982, over 80 per cent of New Zealand lamb exports were in carcass form. Bone-in cuts made up about 17 per cent while boneless product made up just 3 per cent of lamb exports (NZMPB 1992). However, since the start of 1990, exports of further processed lamb have exceeded carcass exports on a carcass-equivalent basis -- a trend reflecting higher prices received for processed, vacuum packed product.

Although New Zealand's total production of sheepmeat represents only about 9 per cent of the world total, New Zealand garnered approximately 46.5 per cent of world export trade of sheepmeat in 1992, earning about NZ$1.35 billion (NZDS 1993a; USDA 1993b). The European Union, formerly the European Community, continues to be New Zealand's largest market for lamb with Japan remaining the largest importer of New Zealand mutton.

In terms of production emphasis, the New Zealand sheepmeat industry has few similarities to Australia. For most New Zealand sheep producers, meat is the dominant product while wool could be called a joint or subsidiary product.

Sheep are raised throughout New Zealand where climatic and grazing conditions for livestock are nearly ideal, as much of the land is to steep for row crops. Many of New Zealand's sheep are dual-purpose breeds, producing both high-quality wool and meat. The most common breed is the Romney.

The number of sheep on New Zealand farms has decreased from 64.2 million head in 1987 to 53.3 million in 1992, with sheepmeat export volume declining from 516 thousand tonnes in 1987 to approximately 489 thousand tonnes in 1992 (NZDS 1993b, Table 2). In the view of some analysts, removal of certain producer support schemes for sheep has contributed to the reduction in sheep numbers, as some sheep farmers moved to alternate sources of income, including a move to cattle (Johnson 1991; New Zealand Meat & Wool Boards' Economic Service 1992a). In addition, the severity of the 1992 winter season resulted in total slaughtering being higher than would have occurred otherwise, contributing further to the decline in base sheep numbers (New Zealand Meat & Wool Boards' Economic Service 1992b).

In contrast, beef cattle numbers have increased to an estimated 4.74 million head in 1992 (Table 2). Although concentrated in the North Island, all regions of the country have experienced an increase in beef cattle production except for North/South Auckland and Southland (New Zealand Meat & Wool Boards' Economic Service 1992b).

The beef industry in New Zealand is built on the Angus, Hereford and Shorthorn breeds and crossbreeds with Friesian, Ayrshire and Jersey dairy stock. Increasingly, special-purpose breeds are being used for their superior growth rates, disease resistance or climatic tolerance, or the production of leaner, heavier-muscled carcasses.

New Zealand currently accounts for about 6.5 per cent of world beef and veal exports, earning the country NZ$1.45 billion in 1992 (NZDS 1993a; USDA 1993b). Approximately 99 per cent of export beef leaving New Zealand goes as boneless manufacturing beef or beef cuts. Only 1 per cent is exported as bone-in-quarter beef (NZMPB 1992).

New Zealand is heavily dependent on North America as a destination for beef exports, particularly the United States. In fact, during 1992, the U.S. received 76 per cent of New Zealand's beef exports.

Canada is the second largest export market for New Zealand beef, normally taking approximately 7 per cent of total beef exports. In addition, Mexico has been a small but growing part of the North American market, taking some 2,880 MT of New Zealand beef

TABLE 2

A Current Profile of New Zealand's Sheepmeat and Beef Sectors (Selected Key Indicators)

Item	1987	1988	1989	1990	1991	1992	% Change 1987 - 1992
Sheepmeat Sector:*							
Total sheep numbers (`000 head)	64 244	64 600	60 569	57 852	55 163	53 295	-17.0%
No. head slaughtered -- total (`000)	40 929	38 341	40 059	32 824	34 508	35 590	-13.0%
No. head slaughtered -- export (`000)	36 955	34 202	35 848	29 413	31 413	32 420	-12.3%
Export production (bone-in basis, `000 tonnes)	516	503	502	436	469	489	-5.2%
F.O.B. value of total exports (NZ$ million)	1 094	900.5	1 008	1 093.5	1 150	1 348	23.2%
Volume of exports to North America (tonnes)							
United States	3 285	5 588	6 675	5 033	4 917	6 036	83.7%
Canada	8 155	6 976	8 040	8 897	7 725	7 024	-13.9%
Mexico	0	213	1 138	3 919	5 329	5 213	500%***
Beef Sector:**							
Total beef cattle numbers (`000 head)	4 804	4 858	4 526	4 593	4 671	4 745	-1.2%
No. head slaughtered -- total (`000)	2 297	2 236	2 305	1 945	2 162	2 255	-1.8%
No. head slaughtered -- export (`000)	1 817	1 735	1 820	1 531	1 773	1 825	0.4%
Export production (bone-in basis, `000 tonnes)	443	453	449	384	450	476	7.4%
F.O.B. value of total exports (NZ$ million)	1 024.5	985	1 279	1 092	1 284	1 452	41.7%
Volume of exports to North America (tonnes)							
United States	214 200	211 033	212 138	184 041	221 808	231 120	7.9%
Canada	24 142	26 505	26 041	22 046	20 823	16 576	-31.3%
Mexico	0	0	15	0	407	2 880	500%***

includes lamb and mutton; **includes veal; * per cent change is > 500.*

Source: NZDS (1993a, 1993b) and NZMPB (1992).

during 1992 (NZMPB 1992). Overall, the North American region provides a market for about 83 per cent of all New Zealand export beef (USDA 1993b).

Pertinent to note that about 95 per cent of New Zealand's beef exports and nearly 80 per cent of its sheepmeat exports are to markets currently controlled by quota restrictions (e.g., the U.S. and Canadian Meat Import Laws, the European Union's Voluntary Restraint Agreement, and South Korea's beef tendering regime) or tariffs. The Middle East is the only major market completely accessible for New Zealand meat products.

2.2.2 Statutory Marketing Framework

In New Zealand, a high proportion of agricultural exports are associated with producer marketing boards. Their introduction largely resulted from producers' efforts to "rationalise the organisation" of export marketing after low and unstable export prices following World War I (Veeman 1979). Some observers argue that their establishment represents a deliberate attempt to "regulate" the relationship between New Zealand producers, overseas buyers, consumers and various commercial interests (Woods 1988).

While meat slaughterhouses have been subject to some form of licensing or registration since 1847 (Maughan 1980), broad-based statutory involvement in New Zealand's meat export industry (i.e., lamb, mutton and beef) began in earnest with the Slaughtering and Inspection Act of 1900 (Woods 1989). The Act provided for the establishment of abattoirs and the licensing of meat export slaughterhouses possessing sanitary conditions of slaughter (Griffith and Martin 1988).

Today the New Zealand Meat Producers Board (NZMPB) is the centrepiece of the livestock and meat industry's institutional and statutory arrangements. Established on 11 February 1922 by Parliament under the Meat Export Control Act of 1921-22, the NZMPB came about as a result of farmers becoming increasingly concerned over the dependency upon and the low prices received for their meat products in the United Kingdom -- and pressured the Government to intervene (Hayward 1972).

After previously opposing the idea, the Prime Minister of the day, W.F. Massey, agreed to the establishment of a "Board of Control" for the meat industry in 1922 (Evans 1969). As the first statutory producers' organisation in New Zealand to be charged with the regulation of marketing in the wider interests of farmers, the main objective of the Board was to reduce production, shipping and marketing costs and to obtain fair prices in the UK market (Woods 1989). In addition, standardisation of meat grading was considered one achievement resulting from the Board's establishment (Kirton 1989).

As stated by the NZMPB (1992, 1993b), ". . . the role of the New Zealand Meat Producers Board is to promote the development of New Zealand's meat industry so as to maximise returns to meat producers and to New Zealand." As defined by statute, the primary objective of the NZMPB is "to ensure that the New Zealand producers of stock from which meat is derived obtain the best possible long term returns for that stock" (NZMPB 1993b). In the interests of producers, the Board's main responsibilities include: quality control and the setting of meat classification or grading standards, market information, market development, global promotion, licensing of meat exporters, negotiating access to markets, research and development, and negotiation of freight services and rates. The NZMPB does not have jurisdiction over the local marketing of meat, nor over the export of pork, venison or poultry meat.

The NZMPB is funded by a compulsory levy collected on all sheep, cattle and goats slaughtered in New Zealand. Levy income comprised about 75 per cent of the total funds of the NZMPB in fiscal year 1993, amounting to approximately NZ$32.4 million (NZMPB 1993b). Additional income is generated from investment and commercial subsidiary activities. In 1993, the NZMPB expenditures totalled about NZ$31.1 million, of which about NZ$9.2 million was spent on market and promotional activities (NZMPB 1993b).

As established by the NZMPB, in cooperation with New Zealand's Ministry of Agriculture and Fisheries (MAF), a standardised system of classifying grades of meat is presently used. The country's export meat is graded according to the type of animal, weight, age and fat content. In addition, the Meat Act of 1981 authorises MAF to establish a licensing system for meat processing plants, packing houses and abattoirs in ensuring

sanitary conditions and wholesome and safe products for both export and domestic consumption.

As eluded to previously, the NZMPB operates a comprehensive export licensing scheme for meat exporters who can devote the necessary resources to develop markets overseas. The licensing system is operated in consultation with the New Zealand Meat Industry Association regarding the issuing and amendment of licenses. Importantly, New Zealand beef, veal and sheepmeat cannot be processed (slaughtered or further processed) or packaged for export, or exported, without the relevant license. During 1992, there were approximately 54 New Zealand exporters licensed by the NZMPB (NZMPB 1992). About 75 per cent of New Zealand's export meat production is exported by companies that have also processed the product. A further 10 per cent is exported by license-holders which are joint ventures or consortiums involving some or all of the processors/exporters. The remainder is exported by companies who obtain it either from the main processor, smaller exporter or from a service processor.

Currently, there are significant differences between sheepmeat and beef in how export marketing is undertaken, particularly regarding the extent of NZMPB involvement. For instance, the marketing of New Zealand beef is largely the responsibility of meat processing and exporting firms.

By contrast, sheepmeat marketing, particularly lamb, involves the NZMPB in extensive marketing activity, control, and influence over commercial operators (ACIL 1992). For example, Canada is considered a "special access" market with only a single seller, the New Zealand Lamb Company (North America) Ltd. servicing the Canadian market.

Importantly, the NZMPB has powers to purchase and market meat on its own account and has at times made use of these powers. For instance, during a period in the early 1980s the NZMPB took over the purchase and marketing of sheepmeat, but such practice was discontinued in 1984 (Woods 1989).

In striving to foster greater cooperation and consultation within the meat industry, the NZMPB and New Zealand Meat Industry Association established the "Meat Planning

Council" in 1991. The stated purpose of the Council is to develop solutions to key issues such as: creating a climate that encourages New Zealand meat processing firms and entities within the industry to become market led rather than production driven; encourage competition in the international marketplace on aspects other than just price; and better targeting of promotion and marketing development. The Council's immediate objective is a "commercial co-operation agreement" established between all licensed meat exporters in New Zealand -- an effort attempting to ensure that the commercial activities of individual firms do not run counter to the wider national goal of optimising international marketplace returns. Following its mandate, a recent proposal developed by the Council would replace the current export allocation system with "tradeable rights" for quota-restricted markets, such as the European Community and the United States (NZMPB 1993c).

The NZMPB has very recently begun to dismantle its historical control of shipping under which all New Zealand meat exporters, regardless of company size, paid the same price for transportation between New Zealand and the port of destination. Such a policy has placed smaller firms at a distinct disadvantage and the steps taken so far by the NZMPB have gone some way toward providing a more equitable situation.

Compared with other sectors of the New Zealand agricultural system, the marketing channels for exporting meat have been relatively untouched by the economic liberalisation process undertaken in 1984. Recently, producer boards and the benefits which they can secure for New Zealand producers and the country has come under scrutiny (see ACIL 1992; Crocombe *et al.* 1990; Zwart and Moore 1990). It is reasonable to suspect that the debate over appropriate structures for the marketing of New Zealand meat products is likely to continue.

CHAPTER THREE

OVERVIEW OF THE NORTH AMERICAN MARKETPLACE

This chapter presents a detailed assessment of the North American marketplace. The chapter consists of four sections, with a discussion of key socioeconomic and demographic characteristics, current meat consumption trends and import trade flows, and consumer characteristics found within the United States, Canada and Mexico. In addition, some possible implications of the North American Free Trade Agreement (NAFTA) are presented.

3.1 Socioeconomic and Demographic Profile

To be successful in any market, foreign or domestic, requires that the firm understand the workings of the market as well as the needs of the consumers in it. Today's international food business is diverse and driven by many and changing consumer expectations. Consequently, food marketing practitioners are paying an increased amount of attention to the importance of both socio-demographic and economic factors as they develop and merchandise an ever expanding array of products.

A number of demographic and socioeconomic variables affect both the aggregate demand for food and the demand for individual food products. Demographic variables relate to the population's characteristics, such as its size, distribution by age group, and vital statistics like births and deaths. Key socioeconomic variables include employment patterns, household size and composition, prices and income, and consumer tastes and preferences (Johannsen *et al.* 1989).

In consumer goods, demographic changes help shape the size of the buyer pool for a product and the subsequent rate of growth in demand (Porter 1980). The economic environment of a foreign country is also an important factor that should be examined before a firm decides to enter a particular market (Selvarajah and Cutbush-Sabine 1991).

The economic environment can be divided into macro- and microeconomic components. Macroenvironment describes the overall economic situation in a country and is usually

analysed using economic indicators such as gross national product (GNP) per capita, inflation rate, unemployment data, rate of economic growth and the like. Microenvironment commonly refers to economic conditions relevant to a particular product and/or market.

Understanding the component parts and mechanics of particular markets and how they differ from one country to another is crucial in developing international business strategies, identifying target market segments and determining how far to tailor each element in the marketing mix (Douglas and Craig 1992). For this study, it is important to develop a macro-environmental assessment of the business environment in North America coupled with an evaluation of the micro-context -- providing insight into the consumption patterns and purchasing processes of individuals within the United States, Canada and Mexico. Table 3, therefore, presents a variety of key demographic, economic and socioeconomic indicators of the North American marketplace. A detailed country-by-country assessment follows.

3.1.1 United States

The marketplace of the United States is one of contrasts, extremes, changes and opportunities. It has been described as a two-tier or bipolar market (Kotler 1991). During a recession, some people continue to buy luxury goods while many other people patronise low-price merchants. Further, the American consumer population can be grouped into four general categories: convenience oriented, new traditionalist, constrained health conscious and affluent health conscious (Waslien 1988).

In recent decades, gradual changes have been occurring in the socioeconomic environment and the demographic structure of the U.S. population. Today, the country's citizenry is approximately 79 per cent white, with blacks making up about 12 per cent of the civilian population (USBC 1992).

The number of Hispanic Americans has been growing fast and now stands at over 17 million, with the largest subgroups being Mexicans, Puerto Ricans and Cubans, in that order. The Asian populace has also burgeoned, the Chinese constituting the largest group, followed by the Filipinos, Japanese, Koreans and Asian Indians, in that order.

TABLE 3

Key Demographic and Socioeconomic Indicators of North America

Item	Measure/ Unit(s)	Reference period	United States	Canada	Mexico
Total population	`000	1991	255 600	27 400	87 700
	`000	2000	268 266	29 301	108 754
	`000	2010	282 575	32 100	119 500
	`000	2025	319 000	35 000	143 300
Annual growth rate of population	per cent	1970	1.1	1.6	3.2
	per cent	1991-2000	0.9	0.8	1.9
	per cent	2000-2010	0.5	0.7	1.7
Population by age group					
Under 5 yrs. old	per cent	1991	7.2	7.0	13.5
5 to 14 yrs. old	per cent	1991	14.4	13.7	24.5
15 to 64 yrs. old	per cent	1991	65.7	67.6	58.1
65 yrs. old and over	per cent	1991	12.7	11.7	3.9
Under 5 yrs. old	per cent	2000	6.3	16.2	11.8
5 to 14 yrs. old	per cent	2000	13.9	26.2	22.5
15 to 64 yrs. old	per cent	2000	66.8	54.5	61.1
65 yrs. old and over	per cent	2000	13.0	3.1	4.6

Source: Haub and Yanagishita (1992); USBC (1992); and World Bank (1993).

Item	Measure / Unit(s)	Reference period	United States	Canada	Mexico
Life expectancy at birth					
Female	years	1965	74	75	61
	years	1991	79	81	73
Male	years	1965	67	69	58
	years	1991	72	74	67
Total civilian employment	thousands	1991	117 914	12 572	23 403
Land area	`000 sq. km	....	9 373	9 976	1 958
Inhabitants per sq. km	number	1991	27.3	2.7	44.4
Telephones	per 100 population	1989	76.0	78.0	9.6
Television receivers	`000	1989	201 000	16 459	11 000
Radio receivers	`000	1989	524 200	27 878	21 000
Daily newspapers	number	1990	1 657	107	286
Periodicals	number	1990	11 593	1 444	203

Source: Euromonitor (1993); Haub and Yanagishita (1992); USBC (1992); and World Bank (1993).

TABLE 3
(Continued)

Item	Measure / Unit(s)	Reference period	United States	Canada	Mexico
Total advertising expenditures	US$ millions	1990	115 650.0	7 279.9	807.9
Advertising expenditure by media type					
Print	% of total	1990	58.1	50.2	21.3
Television	% of total	1990	31.0	26.7	54.7
Radio	% of total	1990	9.4	11.7	16.0
Cinema	% of total	1990	0.2	0.1	0.6
Outdoor/transit	% of total	1990	1.3	11.3	7.4
Passenger cars	per 1 000 inhabitants	1990	748	613	102
Retail outlets	`000	1990	1 872.5	134.5	780.0
Total retail sales	US$ millions	1990	1 797 900	165 086	8 017
Calorie intake/person/day	calories	1970	3 384	3 179	2 627
	calories	1990	3 683	3 465	3 166
Protein intake/person/day	grams	1970	104	94	67
	grams	1990	109	99	82

Source: Euromonitor (1993); FAO (1992); and USBC (1992).

Item	Measure / Unit(s)	Reference period	United States	Canada	Mexico
Total GDP (nominal)	US$ millions	1965	710 670	52 870	21 640
	US$ millions	1986	4 185 490	323 790	127 140
	US$ millions	1991	5 610 800	510 835	282 526
GDP (nominal) per capita	US dollars	1991	21 571	21 006	2 711
GNP (nominal) per capita	US dollars	1991	22 240	20 440	3 030
Average annual growth rate of consumer price indices	per cent	1970-1980	7.8	8.0	16.6
	per cent	1990-1991	5.4	4.8	26.7
Index of consuming capacity*	US$ billions	1991	5 482.4	566.3	208.4
Average annual inflation rate	per cent	1987-1991	4.3	5.6	61.9
	per cent	1992	3.2	3.5	15.0
	per cent	1993-1997**	3.5	2.5	12.0

** Per capita GDP (nominal) multiplied by total population; **projected.*

Source: IMF (1993); OECD (1993b); United Nations (1992); and World Bank (1993).

TABLE 3
(Continued)

Item	Measure / Unit(s)	Reference period	United States	Canada	Mexico
Merchandise trade					
Exports	US$ millions, f.o.b.	1982	211 157	70 356	21 230
"	US$ millions, f.o.b.	1991	397 705	124 797	27 120
Imports	US$ millions, f.o.b.	1982	247 642	55 507	15 036
"	US$ millions, f.o.b.	1991	506 242	117 633	38 184
Trade balance	US$ millions, f.o.b.	1982	(-36 485)	14 849	6 194
" "	US$ millions, f.o.b.	1991	(-108 537)	7 164	(-11 064)
Agric. exports as % of total exports	per cent	1990	12	7	11
Agric. imports as % of total imports	per cent	1990	5	6	16

Source: IMF (1993); OECD (1993b); United Nations (1992); and World Bank (1993).

The United States population is expected to grow by 0.9 per cent per annum until 1995 and then reduce to 0.5 per cent per annum until the year 2010 (Table 3). The number of U.S. consumers aged 55 to 65 years and older is projected to grow by approximately 18.5 per cent between 1992 and 2000, while the number of Americans younger than 50 is projected to grow only by 3.5 per cent (USBC 1992).

Americans are a mobile society, with about 17 per cent, or 41 million people, moving each year. Among the major trends are the following. First, there has been a movement to the so-called "Sunbelt" States. Projections are that 6 out of 10 Americans will live in the Sunbelt by the turn of the century. About half the population growth between now and the year 2000 will occur in just three States: California, Texas and Florida (USBC 1992). Second, there has been a movement from rural to urban areas for over a century. The metropolitan areas show a faster pace of living, more commuting, higher incomes, and greater variety of goods and services than can be found in the small towns and rural areas that drape the United States. Third, there has been a movement from the big cities to sprawling suburbs.

An important consideration in establishing access to the U.S. retail grocery and foodservice markets is the size and number of metropolitan centres. Besides the top 10 cities in the United States, there are approximately 300 major metropolitan markets of between 25,000 and 99,000 people (Lipton and Manchester 1992).

While American supermarkets represent only about 10 per cent of the number of retail food stores, they account for approximately 70 per cent of all sales (Manchester 1991). Because of this large volume, supermarkets, more than any other food stores, have the greatest economic impact on the retail food industry (Kaufman 1990).

Perhaps the most dynamic area of food retailing in the United States is in take-out and meal delivery. This fast-growing segment encompasses food purchased for off-site consumption, frequently at home, and includes supermarket deli-counter sales, fast-food drive through and restaurant carry-out meals (Senauer 1990).

Currently, food service accounts for approximately 45.4 per cent of all American food dollars, compared with just 26.6 per cent in 1960 (Manchester 1991; Putnam and Allshouse

1992). Fast-food outlets command greater sales than full-service outlets -- accounting for approximately 51 per cent of separate eating place sales in 1992 (Manchester 1992; USDA 1992b).

In terms of sector-specific growth, total retail sales of the U.S. food marketing system exceeded US$640 billion in 1992, with US$260 billion achieved in food service establishments (USDA 1993a). Further, the American food marketing system's share of per capita disposable personal income was approximately 11.7 per cent in 1992, the lowest share in the world (Gallo 1992; Traub 1992).

From a labour/employment perspective, the number of women in the U.S. workplace has steadily increased during the last 10 years (Schmittroth 1991; Stichter and Parpart 1990). Recent estimates reveal that 84 per cent of women between the ages of 25 and 44 are expected to be in the labour force by the year 2000 (USBC 1992). The traditional American family, with a working husband, homemaker wife and two children currently represents only 7 per cent of all U.S. families. Further, the typical family size is much smaller, around 3.24, generating fewer household costs and family expenses with a resulting higher disposable income level (Manchester 1991; Waslien 1988).

By 1985, approximately 72 per cent of all 18-year-old Americans had completed secondary school. In 1990, more than 20 per cent of Americans over the age of 24 had completed college (USBC 1992). The rising number of educated people is expected to increase the demand for quality products.

These various points considered, foreign exporters entering the massive U.S. marketplace will need to be aggressive and persistent in their marketing and promotional practices in order to gain attention and achieve product sales.

3.1.2 Canada

Canada is a large country in terms of geography. Its civilian population, however, is much smaller than the United States or Mexico with only about 25 million (Table 3).

Over 50 per cent of Canada's population live in two provinces and are concentrated within a 750-mile long and 100-mile wide area through southwestern Quebec and Ontario (Statistics Canada 1992). In addition, regional differences exist among the provinces -- each having its own unique demographic and socioeconomic characteristics.

Canada currently has about 40 population centres of between 25,000 and 99,000 people. Similar to the U.S., there are basically two distinct markets for processed food products: (1) food prepared at home; and (2) food for service in outlets such as restaurants, institutions, vending machines and takeout counters.

Approximately 45 major wholesalers and cooperatives service about 35,412 chain supermarkets, chain convenience stores, voluntary group stores and unaffiliated stores (Williams 1990). The top 5 grocery organisations account for approximately 69 per cent of total sales volume. In 1991, the foodservice market in Canada had combined annual sales of over US$21 billion (Barkman and Vaughan 1991).

The average household size in Canada was 3.9 persons in 1961, but only 2.8 persons in 1986, and is projected to fall to between 2.2 and 2.5 persons by 2006 (Statistics Canada 1992). The decline has been caused by both decreasing family sizes and an increasing number of single-person households (Johannsen *et al.* 1989).

A significant increase in the elderly population (those over the age of 65), in both absolute numbers and as a proportion of the total population, has been one of the most visible demographic changes to occur in Canada since the early 1900s (OECD 1992b). Analysts point to a reduced birth rate following the baby boom era (1945-1965), and a longer life expectancy as being responsible, in part, for this general aging of the Canadian population -- a trend that is expected to continue past the year 2000 (Statistics Canada 1992).

Furthermore, changes in immigration policy since the 1960s have profoundly altered Canada's ethnic composition. In recent decades, Canada has become home to a great diversity of peoples, customs, languages and religions.

Current trends in Canadian immigration suggest that recent arrivals are now much more likely to be from Asia than from Europe or Great Britain. These immigrants are typically highly educated and earn larger incomes than past immigrants. Such a changing ethnic mix and a generally aging population have led to new patterns in the kinds of foods demanded. This includes increased demand for a variety of ethnic based, healthy and nutritious food products.

Since the end of World War II, there has also been a phenomenal increase in the number of Canadian women entering the workforce (Schmittroth 1991; Stichter and Parpart 1990). As a share of the female population over the age of 15, the participation rate has increased from one in five in 1950 to more than one in two in 1991 (Statistics Canada 1992). Such a change has had a great effect on lifestyles, income, and in turn, on the demand for food. Women who now work outside the home have less time to cook and prepare meals and therefore seek foods that are convenient and 'consumer friendly' (Senauer *et al.* 1991).

Probably the most dramatic change in Canadian family spending over the past 50 years has occurred in the share of expenditures for food. From 1938 to 1990, the per capita disposable income for food in Canada decreased from 28.8 per cent to about 12 per cent (Barkman and Vaughan 1991; Traub 1992). Canadian standard of living, as measured by real per capita disposable income, has shown a steady rise over time, and little reason exists to suspect that this trend will dissipate in the future.

In summary, Canada's population is becoming older and is increasing in ethnic diversity. Families are becoming smaller and women are continuing to make up a large part of the work force. These factors are expected to exert strong influence on consumer needs in the future.

3.1.3 Mexico

The economic landscape of Mexico is changing so quickly that attempting to present a current assessment fails to represent an adequate prognosis of that economy's potential performance.

Mexico, although technically a developing country, has an economy larger than many developed countries and most developing nations. Since the 1950s, Mexico's major economic policy goal has been industrialisation.

Today, the government of Mexico is embarked on a course of unilateral economic reform, reversing the direction of inward-looking economic policy pursued most of this century (OECD 1992c). The stated objective of the government is to bring Mexico's per capita income level to that of a typical industrial country over the next 20 years.

This new economic policy strategy focuses on transferring much of the control over the economy to the private sector. The goal is to develop a competitive economic infrastructure so that it can, in turn, afford to import what it needs. A chief aim of the present Mexican government is to double the level of direct foreign investment by 1995, reaching a level of US$60 billion (World Bank 1993).

Although real gross domestic product (GDP) in Mexico grew less than 2 per cent annually between 1982 and 1988, real GDP grew 3.1 per cent in 1989, 3.9 per cent in 1990, and is projected to exceed 6 per cent annually by the mid-1990s (IMF 1993). For 1993, the rate of inflation is projected to be about 18 per cent, compared with 28 per cent in 1990 (IMF 1993).

The mainstay of the Mexican economy is now oil, with crude and refined petroleum and petrochemicals providing approximately 38 per cent of the country's total export earnings (OECD 1992c). In 1992, for the fourth consecutive year, output growth outstripped the increase in population. Mexico's recent efforts to increase revenues from non-petroleum exports and the devaluation of the Mexican *peso* have been important factors in expanding economic growth and trade, as has its accession to the General Agreement on Tariffs and Trade (GATT).

The country's present civilian population of about 88 million is expected to grow to 119.5 million by 2010 (Table 3). Contrary to the traditional perception that Mexico's people are polarised into two groups -- the very rich and the very poor -- nearly one-third of the population can be classified as middle class, earning five to six times the minimum wage (Whiteford and Ferguson 1991).

Moreover, the country's population is relatively young, with about 39 per cent under 15 years of age and 61 per cent under the age of 25 (USBC 1992). Approximately one-third of Mexico's population continues to live and work in rural, largely agricultural areas.

Presently, there are four basic food markets in Mexico: Mexico City, Guadalajara, Monterrey and rural Mexico. In Mexico City, 7 major grocery store chains, through several hundred outlets, supply most of the food consumed by the city's 17 million residents. Most imported food products are found in these supermarkets, which generally serve the city's middle- and upper-income inhabitants. Several thousand neighbourhood corner food stores, called *tiendas,* also offers limited amounts of imported foods.

The relatively infrequent shopping done at supermarkets among low-income consumers is more a function of location than of preference. Most supermarkets are situated in and near middle and high income neighbourhoods. However, this is beginning to change with several food store chains appearing outside of urbanised areas.

Currently, the average Mexican family spends about 42 per cent of total expenditures on food and beverages compared to 11.7 per cent in the United States (Traub 1992). At lower socio-economic levels, food expenditures as a percentage of total expenditures are even higher, reaching over 50 per cent.

However, Mexican household real disposable income continues to improve due to an increase in the number of persons employed and a further rise in per capita real wages. The projected growth in Mexican per capita income from the recent change in government policies is expected to boost Mexican demand for imported products in the future (OECD 1992c).

With an annual population growth rate exceeding 2.2 per cent, Mexico represents an important potential market for Australasia meat exports. Further, with approximately 40 per cent of its population (35 million) under the age of 15, Mexico is poised to expand its potential to import a variety of food and food products. As historical consumption trends in several rapidly developing countries indicate, broad-based income growth can lead to imports of not only basic commodities but also high-value food and fibre products (Rama 1992).

Despite notable successes achieved in recent years, Mexico still faces major economic challenges. Inflation, though declining, still exceeds the level experienced by major trading partners, thereby threatening to erode Mexico's international competitiveness (OECD 1992c). In addition, there are lingering problems of rural poverty and precarious employment conditions for a large portion of the labour force, which is linked to low average levels of education and training.

The business environment is made difficult by language differences, a cumbersome business administrative system and poor communication facilities. Last but not least, past neglect of the environment has created hazardous conditions in and around several urban and industrial centres.

Despite these various obstacles, Mexico is expected to be an increasingly attractive market for Australasia food and farm products.

3.2 Current Trends in Meat Consumption and Import Trade Flows

Over the past 10 years, global meat consumption patterns have changed dramatically. Government regulations, changing lifestyles and incomes, and attitudes about the relationship of meat consumption to health are among the factors reshaping worldwide demand (Shagam and Bailey 1992).

Meat consumption, like the demand for other agricultural products, is strongly linked with traditional preferences for a particular type of meat and also with the availability of meat and the consumer's familiarity with it (Buse 1990). As a result, there are marked differences in the consumption of meat around the world on both a per capita and preference basis (FAO 1993; USDA 1993b).

Besides prices and per capita income levels, several social and cultural factors affect the behaviour of foreign meat consumers and hence, the level of meat imports. Social factors include the demographic structure over time, contemporary occupational, educational and labour force participation patterns, and the age-sex-size composition of households in importing

countries (Senauer *et al.* 1991). Important cultural factors usually include regional, ethnic or religious beliefs and practices that affect attitudes toward meat consumption (Waslien 1988).

It is pertinent to note that the production of processed food and beverages worldwide amounts to some US$1.5 trillion a year, making it one of the world's largest industries (Rama 1992). Animal protein foods, in particular, comprise a significant portion of human food consumption in many countries around the world. In fact, shifting patterns of world meat production and consumption have led to a 4 per cent increase in meat trade each year since 1985 (Shagam and Bailey 1992).

In 1992, world meat production reached a level of 182 million metric tonnes (MMT) on a carcass weight basis (FAO 1993). The developed countries, with only approximately one quarter of the world's population, consume over 50 per cent of global meat production (USDA 1993b).

On a product basis, poultry and pig meat production has consistently grown at a higher rate than beef and sheepmeat (OECD 1992a). This has been due in large part to the notable improvement in the efficiency of poultry and pork production, bringing about cost reductions in relation to other meats. Moreover, aggressive new product development is believed to be a significant causal element in poultry's per capita consumption growth (National Research Council 1988).

These factors aside, beef continues to dominate global meat trade with exports for calendar year 1992 estimated at 6 MMT, or some 49 per cent of the total volume of meat trade worldwide (FAO 1993; USDA 1993b). Pork and poultry meat comprised about 35 per cent, or 4.3 MMT, of global meat trade in calendar year 1992 with sheepmeat and other meats making up the remaining 16 per cent (USDA 1993b).

The total volume of meat traded remains a very small share of world output with only about 11 per cent of sheepmeat produced, 10 per cent of beef, 6 per cent of poultry and 3 per cent of pig meat exported worldwide (USDA 1993b). This is mainly due to the limited keeping qualities of the product, to the efforts being made by many countries to become self-sufficient

in their consumption requirements and, of course, to the many existing trade restrictions that are currently in place around the world.

To an increasing degree, the world's beef and sheepmeat is traded as primal or subprimal cuts, packaged in boxes that may contain several identical cuts or several cuts from the same carcass. The reasons frequently cited for such a profound shift toward such products include: (1) rising incomes in major markets; (2) changing tastes and preferences; (3) demographic developments such as the rise of two-income families; (4) reduced level of border protection; (5) growing ownership rates worldwide for refrigerators and microwave ovens; and (6) the growing popularity of Western-style supermarkets and restaurants (Hayes *et al.* 1991; Senauer *et al.* 1990).

In assessing markets for meat, it is important to distinguish between what a market may want and what it can have. As noted by Hillman (1991) and the OECD (1993a), the objectives and operation of national and international policies and legislation is frequently at variance with those of the marketplace.

3.2.1 United States

Today the United States maintains the world's biggest economy and ranks as the world's third largest importer of agricultural products, just behind the European Union and Japan (OECD 1992d). Since 1969, U.S. agricultural imports have risen nearly every year, climbing from US$5.7 billion in 1970 to a record US$24.3 billion in 1992 (USDA 1992a).

The U.S. continues to emerge as both an important exporter and importer of meat and meat products. As a regular part of the diets of most Americans, animal products contribute important amounts of protein, essential vitamins, and minerals to the U.S. food supply.

Total beef consumption in the United States, the world's largest consumer of the product, is projected to reach 11.2 MT in 1993 (USDA 1993b). However, on a per capita product basis, apparent beef and veal consumption has fallen from about 47.8 kilograms (kg) in 1987 to 43.8 kg in 1992, while pork is expected to rise marginally from around 28.5 to 31.1 kg per

annum (FAO 1993; USDA 1993b). Lamb and mutton consumption is small but has remained relatively constant over the last several years at 0.7 kg per annum (see Table 4). Increased poultry consumption which, helped by lower prices, has risen by approximately 22 per cent since 1987 (see Table 4).

Importantly, American imports of fresh, chilled and frozen red meat (beef, veal, mutton and goat meat), are subject to the U.S. Meat Import Act (Public Law 96-177). Enacted in 1964 and amended in 1979, this law provides for the imposition of import controls on red meat if the estimate for annual imports of such products exceeds 110 per cent of a calculated base quantity[4], or trigger level, currently set at 1,204.6 million pounds.

Under the American meat import law, lamb and pork are excluded as are cooked, preserved, and prepared meats and "high quality" beef processed into fancy cuts. However, noncooked portion control and prepared meats are included under statute and applicable regulations.

Conceptually, the U.S. meat import law was designed to allow greater meat imports when domestic supplies are low and consumer prices high, thus supposedly moderating the rise in beef prices. On the other hand, the law is supposed to reduce meat imports when U.S. domestic supplies are abundant and consumer prices low, thus moderating the decline in prices for producers.

Estimates for imports of meat included under the law are made quarterly by the United States Secretary of Agriculture. If the quarterly estimate of imports of meat exceeds the trigger level, the U.S. Department of Agriculture announces import limits equalling the base quota.

In recent years, U.S. imports of meat have virtually always been restricted by voluntary restraint agreements before the quota becomes effective. Movement toward freer trade under the GATT would imply that the quota will eventually be converted to a tariff, bound at a negotiated level, and gradually reduced or eliminated.

---

[4]This base quantity reflects current production levels and is derived from a formula which is the base average import level for the period 1968-1977, modified by production adjustment and countercyclical factors.

TABLE 4
Supply and Utilisation of Selected Animal Products, United States (1987 - 1992)

Item	Measure / Unit(s)	1987	1988	1989	1990	1991	1992	% Change 1987 - 1992
Beef and Veal:								
Beginning stocks -- 1 January*	'000 metric tonnes	190	177	193	154	183	193	1.6%
Beginning inventory -- total beef cattle	'000 head	102 118	99 622	98 065	98 162	98 896	99 559	-2.5%
Total production*	'000 metric tonnes	10 884	10 880	10 633	10 464	10 534	10 607	-2.5%
Total slaughter	'000 head	38 792	37 881	36 328	35 277	34 369	34 395	-11.3%
Exports*	'000 metric tonnes	277	313	464	456	539	601	117.0%
Imports*	'000 metric tonnes	1 040	1 092	988	1 069	1 091	1 107	6.4%
Apparent total consumption*	'000 metric tonnes	11 660	11 643	11 196	11 048	11 076	11 141	-4.5%
Apparent per capita disappearance*	kg per person per annum	47.8	47.3	45.0	44.1	43.9	43.8	-8.4%
Pork:								
Beginning stocks -- 1 January*	'000 metric tonnes	115	163	198	142	134	178	54.8%
Beginning inventory -- total hogs	'000 head	51 001	54 384	55 469	53 821	54 477	57 684	13.1%
Total production*	'000 metric tonnes	6 519	7 114	7 173	6 965	7 257	7 816	19.9%
Total slaughter	'000 head	81 422	88 136	89 006	85 431	88 169	94 861	16.5%
Exports*	'000 metric tonnes	49	88	119	108	128	185	277.6%
Imports*	'000 metric tonnes	542	515	406	407	351	293	-45.9%
Apparent total consumption*	'000 metric tonnes	6 964	7 506	7 516	7 272	7 436	7 927	13.8%
Apparent per capita disappearance*	kg per person per annum	28.5	30.5	30.2	29.0	29.4	31.1	9.1%

carcass weight equivalent.

Source: USDA (1992a, 1993b).

TABLE 4
(Continued)

Item	Measure / Unit(s)	1987	1988	1989	1990	1991	1992	% Change 1987 - 1992
Sheepmeat:*								
Beginning stocks -- 1 January**	`000 metric tonnes	6	4	3	4	4	3	-50.0%
Beginning inventory -- total sheep	`000 head	10 572	10 945	10 858	11 363	11 200	10 750	1.7%
Total production**	`000 metric tonnes	143	152	157	165	165	159	11.2%
Total slaughter	`000 head	5 312	5 392	5 565	5 752	5 813	5 585	5.1%
Exports**	`000 metric tonnes	1	1	1	1	2	1	0.0%
Imports**	`000 metric tonnes	20	23	24	21	21	27	35.0%
Apparent total consumption**	`000 metric tonnes	164	175	179	185	185	184	12.2%
Apparent per capita disappearance**	kg per person per annum	0.7	0.7	0.7	0.7	0.7	0.7	0.0%
Poultry:***								
Total production****	`000 metric tonnes	9 103	9 272	9 931	10 645	11 204	11 885	30.6%
Exports****	`000 metric tonnes	363	382	398	554	631	772	112.7%
Imports****	`000 metric tonnes	0.1	0.1	0.1	0.1	0.1	0.1	0.0%
Apparent total consumption****	`000 metric tonnes	8 683	8 907	9 523	10 048	10 565	11 079	27.6%
Apparent per capita disappearance****	kg per person per annum	35.6	37.0	39.1	40.1	42.0	43.3	21.6%

**includes lamb and mutton; **carcass weight equivalent; ***includes all broiler, turkey and spent fowl meat; ****in ready-to-cook equivalents.*
Source: USDA (1992a, 1993b).

3.2.2 Canada

Although its civilian population is small compared to that of the United States, Canada is a major player on the world trading scene and the seventh largest free-world economy (World Bank 1993). Moreover, on a total product weight basis, the country consumes a relatively large quantity of meat and meat products annually.

From the 1920s until the mid-1970s, both red meat and poultry consumption in Canada increased, from about 51 kg to 84 kg per person for red meat and from 3 kg to 20 kg per person for poultry (Statistics Canada 1992). In fact, red meat and poultry represent the largest single expenditure by all food classes and the greatest single source of protein for Canadians (Hunt and Robbins 1989).

However, total consumption of lamb and mutton peaked at 48,400 MT in 1969 and trended downward to a level of 18,000 MT in 1991 (FAO 1993; Statistics Canada 1992). Accordingly, per capita consumption of lamb and mutton in Canada has declined from 2.3 kg in 1969 to approximately 0.8 kg in 1992 (Table 5). Further, by 1989, average yearly consumption of red meat had dropped to 70.2 kg, while poultry consumption continued to expand to approximately 27.7 kg (Table 5). Factors frequently mentioned regarding poultry's notable increase include health concerns, increased availability in fast food outlets and favourable prices (Shagam and Bailey 1992).

Canada's food marketing system is similar to that of the United States. Local and regional marketing intermediaries -- brokers, distributors, and large retailers -- participate directly in the import of agricultural products.

As in the U.S., Canadian law imposes quota restrictions on the importation of live cattle, chilled and frozen beef and veal. The Canadian Meat Import Act, enacted in February 1982, replaced an *ad hoc* system of control that had functioned at different times since 1974. The Canadian law is very similar too and is indeed based on the U.S. meat import law.

TABLE 5
Supply and Utilisation of Selected Animal Products, Canada (1987 - 1992)

Item	Measure / Unit(s)	1987	1988	1989	1990	1991	1992	% Change 1987 - 1992
Beef and Veal:								
Beginning stocks -- 1 January*	`000 metric tonnes	14	12	19	17	14	16	14.3%
Beginning inventory -- total beef cattle	`000 head	10 802	10 756	10 984	11 220	11 289	11 713	8.4%
Total production*	`000 metric tonnes	977	973	980	924	893	938	-4.0%
Total slaughter	`000 head	3 780	3 578	3 624	3 354	3 284	3 293	-12.9%
Exports*	`000 metric tonnes	93	86	108	110	109	170	82.8%
Imports*	`000 metric tonnes	135	153	158	185	217	205	51.9%
Apparent total consumption*	`000 metric tonnes	1 021	1 033	1 032	1 002	999	974	-4.6%
Apparent per capita disappearance*	kg per person per annum	39.8	39.8	39.2	37.6	37.0	35.6	-10.5%
Pork:								
Beginning stocks -- 1 January*	`000 metric tonnes	8	8	13	12	11	14	75.0%
Beginning inventory -- total hogs	`000 head	9 996	10 743	11 018	10 650	10 468	10 570	5.7%
Total production*	`000 metric tonnes	1 131	1 188	1 184	1 133	1 129	1 200	6.1%
Total slaughter	`000 head	14 854	15 364	15 495	14 858	14 465	15 300	3.0%
Exports*	`000 metric tonnes	301	319	305	314	266	300	-0.3%
Imports*	`000 metric tonnes	22	15	12	12	15	10	-54.5%
Apparent total consumption*	`000 metric tonnes	852	879	892	832	875	910	6.8%
Apparent per capita disappearance*	kg per person per annum	33.2	33.9	33.9	31.3	32.4	33.3	0.3%

**carcass weight equivalent.*

Source: Statistics Canada (1993) and USDA (1992a, 1993b).

TABLE 5
(Continued)

Item	Measure / Unit(s)	1987	1988	1989	1990	1991	1992	% Change 1987 - 1992
Sheepmeat:*								
Beginning stocks -- 1 January**	metric tonnes	2 623	2 161	1 813	2 640	2 448	2 432	-7.3%
Beginning inventory -- total sheep	`000 head	485	521	560	591	628	661	36.3%
Total production**	`000 metric tonnes	23	23	22	23	24	24	4.3%
Total slaughter	`000 head	382	385	430	444	475	505	32.2%
Exports**	metric tonnes	56	170	141	40	38	31	-44.6%
Imports**	`000 metric tonnes	15	14	12	15	14	12	-20.0%
Apparent total consumption**	`000 metric tonnes	23	22	21	22	23	23	0.0%
Apparent per capita disappearance**	kg per person per annum	0.9	0.9	0.8	0.9	0.9	0.8	-11.1%
Poultry:***								
Total production****	`000 metric tonnes	646	656	659	701	708	707	9.4%
Exports****	`000 metric tonnes	5	6	7	6	12	8	60.0%
Imports****	`000 metric tonnes	41	43	42	53	56	62	51.2%
Apparent total consumption****	`000 metric tonnes	668	703	698	738	751	764	14.4%
Apparent per capita disappearance****	kg per person per annum	26.0	27.1	26.9	27.7	27.8	27.9	7.3%

**includes lamb and mutton; **carcass weight equivalent; ***includes all broiler, turkey and spent fowl meat; ****in ready-to-cook equivalents.*
Source: Statistics Canada (1993) and USDA (1992a, 1993b).

The Minister of Agriculture, with the concurrence of the Minister of Industry, Trade and Commerce, may impose import quotas on certain beef and veal products. The quotas are established in December of the preceding year and may be adjusted, suspended or revoked during the year. Quotas have generally been allocated based on historical shares of total Canadian imports. The Canadian Meat Import Act also makes provisions for voluntary restraint agreements.

Recently, the Canadian International Trade Tribunal (CITT) rendered a decision that boneless beef imports from countries other than the United States threaten to cause serious injury to Canadian cattle producers, meat processors and deboners (NZMPB 1993a). Subsequently, the CITT recommended an import quota of approximately 72,021 metric tonnes be imposed by the Canadian Government. Imports above that total would be subject to an increase in duty from the current 4.41 Canadian cents per kg to 25 per cent ad valorem.

3.2.3 Mexico

Prior to 1987, Mexico imported primarily bulk commodities (mostly course grains and soybeans). Today, Mexico is a large and fast growing market for high-value food products. More specifically, consumer-oriented food products such as dairy products, snack foods, and meat and poultry has shown tremendous import growth -- representing about 20 per cent of all imports.

Upon joining the GATT in 1986, Mexico bound its tariffs at 50 per cent and indicated that it would gradually lower this rate. Today, Mexico's average import tariff is approximately 10 per cent (OECD 1992c), still more than that of the United States but not much higher than Canada.

Currently, Mexico is a net importer of food and agricultural products, with purchases totalling over US$4.5 billion in 1991 versus sales of US$2.8 billion (World Bank 1993). Together, meat and cereals account for approximately 46 per cent of total food expenditures in Mexico, with vegetables (including beans) and dairy products accounting for an additional 14 per cent and 11 per cent, respectively (Heien *et al.* 1989).

In Mexico, per capita consumption of total meat declined during the 1980s as real incomes fell. Mexicans reduced their consumption of beef and pork, and shifted to lower priced poultry. The level of red meat consumption in Mexico has recovered slightly in the 1990s with an increase in consumer purchasing power (OECD 1992c).

Some apparent instability in total red meat consumption can likely be attributed to a highly seasonal tourist trade and seasonal fluctuations in domestic demand, especially during December and January. Further, meats are highly substitutable in consumption within Mexico.

On a product basis, Mexico's demand for high-quality beef has proven relatively inelastic. Low disposable consumer incomes in the country retard the development of strong effective demand for beef.

Retail beef prices are irrelevant to over one-half of the population because 43 million people earn incomes so low that they cannot afford the product. This is particularly true for grain-fed beef, which is not common in Mexico, mostly due to its high retail price.

Nonetheless, beef consumption in Mexico is forecast to grow nearly 5 per cent in 1993 to 1.9 MT (USDA 1993b). Beef imports are forecast to increase significantly, some 23 per cent in 1993, despite a 20 to 25 per cent import tariff invoked in November 1992 (FAO 1993).

Total poultry consumption in Mexico, while stagnant in the early 1980s, has increased dramatically since 1987 to reach 1,101 thousand MT in 1992 (USDA 1993b, Table 6). Since 1987, per capita disappearance of poultry has expanded at an annual rate of about 11.3 per cent (see Table 6).

Mutton and goat consumption levels were erratic in the early 1980s but began to stabilise in the latter part of the decade. Consumption expanded approximately 56 per cent during the 1980s, reaching a record 90,000 MT in 1985. This was followed by a decline in consumption to a low of 75,000 MT in 1987, but has subsequently recovered to 101 thousand MT in 1992 (see Table 6).

TABLE 6

Supply and Utilisation of Selected Animal Products, Mexico (1987 - 1992)

Item	Measure / Unit(s)	1987	1988	1989	1990	1991	1992	% Change 1987 - 1992
Beef and Veal:								
Beginning inventory -- total beef cattle	'000 head	33 603	35 378	34 999	31 747	29 847	30 232	-10.0%
Total production*	'000 metric tonnes	1 205	1 754	2 140	1 790	1 580	1 660	37.8%
Total slaughter	'000 head	5 837	8 468	10 702	8 720	7 450	7 770	33.1%
Exports*	'000 metric tonnes	0	0	4	5	4	5	500%
Imports*	'000 metric tonnes	4	15	40	60	120	130	500% **
Apparent total consumption*	'000 metric tonnes	1 209	1 769	2 176	1 845	1 696	1 785	47.6%
Apparent per capita disappearance*	kg per person per annum	14.7	21.0	25.2	20.9	18.8	19.3	31.3%
Pork:								
Beginning inventory -- total hogs	'000 head	12 357	10 879	9 003	8 563	8 593	9 928	-19.7%
Total production*	'000 metric tonnes	950	964	910	792	820	830	-12.6%
Total slaughter	'000 head	13 200	13 204	12 600	11 000	11 350	11 400	-13.6%
Exports*	'000 metric tonnes	0	0	0	0	1	2	200%
Imports*	'000 metric tonnes	0	16	27	17	40	50	500% **
Apparent total consumption*	'000 metric tonnes	950	980	937	809	859	878	-7.6%
Apparent per capita disappearance*	kg per person per annum	11.6	11.6	10.8	9.2	9.5	9.5	-18.1%

**carcass weight equivalent; ** per cent change is > 500.*

Source: USDA (1992a, 1993b).

TABLE 6
(Continued)

Item	Measure / Unit(s)	1987	1988	1989	1990	1991	1992	% Change 1987 - 1992
Sheepmeat:*								
Beginning inventory -- total sheep	`000 head	5 926	6 000	5 863	5 846	5 877	6 184	4.4%
Total production**	`000 metric tonnes	75	73	75	76	78	81	8.0%
Total slaughter	`000 head	1 626	1 630	1 498	1 372	1 382	1 390	-14.5%
Exports**	metric tonnes	129	63	252	0.1	0.1	25	-80.6%
Imports**	metric tonnes	4 374	4 932	8 568	10 189	11 200	20 010	357.5%
Apparent total consumption**	`000 metric tonnes	75	76	83	86	93	101	34.7%
Apparent per capita disappearance**	kg per person per annum	0.9	0.9	1.0	1.0	1.0	1.1	22.2%
Poultry:***								
Total production****	`000 metric tonnes	515	592	635	700	840	990	92.2%
Exports****	`000 metric tonnes	0.1	0.1	0.1	0.1	0.1	0.1	0.0%
Imports****	`000 metric tonnes	13	54	51	46	90	116	792.3%
Apparent total consumption****	`000 metric tonnes	528	646	684	741	925	1 101	108.5%
Apparent per capita disappearance****	kg per person per annum	6.4	7.7	8.1	8.4	10.2	11.9	85.9%

***includes lamb and mutton; **carcass weight equivalent; ***includes all chicken, turkey, duck, guinea, quail and pheasant meat; ****ready-to-cook equivalents.*
Source: FAO (1992) and USDA (1992a, 1993b).

About 70 per cent of the mutton and goat meat that reaches commercial channels in Mexico is consumed as french barbecue. Approximately 15 per cent of total production is consumed on the farm and another 15 per cent is marketed in small town butcheries and consumed fresh.

Although increasing by two-thirds during the 1970s, Mexican pork consumption was somewhat stagnant during the 1980s. In 1992, Mexico's apparent per capita disappearance of pork was about 9.5 kg (Table 6), down from previous years due to rising production costs, resulting in a decline in output. However, its consumption is more prevalent today than beef consumption among the middle and lower economic classes.

Despite Mexico's overtures to open its economy and improve trade, it has retained selective levels of protection for many agricultural commodities. For instance, the Mexican government's recent decision to impose ad valorem tariffs on all types of beef imports (MLC 1993), represents a significant set-back to exporters such as New Zealand and Australia who have made momentous inroads into the Mexican market.

In addition, Mexico still requires import licenses or permits for many food and agricultural items. Import licenses are issued by Mexico's Secretariat of Commerce and are generally valid for a set period. Currently, a committee that includes CONASUPO (the *National Commission for Distribution of Basic Foods*) and other governmental and private industry representatives make final import decisions for several basic commodities.

Besides licensing requirements, Mexico maintains an elaborate system of registration on food imports that includes a fee of about US$225.00 per product to be imported. Sanitary and phytosanitary requirements, as well as administrative irregularities, also continue to hamper trade.

Mexico's truck transport system, liberalised in late 1989, is undergoing fundamental change and is having a difficult time meeting the needs of increased trade. Further, the lack of large freezer trailers and other specialised transport equipment in Mexico hinder increased meat trade activities.

Despite these obstacles to increased trade, the volume of trade and diversity of products offered to Mexican consumers is projected to increase as disposable incomes rise and imported foods become an affordable reality for increasing numbers of its citizens (OECD 1992c). In the future, the Mexican food marketing system is likely to experience greater vertical and horizontal integration along with increased foreign investment.

Granted, strong sentiments for food self-sufficiency are voiced by some sectors of the Mexican government, and some agricultural policy programmes have supported this orientation. However, Mexico will continue to rely heavily on food imports to meet domestic consumption requirements throughout the 1990s. Furthermore, any reduction in Mexico's foreign debt service burden would likely add up to an improvement in Australasia export prospects. With more funds available, Mexico could buy more New Zealand and Australian food and farm commodities along with other goods necessary for economic growth.

3.3 Consumer Characteristics and Qualitative Factors Effecting Meat Demand in North America

During the last 15 years, several significant changes have evolved in food purchase and consumption patterns. These changes have had a major influence on marketers of manufactured food products, and more recently as well for marketers of primary foods. First, polarisation of incomes has implied polarisation of the demand for food and drink products in low-income and high-income families. Second, the increase in the number of homemakers who work full time has had a dramatic impact on demand for convenience foods. Third, rapid changes in equipment and technology used in households are helping to promote the consumption of precooked and convenience food items. Further, the expansion of away-from-home food consumption has also stimulated sales of intermediate and precooked food items (Rama 1992).

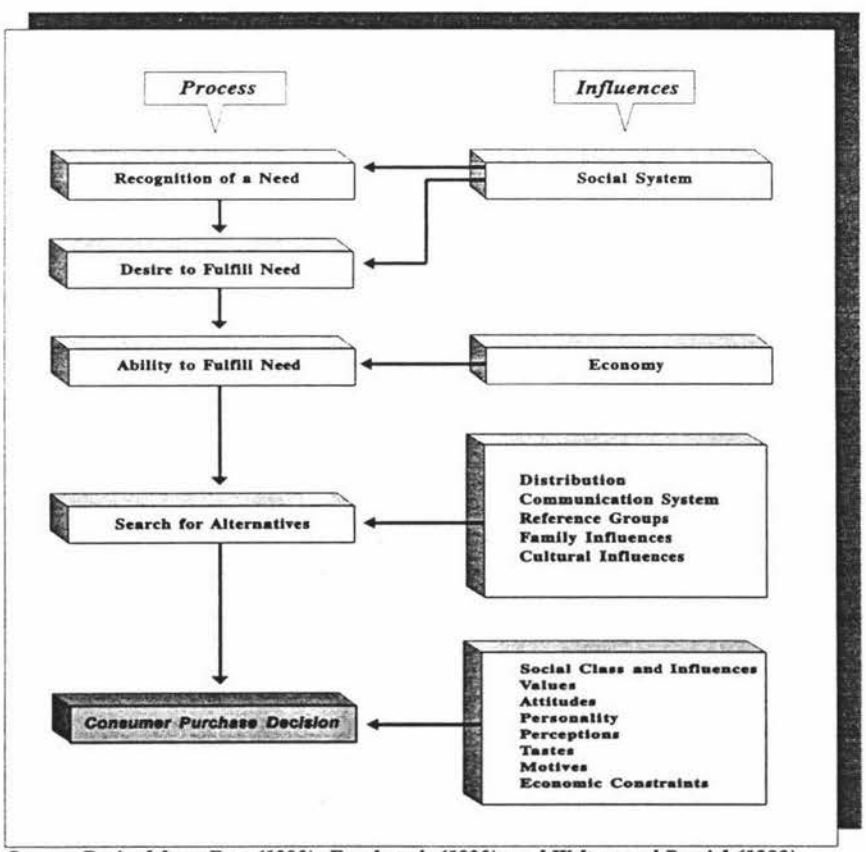
New products, particularly more convenient ones, have also contributed to shifts in consumption along with an aging population, advertising campaigns, smaller households, more two-earner households, more single-person households, and an increasing proportion of ethnic minorities within the general population (Kinsey 1992; Putnam 1990).

As noted by Senauer *et al.* (1991), eating patterns around the world are moving in like directions. Experience in a variety of countries reveals that a better-fed population looks for new types of foods, especially a more diversified diet, and convenience foods that save time in preparation and products that promote better health (Rama 1992).

The food system within North America continues to provide a wide assortment of products for consumer choice. For example, the U.S. food marketing system witnessed an introduction of over 16,000 new grocery products in 1992, a significant increase over 1991 (Gallo 1992).

Demand for these new products is affected by changes in the lifestyle, tastes, philosophies and social conditions of the buyer population (Porter 1980). In each marketing situation it is vital to understand potential buyers and the process they use to select one product over another. As illustrated in Figure 3, all buyers go through a similar process to select a product or service for purchase.

FIGURE 3
Consumer Purchase Decision Process



Source: Derived from East (1990), Engel et al. (1990), and Walters and Bergiel (1989).

Moreover, a potential shopper or consumer of meat products formulates a decision -- analytically and emotionally -- that ultimately will result in acceptance or rejection of a particular product. As noted by Buse (1990), consumer purchase decisions are the result of a complex set of economic, psychological, physiological and sociological interactions. The decision process evaluates the perceived worth or benefits of the product in relationship to the price charged (Senauer *et al.* 1991).

A change in the intensity of consumer preference for attributes such as speed, efficacy, health, or convenience can have an important influence on products and services that compete to fulfil the same consumer needs. For instance, some analysts argue that the increased consumer need for convenience may be responsible for poultry's success in competing with beef products (Charlet and Henneberry 1990; Putnam 1990; Senauer 1990; Waslien 1988).

Demographic effects such as sources of income (e.g., from salary or retirement), gender, age, geographic location (e.g., region of residence), female labour force participation, marital status, race and ethnic composition, educational level and household size and composition are factors that traditionally have been included to help explain differences in consumption by individuals and to develop marketing strategies for promotion of food products (Buse 1990; Kotler 1991). In addition, declining growth rates and population aging are two potentially persuasive changes affecting future food demand (Charlet and Henneberry 1990). Shifts in the racial and ethnic mix of the population can also have an influence on food use patterns (Putnam 1990).

Increasingly, different members of the same family eat quite different things. Often it is the individual who is the key decision maker and determines their own diet, even in the case of children. Consequently, a growing number of convenience foods are being designed with the individual consumer in mind (Senauer 1990).

As the U.S. baby boom population ages, they will continue to be a dominant group in the marketplace, influencing the types of goods and services available. For the food industry, this will likely mean a greater demand for single-serving packages, foods that are convenient to prepare and those targeted to meet specific dietary needs (Kinsey 1992).

Changing lifestyles in Canada, similar to those in the United States, have contributed to a reduction in meals eaten at home. As a result, there has been an increase in the importance of high-value product sales to the food-service sector.

Recent analysis has shown that French-speaking and English-speaking Canadian households differ from each other significantly in terms of demographics, subculture and consumption habits (Onkvisit and Shaw 1990). Furthermore, differences exist between regions in Canada, particularly in the types of food purchased for at-home consumption and the types of stores frequented. For instance, Johannsen *et al.* (1989) found that residents of Ontario and Quebec spend more of their grocery dollars on meat (most notably on beef and specialty meats because of their larger immigrant populations) and on fresh vegetables. The largest shares of food away-from-home allocated to restaurant meals are in the provinces of Ontario and British Columbia (Johannsen *et al.* 1989).

In Mexico, the diet of the typical rural Mexican family differs from that of an urban family having a similar income (Kaiser and Dewey 1991b). For example, the typical rural diet in Mexico is richer in calories (fats, sugars and cereals) and poorer in proteins (meat and dairy)(Kaiser and Dewey 1991a). The strong difference between the amount of meat consumed in urban and rural areas in Mexico is a pattern similar to that observed throughout Latin America, with meat being predominantly an urban good.

As mentioned previously, consumers purchase goods because of the utility they provide. The utility of goods arises from the characteristics or attributes that the goods possess. Rising real consumer income in the more developed economies of the world has permitted greater emphasis on the demand for qualitative attributes of food products beyond concern for meeting basic caloric needs.

The presence or absence of structural change in meat demand is critical to marketing decision making. If change is present, a marketing enterprise needs to know what underlies the change so that the most appropriate response can be identified (Piggott and Wright 1992).

Considerable research has analysed the hypothesis of structural change in U.S. and Canadian meat demand. Evidence from various studies on the subject matter is mixed. This is not surprising given the variety of methods and data employed (Alston and Chalfant 1991; Moschini and Meilke 1989). Moreover, the impact of nontraditional eating patterns and attitudes toward food on consumption is especially difficult to measure because they are often more subjective than objective.

As discussed by Piggott and Wright (1992), structural changes in meat demand may derive from anything, apart from price and income, which influences the consumer-perceived match between product attributes and consumer preferences. Demand for meat is not just the willingness to consume, which is largely reflected in tastes and preferences, but also the ability to purchase which is largely a function of consumer incomes (Senauer *et al.* 1991).

Changing marketing channels and the forms and places in which meat is consumed have also shown to play an important role in the demand for various meats (Buse 1990). Furthermore, changes such as the increasing tendency of consumers to eat out, and the increased utility to them of time-saving product features have favoured some meats more than others for reasons unrelated to prices and incomes (Piggott and Wright 1992).

Those characteristics which may influence the likelihood that a consumer will choose one type of meat in preference to another, other things being equal, can include: (1) appearance characteristics (e.g., lean meat colour, fat colour, meat texture, firmness and composition); (2) palatability characteristics (e.g., meat tenderness, flavour, aroma and juiciness); (3) nutritive value characteristics; (4) processing properties (e.g., water-holding capacity, binding capacity and emulsifying capacity); and (5) safety and wholesomeness characteristics (e.g., presence of pathogenic micro-organisms, spoilage organisms and dangerous chemical residues) (Cross 1987; National Research Council 1988).

With respect to meat, issues related to convenience, versatility, methods of production, presence of additives -- and quality, has escalated in importance throughout North America. What is meant by "quality" can vary according to each market's preferences and the requirements of each participant in the marketing chain.

As noted by Kauffman *et al.* (1990), meat quality is "the measure of traits that are sought and valued by the consumer." Expressed symbolically, quality is the sum of all factors

$$Q = \sum f_i x_i$$

where Q = quality, f = the weight (importance) of a factor in value from 0 to 1, x = the factor itself (Honikel 1991). As the importance of a factor varies with the purpose for which the product is used, different users of meat may desire a different quality level for their purpose.

The process of assembling a list of characteristics that contribute to the understanding of 'meat quality' leads naturally on to questions concerning the relative importance of the items listed. However, four groups of factors are usually considered when assessing the quality of meat, including: (1) nutritional factors; (2) sensorial factors; (3) technological characteristics; and (4) hygienic parameters (Cross 1987; Kauffman *et al.* 1990).

As a growing portion of the consuming public engages in nontraditional and faster-paced lifestyles, not only must meat and meat items be perceived as quality food protein products, but meats will need to be fabricated and processed into more convenient forms (National Research Council 1988). To achieve success, these new products must be communicated to consumers, indicating that they are appropriate and appealing in the context of today's new lifestyles (Lipton and Manchester 1992; Senauer *et al.* 1991).

In summary, Australasia meat export firms face a complex set of factors in their attempt to enlarge their presence within the vast North American marketplace, including: (1) cultural similarities and differences; (2) the level of disposable income and the saving habits of particular populations; (3) general tastes and preferences of consumers in comparable product fields; (4) the retail structure within a certain market and the dominance of particular retailers; (5) competitive activity and the marketing mix; and (6) advertising media and promotional techniques.

3.4 Possible Implications of the North American Free Trade Agreement

The latter part of the 1980s witnessed a resurgence of efforts to promote greater regional economic integration, particularly among industrialised countries. Moreover, the increasingly slow and complex multilateral trade negotiation process has led frustrated but like-minded countries to pursue alternative trade arrangements outside the GATT, to achieve greater, more rapid liberalisation, such as the North American Free Trade Agreement (NAFTA).

Three forces are generally recognised for influencing North American integration in the 1990s: (1) macroeconomic policies; (2) globalisation of production; and (3) trade and finance policies (Dobson 1992). The overriding purposes of NAFTA is to increase efficiency of production and to garner the welfare benefits of trade where efficiencies differ among countries. The principal objective, stated in more specific terms, is higher per capita income and expanded employment opportunities.

As argued by Weintraub (1991), the development of a free trade agreement (FTA) in North America is now a distinct possibility for several reasons: (1) Mexico has shifted its trade policy from looking inward to competing in other markets; (2) this restructuring has made it evident to Mexico that sustained economic growth depends on secure access to the United States; and (3) strengthening trade is a means of increasing the ability to service debt.

Article XXIV of the GATT permits the establishment of FTAs, provided tariff and nontariff barriers are eliminated on substantially all the trade of the participants within a reasonable length of time (usually interpreted as 10 years). Also, according to Article XXIV, FTA partners may not increase tariff or nontariff barriers to nonpartner countries so that they are higher than before the FTA was established. In the view of several analysts, NAFTA is consistent with the letter of the GATT obligations of the member countries, although certain provisions (e.g., sector-specific rules of origin) seemingly run counter to the spirit of the GATT (Hart 1991; Hufbauer and Schott 1993).

A commonly expressed concern about North American integration is that the area will become another inward-looking trade bloc, diverting trade from other countries. However, bilateral negotiations should not be seen as an alternative to multilateral negotiations but as

complementary. Some issues can best be resolved multilaterally while others can best be solved multilaterally.

What each country that is party to a FTA seeks is to increase its productivity, its output per person. Further, countries generally make the choice of entering into a FTA because they wish to retain the option of some protection against 'third' countries, that is, all other countries. This logic is particularly persuasive when the bulk of a country's trade is with a single partner, as is the case both for Canada and Mexico. The challenge is to find the right balance between multilateral and bilateral negotiations (Vanston 1993).

Recent regional agreements involving member countries of the *Organisation for Economic Co-operation and Development* (OECD) are perhaps best thought of as a means of encouraging structural reforms within countries by subjecting the private sector to increased competition in as many areas as possible. The differences in the economies of Mexico on the one hand and the U.S. and Canada on the other make trade liberalisation fertile ground for realising sizeable gains from international trade.

Although NAFTA represents a trilateral agreement among the U.S., Canada and Mexico, most of its impact on agriculture will derive from provisions applying only to trade between the United States and Mexico. That is because, for the most part, the agricultural provisions of the Canada-U.S. Trade Agreement (CUSTA) will remain in place and will not be affected by NAFTA.

The CUSTA, enacted on 1 January 1989, required two and a half years of intense negotiations and was presented as a treaty between politically separate sovereign states in order to create a 'level playing-field' across the continent. Further, the Canada-U.S. FTA embodied three broad objectives from an agricultural policy perspective: (1) to maintain farm incomes in the face of unbalanced world agricultural production, (2) to open borders between the two countries' agricultural sectors, and (3) to serve as a precursor to multilateral trade negotiations within the GATT (Goodloe 1990).

In more precise terms, the accord included broad principles on services trade and specific provisions for certain sectors (see Table 7). The Agreement also established a 10-year schedule

TABLE 7
Major Provisions of the Canada-U.S. Trade Agreement With Respect to Trade in Agricultural Commodities

ARTICLE 401	ARTICLE 701	ARTICLE 702	ARTICLE 703	ARTICLE 704	CHAPTER 19
▸ Tariffs on all agricultural goods will be removed over ten years. ▸ The phase-out categories in which products are placed include: (a) immediate tariff elimination, effective 1 January 1989; (b) 5-year tariff elimination in five equal annual stages, duty-free on 1 January 1993; and (c) 10-year tariff elimination in ten equal annual stages, duty-free on 1 January 1998.	▸ Public organisations cannot export agricultural goods to the other country at a price below the acquisition price, plus storage and handling costs. ▸ Neither country can use export subsidies in bilateral trade and each will consider the other when using export subsidies to other countries.	▸ Tariffs on fresh fruits and vegetables can snap back to the tariff that was in effect at the time the agreement was signed if certain price and acreage restrictions are met.	▸ Both countries shall work toward improving market access by removing trade barriers.	▸ Each country excludes the other from its meat import law.	▸ Binational dispute settlement panels will rule on cases involving countervailing and antidumping duties.

Source: Goodloe and Simone (1992).

for the elimination of tariffs and the liberalisation of nontariff measures in such areas as rules of origin, services, government procurement, investment, energy and agriculture. Furthermore, the CUSTA eased border crossing procedures, established a binational panel to rule on antidumping and countervailing duty disputes, established principles for technical regulations and standards for agricultural and related goods, and provides for bilateral working groups to harmonise such standards (Goodloe and Simone 1992).

As mentioned previously, the Canadian-U.S. FTA included an agricultural component but not all agricultural issues between the two countries were dealt with -- especially the use of subsidies on exports. The agricultural provisions, despite being targeted at specific bilateral trade irritants rather than designed to bring about policy reform or harmonisation, have produced a variety of effects, both direct and indirect. Most of the measurable trade effects stem from tariff reductions (Goodloe 1990).

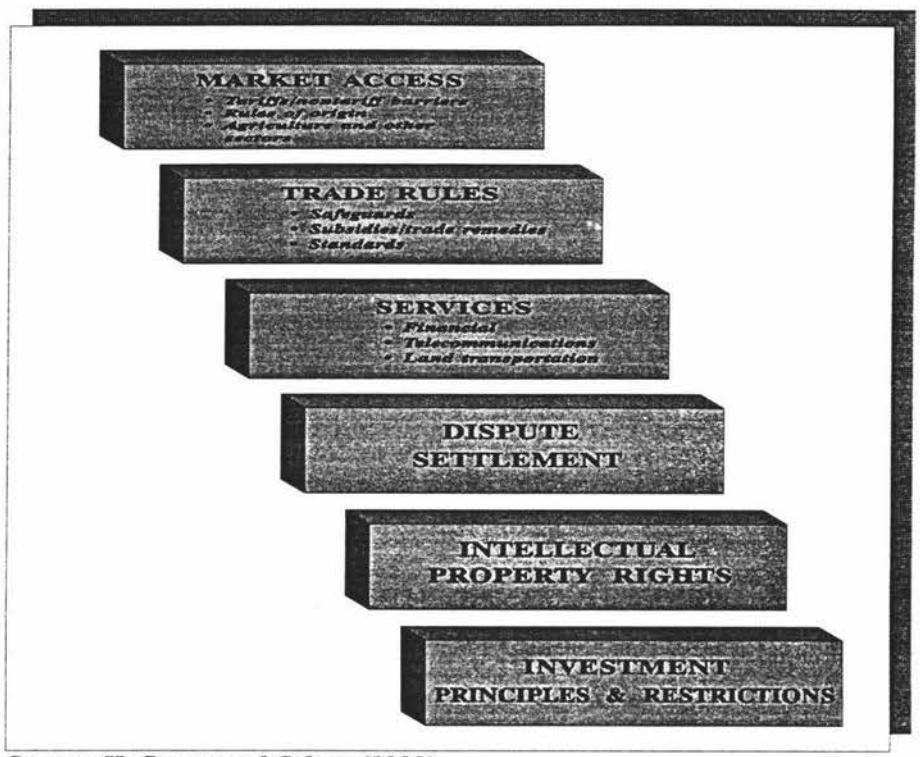
It is important to note that the CUSTA has not automatically ushered in a harmonious trading environment and solved all existing bilateral trade issues (Caves *et al.* 1990). Although some trade barriers have been eased under CUSTA, trade disputes continue. The most conspicuous agricultural dispute occurred in September 1989 when the United States imposed a countervailing duty on Canadian pork.

NAFTA, on the other hand, represents an opportunity to provide a comprehensive agreement to eliminate, to the extent possible, the remaining trade and investment barriers among the U.S., Canada and Mexico. Furthermore, NAFTA is expected to complement the successes garnered from the CUSTA and build on the progress already achieved in previous U.S.-Mexico trade talks.

Opening provisions of the NAFTA formally establish a free trade agreement between Canada, Mexico and the United States consistent with the GATT. The principal objectives of the accord seek to: (1) eliminate barriers to trade; (2) promote conditions of fair competition; (3) increase investment opportunities; (4) provide adequate protection for intellectual property rights; (5) establish effective procedures for the implementation and application of the Agreement and for the resolution of disputes; and (6) to further trilateral, regional and multilateral cooperation. The specific issues being dealt with under the auspices of NAFTA

can be grouped into several broad categories, including: market access, trade rules, services, investment, intellectual property rights and dispute settlement (Figure 4).

FIGURE 4
Major Areas of Negotiation Under the North American Free Trade Agreement



Source: Hufbauer and Schott (1993).

A major component of the North American FTA, and one that will present both opportunities and challenges, is agriculture. As presently proposed, NAFTA affects agriculture primarily through: (1) the eliminations or phase-out of tariffs on agricultural commodities and processed goods; and (2) the phase-out and/or modification of quantitative restrictions, including some quotas on the U.S. side and limits imposed through import licensing on the Mexican side.

The North American Free Trade Agreement sets out separate bilateral undertakings on cross-border trade in agricultural products, one between Canada and Mexico, and the other between Mexico and the United States. Because agricultural trade issues between Canada and the United States have already been largely addressed pursuant to CUSTA, the most significant changes brought about by NAFTA will involve Mexico.

Under the currently proposed U.S.-Mexico bilateral farm trade agreement, laudable progress in the liberalisation of farm trade barriers will be pursued. The Agreement calls for tariffs on U.S.-Mexico farm trade to be phased out within 10 years. In addition, nontariff barriers (i.e., quotas and import licensing requirements) will be transformed into tariff-rate quotas and phased out over 10 to 15 years. Also, U.S. tariffs will be immediately eliminated on Mexican exports of most livestock, poultry and eggs, and like Canada under the CUSTA, Mexico will also be exempt from quotas established pursuant to the U.S. Meat Import Act.

It should be noted that NAFTA does not require either the United States or Mexico to modify any domestic commodity support programme or any specific export subsidy scheme. The parties commit to deal with the latter issue in the current GATT round, and to refrain from introducing new subsidy programmes on exports to each other except where necessary to counter imports from a third country.

As provided under the Canada-U.S. FTA, the NAFTA also proposes that to be entitled to its benefits, products must meet certain requirements designed to ensure that they are products of North America. These requirements, commonly called "rules of origin," vary from product to product. In general, however, to be considered a product of a NAFTA country, a product must either be grown or entirely produced in that country, or else each component or ingredient must (through processes conducted in one of the North American countries) undergo a specified change in the category under which it is classified in the tariff schedules. Most processing of meats that results in a packaged or canned product involves a change in tariff chapter and thus will suffice to turn third-country meats into products of NAFTA origin.

Importantly, the NAFTA incorporates the fundamental national treatment obligation under the GATT. Once goods have been imported into one NAFTA country from another NAFTA country, they must not be the objects of discrimination.

Harmonisation of sanitary and phytosanitary standards (SPS) between the U.S. and Mexico presents a different set of issues than between the United States and Canada. Mexico is a developing nation and is geographically closer to other Latin American countries where various agricultural pests and diseases are present. The NAFTA confirms the right of each signatory country to establish the level of SPS protection that it considers appropriate. The accord

provides that a NAFTA country may achieve that level of protection through SPS measures that: (1) are based on sound scientific principles and a formal risk assessment; (2) are applied only to the extent necessary to provide a country's chosen level of protection; and (3) do not result in unfair discrimination or represent disguised restrictions on trade.

The proposed dispute settlement provisions of the NAFTA represent one of the most noteworthy accomplishments of the negotiations. NAFTA fine-tunes the CUSTA by adopting compliance provisions to ensure that the dispute settlement panel procedures are not impeded, and by strengthening the extraordinary challenge process.

Building on the progress achieved in the ongoing Uruguay Round of GATT, and various international intellectual property treaties, NAFTA establishes a high level of obligations respecting intellectual property. In fact, NAFTA is the first international agreement to guarantee the protection of trade secrets and proprietary information. Initial registration of a trademark is for 10 years, and the trademark is renewable for successive terms of not less than 10 years. Further, a minimum patent term of 20 years is provided. The value of NAFTA provisions on intellectual property rights, however, will clearly depend on the effectiveness of enforcement in each partner country.

How the NAFTA, once established, responds to potential accession requests from trading partners (e.g., Australia, New Zealand and Singapore) is somewhat unclear. NAFTA does provide that other countries or groups of countries may be admitted into the Agreement, provided the NAFTA countries approve. Such approval is subject to specific terms and conditions, and to the completion of domestic approval procedures in each petitioning country. Any country may withdraw from the Agreement on six-month notice.

NAFTA will encompass a variety of changes in other policies and practices within North America that have not been discussed here but will have an impact on industrial competitiveness. Upon approval by the national legislative bodies in all three countries, NAFTA will create a North American market of approximately 370 million consumers with a combined GDP of more than US$6.2 trillion. Moreover, total exporting and importing by the NAFTA partners currently exceeds US$1.0 trillion on an annual basis (see Table 3).

It is pertinent to note that Canada and Mexico are, respectively, the first and third largest trading partners of the United States. As a percentage of all U.S. exports, Canada accounts for approximately 22 per cent and Mexico 7 per cent -- totalling over US$8.3 billion in 1992 (IMF 1993; OECD 1992d; World Bank 1993).

By comparison, Canada and Mexico are much more dependent on the U.S. market. Canada sends about 70 per cent of all its exports to the United States, and Mexico ships just over 60 per cent of its exports to the United States.

Bilateral trade between Canada and Mexico is comparatively small, at just over US$2.0 billion in 1992 (IMF 1993; OECD 1992c; World Bank 1993). However, recorded figures bias downward the importance of this flow because of trade passing through the United States as the hub to both countries.

Gains from North American trade liberalisation have been studied extensively with multi-sector computable general equilibrium models and other techniques using a variety of modelling designs (USITC 1992). The recent literature on trade and growth strongly suggests that liberalisation by Mexico should result in dynamic gains that accelerate the rate of growth over the next generation (Brown *et al.* 1992).

In more specific terms, freer trade among Canada, the U.S. and Mexico should accelerate intra-industry specialisation and division of labour (Dobson 1992). In addition, trade liberalisation under the NAFTA accord is expected to foster a more competitive environment throughout North America. This should prompt firms to perceive a more elastic demand curve, reduce the price-cost margin, and move down the average total cost curve to a higher level of output (Dobson 1992).

With the successful enactment of NAFTA, co-production or joint ventures with U.S., Canadian or Mexican firms should become a more attractive option in producing goods and services for which profitable markets exist in North America. In fact, the prospects of NAFTA implementation have already generated strong expectational effects, with capital flows to Mexico estimated to exceed several billion dollars in 1992 (Hufbauer and Schott 1993).

One of the most important factors likely to affect Australasia meat export potential to Mexico is future growth in Mexican per capita incomes, rather than further reductions in Mexican trade barriers. Thus, the critical issue for New Zealand and Australian farm exports to Mexico is the effect of NAFTA on Mexican jobs, employment and incomes. Absent significant income growth, Mexican food demand is expected to grow only slowly or even decline (OECD 1992c). As a result, the Mexican market for food and farm products would continue to be supplied mainly by Mexican producers (Williams and Rosson 1992).

There have been, and continues to be, several areas of contention in the NAFTA negotiations. Political opposition in the United States has stemmed primarily from organised labour, representing the interests of low-wage workers who expect to find themselves in competition with Mexican labour, and from environmental groups who are concerned that further industrialisation of the Mexican economy will contribute to expanded environmental degradation. However, many observers believe that expanded trade and investment should promote the efficient use of labour, capital and natural resources in North America (USITC 1992).

For the United States, the key benefits of a Mexico-U.S. agreement are largely political: strengthening Mexican democracy by supporting economic reform, stemming illegal Mexican immigration, and facilitating cooperation in other areas, such as stemming the flow of illegal drugs (Brown *et al.* 1992; Weintraub 1991). These geopolitical factors are buttressed by trade and economic interests.

Canada would not be affected by a NAFTA to the same extent as the U.S. or Mexico. It trades relatively little with Mexico and already has an FTA with the United States. The principal reason that Canada is participating in the NAFTA negotiations is to ensure that it does not lose any benefits from the agreement it already has with the United States. Canada has also been motivated in part by a desire to avoid the crossfire between the U.S., Japan and the European Union -- the so-called 'safe haven' argument -- and in part by the long-suspected notion that Canadian protectionism had fostered collusive behaviour among its firms (Brown *et al.* 1992).

For Mexico, the positive factors in negotiating a North American trade accord are primarily economic, an opportunity to underwrite the economy-wide transformation process initiated in 1985. Negotiation of NAFTA reflects a broader movement toward reliance on markets than industrial policy to foster economic growth. In more specific terms, Mexico's interest in pursuing a FTA is the likelihood that such an agreement would provide a much needed stimulus to the economy and generate jobs and elevate average incomes, particularly in the lower income areas of northern Mexico (OECD 1992c).

As discussed previously, the critics of regional FTAs view such arrangements as essentially discriminatory and contrary to the principles of free multilateral trade enshrined in the GATT. Others worry that as a result of regional trade agreements, the world will divide into regional 'trading blocs'. However, the opinion among other observers is that experience gained in negotiating regional trade accords, and the knowledge of how they work in practice, will one day serve as a guide for more ambitious multilateral agreements. In that sense, regional agreements are more a 'stepping stone' than a 'stumbling block' to spur progress in the multilateral world trading system. From this perspective, the more successful the outcome of the Uruguay Round of GATT, the less pressure there will be in finding regional solutions.

Further, some analysts believe that regional FTAs, especially those that spur competition across many sectors, will lead not only to higher output and incomes in the medium-term, but even to faster growth rates over the long term (Vanston 1993). This particular argument has generated some interesting analysis, but it remains for the moment an unproven hypothesis.

Whatever the hypothetical merits or dangers of regional trade agreements, almost every OECD country, and an increasing number of non-OECD countries, are now members of such agreements -- and more are under discussion. Producers and business enterprises whose countries are outside a bilateral FTA will inevitably face some disadvantages compared with those within it. Consequently, pressure to join existing regional agreements or to invest in other regions owes as much to prudence and fear of loss as to hopes of gain (Vanston 1993).

Even though the comments presented herein toward the North American Free Trade Agreement must be seen as precursory, the bottom line concerning the possible impacts of NAFTA on Australian and New Zealand firms will be how competitive their commodities and

services are, compared with competing products or services from North America. With the NAFTA proceeding, Australasia agribusiness enterprises will need to strategically assess their position throughout North America in order to maximise possible opportunities from what would become the world's largest free trade area.

CHAPTER FOUR

REVIEW OF THE RELEVANT LITERATURE

The purpose of this chapter is to review previous empirical studies and the relevant literature in order to facilitate understanding and provide a useful framework for research.

This chapter consists of four sections. First, determinants influencing export decisions are discussed. Second, export behaviour models that attempt to identify the export decision process are reviewed. Third, a detailed explanation and description of the *Geobusiness Model* are provided. In addition, the limitations of previous studies are discussed.

A summary of methodological approaches as well as the key results of a selected sample of the international marketing and export behaviour literature is provided in Table 9, which appears at the end of this chapter. The list is not an exhaustive one, but it does include the most influential research efforts published in this area of study over the past two decades.

4.1 Determinants of Export Marketing Behaviour

According to classical economic theory, international trade reflects complementary relationships between trade partners that make commerce mutually beneficial (Krugman and Obstfeld 1991). International trade, at least in the noncentrally planned economies, is increasingly dependent on the competitive advantages, product characteristics, and managerial skills and experiences of international firms.

The export behaviour of firms relates to the supply side of international trade. It is reasonable to assume that many firms initiate exporting in anticipation of profit and growth. However, several observers have argued that even the abstract idea of exporting, independent of its contribution to the firm's profit and growth, must be attractive to its management before the firm will initiate exporting (Bilkey 1978; Bradley 1991; Cooper and Kleinschmidt 1985; Nelson 1990; Root 1987). Though not directly concerned with exporting, Perlmutter (1969) was perhaps the first scholar to discuss how various attitudes of top-level

management play a role in deciding the extent to which a firm is involved in international activity.

As noted by Reid (1983), the postulated relationships between export behaviour and managerial factors of the firm can be formally depicted as

$$X_i = f(M_i, F_i)$$

where X_i represents the type of intended export behaviour, and M_i and F_i represent the relevant managerial and firm characteristics that best account for that behaviour.

According to Cooper and Kleinschmidt (1985), the literature on determinants of export behaviour can be categorized into the following general categories: (1) management expectations and perceptions, including perception of export risk, export expectations of top management, export cost expectations and management expectations of export profitability; (2) market variables, including size of foreign markets, level of competition in foreign markets, domestic market share, trade barriers, and physical and psychological distance to foreign markets; (3) differential advantages and resources of the firm, including product advantages and product adaptation, technological advantages and distribution advantages; and (4) firm demographics, including size of firm, firm ownership and years of export experience.

Porter (1980) has identified five competitive forces that determine the intensity of competition in an industry and the total value or profits created in a particular industry. The five forces are: (1) new entrants; (2) substitute products or services; (3) bargaining power of suppliers; (4) bargaining power of buyers; and (5) rivalry among existing firms. The extant literature suggests that corporate management's perception of its firm's competitive advantages play a major role in the exploration of the feasibility of exporting (Paliwoda 1993; Porter 1986, 1992; Terpstra and Sarathy 1991).

As described by Cundiff and Hilger (1984, p. 29), two different types of international marketing decisions generally exist: *strategic* and *operational* ones. Strategic decisions are tied to broad goals such as growth, diversification, and/or return on investment. Operational decisions concern the tactics or actions a firm employs to carry out strategy. The commitment

of a firm's resources will of course be contingent on the company's objectives (strategic or operational) and its motivation toward international marketing (Amine and Cavusgil 1983).

Several studies have sought to describe a set of business characteristics that serve to bolster a firm's involvement and subsequent performance in exporting (e.g., Axinn 1988; Cavusgil and Naor 1987; Cavusgil and Nevin 1981; Johnston and Czinkota 1985; Madsen 1989). As discussed in the literature, differential firm advantages and business performance appear to be attributable to either one or a combination of the firm's products, technological intensiveness and size (see Figure 5).

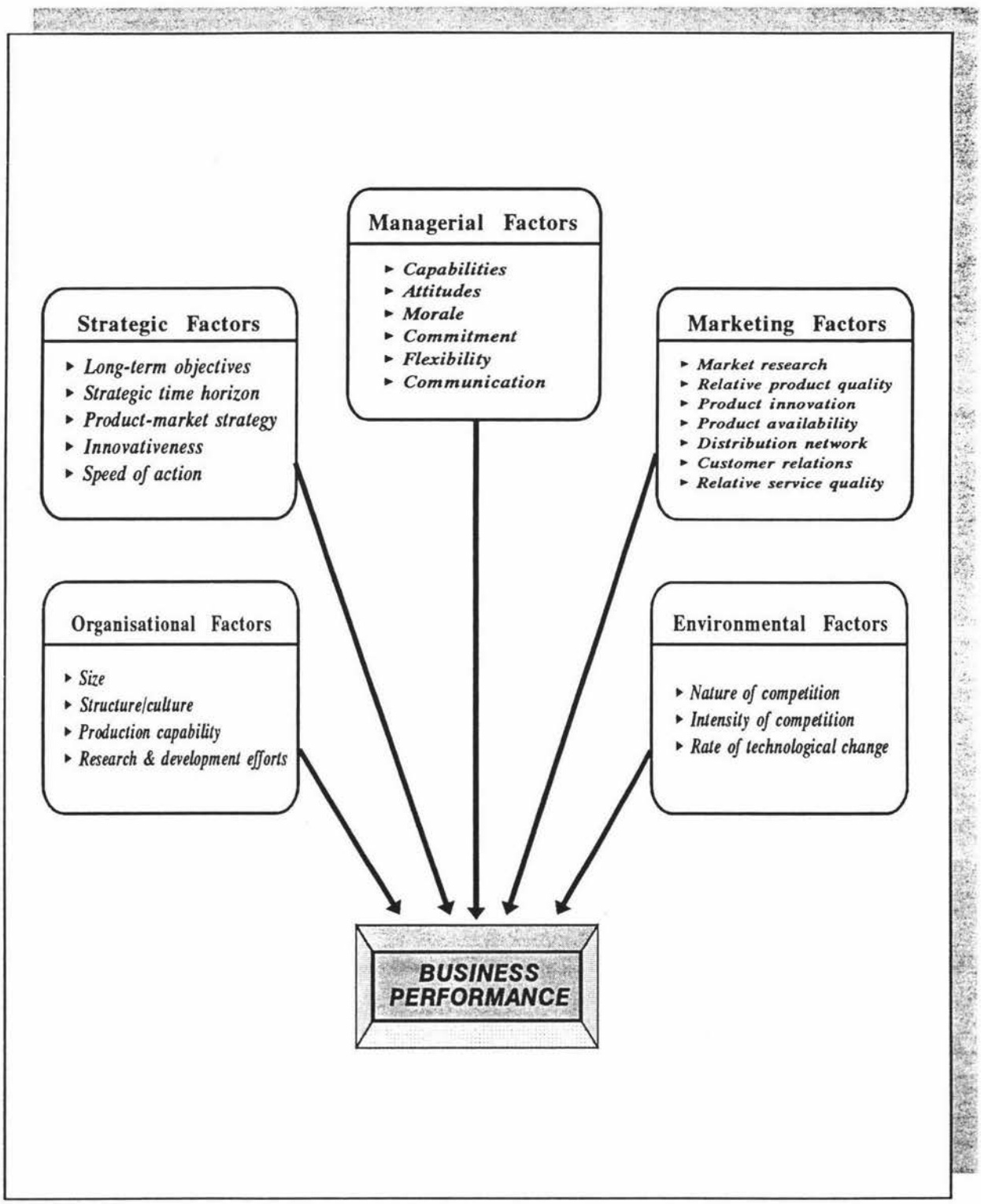
In most studies, firm size has been regarded as a key source of differential firm advantage effecting export activities. Firm size is generally portrayed by sales volume, employees or assets. Bilkey (1978) asserted that firm size may be a critical factor in determining the propensity to export. However, according to Bilkey (1978) and Bonaccorsi (1992), there is conflicting results on the relationship between export marketing performance and the size of the firm.

The level of technological intensity of the firm, in general, has also been mentioned as a source of differential firm advantage for export marketing. Studies have shown a significant relationship between the intensity of technological effort exerted by an industry and the proportion of its output that is exported (Garnier 1982; McGuiness and Little 1981; Ross 1989; Sriram *et al.* 1989; Suzman and Wortzel 1984). These studies reveal that firms with better than average export performance have higher levels of technological intensity.

Because many tasks associated with export marketing are new to the firm, involvement in export marketing requires additional financial and human resources. Some of these tasks include: (1) gathering foreign market information; (2) hiring and training new staff; (3) learning about export tasks such as documentation and export financing; and (4) formulating basic planning toward export marketing. The "management element" is crucial in carrying out these tasks (Cavusgil and Naor 1987). Therefore, top management's reluctance to allocate sufficient resources for exporting, especially those related to building the exporting infrastructure, is a significant deterrent to export behaviour.

FIGURE 5

Evaluative Factors Contributing to Business Performance



Source: Derived from David (1991), Kotler (1991), Lenz (1981) and Schnaars (1991).

Procedural and/or technical complexity is also likely to affect export behaviour and performance (Robock and Simmonds 1989; Root 1987; Toyne and Walters 1989). The most frequently mentioned complexity is paperwork. Perceptions of complexity in export trade documentation are usually negative. The greater the complexity perceived by managers, the lower the percent of sales from export; or, the lower the perceived complexity of exporting, the greater the export performance of the firm.

In addition, a number of studies reveal that individual background (e.g., age, type and level of education, proficiency of foreign language and extent of foreign travel) is likely to be associated with the firm's participation in exporting (Axinn 1988; Cavusgil 1983; Ortiz-BuonaFina 1985; Reid 1981). Furthermore, the value system and background of the principal decision maker are very important for it is the decision makers of the firm that are faced with the export stimuli, and it is they who are typically responsible for the response (Ali 1992).

From a normative standpoint, several factors are considered important in assessing the potential attractiveness of an export market: market size and market growth (Davidson 1980; Stobaugh 1969), competition (Knickerbocker 1973), servicing costs (Davidson 1982), and the host country's social, political and economic environment (Root 1987; Toyne and Walters 1989). Market entry decisions are among the most critical to be made by a firm when considering international markets. The choice of which country to enter commits a firm to operating on a given terrain and lays the foundation for its future international expansion (Douglas and Craig 1992). Further, a "workable" export entry mode is a mode that offers a firm acceptable profits at an acceptable risk over its planning period, expressed symbolically as

$$PC = \sum_{t=1}^{t=n} (R_t - C_t)$$

where PC is profit contribution, R_t is revenue in period t, C_t is cost in period t, and R_t and C_t are summed over all n planning periods (Root 1987).

Generally, firms export for a number of reasons. Objectives frequently include those associated with geographic expansion, lowering unit costs because of increased volumes and

the selling or disposing of surplus production abroad (see Table 8). Indeed, a business enterprise is more likely to get involved in export marketing if management believes that exporting will contribute to the firm's growth and profitability (Ogram 1982; Rabino 1980).

TABLE 8
A Classification of Export Motives

TYPE OF BEHAVIOUR	INTERNAL INFLUENCES	EXTERNAL INFLUENCES
PROACTIVE	• Managerial urge • Growth and profit goals • Marketing advantages • Economies of scale • Unique product/ technology competence	• Foreign market opportunities • Change agents
REACTIVE	• Risk diversification • Extend sales of a seasonal product • Excess capacity of resources	• Unsolicited orders • Small home market • Stagnant or declining home market

Source: Adapted from Albaum et al. (1989).

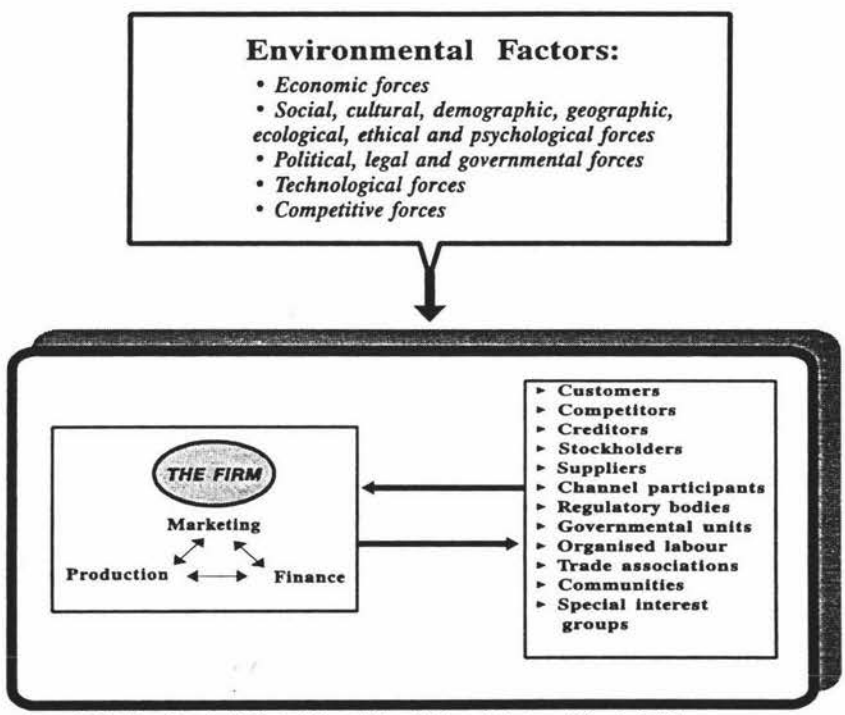
To date, the most comprehensive reviews of the export marketing literature were conducted by Bilkey (1978), Miesenbock (1988), and Aaby and Slater (1989). According to these review studies, the determinants of export behaviour are usually divided into two main groups, namely, factors external to the firm and factors that are internal.

A basic tenet of strategic marketing is that firms need to formulate strategies to take advantage of external opportunities and to avoid or reduce the impact of external threats (Sheth 1992). As discussed by Bradley (1991, pp. 6-7), it is not the marketing environment itself that is particularly important but the firm's ability to cope with it. For this reason, identifying,

monitoring, and evaluating external opportunities and threats for success is of paramount importance (David 1991; Miller and Friesen 1983).

As shown in Figure 6, environmental forces external to the firm can be divided into five broad categories: (1) economic forces; (2) social, cultural, demographic and geographic forces; (3) political, governmental and legal forces; (4) technological forces; and (5) competitive forces (Goodnow and Hansz 1972). Internal factors, as discussed previously, are micro-unit determinants originating from the attitudes and perceptions about exports from a firm's top-level management.

FIGURE 6
Key External Factors Impacting Export Behaviour and Performance



Source: Derived from Kaynak (1990), Onkvisit and Shaw (1990), and Terpstra and Sarathy (1991).

Analysts concerned with the initiation and sustainability of the export process have tended to focus on the effects of change-agents, both external and internal. External change-agents would include governmental agencies, industry funded initiatives and associations, financial institutions and conditions, and other competing firms (Richardson 1993). The important internal change-agent tends to be a member of the organisation's senior management who is keenly interested in and enthusiastic about exporting (Aaby and Slater 1989; Bilkey 1978).

In summary, the need for profitability improvement, the receipt of over-the-transom orders, the gaining of special knowledge about foreign opportunities, and the prestige of a worldwide presence are all factors that can stimulate senior management to decide to move into export markets and global operations (Nelson 1990; Richardson 1993). A firm's decision to go international represents a strategic decision because it reflects a major change in the scope and the character of its product-market and organisation-environment relationships (Cavusgil and Godiwalla 1982; Selvarajah and Cutbush-Sabine 1991).

4.2 Export Decision Making Process Models

As discussed in Section 4.1, export behaviour is determined through a sequential process rather than by a one-shot decision. In other words, the various determinants are considered in developmental steps.

Generally, studies of export behaviour and performance models have focused on three issues: (1) identification of the relevant variables; (2) specification of the relationship among the variables identified; and (3) specification of the dynamics of the relationship. Ideally, a perfect export decision/performance model would be:

1. Complex, incorporating a large number of variables;

2. Explicative, describing not only the relationships existing between the relevant variables, but would also explain them;

3. Dynamic, following the decision over time; and

4. Micro-economic, allowing an examination of the appertaining decision on the level of single economic subjects (Dichtl *et al.* 1984).

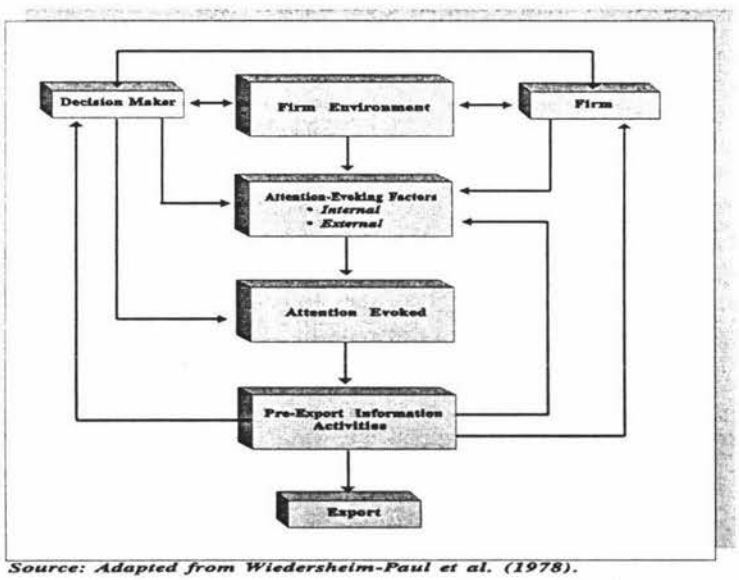
In view of the manifold nature of the subject matter, such a model is difficult to envisage, and suppose it existed, it would be virtually un-amenable to empirical tests. Thus, it is not surprising that attempts put forward in the export literature constitute only segments of such an overall model. Some of the most important model-building analyses are cited in Table 9.

A basic modelling question is whether firm's export behaviour should be formulated in terms of a multi-activity model, incorporating all alternative activities of a firm (developing exports, expanding domestic markets, increasing product lines, etc.), or in terms of a single activity model (developing exports only). Addressing such a question is beyond the scope of this study.

However, Wiedersheim-Paul *et al.* (1978) developed a model that emphasizes the role of a firm's pre-export activities in its export initiation. The model accentuated the interactions of four major groups of variables such as attention-evoking factors, the characteristics of the decision maker, firm characteristics and the firm's environment.

Attention-evoking factors, as described by Wiedersheim-Paul *et al.*, are those factors or influences that cause an individual firm to consider exporting as a possible strategy. Decision maker characteristics include the decision maker's value system, employment background and experiences, and perception of uncertainty associated with exporting. These variables and their interactions are presented in Figure 7.

FIGURE 7
Pre-Export Behaviour Model



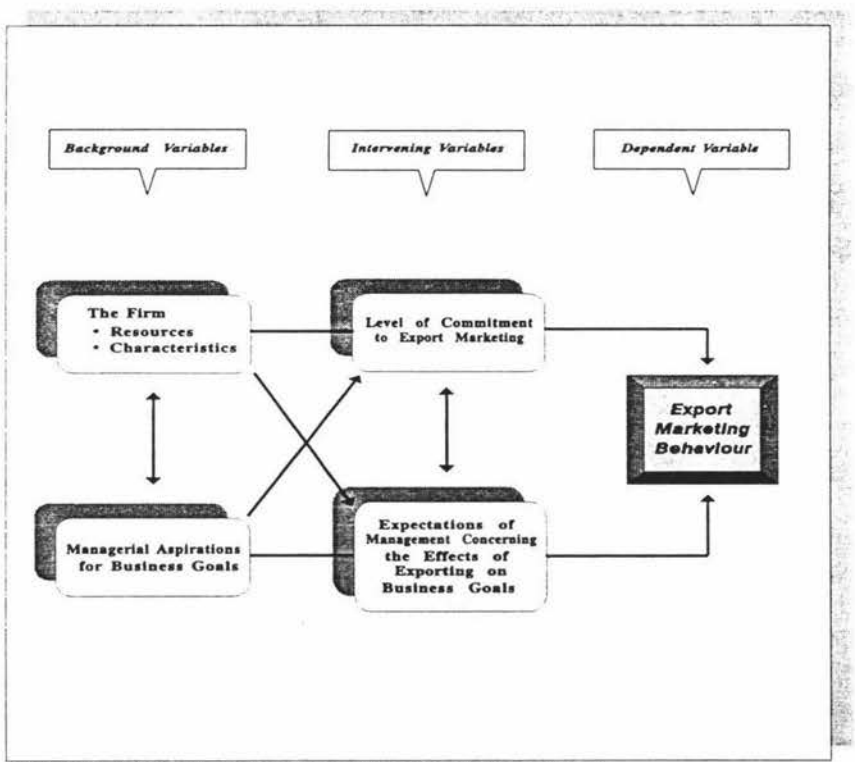
Source: Adapted from Wiedersheim-Paul et al. (1978).

Reid (1981) proposed a theoretical framework to explain the firm's decision to export. The model primarily focused on the role of the decision maker's characteristics. According to Reid's framework, export-related variables were categorised into two principal groups: (1)

contextual factors such as the industry environment, company environment and foreign market environment; and (2) individual mediating factors that consisted of two levels of variables.

Cavusgil and Nevin (1981) developed an export decision model that included four major explanatory variables and their interactions. In an attempt to identify factors determining export behaviour, Cavusgil and Nevin created two general categories of variables: "background variables," such as differential firm advantages over competitors and strength of managerial aspirations in pursuing business goals; and "intervening variables," such as management expectation regarding exporting effects upon the firm's business performance and commitment to export-related activities. The proposed model of export behaviour put forward by Cavusgil and Nevin (1981) is shown in Figure 8.

FIGURE 8
Internal Determinants of Export Marketing Behaviour: Proposed Causal Relationships



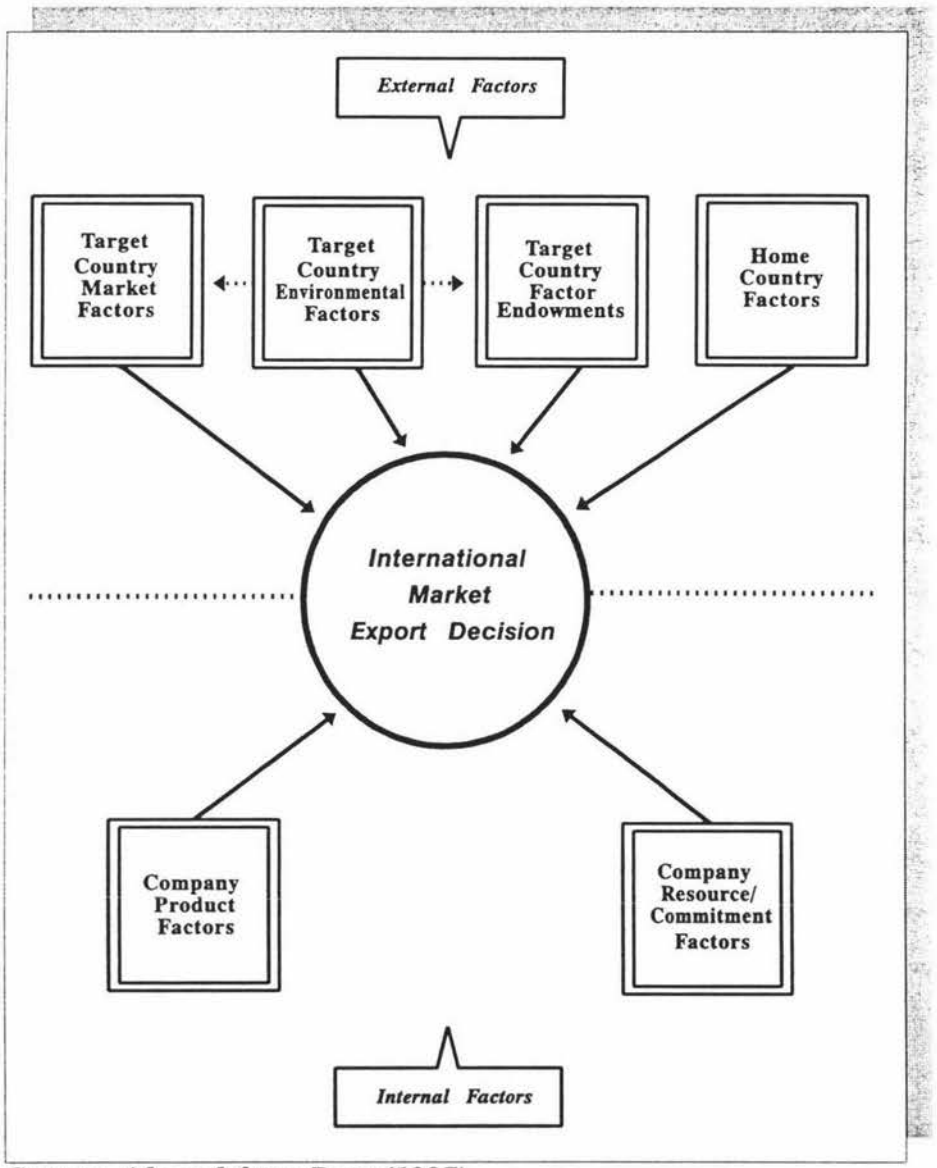
Source: Adapted from Cavusgil and Nevin (1981).

Building on the work of Cavusgil and Nevin (1981), Reid (1981, 1983), and others, Figure 9 depicts the general relationship between top-level management, the organisation, corporate environment, attractiveness of exporting, organisational commitment to exporting, export

decision dimensions -- and specifies the principal components of each dimension. This model, proposed by Root (1987), attempts to integrate internal factors in the export decision process of existing exporting firms.

FIGURE 9

A General Model for Assessing Export Marketing Decision Making



Source: Adapted from Root (1987).

In summary, the export decision model of existing exporting firms utilised in recent studies basically integrates and extends the work of Wiedersheim-Paul *et al.* (1978) and

Cavusgil and Nevin (1981). These and other researchers identify the individual firm as the motivating force -- and that international business patterns are shaped by the adjustments of specific enterprises, operating competitively over a range of national environments to survive and grow.

4.3 The *Geobusiness Model*

To adequately explain overall international business patterns and the international marketing decision making process, the underlying model or framework must be appropriately broad. As a guide for the business enterprises under study, the model should recognise the full range of internal and external variables that influence the firm's international strategies and operations.

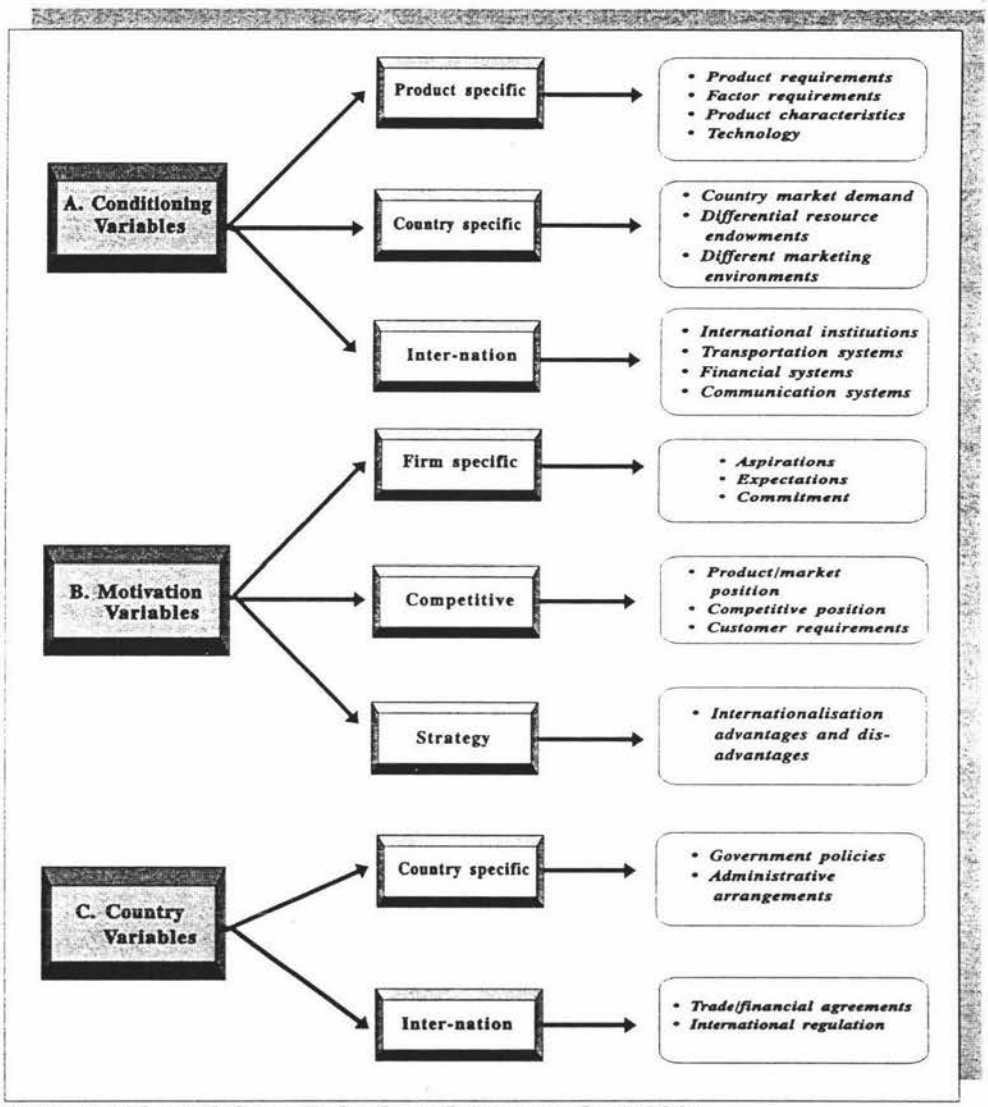
As proposed by Robock and Simmonds (1989), the *Geobusiness Model* is presented as a comprehensive framework against which a range of theories about international business strategies, patterns and behaviours can be advanced. Importantly, it recognises the firm (business unit) as the active force in changing international business patterns. Further, the model encompasses the notion that the motivations, capabilities and behaviour of the firm for changing or adjusting international business activities are not related entirely to the characteristics of the business enterprise. They also depend heavily on home and host country environmental factors, inter-nation variables, and national and international controls (Robock and Simmonds 1989).

Figure 10 provides a graphical presentation of the constructs of the geobusiness paradigm adapted to this study. The variables of the model can be grouped under three principal headings: (1) conditioning variables; (2) motivation variables; and (3) control variables. The extended version of this paradigm accommodates much of the literature alluded to in Table 9.

As depicted in Figure 10, the conditioning variables, commonly described as "necessary but not sufficient conditions," reveal whether an opportunity exists for business activity to cross national boundaries. They include characteristics of the product or service, inter-nation variables, and characteristics of the home and host country. The interaction of these three sets

of variables creates an incentive for firms to pursue international sales opportunities. In addition, the conditioning variables determine the extent to which it is possible to move the product(s) or the service(s) into international markets without the costs outweighing the potential gains.

FIGURE 10
Constructs of the Geobusiness Model



Source: Adapted from Robock and Simmonds (1989).

The motivation variables illustrated in Figure 10 indicate whether the business enterprise perceives and has a motive to realise any such net gains. These variables include firm-specific

factors such as the firm's geographical horizon and its access to necessary resources for moving into the international marketplace. Furthermore, the control variables of the *Geobusiness Model* indicate restricting or encouraging actions (i.e., legislative, political or regulatory) by home and host countries to influence international business patterns.

4.4 Limitations of Previous Studies

The research findings reviewed in this chapter lead to some interesting conclusions regarding export behaviour. First, early studies focused principally on pre-export activity and initial export decision making of firms. Second, the export decision making process is influenced to a large degree by a group of variables. Most of the studies reviewed here confined these variables to internal determinants such as top management characteristics and business unit characteristics. Unfortunately, environmental (external) factors were not appreciably investigated in the studies mentioned previously.

In addition, previous empirical investigations have primarily focused on how to induce potential exporters or non-exporters to become involved in the export activity. Hence, efforts to encourage existing exporting firms to continue or expand current export sales have been somewhat overlooked.

If exports are to be expanded in both Australia and New Zealand, greater attention must be focused on existing exporting firms. Previous export behaviour and performance studies lack the precision to identify the export decision process of those firms of interest herein (i.e., Australasia meat export firms) due to conceptual and methodological limitations.

TABLE 9

Selected Empirical Studies Investigating the Relationship Between Managerial Attitudes Towards Exporting and Exporting Behaviour

Author(s) and Year	Sample Size / Characteristics	Country	Data Collection Method	Measurement Approach	Attitudinal Variable(s)	Analysis Approach	Key Results
Axinn (1988)	105 machine tool firms selected randomly	Ontario, Canada; Michigan, USA	Mail survey	5-point Likert-type scales	Managerial perception of exporting and the export performance of their firms	Regression analysis	Export performance of the firms under study were more highly correlated with the international experience and perceptions of exporting possessed by managers than with the firms' size, technology, or goals.
Bauerschmidt et al. (1985)	117 firms in the paper industry selected randomly	USA	Mail survey	5-point Likert-type scales	Managerial perception of barriers to exporting	Frequency distribution and factor analysis	Majority of export barriers were perceived to be insignificant by experienced exporters. The only barrier perceived to be extremely important was high value of the U.S. dollar.
Bilkey (1970)	52 industrial firms selected on a judgement basis	El Salvador	Personal interviews	Frequency count of exporting obstacles	Managerial perception of exporting barriers	Multiple regression analysis	Number of perceived obstacles was positively related to the probability of the firm increasing its exports.

TABLE 9
(Continued)

Author(s) and Year	Sample Size / Characteristics	Country	Data Collection Method	Measurement Approach	Attitudinal Variable(s)	Analysis Approach	Key Results
Bilkey and Tesar (1977)	423 small to medium-sized manufacturing firms selected randomly	Wisconsin, USA	Mail survey	Composite scales consisting of items measured by 5-point rating scales	Managerial perception of profits from exporting activity and other expectations	Multiple regression analysis	Management's expectations and perceived barriers had no or little relationship with advanced states of export development.
Bonaccorsi (1992)	8,810 manufacturing firms of various sizes selected from a nation-wide stratified m random sample	Italy	Mail survey	Census-type survey instrument containing various rating scales	Effect of firm size on export intensity	ANOVA and Kruskall-Wallis test	Organisation size is not positively related to export intensity.
Brady and Bearden (1979)	251 small manufacturing firms in a cross-section of industries selected randomly	Southeastern, USA	Mail survey and personal interviews	7-point single item measures on semantic differential scales	Managerial attitude about direct and indirect exporting method	ANOVA	Respondents using direct, indirect method of exporting and non-exporters were found to differ in their attitude towards most salient attributes of exporting method; however, non-exporters and exporters using indirect methods were most similar in their attitudes.

TABLE 9
(Continued)

Author(s) and Year	Sample Size / Characteristics	Country	Data Collection Method	Measurement Approach	Attitudinal Variable(s)	Analysis Approach	Key Results
Brooks and Rosson (1982)	253 small to medium-sized manufacturing firms selected randomly	Canada	Mail survey	5-point single item ordinal scales	Managerial perception of risks, profits and costs of exporting versus selling in the domestic market	t-test	Exporters perceived the risks and the majority of costs of exporting to be significantly lower than did non-exporters.
Burton and Schlegelmilch (1987)	310 mechanical engineering and food processing firms selected randomly	United Kingdom and West Germany	Mail survey	Likert scales for attitudinal variables and 7-point semantic differential for managerial self-perception	Attitudinal statements relating to nine concepts including perception of exporting attractiveness, managerial aspirations and expectations and managerial innovativeness	Discriminant analysis	Non-exporters were found to have a negative preconception of exporting, particularly with respect to attractiveness of exporting and foreign image and perceptions of competitive advantage.
Cavusgil and Naor (1987)	310 manufacturing firms in a cross-section of industries selected randomly	Maine, USA	Mail survey	5-point single item rating scales	Perceived risks and profits of exporting	Discriminant analysis	Exporters perceived less risk in exporting than non-exporters, perceived profits from exporting were not significant in discriminating between exporters and non-exporters.

TABLE 9
(Continued)

Author(s) and Year	Sample Size / Characteristics	Country	Data Collection Method	Measurement Approach	Attitudinal Variable(s)	Analysis Approach	Key Results
Czinkota and Johnston (1983)	219 small to medium-sized manufacturing firms in materials handling, avionics, and industrial instrument selected based on pre-established criteria	USA	Mail survey	5-point single item Likert-type scales	Managerial attitude towards exporting	ANOVA and MANOVA	Non-exporters were found to hold the least favourable attitudes towards exporting when compared with small-volume and high-volume exporters.
Dichtl et al. (1984)	353 firms in machine tools, chemical, electrical and outer clothing	West Germany, Finland, South Africa, South Korea and Japan	Mail survey and personal interviews	Attitude towards risk on a scale of 0-100 and attitude towards exporting on a 5-point Likert scale	Attitude towards risk, attitude towards exporting in general	Comparison of raw scores for the total sample, regression analysis for the West German sample (n = 104)	Comparison of raw scores on attitudes towards risk and exporting in general indicated that non-exporters are risk averse and display negative attitudes toward exporting.
Doyle et al. (1992)	90 firms from defined product groups including consumer goods, industrial goods and services selected based on pre-established criteria (purposive sampling)	United Kingdom	Personal interviews	5-point scales were used to elicit responses for various performance measures (i.e., return on investment, relative sales growth and change in market share)	Senior managers were asked to rate the performance of their own company and their triad competitors	Discriminant analysis, (U-method and Jack-knife analysis were used to validate the results)	American firms were found to be less ambitious, more oriented towards delivering short-term profit performance and less adapted to local market conditions than their Japanese competitors.

TABLE 9
(Continued)

Author(s) and Year	Sample Size / Characteristics	Country	Data Collection Method	Measurement Approach	Attitudinal Variable(s)	Analysis Approach	Key Results
Eshghi (1992)	187 small and medium-sized manufacturing firms selected randomly	Illinois, USA	Mail survey	7-point Likert-type scales	Managerial attitude towards exporting was sought through 28 attitudinal statements	Factor analysis (principal-component analysis with varimax rotation)	Managerial attitudes towards exporting and exporting behaviour do not necessarily have to be consistent; a positive correlation between attitude and and behaviour in exporting is not valid under all circumstances.
Ganitzky (1989)	18 exporting firms in a cross-section of industries, sizes, performance, etc., selected randomly	Israel	Case studies and in-depth observations	Subjective measures of managerial orientation along ethnocentricism/geocentricism continuum; subjective measures on managerial attitudes	Managerial orientation, managerial attitudes towards risk and attractiveness of foreign markets versus local	Description and classification	Innate exporters were found to be polygeocentric, perceived foreign markets as more attractive and less risky, while adoptive exporters were ethnocentric.
Johnston and Czinkota (1985)	200 small and medium-sized exporting firms in highly export oriented industries (i.e., construction, mining, materials handling machinery and equipment) selected randomly	USA	Mail survey	5-point single item Likert-type scales	Managerial attitudes towards various aspects of exporting	ANOVA	All exporters viewed exporting in a favourable light; however, significant differences in attitudes were found between exporters from different industries.

TABLE 9
(Continued)

Author(s) and Year	Sample Size / Characteristics	Country	Data Collection Method	Measurement Approach	Attitudinal Variable(s)	Analysis Approach	Key Results
Joynt (1982)	85 manufacturing firms selected randomly	Norway	Mail survey	5-point single item ordinal scales	Managerial perception of risks and profits of exporting versus domestic sales	Frequency distribution and crosstabs	The typical Norwegian firms were found to be interested in exporting in spite of the fact that they perceived exporting profits to be lower and risks higher than the domestic sales.
Kedia and Chhokar (1985)	96 small and medium-sized machinery manufacturers and food processors selected randomly	Louisiana, USA	Personal interviews	5-point single item rating scales	Managerial attitudes/ perceptions towards exporting profits, risks, costs, etc.	Univariate test of significance	Of the seven attitude related items, exporters and non-exporters differed significantly on five, while differences of perception on two items.
Madsen (1989)	82 small to medium-sized firms representing a cross-section of manufacturing industries selected randomly	Denmark	Mail survey	7-point semantic differential scales, Likert scales, and Stapel scales	Managerial attitudes towards export marking policy and market characteristics	Stepwise multiple regression analysis	Export marketing policy had the largest impact on export performance. There is a significant association between product strength and the firm's ability to find good export market agents/distributors.

TABLE 9
(Continued)

Author(s) and Year	Sample Size / Characteristics	Country	Data Collection Method	Measurement Approach	Attitudinal Variable(s)	Analysis Approach	Key Results
Malekzadeh and Nahavandi (1985)	361 manufacturing firms selected randomly	California, USA	Mail survey	7-point single item type scales	Managerial perception of difficulty or ease of export operation and motivation for exporting, etc.	Multiple discriminant analysis	Exporters and non-exporters differed significantly in their perception of factors affecting exporting; however, the data presented were inconclusive about whether or not a favourable attitude towards exporting does or does not lead to exporting behaviour.
McConnell (1979)	148 manufacturing firms in a cross-section of industries selected randomly	New York, USA	Mail survey	Bi-polar continuous line scales	Managerial perceptions towards international marketing opportunities and strategies	Discriminant analysis and multiple regression analysis	Postulates from the behavioural theory of the firm and from the product life cycle theory regarding reliable predictors of a firm's expected involvement in international trade.
Ogram (1982)	34 small manufacturing firms in a cross-section of industries	Georgia, USA	Mail survey	Open-ended questions about risks and profits of exporting	Managerial perception of risks and profits of exporting	Qualitative analysis	Exporters had lower risk and higher profit perceptions.

TABLE 9
(Continued)

Author(s) and Year	Sample Size / Characteristics	Country	Data Collection Method	Measurement Approach	Attitudinal Variable(s)	Analysis Approach	Key Results
O'Rourke (1985)	218 agricultural firms selected randomly	Washington, Oregon, and Idaho, USA	Mail survey	5-point single-item rating scales	Perception of obstacles to exporting including costs, trade barriers, etc.	Frequency distribution	Firms not currently exporting perceived greater obstacles in exporting.
Ortiz-BuonaFina (1985)	195 firms from six service industries selected randomly	Florida, USA	Mail survey	5-point single-item rating scales	Managerial perception of risk and profits of exporting	Discriminant analysis	Non-exporters significantly perceived higher risks in exporting than exporters; however, perceptions of profits from exporting in both groups were the same as those in the domestic market.
Piercy (1981)	231 manufacturing firms selected randomly	United Kingdom	Mail survey	Constrained choice questions and rank-order questions	Managerial perception towards export objectives, export pricing methods and export currency strategy	Frequency distribution	Active and reactive exporters were found to differ significantly in the export pricing methods they used, the degree to which price was used as discriminatory weapon, and the export currency strategy adopted.

TABLE 9
(Continued)

Author(s) and Year	Sample Size / Characteristics	Country	Data Collection Method	Measurement Approach	Attitudinal Variable(s)	Analysis Approach	Key Results
Reid (1983)	89 small firms in three manufacturing industries selected randomly	Ontario, Canada	Personal interviews and 'drop and mail back' questionnaire	Multiple-item scales	Managerial belief in the contribution of exports	Multiple regression analysis	Managerial perception of exporting profits was significantly associated with export entry; however, this and management's foreign orientation had little relationship with behaviour indicating export commitment.
Reid (1984)	89 small firms in three manufacturing industries selected randomly	Ontario, Canada	Personal interviews and 'drop and mail back' questionnaire	Guttman Scalogram	International predisposition	Pearson product moment correlations	International predisposition showed no significant association with export entry decision.
Roth et al. (1991)	147 manufacturing firms from a cross-section of industries selected randomly	USA	Mail survey	5-point rating scales and 7-point Likert-type scales	Managerial perception towards innovation/risk-taking, managerial interdependence, and personal motivation	Multiple regression analysis and ANOVA	Pursuing a global strategy was related to increased coordination and a shared managerial philosophy within the business unit. Centralisation was not found to be related to coordination, and formalisation was not found to be related to managerial philosophy.

TABLE 9
(Continued)

Author(s) and Year	Sample Size / Characteristics	Country	Data Collection Method	Measurement Approach	Attitudinal Variable(s)	Analysis Approach	Key Results
Samuels et al. (1992)	110 small and medium-sized firms from a cross-section of industries selected randomly	United Kingdom	Mail survey	Composite scales consisting of items measured by 5-point rating scales	Managerial perceptions towards export decisions (i.e., terms of trade, use of hedging strategies and exchange rate management)	Frequency distribution	Exporter's currency was the main currency for invoicing; the very small companies were more likely to carry their own exchange risk; a significant difference was found between the size groups with regard to coverage for exchange risk.
Schlegelmilch (1986)	210 mechanical engineering firms selected randomly	United Kingdom and West Germany	Mail survey	Composite indices developed from Likert scales and semantic differential scales	Attitudes towards costs, profits and risks of exporting, perception of obstacles, etc.	Univariate (t-test) and multivariate analysis (factor analysis and discriminant analysis)	More successful exporters (West German) perceived more obstacles and risks in exporting than less successful exporters (British).
Schlegelmilch and Crook (1988)	105 firms in mechanical engineering industry selected randomly	United Kingdom	Mail survey	Single-item Likert scales	Managerial attitudes towards risk, foreigners and marketing	Multiple regression analysis	Attitudinal variables were not significant determinants of export intensity.

TABLE 9
(Continued)

Author(s) and Year	Sample Size / Characteristic(s)	Country	Data Collection Method	Measurement Approach	Attitudinal Variable(s)	Analysis Approach	Key Results
Seifert and Ford (1989)	65 small industrial goods firms from a cross-section of industries selected randomly	USA	Mail survey	5-point Likert scales	Respondents asked about product modifications for exporting, pricing and promotion policies and export performance satisfaction	ANOVA and F-test	Respondent firms were exporting to increase profitability or sales and not because they face a saturated domestic market. There were significant differences in the promotional budgets between firms based on their exporting experience. Respondent firms were neither satisfied nor dissatisfied with their overall export performance.
Tookey (1964)	54 hosiery and knitwear firms selected non-randomly	United Kingdom	Personal interview and survey questionnaire	Open-ended questions	Perception of exporting profits	Qualitative analysis of responses	Exporters were found to perceive exporting to be less profitable than selling in the domestic market.
Weaver and Pak (1990)	70 small and medium-sized manufacturing firms from the textile and optical industries selected randomly	South Korea	Mail survey	5-point Likert scales	Managerial perceptions toward exporting outcomes	Frequency distribution	The information search about exporting was the single most important influence on exporting decisions, and was followed by the patriotic duty of the firm.

CHAPTER FIVE
RESEARCH DESIGN AND METHODOLOGY

The purpose of this chapter is to present the research design and methods used to carry out the study. More specifically, this chapter discusses the general method used, research questions to be explored, sample determination, research instrumentation, and data collection techniques employed to generate the primary data. In addition, the statistical methods and procedures used to investigate the data base are presented.

5.1 General Method

Several issues surrounding research design and conducting empirical studies in export decision making are addressed by Dichtl *et al.* (1984) and Thomas and Araujo (1985). The central issues can be summarised as: (1) the problem of restricted sample size; (2) the lack of reliable and valid measures; and (3) the use of cross sectional analysis in making inferences about the dynamic process of export development.

A review of possible research methods, namely, postal survey, telephone survey, personal interview and micro survey identified the postal survey as the most useful and feasible *ex post facto* design for this study given existing time and financial constraints. Granted, the effectiveness of this method can vary considerably from country to country since it essentially assumes the existence of a population with a certain minimum level of education, able to comprehend and respond to written questions, and the availability of appropriate sampling lists or profile data from which to draw samples (Douglas and Craig 1983).

These considerations aside, mail surveys have been used successfully to help test hypotheses, evaluate programmes, describe populations, build models of human behaviour, develop useful measurement scales, and for other methodological improvements in social science research (Babbie 1990; Fowler 1984; Hutton 1988). Furthermore, the mail survey is potentially the most cost-effective method for conducting multi-country survey research and enables coverage of a wider and more representative sample (Douglas and Craig 1983; Rossi 1983).

Further details regarding specific procedures, design and methodology are presented in the sections that follow.

5.2 Research Questions to be Explored

As outlined in *Chapter One*, the general objectives of this study focus on the issues of satisfaction with North American export performance, firm experience and their relation to marketing mix decisions and competitive strategies. More specifically, the study will attempt to provide answers to the following research questions:

RESEARCH QUESTION ONE: What significant differences exist between Australasia meat export firms in terms of the degree of commitment to exporting?

RESEARCH QUESTION TWO: What significant differences exist between Australasia meat export firms in terms of the strength of managerial emphasis on, and satisfaction with, the business goals of profit, growth, market diversification, capacity utilisation, increased sales and minimising firm risk?

RESEARCH QUESTION THREE: What significant differences exist between Australasia meat export firms in terms of the extent to which organisational, production and governmental policy factors are seen as obstacles that operate to prevent the expansion of exports into North America?

RESEARCH QUESTION FOUR: What significant differences exist between Australasia meat export firms in terms of modifying their products and marketing mix elements for the North American market?

RESEARCH QUESTION FIVE: What significant differences exist between Australasia meat export firms in terms of management's satisfaction with the export performance achieved in North America?

RESEARCH QUESTION SIX: What significant differences exist between Australasia meat export firms in terms of management's satisfaction with the success achieved in responding to the following export marketing factors: opportunity and customer analysis, marketing research, product planning and development, pricing, distribution, market segmentation, selling and buying, and social responsibility?

These six research questions are used as a framework to guide the research effort.

5.3 Sample Determination

For this study, a sample frame was generated through the use of a 1992 report of the U.S. Department of Agriculture (1992c), listing each country and firm eligible to export meat products to the United States. This material was verified and supplemented with information contained in the certified 1992 *Annual Report* of both the New Zealand Meat Producers Board (1992, p. 13) and the Australian Meat and Live-stock Corporation (1992, p. 52).

A simple random sample relating to a single industry (i.e., the Australasia meat export industry) was chosen to eliminate possible multi-industry influences on the analysed determinants of export behaviour and attitudes. Furthermore, in striving to provide a reliable assessment of each organisation's export-orientation and behaviour, selection of sample members was based on job title, according to the following categories ranked in order of performance:

-- Export Manager
-- International Marketing Manager
-- Sales Manager
-- Managing Director
-- General Manager
-- Director

The rankings listed above were formulated according to the likelihood of knowledge of export strategy and the marketing function.

As recommended by Sekaran (1992, pp. 250-253), an overall sample (*n*) of 128 Australasia meat export firms (80 Australian and 48 New Zealand companies, respectively) was

randomly selected from a total population (*N*) of approximately 152 export-licensed companies in the two countries.

5.4 Instrumentation

The development of an appropriate and effective research instrument for this study involved the consideration of three central issues: scaling, measurement and wording.

As discussed by Green and Rao (1970), Levin and Rubin (1991), Oppenheim (1992) and Sekaran (1992), rating scales used in research settings often present the question of how many response categories should be included? As noted by Sekaran (1992), ". . . research indicates that a 5-point scale is just as good as any and that an increase from 5 to 7 or 9 points on a rating scale does not improve the reliability of the ratings" (p. 168).

The studies listed in Table 9 reveal a high degree of similarity in the approaches used to measure attitudes in the exporting literature. In most cases, attitudinal variables were measured as single items utilising a summated ratings method, such as 5-point Likert-type scales. The rationale for using perceptual measures (i.e., Likert scales and itemized rating scales) is that factors internal and external to the firm can either be certain or uncertain, and perceived differently by different organisations (Aaby and Slater 1989; Axinn 1988; Bilkey 1978). Moreover, Axinn (1988) has provided evidence that the perception of managers concerning the performance of an organisation is a viable method for investigating the export behaviour and performance of firms.

Adapted from Cooper and Kleinschmidt (1985), the firm characteristics considered in this research comprise five blocks of variables:

1. Firm demographics, including: size of firm (number of employees); age of firm; years of export experience; and gross sales from exporting.

2. Managerial perceptions of market conditions, including: perceptions of the level of competition in the North American market and export barriers.

3. Differential advantages of the firm, including: product advantage; price advantage; distribution advantage; and advertising/promotion advantage.

4. Export support activities, including: export marketing planning efforts; export marketing research efforts; and use of external information sources.

5. Goals and aspirations, including: expectations for increased exports; corporate growth goals; and corporate goals regarding security of investment.

To investigate how the various constructs investigated affect the export behaviour of the firms under study, this research utilises the perceptions of managers who have successfully exported goods and services. More specifically, respondents' attitude towards exporting is sought through 25 attitudinal statements, measured by horizontal 5-point Likert-type scales (5=Strongly disagree, 1=Strongly agree), vertical 5-point rating scales, and horizontal multiple item indices. In addition, nominal and ordinal scales are used to obtain information regarding firm demographics and personal data on each sample member (see Appendix A). Multi-item scales are developed in order to achieve more reliable and valid measures of variables than in previous studies concerning export behaviour and performance.

The particular response formats used in the questionnaire are designed in a way that encourages accurate and reliable responses and minimises potential response bias. While such a questioning process using constrained choice inevitably obscures the well-known multi-goal aspects of corporate behaviour, it provides a method of distinguishing between export aims and attitudes.

In contrast to previous studies, this research effort pursues an alternative framework by which environmental factors as well as internal factors are incorporated in investigating the export behaviour of the firms under study. A phrase, "within the next two years," is used in measuring the variables of new product introduction and export sales to North America in order to provide a time dimension.

Extreme care was taken in research instrument design so as to minimise any differences in socio-cultural factors between the two countries in which the sample was drawn. It was particularly important to guard against potential problems of miscommunication between sample members and the researcher. Every effort was made to ensure translation of the research instrument into ideas and terms that have equivalent meaning and relevance in both Australia and New Zealand.

5.5 Data Collection

As explained in Section 5.1, a postal survey questionnaire served as the primary means of data collection. The questionnaire was developed through a multi-stage process. First, a thorough review of the extant literature was undertaken to identify substantiated measures for the constructs being examined. Second, an initial draft of the questionnaire was pre-tested with peers, academicians and industry representatives in order to assess face and content validity, clarity and comprehensiveness, and amendments made. In addition, a subsequent draft of the developed survey instrument was pilot tested on a small convenience sample of senior managers in the meat trade to help further clarify the instrument's content, and necessary refinements were incorporated.

The final survey instrument was organised into several parts. It sought specific information on organisational, product, market, and decision maker characteristics; export-related activities; and risk and profit expectations in exporting, with a specific focus on the North American marketplace (see Appendix A). Further, the questionnaires were coded to identify respondents and eliminate the possibility of sending follow-ups to those who had already replied.

The 13-page research questionnaire is designed primarily in the horizontal multiple choice format to reduce answering effort and to aid the recipients in making decisions. As discussed in Section 5.4, each independent variable is measured by multiple indicators. The information requested of the sample members and the statements to which each is invited to respond largely reflect the main theoretical and empirical observations in the extant literature. None of the questions asked in the survey are of a commercially sensitive or proprietary nature.

As recommended by Dillman (1978), Lockhart (1984) and Green *et al.* (1988), a personalised cover letter, along with the questionnaire, is utilised. The cover letter is addressed to a pre-identified senior manager of the firm, contains a "help-the-sponsor appeal," provides assurance of anonymity and confidentiality of data, and individually signed by the researcher.

In summary, the data collection approach can be outlined as follows:

1. An introductory letter is posted to each sample member, mentioning the study and informing the individual that she or he will soon receive a questionnaire (see Appendix B).

2. An initial mailing of the questionnaire with a personally-signed cover letter and return envelope is mailed to each sample member (see Appendix A and C).

3. A reminder letter is sent to the sample members (see Appendix D).

4. A second questionnaire with a personally-signed cover letter (i.e., a follow-up) and return envelope is posted to those sample members who have not responded (see Appendix E).

5. A random subsample of nonrespondents is contacted by telephone after the second follow-up for purposes of nonresponse validation.

Previous studies that utilised the design described above have realised a response rate of 40 per cent or better (Bradburn and Sudman 1980; Cragg 1991; Dillman 1978).

5.6 Treatment of the Data

The process of data analysis began with coding of each item on the returned questionnaires. Following data entry and screening, the *SPSS/PC+*™ (1992) statistical analysis PC-DOS software programme is used to analyse the survey data obtained in the study.

In selecting techniques for data analysis, a researcher must consider the nature of the population under study and the limitations of the available data (Babbie 1990; Davis and Cosenza 1988). It is desirable, of course, to use a powerful statistical test, meaning one that has a high probability of rejecting a false null hypothesis. However, the most powerful tests are those that have the strongest or most extensive assumptions about the population and data to which they are applied (Chacko 1991; Mendenhall *et al.* 1989).

The survey data in this study are analysed by country and compared to each other using *frequency distribution analyses*, *matrix analyses*, and *Spearman rank-order correlation* (*rho*). Significant differences among countries are identified by using the *Student's t-Test*. In all instances where *t*-Tests are performed, an ***F***-Test of sample variances is carried out for each comparison, and if the probability of ***F*** is >0.05 then it is assumed that the sample variances are equal and *t* statistics based on pooled variance estimates are used. If the probability of ***F*** was <0.05, it is assumed that the sample variances are unequal and *t* statistics based on separate variance estimates are used (Snedecor and Cochran 1980). Although the selection of a significance level is to some extent research dependent, the $p \leq 0.05$ (95 per cent level) is adopted so that the study's conclusions are compatible with similar studies by other authors and to allow for possible comparison of results.

The research design and methodology have now been outlined in attentive detail. This is important since methodological issues are of critical importance for the progress of empirical export performance and behaviour research. This point is advocated quite strongly by Bilkey (1985), and other prominent scholars in the field.

CHAPTER SIX

ANALYSIS AND FINDINGS

The purpose of this chapter is to present the information necessary to answer the research questions set forth in *Chapter One*. Moreover, a detailed discussion is provided regarding the sample characteristics, sample representativeness, research assumptions and findings of the study. In attempting to provide a clear understanding of the results, a large number of tabular data are incorporated along with descriptions of the information.

6.1 Sample Characteristics

As explained in *Chapter Five*, the primary data for the study is collected from a random sample survey of Australasia meat industry firms. The sample is derived by utilising a register (list), provided by the U.S. Department of Agriculture, and randomly selecting every other organisation from an alphabetical listing. The approximately 152 firms on the original list represent 100 per cent of the Australasia firms approved and licensed to export meat in fiscal year 1992 to North America. Of the 128 sample members surveyed, 89 questionnaires were returned and completed in sufficient detail to be useful in the study.

Before proceeding further, several pertinent points need to be raised regarding survey outcomes and response rate calculations. First, Wiseman and Billington (1984) argue quite firmly that discussions of survey methodology in the extant literature can be severely limited due to the lack of precisely defined and broadly accepted definitions of survey outcomes. As a result, reported response rates can often be misleading and frequently overstated.

In 1982, the *Council of American Survey Research Organizations* (CASRO) approved and published a recommended definition for the 'response rate' in hopes to bring about much-needed standardisation within the survey research community (CASRO 1982).

Adapted for use in this study, the CASRO response rate definition can be stated as follows:

$$\frac{\text{Number of completed questionnaires with responding units}}{\text{Number of eligible responding units in the sample}} \times 100$$

Following the initial survey mailout and two follow-up mailouts to nonrespondents, the the total response rate for the survey conducted in this study is calculated as **86.72** per cent in the following manner:

Total number of respondents = 111

Total number of eligible responses = 89
(37 New Zealand and 52 Australian, respectively)

Total number of ineligible responses = 22 (16 indicating not qualified and/or unwilling to respond; 2 indicating that company had ceased operation; 2 were returned marked "unable to deliver"; 1 only partially completed; and 1 indicating unable to participate due to company policy)

Per cent of eligible responses = 89/111 = 80.18%

Total number of nonresponders = 128-111 = 17

Expected per cent of eligible
sample units in nonresponders = 17x89/111 = 13.63%

Total response rate = [89x100]/[89+13.63] = **86.72%**

The CASRO response rate calculation method assumes that the percentage of ineligible responses in nonresponders is equivalent to that in respondents. Further, eligible respondents are taken to mean those who returned a questionnaire in sufficient detail to be useful in the study.

As reported in Table 10, the respondents were identified in terms of organisational and personal characteristics. A relatively large percentage of the responding firms have been in operation for 20 years or less (n = 24 or 64.8 per cent for New Zealand; n = 32 or 61.5 per

cent for Australia). A majority of the firms under study have been exporting meat products for less than 20 years.

In terms of company size, the current number of employees within each responding firm ranged from less than 10 to over 1,000, with a majority of the firms employing less than 250 persons. In addition, the annual total meat export sales of the firms ranged from less than US$1 million to over US$250 million in 1992.

A large percentage of the respondents were between 30 and 60 years of age. A majority of the respondents (n = 26 or 70.2 per cent for New Zealand; n = 28 or 53.9 per cent for Australia) have some polytechnic or university education.

For further information regarding the key characteristics of the New Zealand and Australian firms surveyed, Table 10 can be consulted.

6.2 Sample Representativeness

To investigate the extent to which the results of the study could be generalised for the population involved, a test for dissimilarity among respondents and nonrespondents to the questionnaire was conducted based on the size of the firm and annual gross revenue variables. The *Wilcoxon Distribution Free Rank Sum Test* for nonresponse bias revealed that such a bias existed only at the 0.001 level. The assumption of similarity between respondents and nonrespondents was therefore not rejected. Further, a follow-up analysis of 15 randomly selected nonresponding sample members (6 New Zealand and 9 Australian) indicated that nonrespondents did not differ significantly from the respondents with respect to total sales and number of employees.

When dealing with the matter of nonresponse, two basic strategies can be employed. First, one can attempt to accurately estimate nonresponse bias or sample nonrespondents, as attempted in this study. Second, one can try to minimise nonresponse by carefully designing and executing the survey (Yu and Cooper 1983). The latter approach is emphasized in this study because it represents an attempt to eliminate nonresponse bias entirely and thus avoid the untestable assumptions in other explored solutions.

TABLE 10
Description of Sample Characteristics

Variable	NEW ZEALAND Frequency	Per cent	AUSTRALIA Frequency	Per cent
Organisational Characteristics				
Business operating years				
Less than 2 years	2	5.4	1	1.9
2 to 5 years	7	18.9	4	7.7
6 to 10 years	5	13.6	14	26.9
11 to 15 years	7	18.9	5	9.6
16 to 20 years	3	8.1	8	15.4
Over 20 years	13	35.1	20	38.5
Valid cases	37	100.0	52	100.0
Business experience exporting meat products				
Less than 2 years	2	5.4	1	1.9
2 to 5 years	8	21.7	6	11.5
6 to 10 years	6	16.2	17	32.7
11 to 15 years	6	16.2	4	7.7
16 to 20 years	2	5.4	7	13.5
Over 20 years	13	35.1	17	32.7
Valid cases	37	100.0	52	100.0

Variable	NEW ZEALAND Frequency	Per cent	AUSTRALIA Frequency	Per cent
Organisational Characteristics (conti.)				
Current number of employees				
Less than 10	13	35.1	13	25.0
10 to 49	9	24.4	12	23.1
50 to 99	1	2.7	4	7.7
100 to 249	8	21.6	3	5.8
250 to 499	0	0	5	9.6
500 to 1,000	1	2.7	9	17.3
Over 1,000	5	13.5	6	11.5
Valid cases	37	100.0	52	100.0
Per cent of gross receipts from meat exports (1992)				
Less than 10%	4	10.8	13	25.0
10% to 24%	1	2.7	5	9.6
25% to 49%	2	5.4	3	5.8
50% to 74%	5	13.5	9	17.3
75% to 100%	25	67.6	22	42.3
Valid cases	37	100.0	52	100.0

TABLE 10
(Continued)

Variable	NEW ZEALAND Frequency	Per cent	AUSTRALIA Frequency	Per cent
Organisational Characteristics (conti.)				
Total meat export sales (1992)				
Less than US$1 million*	7	18.9	11	21.3
US$1 million to US$9 million	10	27.0	14	26.9
US$10 million to US$24 million	6	16.2	9	17.3
US$25 million to US$49 million	3	8.1	5	9.6
US$50 million to US$99 million	4	10.8	5	9.6
US$100 million to US$250 million	5	13.6	6	11.5
Over US$250 million	2	5.4	2	3.8
Valid cases	37	100.0	52	100.0
Per cent of total meat exports to North America during 1992				
No North American Sales in 1992	12	32.4	14	26.9
Less than 10%	6	16.2	10	19.3
10% to 24%	4	10.8	9	17.3
25% to 49%	1	2.7	13	25.0
50% to 74%	9	24.3	5	9.6
75% to 100%	5	13.6	1	1.9
Valid cases	37	100.0	52	100.0

Variable	NEW ZEALAND Frequency	Per cent	AUSTRALIA Frequency	Per cent
Personal Characteristics				
Highest level of education completed				
No formal education	0	0	0	0
Primary school	0	0	0	0
Some secondary/high school	2	5.4	4	7.7
Secondary/high school graduate	9	24.3	20	38.4
Polytechnic or trade school graduate	5	13.6	5	9.6
1 to 2 years of university	4	10.8	5	9.6
3 to 4 years of university	11	29.7	11	21.2
Postgraduate university degree	6	16.2	7	13.5
Valid cases	37	100.0	52	100.0
Present age of respondents (years)				
Less than 20	0	0	0	0
Between 20 and 29	4	10.8	1	1.98
Between 30 and 39	8	21.7	16	30.8
Between 40 and 49	14	37.8	20	38.5
Between 50 and 60	10	27.0	10	19.2
Over 60	1	2.7	5	9.6
Valid cases	37	100.0	52	100.0

** Figures provided in U.S. dollars to facilitate comparisons.*

In summary, on the basis of the available evidence, given the relatively high response rate and the follow-up nonrespondent analysis, the derived sample appears to be generally representative of the population under study. This is of notable importance given the critical role that such firms are expected to play in promoting and enhancing export growth for Australasia.

6.3 Research Assumptions

In designing and conducting this study, the following research assumptions are made:

1. The stated research problem is assumed to be of significant importance.

2. The research questions are assumed to be appropriate enough to answer the research problem.

3. The collected data are assumed to be sufficient to address the research problem and answer the research questions.

4. The analysis methods used are assumed to be accurate and appropriate for the type of study undertaken and the data collected.

5. All survey respondents replied to all questions honestly and in good faith.

6.4 Findings

As explained in *Chapter Five*, the primary data used in this study are collected via mail questionnaire, analysed by country, and compared to each other using *frequency distribution analyses*, *matrix analyses*, *Spearman rank-order correlation* (*rho*) and the *Student's t-Test*. Even though the principal purpose is to analyse the data for statistical significance, any trends or directions that are meaningful for managerial or public policy purposes are also reported. Thus, in situations where no overall significance exists but individual significance is found, it is reported if it could be of managerial and/or public policy interest.

The specific findings generated by the study's investigation of the six research questions are discussed in this section. The findings are presented according to the order in which the six research questions were originally stated.

RESEARCH QUESTION ONE: *What significant differences exist between Australasia meat export firms in terms of the degree of management's commitment to exporting?*

When a firm chooses to become involved in the export activity, its degree of commitment to foreign markets can vary widely (Terpstra and Sarathy 1991). As observed by Axinn (1988) and Reid (1983), the activity of exporting in a firm can be described as either *reactive* or *active*. Reactive exporting is a passive level of involvement where the firm exports from time to time on its own or in response to unsolicited orders from abroad. Active exporting takes place when the firm makes a commitment to expand exports to a particular market.

This study attempts a measurement of internationalisation, risk perception, and export marketing strategy by assessing the attitude of company executives towards exporting and the perceived role of the export activity in the firm.

The results presented in Table 11 suggest that there is little difference between the firms under study in terms of export orientation, or internationalisation. Of those firms surveyed, 82.7 per cent of the Australian firms and 83.8 per cent of the New Zealand firms fall into the active exporter category, leaving a reactive exporter class, divided between those exporting primarily in response to unsolicited orders from abroad and those mainly disposing of surplus capacity through exporting.

As reported in Table 12, the findings of this research reveal that both Australia and New Zealand meat export firms are generally heterogeneous in terms of the perceived risks of exporting relative to risks involved in domestic marketing. Moreover, the results of this study support the findings of previous investigations that different firms faced with similar market conditions, production costs, exchange rates and international political risk conditions will not automatically pursue similar international marketing behaviour.

TABLE 11
Export Orientation of the Sample Firms

Measurement Statements	Type of Internationalisation	Australia	New Zealand
1. Domestic sales department handles all export enquiries and activities, no formal structure for exporting currently exists within the firm.	Reactive exporters	1.9% (1)*	10.8% (4)*
2. The firm has an export department for shipping purposes and possible export opportunities; exporting is used primarily to make up sales volume that cannot be sold in the domestic market.	Reactive exporters	15.4% (8)	5.4% (2)
3. The firm conducts systematic explorations of the feasibility of expanding its export markets.	Active exporters	82.7% (43)	83.8% (31)
		% = 100 n = 52	% = 100 n = 37

**Figures in parentheses represent number of responding firms.*

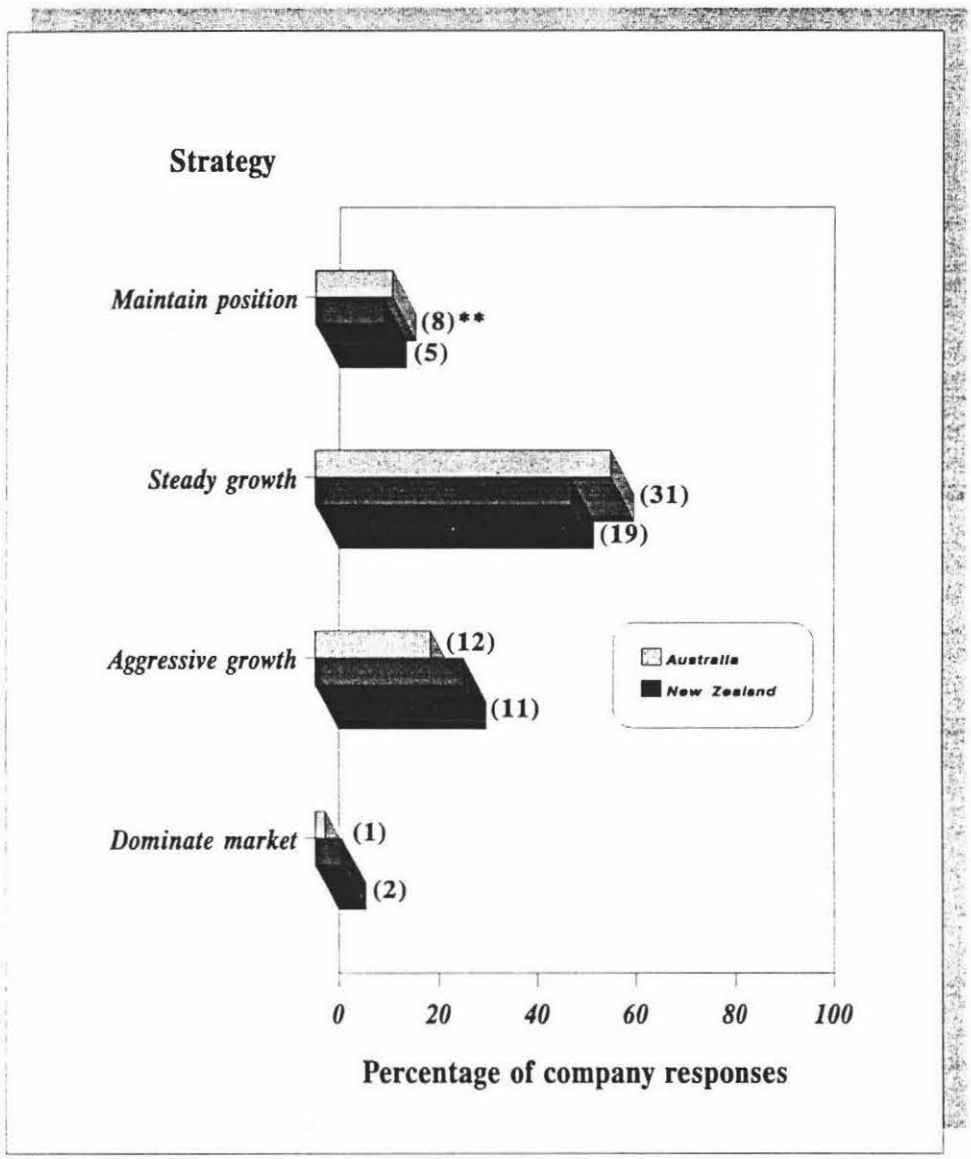
TABLE 12
Perception of Risks of Exporting Relative to Risks Involved in Domestic Marketing

	Much less than domestic	Somewhat less than domestic	About the same as domestic	Somewhat more than domestic	Much more than domestic
Australia	28.8% (15)*	17.3% (9)	28.8% (15)	13.5% (7)	11.5% (6)
New Zealand	16.2% (6)	24.3% (9)	24.3% (9)	21.6% (8)	13.5% (5)

**Figures in parentheses represent number of responding firms, n = 89.*

Revealed in Figure 11, a majority of the firms surveyed (59.6 per cent for Australia vs. 51.4 per cent for New Zealand), indicate that a "steady growth" strategy best describes their firm's current export marketing/sales strategy -- with no significant differences observed between the two countries at the 0.05 level.

FIGURE 11
Export Marketing/Sales Strategy of the Sample Firms*
(Frequency Distribution Analysis)

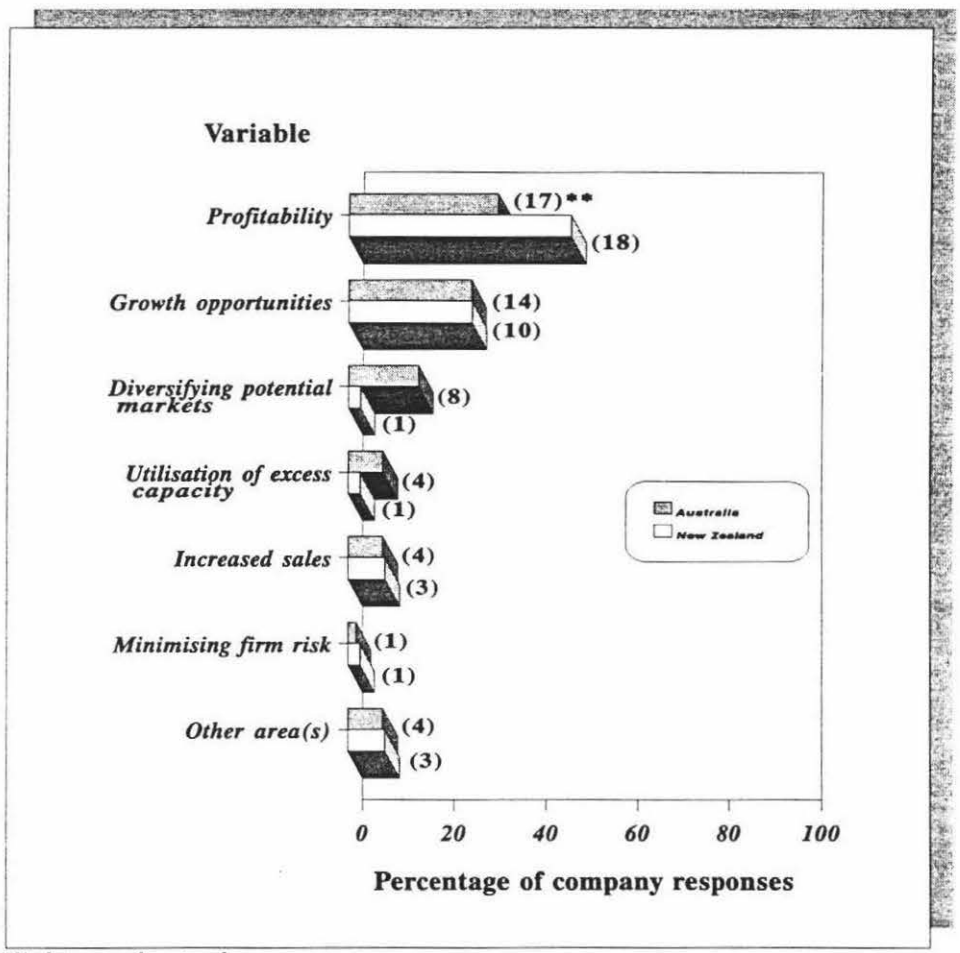


**Single response format used.*
***Figures in parentheses represent number of respondent firms, n = 89.*

***RESEARCH QUESTION TWO**: What significant differences exist between Australasia meat export firms in terms of the strength of managerial emphasis on, and satisfaction with, the business goals of profit, growth, market diversification, capacity utilisation, increased sales and minimising firm risk?*

As indicated in Figure 12, managerial emphases on various business goals, in general, are not factors distinguishing Australian firms from New Zealand firms. However, almost half (48.6 per cent) of the New Zealand respondents view "profitability" as an area where exporting has benefitted their respective enterprises, a significant difference at the 0.05 level.

FIGURE 12
Key Area in Which Exporting has Benefitted Sample Firms*
(Frequency Distribution Analysis)



*Single response format used.
**Figures in parentheses represent number of respondent firms, n = 89.

A Spearman rank-order correlation (*rho*) was performed between the Australian and New Zealand firms under study to determine their degree of agreement in terms of importance attached to various motive criteria in evaluating products for export. The results of a mean rank analysis appear in Table 13. According to this ranking, Rank 1.0 indicates the motive

criteria most important in evaluating products for export. The findings show a fairly high degree of positive correlation; meaning there is a relatively high level of similarity between the Australian and New Zealand meat export firms concerning the degree of importance of such variables as "profit potential", "sales volume", "cash flow", and other specific motive criteria.

TABLE 13

Degree of Importance Attached to Various Motive Criteria in Evaluating Products for Export (Mean Rank Analysis)

Variable	Australia, n=52			New Zealand, n=37			Combined, n=89		
	Mean*	SD**	Rank	Mean*	SD**	Rank	Mean*	SD**	Rank
1. Profit potential	1.31	0.579	1.0	1.27	0.450	1.0	1.29	0.527	1.0
2. Marketshare potential	2.39	0.932	6.0	2.40	1.09	5.0	2.39	0.996	6.0
3. Growth rate/Relative productivity	2.00	0.816	4.0	2.22	0.821	4.0	2.09	0.821	4.0
4. Sales volume/Long-run sales stability	1.71	0.750	2.0	1.84	0.866	3.0	1.76	0.798	2.0
5. Tax incentives received	3.15	0.998	8.0	3.54	1.09	8.0	3.31	1.05	8.0
6. Product life cycle	2.71	1.22	7.0	2.62	1.28	7.0	2.67	1.24	7.0
7. Cash flow	1.92	1.17	3.0	1.73	1.02	2.0	1.84	1.10	3.0
8. Economies of scale potential	2.11	0.983	5.0	2.59	1.12	6.0	2.31	1.06	5.0

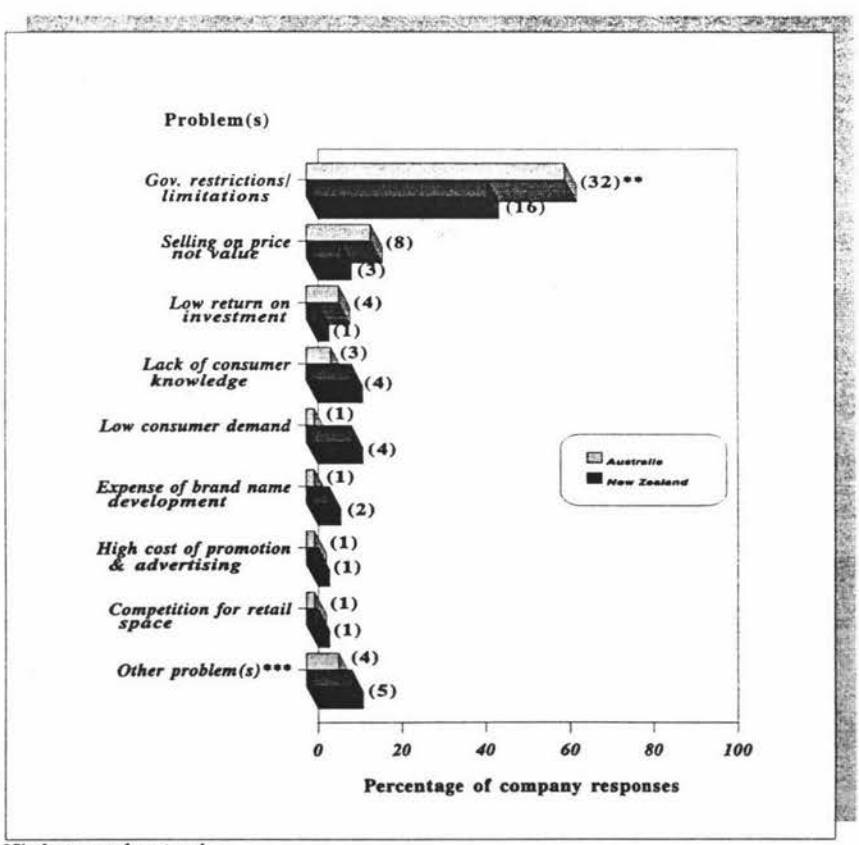
**Responses scored on a 5-point scale ranging from extremely important = 1, to not at all important = 5; **SD = standard deviation.*

RESEARCH QUESTION THREE: *What significant differences exist between Australasia meat export firms in terms of the extent to which organisational, production and governmental policy factors are seen as obstacles that operate to prevent the expansion of exports into North America*?

As outlined by Porter (1980), there can be many differences in competing internationally versus domestically, including: (1) factor cost differences among countries; (2) different roles of foreign governments; (3) differing circumstances of foreign markets; and (4) differences in goals, resources and ability to monitor foreign competitors. With regard to the foreign market environment, previous studies have shown that favourable conditions in international markets have a significant positive effect on the attractiveness of exporting (Cavusgil 1983; Crocombe *et al.* 1991; Johanson and Valhne 1977; Onkvisit and Shaw 1990; Porter 1986). In other words, firms are likely to be pulled toward exporting if foreign markets provide opportunities for their product.

In terms of problems encountered by Australasia meat export firms within the North American market, some 61.5 per cent of the Australian and 43.2 per cent of the New Zealand firms under study indicate that government imposed restrictions and requirements, paperwork, and nontariff barriers pose the greatest barrier to trade (see Figure 13).

FIGURE 13
Problems Encountered by Sample Firms Within the North American Market (Frequency Distribution Analysis)



*Single response format used.
**Figures in parentheses represent number of respondent firms, n = 89.
***Various responses include transportation/distribution cost, competition for retail space, etc.

As noted by Cundiff and Hilger (1984), the larger and more complex a society, the wider the choice of marketing and merchandising tools available to competing firms. From strictly a merchandising and product-specific perspective, the single product characteristic most likely to have the greatest influence on consumption of meat in the North American market is found to be "price of the product" (55.9 per cent for Australia vs. 35.1 per cent for New Zealand). However, 35.1 per cent of the New Zealand respondents also perceive "nutritional/health attributes" as an important product characteristic in influencing North American meat consumption, a significant difference at the 0.05 level (see Table 14). Furthermore, the findings reveal no significant differences among the two countries regarding the educational material seen as most effective in encouraging meat consumption in the North American market. Both Australia and New Zealand respondents view "diet\health information" as being the most important mechanism in encouraging meat consumption, followed by "cooking demonstrations/food shows" and "generic advertising campaigns" (see Table 14).

RESEARCH QUESTION FOUR: *What significant differences exist between Australasia meat export firms in terms of modifying their products and marketing mix elements for the North American market*?

Today, markets offer a wide assortment of products, various systems of distribution, and many built-in services such as precooked meats or microwave meals. Successful marketing entails product development, pricing strategies, efficient distribution, product promotion and other key marketing mix components. A knowledge of consumer tastes, preferences, and habits that vary among countries or cultures is critical to successful product marketing.

As argued by Burton (1984), and supported by Robock and Simmonds (1989), no firm should limit its business possibilities to its existing products or services. Instead, it should identify a demand area where its capability for performance against competitors is greatest, even though the specific customer needs that are to be met differ from those the firm has already been meeting.

To fit the unique situation in each export market, some sort of modification in marketing strategy is necessary. Modification requires changes in the marketing mix variables to match local perspectives and desires. The modification is typically related to product (i.e., design,

TABLE 14

*Merchandising and Product-Specific Attributes Influencing the Consumption of Meat and Meat Products in the North American Market**

Statement/Factor	Australia n = 52	New Zealand n = 37
A. Single product characteristic most likely to have the greatest influence on consumption of meat in the North American market.		
1. Price of the product	55.9% (29)**	35.1% (13)**
2. Nutritional/health attributes	19.2% (10)	35.1% (13)
3. Flavour and taste of product	9.6% (5)	10.9% (4)
4. Serving/portion size	1.9% (1)	2.7% (1)
5. Other characteristic(s)	3.8% (2)	2.7% (1)
6. Do not know/difficult to determine	9.6% (5)	13.5% (5)

**Single response format used.*

***Figures in parentheses represent number of respondent firms.*

TABLE 14
(Continued)

Statement/Factor	Australia n = 52	New Zealand n = 37
B. Educational material most effective in encouraging meat consumption in the North American market.		
1. Diet/health information	34.6% (18)**	32.4% (12)**
2. Cooking demonstrations/food shows	15.4% (8)	13.5% (5)
3. Generic advertising campaigns	13.5% (7)	10.8% (4)
4. Taste samples	7.7% (4)	10.8% (4)
5. Product preparation instructions	5.8% (3)	2.7% (1)
6. Other material(s)	3.8% (2)	5.4% (2)
7. Do not know/difficult to determine	19.2% (10)	24.3% (9)

**Single response format used.*

***Figures in parentheses represent number of respondent firms.*

packaging, brand name, quality and warranty), export pricing, distribution channels, advertising and promotion, and export planning.

Table 15 displays the results of *t*-Tests for significant differences between Australian and New Zealand respondents in terms of their firm's willingness to modify strategic factors in order to succeed in the North American market. The findings show a significant difference in the degree of export planning between the Australian and New Zealand firms under study (t = -2.09, p = 0.040, two-tailed).

TABLE 15

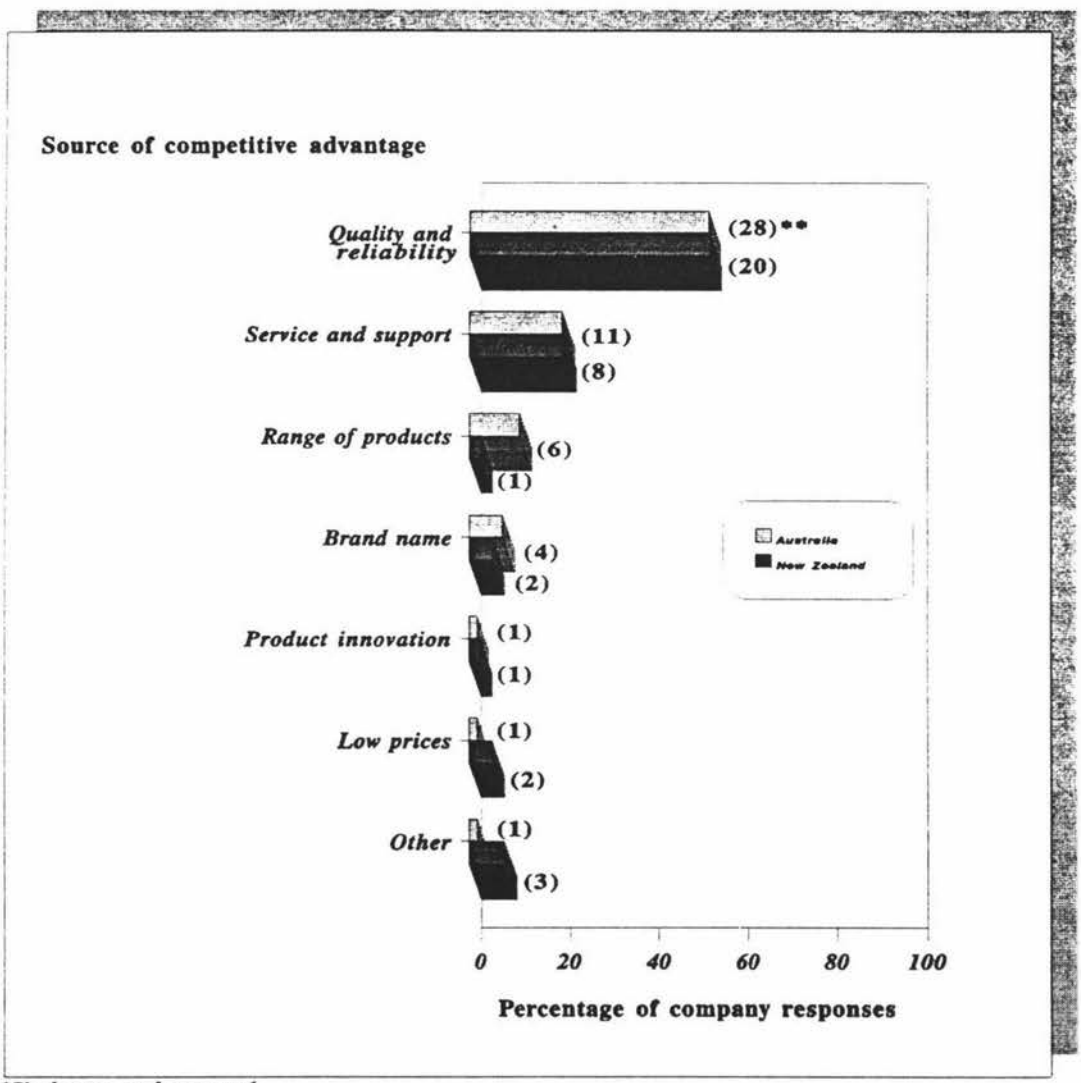
Degree Which Firms Are Willing to Modify Strategic Factors to Succeed in the North American Market (Group Means and Their Test of Significance)

Factor	*Australia, n = 52* Mean*	SD**	*New Zealand, n = 37* Mean*	SD**	t-value	p*** (two-tailed)
1. Product design	3.73	1.19	3.62	1.42	-0.39	0.695
2. Packaging	3.69	1.21	3.83	1.40	0.52	0.603
3. Advertising/Promotion policy	3.03	1.12	2.70	1.05	-1.43	0.156
4. Pricing/Sales policy	3.30	1.16	3.05	1.26	-0.98	0.332
5. Distribution channels	3.44	1.24	3.24	1.32	-0.73	0.470
6. Product brand name	3.25	1.46	3.00	1.33	-0.82	0.413
7. Product quality	3.65	1.52	3.29	1.63	-1.06	0.293
8. Export planning	3.94	1.14	3.35	1.41	-2.09	0.040

Responses scored on a 5-point scale ranging from completely unwilling = 1, to completely willing = 5; **SD = standard deviation; ***Significantly different from all other scores at p <0.05.

As noted by Schnaars (1991, p. 218), product quality and reliability has emerged as one of the most important concepts in marketing strategy. This study found no significant differences among the firms under study regarding perceptions and attitudes towards specific factors commonly seen as providing the greatest competitive advantage in export markets (see Figure 14). As presented in Figure 14, both Australian and New Zealand respondents viewed "quality and reliability" as an important source of competitive advantage in export markets (53.8 per cent for Australia vs. 54.1 per cent for New Zealand).

FIGURE 14
Factors Seen as the Greatest Competitive Advantage in Export Markets*
(Frequency Distribution Analysis)



**Single response format used.*
***Figures in parentheses represent number of respondent firms, n = 89.*

RESEARCH QUESTION FIVE: *What significant differences exist between Australasia meat export firms in terms of management's satisfaction with the export performance achieved in North America?*

The research questionnaire contained 11 specific, attitude-related items that focused on the North American market, with the intent of developing a profile of the firms under study. Moreover, Table 16 reports the results of *t*-Tests for significant differences between the Australian and New Zealand respondents in terms of their perceptions and attitudes towards exporting to the North American market. Of the 11 items, there were 3 where significant differences are observed. Australian meat industry firms viewed their products as less profitable in the North American market than the home market (t = -2.44, p = 0.017, two-tailed). This response may help explain the significant difference observed between the Australian and New Zealand firms regarding existing regulations and trade restrictions for exporting to North America (t = 3.40, p = 0.001, two-tailed). In addition, the Australian and New Zealand respondents differ significantly regarding their view of government-required paperwork necessary for exporting to North America (t = 2.62, p = 0.010, two-tailed), with New Zealand exhibiting a more positive attitude.

RESEARCH QUESTION SIX: *What significant differences exist between Australasia meat export firms in terms of management's satisfaction with the success achieved in responding to the following export marketing factors: opportunity and customer analysis, marketing research, product planning and development, pricing, distribution, market segmentation, selling and buying, and social responsibility?*

Of all the environmental trends and events that can affect a firm's strategic position, competitive forces are often considered to have the greatest impact (Porter 1980, 1985). The level of commitment to exporting is typically a function of the firm's management capability, product(s), personnel and resources (Aaby and Slater 1989; Amine and Cavusgil 1983; Bilkey 1978; Robock and Simmonds 1989).

As described by David (1991), a *Competitive Profile Matrix* (CPM) is a useful tool to help identify a firm's major competitors and their particular strengths and weaknesses. Adapted for use in this study, Table 17 presents a CPM that attempts to convey important strategic

TABLE 16

Profile of Managerial Attitudes Towards Exporting to the North American Market (Group Means and Their Test of Significance)

Measurement Statements	*Australia, n = 52* Mean*	SD**	*New Zealand, n = 37* Mean*	SD**	t-value	p*** (two-tailed)
1. Exporting to the North American market is a desirable task for my firm.	2.05	0.850	2.10	1.24	0.21	0.831
2. Exporting to the North American market has helped my firm develop more competitive products to sell domestically.	3.28	0.977	3.48	0.932	0.96	0.339
3. Exporting to North America is no different from doing business domestically.	3.40	1.08	3.35	1.13	-0.22	0.826
4. My firm's product(s) are more profitable in the North American market than the domestic market.	2.94	0.916	2.35	1.25	-2.44	0.017
5. My firm is likely to introduce new product(s) into the North American market within the next 2 years.	3.03	1.02	2.91	1.21	-0.49	0.627
6. My firm is likely to increase its proportion of export sales to North America within the next 2 years.	2.98	1.14	3.13	1.33	0.58	0.561

Responses scored on a 5-point Likert-type scale ranging from strongly agree = 1, to strongly disagree = 5; **SD = standard deviation; ***Significantly different from all other scores at $p < 0.05$.

TABLE 16
(Continued)

Measurement Statements	*Australia, n = 52* Mean*	SD**	*New Zealand, n = 37* Mean*	SD**	t-value	p*** (two-tailed)
7. Exporting to North America is just too complicated to become involved with.	3.88	1.06	4.21	0.854	1.57	0.119
8. Existing regulations and trade restrictions are major obstacles for exporting to North America.	1.51	0.671	2.21	1.10	3.40	0.001
9. The government-required paperwork necessary for exporting to North America is overwhelming.	2.98	0.939	3.48	0.837	2.62	0.010
10. Government and industry sponsored export training programmes have helped my firm improve its export performance to North America.	3.71	0.893	3.78	0.821	0.39	0.698
11. Government agencies and industry organisations supply the information necessary to identify and develop export markets -- particularly regarding North America.	3.48	1.05	3.70	0.996	1.00	0.320

Responses scored on a 5-point Likert-type scale ranging from strongly agree = 1, to strongly disagree = 5; **SD = standard deviation; ***Significantly different from all other scores at p < 0.05.

information regarding the relative strengths and weaknesses of the Australian and New Zealand firms under study. Each respondent is asked to address 10 key success factors in terms of their firm's current strategies to respond to each factor. Each item is measured on a four-point scale from 1 (Poor response) to 4 (Superior response). As can be seen from Table 17, Australia's total weighted score of 2.82 exceeds the 2.74 calculated for New Zealand, indicating greater overall perceived strength in exporting on the part of the Australian firms.

TABLE 17

A Competitive Profile Matrix of the Firms Under Study

Key Success Factors	Weight*	AUSTRALIA		NEW ZEALAND	
		Rating**	Weighted Score***	Rating	Weighted Score
Opportunity analysis	0.10	2.71	0.271	2.73	0.273
Customer analysis	0.10	2.98	0.298	2.92	0.292
Marketing research	0.10	2.73	0.273	2.43	0.243
Product planning and development	0.10	2.65	0.265	2.86	0.286
Pricing strategy	0.10	3.15	0.315	3.05	0.305
Distribution strategy	0.10	2.79	0.279	2.73	0.273
Market segmentation strategy	0.10	2.61	0.261	2.43	0.243
Selling strategy	0.10	3.10	0.310	3.00	0.300
Buying strategy	0.10	2.88	0.288	2.84	0.284
Social responsibility	0.10	2.60	0.260	2.40	0.240
Total weighted score	1.00		2.82		2.74

The `weight factor' indicates the relative importance of that factor to being successful in the meat export trade; **The `rating factor' (derived mean) indicates the degree which the industry firms respond to each factor, where 1.0 = poor response, 2.0 = average response, 3.0 = good response, and 4.0 = superior response; ***Weighted score = weight factor x rating factor.

The stated research questions and subsequent findings have now been addressed in detail. Though the study is exploratory in nature, the results suggest some common themes consistent with previous research.

In sum, the study confirms the findings of previous researchers that variations in the export marketing behaviour of firms can be explained, to a considerable degree, by differences in internal firm and management characteristics, including: expectations of management, level of commitment to export marketing and planning, and differential firm advantages.

CHAPTER SEVEN

CONCLUSIONS, IMPLICATIONS, LIMITATIONS AND SUGGESTIONS FOR FURTHER RESEARCH

This chapter presents several concluding observations regarding the study and its implications for current exporters and public policy makers involved in promoting exports. In addition, the limitations of the study and suggestions for further research are discussed.

7.1 Conclusions and Implications of the Study

International competitiveness has become an extremely important topic throughout Australasia. Practitioners and scholars alike realise that managerial philosophy, outlooks and behaviours must change to achieve and maintain a competitive edge in today's fiercely competitive global marketplace. Tomorrow's managers must understand the ingredients essential for maintaining that edge and take steps to ensure that those ingredients are appropriately identified and dealt with.

For most Australian and New Zealand meat industry firms, competing in the world market is a matter of necessity, not choice. Whatever objectives Australasia meat export firms adopt, their achievement will be relative to the achievement of other firms in the marketplace. In most cases, as seen in the past, the competition is usually direct, immediate and fierce.

To an increasing extent, product differentiation, product design and innovation, process sophistication, distribution networks, and "guarantee" of consistent quality and supply will play a determining role in the continued international success of the Australasia meat industry (ACIL 1992; TRADENZ 1992). Furthermore, the ability to anticipate rather than react to significant future events, analyse their impact on the enterprise, and incorporate that analysis directly into corporate planning and decision making, will be imperative (Porter 1985).

This empirical investigation represents an initial attempt to untangle the web of causality between the elements of corporate management strategy and export behaviour, public policy and the food industry's competitive state. The study explores several research questions derived

from the literature concerning the determinants of export behaviour and attitudes, with a specific focus on Australasia meat export firms. Moreover, an important theoretical contribution of the study results from utilising a model which considers all the variables suggested in the literature. Previous studies have, with mixed results, tested only certain features of the export behaviour and performance model. As such, the chosen research approach represents an important step towards model enhancement.

The current investigation examined and found that several variables within the external environment significantly affect the level of decision making and export behaviour of the firms under study. Moreover, to meet unique situations found in export markets, such as North America, some sort of modification in marketing strategy is recommended. Modification requires changes in the marketing mix variables to match local perspectives. The modification would be related to product attributes (i.e., quality, design, brand name and warranty), distribution channels, advertising and promotion, export pricing and planning.

From a public policy perspective, governments should devote greater efforts to solving current problems that existing exporters face in international markets. As revealed in this study, various market barriers were seen as constraints in continuing or expanding export activities in North America.

The findings from this study also have implications for the behavioural theory of the firm. From the findings, it can be suggested that the level of aspiration and the expectation of the senior manager have a significant effect upon the firm's export performance. It is generally assumed that the behaviour and performance of the firm is more a result of management's aspiration. The findings from this empirical investigation are in line with this belief and provide some measure of support for the notion.

From a practical point of view, this research endeavour provides managers in existing meat export firms with a meaningful and operative export decision framework, particularly toward the North American marketplace. This knowledge should enhance the strategic planning process and aid firms to become more successful in their international marketing activities.

In addition, the findings appear particularly useful in providing guidance to governmental and industry-funded efforts aimed at enhancing North America export activity at the individual firm level. However, the real value of this research endeavour lies in bringing a more differentiated approach to the assessment of Australasia meat export marketing behaviour.

7.2 Limitations of the Study

While the findings of this study should be of value to practitioners, researchers and policy makers, some limitations must be acknowledged. First, a noted disadvantage of having a broad model specification, like the one used in this study, is that each concept can only be examined in a rather superficial manner (i.e., a limited set of dimensions measured by a limited set of indicators).

Second, the chosen sample relates only to one industry. Although this has the purpose of excluding possible industry-specific differences, great caution has to be exercised when generalising these findings to other industries. Further, the findings may not be generalisable to Australasia meat export firms operating in other markets besides North America.

While the sample was broadly representative in terms of firm size and respondent profile, it might be biased in terms of managerial attitudes. Whereas there was no way of accurately assessing such bias, it is possible that respondents were more "successful" or "export market oriented" than the population at large. This may result in the sample means being biased upwards, although the direction of the findings and the major conclusions are less likely to be seriously affected.

Lastly, the issue of causality is always problematic in non-experimental studies. Does the correlation between export sales volume and per cent of annual sales and a firm's export behaviour/orientation indicate that the latter are the cause or the consequence? The linkages and relationships between these factors within the industry under study deserve further investigation.

7.3 Suggestions for Further Research

Several suggestions for further research emerge from the study. First, future researchers will find scope to further refine the study's results by, for example, analysing additional Australasia industries or pursuing specific aspects of agribusiness export behaviour in more detail. For example, what are the expectations of Australasia agribusiness firms regarding possible promotional support from foreign distribution channel members? Does this have an impact on the establishment of budgets for overseas promotions and the intensity of export activities?

As firms increase their exporting efforts, the need for an analysis of the external environment of the countries to which exporting efforts are to be directed will require heightened attention. For instance, how do environmental variables within a trading region such as NAFTA or the European Union influence international marketing activities? How effective are firms in predicting and coping with various environmental developments?

The focus of this study was limited to export behaviour and performance of Australasia meat export firms within the North American marketplace. Further studies in a number of different environments are needed to determine how far the findings from this study can be extended to the export performance of meat export firms in general. Thus, the study needs to be replicated in other empirical settings.

Unfortunately, the relative high financial cost of multi-country survey research and the frequent language barriers encountered has tended to limit the growth of research of this type (Hutton 1988). However, for public and private-sector managers seriously intending to develop overseas markets, research into international settings is of vital importance.

In all the promising areas mentioned above, the need for multidisciplinary research interaction must be emphasized. No one discipline can competently address all of the issues raised here. An appropriate research effort would draw on the expertise of basic and applied agricultural scientists, social scientists, and international business specialists to name a few. Moreover, frequent interactions with colleagues are often the best way for researchers to remain current with new instruments, methodologies and knowledge.

References

Aaby, N.E. and Slater, S.F. (1989), 'Management Influences on Export Performance: A Review of the Empirical Literature 1978-88', *International Marketing Review* 6(4), 7-26.

ACIL (1992), *Agricultural Marketing Regulation: Reality Versus Doctrine*, Report Prepared for the New Zealand Business Roundtable, Wellington, New Zealand.

Albaum, G., Strandskov, J., Duerr, E. and Dowd, L. (1989), *International Marketing and Export Management*, Addison-Wesley, London.

Ali, A.J.(ed.)(1992), *How to Manage for International Competitiveness*, International Business Press, New York.

Alston, J.M. and Chalfant, J.A. (1991), 'Can We Take the Con Out of Meat Demand Studies?', *Western Journal of Agricultural Economics* 16(1), 36-48.

Amine, L.S. and Cavusgil, S.T. (1983), 'Exploring Strategic Aspects of Export Marketing', *International Marketing Review* 1(2), 5-11.

Australian Bureau of Agricultural and Resource Economics (ABARE)(1992), *Commodity Statistical Bulletin 1992*, Government Printing Office, Canberra.

Australian Bureau of Statistics (ABS)(1992), *Year Book Australia 1992*, Number 75, Canberra, and previous issues.

Australian Bureau of Statistics (ABS)(1993), *Australian Economic Indicators*, Canberra, May, and previous issues.

Australian Meat and Live-stock Corporation (AMLC)(1992), *1991-92 Annual Report*, Sydney, Australia, and previous issues.

Axinn, C.N. (1988), 'Export Performance: Do Managerial Perceptions Make a Difference?', *International Marketing Review*, Summer, pp. 61-71.

Babbie, E. (1990), *Survey Research Methods*, Second edition, Wadsworth Publishing Company, Belmont, California.

Barkman, P. and Vaughan, O. (1991), 'Situation and Outlook for the Food and Beverage Processing and Retailing Sectors', *Food Market Commentary* 12(4), 18-37.

Barton, R.A. (ed.)(1984), *A Century of Achievement: A Commemoration of the First 100 Years of the New Zealand Meat Industry*, Dunmore Press, Palmerston North, New Zealand.

Bauerschmidt, A., Sullivan, D. and Gillespie, K. (1985), 'Common Factors Underlying Barriers to Export: Studies in the U.S. Paper Industry', *Journal of International Business Studies*, 16(3), 111-123.

Bilkey, W.J. (1970), *Industrial Stimulation*, Heath Lexington Books, Lexington, Massachusetts.

Bilkey, W.J. (1978), 'An Attempted Integration of the Literature of the Export Behaviour of Firms', *Journal of International Business Studies* 9(1), 33-46.

Bilkey, W.J. (1985), 'Development of Export Marketing Guidelines', *International Marketing Review* 2(1), 31-40.

Bilkey, W.J. and Tesar, G. (1977), 'The Export Behaviour of Smaller-Sized Wisconsin Manufacturing Firms', *Journal of International Business Studies* 8(2), 93-98.

Bollard, A. and Buckle, R. (eds.)(1987), *Economic Liberalization in New Zealand*, Allen and Unwin, Wellington, New Zealand.

Bonaccorsi, A. (1992), 'On the Relationship Between Firm Size and Export Intensity', *Journal of International Business Studies* 23(4), 605-635.

Bradburn, N.M. and Sudman, S. (1980), *Improving Interview Method and Questionnaire Design*, Jossey-Bass Publishers, San Francisco.

Bradley, F. (1991), *International Marketing Strategy*, Prentice Hall International, London.

Brady, D.L. and Bearden, W.O. (1979), 'The Effect of Managerial Attitudes on Alternative Exporting Method', *Journal of International Business Studies* 10(3), 79-84.

Britton, S., Le Heron, R. and Pawson, E. (eds.)(1992), *Changing Places in New Zealand: A Geography of Restructuring*, New Zealand Geographical Society, Christchurch, New Zealand.

Brooks, M.R. and Rosson, P.J. (1982), 'A Study of Behaviour of Small and Medium-Sized Manufacturing Firms in Three Canadian Provinces', in Czinkota, M.R. and Tesar, G. (eds.), *Export Management: An International Context*, Praeger Publishers, New York, pp. 39-54.

Brown, D.K., Deardorff, A.V. and Stern, R.M. (1992), 'North American Integration', *The Economic Journal* 102, 1507-1518.

Burton, F.N. and Schlegelmilch, B.B. (1987), 'Profile Analysis of Non-Exporters Versus Exporters Grouped by Export Involvement', *Management International Review* 27(1), 38-49.

Buse, R.C. (1990), 'Issues and Implications of the Changing Demand for Meat', *Economic Issues No. 114*, Department of Agricultural Economics, University of Wisconsin-Madison, Madison, Wisconsin.

Caves, R.E., Frankel, J.A. and Jones, R.W. (1990), *World Trade and Payments: An Introduction*, Fifth edition, Harper Collins Publishers, New York.

Cavusgil, S.T. (1983), 'Public Policy Implication of Research on the Export Behavior of Firms', *Akron Business and Economic Review* 14(2), 16-22.

Cavusgil, S.T. and Godiwalla, Y.M. (1982), 'Decision-Making for International Marketing: A Comparative Review', in Kaynak, E. (ed.), *Comparative Marketing Systems*, MCB publications Ltd, London.

Cavusgil, S.T. and Naor, J. (1987), 'Firm and Management Characteristics as Discriminators of Export Marketing Activity', *Journal of Business Research* 15(3), 221-235.

Cavusgil, S.T. and Nevin, J.R. (1981), 'Internal Determinants of Export Marketing Behaviour: An Empirical Investigation', *Journal of Marketing Research* 18(1), 114-119.

Chacko, G.K. (1991), *Decision-Making Under Uncertainty: An Applied Statistics Approach*, Praeger, New York.

Charlet, B. and Henneberry, S.R. (1990), 'A Profile of Food Consumption Trends and Changing Market Institutions', *OSU Extension Facts No. 511*, Cooperative Extension Service, Oklahoma State University, Stillwater, Oklahoma.

Christensen, C.H., da Rocha, A. and Gertner, R.K. (1987), 'An Empirical Investigation of the Factors Influencing Exporting Success of Brazilian Firms', *Journal of International Business Studies* 17(3), 61-77.

Cooper, R.G. and Kleinschmidt, E.J. (1985), 'The Impact of Export Strategy on Export Sales Performance', *Journal of International Business Studies* 16(1), 37-55.

Council of American Survey Research Organizations (CASRO)(1982), 'On the Definition of Response Rates', *Special Report*, CASRO, Port Jefferson, New York.

Cragg, P.B. (1991), 'Designing and Using Mail Questionnaires', in Smith, N.C. and Dainty, P. (eds.), *The Management Research Handbook*, Routledge, London, pp. 181-189.

Crocombe, G.T., Enright, M.J. and Porter, M.E. (1991), *Upgrading New Zealand's Competitive Advantage*, Oxford University Press, Auckland.

Cross, H.R. (1987), 'Sensory Characteristics of Meat', in Price, J.F. and Schweigert, B.S. (eds.), *The Science of Meat and Meat Products*, Third edition, Food & Nutrition Press, Westport, Connecticut, pp. 307-327.

Cross, P. (ed.)(1990), *New Zealand Agriculture: A Story of the Past 150 Years*, New Zealand Rural Press, Auckland, New Zealand.

Cundiff, E.W. and Hilger, M.T. (1984), *Marketing in the International Environment*, Prentice-Hall, Englewood Cliffs, New Jersey.

Czinkota, M.R. and Johnston, W.J. (1983), 'Exporting: Does Sales Volume Make a Difference?', *Journal of International Business Studies* 13(1), 147-153.

David, F.R. (1991), *Concepts of Strategic Management*, Third edition, Macmillan Publishing, New York.

Davidson, W.H. (1980), 'The Location of Foreign Direct Investment Activity: Country Characteristics and Experience Effects', *Journal of International Business Studies*, 11(2), 9-22.

Davidson, W.H. (1982), *Global Strategic Management*, John Wiley & Sons, New York.

Davis, D. and Cosenza, R.M. (1988), *Business Research for Decision Making*, PWS-Kent Publishing, Boston.

Dichtl, E., Leibold, M., Köglmayr, H.G. and Müller, S. (1984), 'The Export-Decision of Small and Medium-Sized Firms: A Review', *Management International Review* 24(2), 49-60.

Dillman, D.A. (1978), *Mail and Telephone Surveys: The Total Design Method*, Wiley, New York.

Dobson, W. (1992), 'North American Economic Integration in the 1990s', in *Long-Term Prospects For the World Economy*, Organisation for Economic Co-Operation and Development, Paris, pp. 101-117.

Dobson, W.D. and Rae, A.N. (1991), 'How New Zealand's Agribusinesses Adjusted to Rogernomics', *Agribusiness* 7(1), 57-70.

Douglas, S.P. and Craig, C.S. (1983), *International Marketing Research*, Prentice-Hall, Englewood Cliffs, New Jersey.

Douglas, S.P. and Craig, C.S. (1992), 'Advances in International Marketing', *International Journal of Research in Marketing* 9(4), 291-318.

Doyle, P., Saunders, J. and Wong, V. (1992), 'Competition in Global Markets: A Case Study of American and Japanese Competition in the British Market', *Journal of International Business Studies* 23(3), 419-442.

East, R. (1990), *Changing Consumer Behaviour*, Cassell Educational Ltd, London.

Engel, J.F., Blackwell, R.D. and Miniard, P.W. (1990), *Consumer Behavior*, Sixth edition, Dryden Press, Chicago.

Eshghi, A. (1992), 'Attitude-Behaviour Inconsistency in Exporting', *International Marketing Review* 9(3), 40-61.

Euromonitor (1993), *International Marketing Data and Statistics 1993*, Seventeenth edition, London.

Evans, B.L. (1969), *A History of Agricultural Production and Marketing in New Zealand*, Keeling & Mundy Ltd, Palmerston North, New Zealand.

Evirgen, C., Muzaffer, B. and Cavusgil, S.T. (1993), 'Information Needs of Exporters: An Empirical Study of Turkish Exporters', *Marketing Intelligence & Planning* 11(2), 28-36.

Food and Agriculture Organization (FAO)(1992), *The State of Food and Agriculture 1991*, Rome.

Food and Agriculture Organization (FAO)(1993), *Food Outlook*, Rome, February, and previous issues.

Fowler, F.J. (1984), *Survey Research Methods*, Sage Publications, Newbury Park, California.

Gallo, A.E. (1992), 'The Food Marketing System in 1991-92', *Agriculture Information Bulletin No. 659*, Economic Research Service, U.S. Department of Agriculture, Washington, D.C.

Ganitzky, J. (1989), 'Strategies for Innate and Adoptive Exporters: Lessons from Israel's Case', *International Marketing Review* 6(5), 50-65.

Garnier, G. (1982), 'Comparative Export Behavior of Small Canadian Firms in the Printing and Electrical Industries', in Czinkota, M.R. and Tesar, G. (eds.), *Export Management: An International Context*, Praeger Publishers, New York, pp. 113-131.

Goodloe, C. (1990), 'The U.S.-Canada Free Trade Agreement and Agriculture: One Year Later', *Northeastern Journal of Agricultural and Resource Economics* 19(2), 80-89.

Goodloe, C. and Simone, M. (1992), 'A North American Free Trade Area for Agriculture: The Role of Canada and the U.S.-Canada Agreement', *Agriculture Information Bulletin No. 644*, Economic Research Service, U.S. Department of Agriculture, Washington, D.C.

Green, P.E. and Rao, V.R. (1970), 'Rating Scales and Information Recovery -- How Many Scales and Response Categories to Use?', *Journal of Marketing* 34(3), 33-39.

Green, P.E., Tull, D.S. and Albaum, G. (1988), *Research for Marketing Decisions*, Fifth edition, Prentice-Hall, Englewood Cliffs, New Jersey.

Griffith, G.R. and Martin, S.K. (1988), 'An Overview of Government Policies for the New Zealand Livestock Industries, With Emphasis on Recent Price Stabilisation and Price Support Schemes', *Discussion Paper No. 116*, Agribusiness and Economics Research Unit, Lincoln University, Canterbury, New Zealand.

Hart, M. (1991), 'A North American Free Trade Agreement: The Elements Involved', *The World Economy* 14(1), 87-102.

Haub, C. and Yanagishita, M. (1992), *1992 World Population Data Sheet*, Population Reference Bureau, Washington, D.C.

Hayes, D.J., Green, J.R., Jensen, H.H. and Erbach, A. (1991), 'Measuring International Competitiveness in the Beef Sector', *Agribusiness* 7(4), 357-374.

Hayward, D. (ed.)(1972), *Golden Jubilee: The Story of the First Fifty Years of the New Zealand Meat Producers Board 1922-1972*, Universal Printers, Wellington, New Zealand.

Heien, D., Jarvis, L.S. and Perali, F. (1989), 'Food Consumption in Mexico: Demographic and Economic Effects', *Food Policy* 14(2), 167-179.

Hillman, J.S. (1991), *Technical Barriers to Agricultural Trade*, Westview Press, Boulder, Colorado.

Honikel, K.O. (1991), 'Assessment of Meat Quality', in Fiems, L.O., Cottyn, B.G. and Demeyer, D.I. (eds.), *Animal Biotechnology and the Quality of Meat Production*, Elsevier, Amsterdam.

Hufbauer, G.C. and Schott, J.J. (1993), *NAFTA: An Assessment*, Institute for International Economics, Washington, D.C.

Hunt, L. and Robbins, L. (1989), 'Food Expenditure Patterns of Canadian Consumers 1986', *Food Market Commentary* 11(3), 42-51.

Hutton, P.F. (1988), *Survey Research for Managers: How to use Surveys in Management Decision-Making*, Macmillan Press Ltd, London.

International Monetary Fund (IMF)(1993), *World Economic Outlook*, Washington, D.C., July, and previous issues.

Johannsen, E., Robbins, L., Hewston, M., Zafiriou, M. and Hunt, L. (1989), 'Demography and Socioeconomic Bases of Food Demand -- What Does The Future Hold?', *Food Market Commentary* 11(2), 27-44.

Johanson, J. and Vahlne, J.E. (1977), 'The Internationalization Process of the Firm -- Model of Knowledge Development and Increasing Foreign Marketing Commitments', *Journal of International Business Studies* 8(1), 23-30.

Johnson, R.W.M. (1989), 'Marketing of Meat: Principles and Policies', in Purchas, R.W., Butler-Hogg, B.W. and Davies, A.S. (eds.), Meat Production and Processing, *Occasional Publication No. 11*, New Zealand Society of Animal Production, Hamilton, New Zealand.

Johnson, R.W.M. (1991), 'Current Changes in New Zealand Agriculture: A Review', *Review of Marketing and Agricultural Economics* 59(2), 130-148.

Johnston, W.J. and Czinkota, M.R. (1985), 'Export Attitudes of Industrial Manufacturers', *Industrial Marketing Management* 14, 123-132.

Joynt, P. (1982), 'An Empirical Study of Norwegian Export Behavior', in Czinkota, M.R. and Tesar, G. (eds.), *Export Management: An International Context*, Praeger Publishers, New York.

Kaiser, L.L. and Dewey, K.G. (1991a), 'Household Economic Strategies, Food Resource Allocation, and Intrahousehold Patterns of Dietary Intake in Rural Mexico', *Ecology of Food and Nutrition* 25(2), 123-145.

Kaiser, L.L. and Dewey, K.G. (1991b), 'Migration, Cash Cropping and Subsistence Agriculture: Relationships to Household Food Expenditures in Rural Mexico', *Social Science and Medicine* 33(10), 1113-1126.

Kauffman, R.G., Sybesma, W. and Eikelenboom, G. (1990), 'In Search of Quality', *Canadian Institute of Food Science and Technology Journal* 23(4/5), 160-164.

Kaufman, P. (1990), 'Supermarket Prices and Price Differences', *National Food Review* 13(4), 20-23.

Kaynak, E. (ed.)(1990), *Sociopolitical Aspects of International Marketing*, Haworth Press, New York.

Kedia, B.L. and Chhokar, J. (1985), 'The Impact of Managerial Attitudes on Export Behavior', *American Journal of Small Business* 9(3), 7-17.

Kinsey, J.D. (1992), 'Seven Trends Driving U.S. Food Demands', *CHOICES*, Third Quarter, 26-28.

Kirton, A.H. (1989), 'Principles of Classification and Grading', in Purchas, R.W., Butler-Hogg, B.W. and Davies, A.S. (eds.), Meat Production and Processing, *Occasional Publication No. 11*, New Zealand Society of Animal Production, Hamilton, New Zealand.

Knickerbocker, F.T. (1973), *Oligopolistic Reaction and Multinational Enterprise*, Harvard Business School, Boston.

Kohls, R.L. and Uhl, J.N. (1990), *Marketing of Agricultural Products*, Seventh edition, Macmillan Publishing, New York.

Kotler, P. (1991), *Marketing Management: Analysis, Planning, Implementation, and Control*, Seventh edition, Prentice-Hall, Englewood Cliffs, New Jersey.

Kotler, P. and Armstrong, G. (1991), *Principles of Marketing*, Fifth edition, Prentice Hall, Englewood Cliffs, New Jersey.

Krugman, P.R. and Obstfeld, M. (1991), *International Economics: Theory and Policy*, Second edition, HarperCollins Publishers, New York.

Lenz, R.T. (1981), 'Determinants of Organizational Performance: An Interdisciplinary Review', *Strategic Management Journal* 2, 131-154.

Levin, R.I. and Rubin, D.S. (1991), *Statistics for Management*, Fifth edition, Prentice Hall, Englewood Cliffs, New Jersey.

Lipton, K.L. (1991), 'Agriculture, Trade, and the GATT: A Glossary of Terms', Economic Research Service, U.S. Department of Agriculture, *Agriculture Information Bulletin No. 625*, Washington, D.C.

Lipton, K.L. and Manchester, A.C. (1992), 'From Farming to Food Service: The Food and Fiber System's Links with the U.S. and World Economies', *Agriculture Information Bulletin No. 640*, Economic Research Service, U.S. Department of Agriculture, Washington, D.C.

Lockhart, D.C. (ed.)(1984), *Making Effective Use of Mail Questionnaires*, Jossey-Bass Publishers, San Francisco.

Madsen, T.K. (1989), 'Successful Export Marketing Management: Some Empirical Evidence', *International Marketing Review* 6(4), 41-57.

Malekzadeh, A.R. and Nahavandi, A. (1985), 'Small Business Exporting: Misconceptions are Abundant', *American Journal of Small Business* 9(4), 7-17.

Manchester, A. (1991), 'U.S. Food Spending and Income: Changes Through the Years', *Agriculture Information Bulletin No. 618*, Economic Research Service, U.S. Department of Agriculture, Washington, D.C.

Manchester, A. (1992), 'Surveying the American Foodscape', *Agricultural Outlook AO-188*, Economic Research Service, U.S. Department of Agriculture, Washington, D.C., August.

Martin, L., Westgren, R. and van Duren, E. (1991), 'Agribusiness Competitiveness Across National Boundaries', *American Journal of Agricultural Economics* 73(5), 1456-1464.

Maughan, C.W. (1980), 'Delicensing a Stimulus to Change', *4Quarter: A Quarterly Magazine for the Meat Industry* 2(1), 18-20.

McConnell, J.E. (1979), 'The Export Decision: An Empirical Study of Firm Behaviour', *Economic Geography* 55(3), 171-183.

McGuiness, N.W. and Little, B. (1981), 'The Influence of Product Characteristics on the Export Behavior of New Industrial Products', *Journal of Marketing* 45 (Spring), 110-122.

Meat and Livestock Commission (MLC)(1993), *International Meat Market Review*, Issue No. 13, Milton Keynes, United Kingdom, June.

Mendenhall, W., Reinmuth, J.E. and Beaver, R. (1989), *Statistics for Management and Economics*, Sixth edition, PWS-Kent Publishing, Boston.

Miesenbock, K.J. (1988), 'Small Business and Exporting: A Literature Review', *International Small Business Journal* 6(2), 42-61.

Miller, D. and Friesen, P.H. (1983), 'Strategy-Making and Environment: The Third Link', *Strategic Management Journal* 4, 221-235.

Moschini, G. and Meilke, K.D. (1989), 'Modeling the Pattern of Structural Change in U.S. Meat Demand', *American Journal of Agricultural Economics* 71(2), 253-261.

National Research Council (1988), *Designing Foods: Animal Product Options in the Marketplace*, National Academy Press, Washington, D.C.

Nelson, C.A. (1990), *Global Success: International Business Tactics for the 1990s*, Liberty Hall Press, Blue Ridge Summit, Pennsylvania.

New Zealand Department of Statistics (NZDS)(1993a), *Key Statistics*, Wellington, August, and previous issues.

New Zealand Department of Statistics (NZDS)(1993b), *New Zealand Official Yearbook 1993*, 96th edition, Wellington, and previous issues.

New Zealand Meat Producers Board (NZMPB)(1992), *Annual Report 1992*, NZMPB, Wellington, New Zealand, and previous issues.

New Zealand Meat Producers Board (NZMPB)(1993a), *Strategic Plan 1993-2000*, Wellington, New Zealand.

New Zealand Meat Producers Board (NZMPB)(1993b), 'Canada Considers Restrictions', *Meat Board News*, mbn 93/11, Wellington, New Zealand, June 10.

New Zealand Meat Producers Board (NZMPB)(1993c), 'Tradeable Rights for Quota Markets', *Meat Board News*, mbn 93/16, Wellington, New Zealand, August 19.

New Zealand Meat & Wool Boards' Economic Service (1992a), *Annual Review of the New Zealand Sheep and Beef Industry 1991-92*, Wellington, August, and previous issues.

New Zealand Meat & Wool Boards' Economic Service (1992b), 'Sheep and Beef Industry Mid-Season Review', *Paper No. C436*, Wellington, December.

Ogram, E.W., Jr. (1982), 'Exporters and Non-Exporters: A Profile of Small Manufacturing Firms in Georgia', in Czinkota, M.R. and Tesar, G. (eds.), *Export Management: An International Context*, Praeger Publishers, New York, pp. 75-84.

Onkvisit, S. and Shaw, J.J. (1990), *International Marketing: Analysis and Strategy*, Macmillan Publishing, New York.

Oppenheim, A.N. (1992), *Questionnaire Design, Interviewing and Attitude Measurement*, Pinter Publishers, London.

Organisation for Economic Co-Operation and Development (OECD)(1992a), *Agricultural Policies, Markets and Trade: Monitoring and Outlook 1992*, Paris.

Organisation for Economic Co-Operation and Development (OECD)(1992b), *OECD Economic Surveys - Canada*, Paris.

Organisation for Economic Co-Operation and Development (OECD)(1992c), *OECD Economic Surveys - Mexico*, Paris.

Organisation for Economic Co-Operation and Development (OECD)(1992d), *OECD Economic Surveys - United States*, Paris.

Organisation for Economic Co-Operation and Development (OECD)(1993a), *Obstacles to Trade and Competition*, Paris.

Organisation for Economic Co-Operation and Development (OECD)(1993b), *OECD Economic Outlook*, Paris, July, and previous issues.

O'Rourke, A.D. (1985), 'Differences in Exporting Practices, Attitudes and Problems by Size of Firm', *American Journal of Small Business* 9(3), 25-29.

Ortiz-BuonaFina, M. (1985), 'Profiling Exporters and Non-Exporters of Services: An Exploratory Investigation', *Akron Business and Economic Review* 16(3), 26-51.

Paliwoda, S.J. (1993), *International Marketing*, Second edition, Butterworth-Heinemann Ltd, Oxford.

Pappas Carter Evans and Koop (1985), *Cost-Competitiveness in Export Meat Processing*, Meat Industry Council of New Zealand, Wellington.

Perlmutter, H. (1969), 'The Tortuous Evolution of the Multinational Corporation', *Columbia Journal of World Business* 4(1), 9-18.

Piercy, N. (1981), 'Company Internationalisation: Active or Reactive Exporting', *European Journal of Marketing* 15(3), 26-40.

Piggott, N.E. and Wright, V.E. (1992), 'From Consumer Choice Process To Aggregate Analysis: Marketing Insights for Models of Meat Demand', *Australian Journal of Agricultural Economics* 36(3), 233-248.

Porter, M.E. (1980), *Competitive Strategy: Techniques for Analyzing Industries and Competitors*, Free Press, New York.

Porter, M.E. (1985), *Competitive Advantage: Creating and Sustaining Superior Performance*, Free Press, New York.

Porter, M.E. (ed.)(1986), *Competition in Global Industries*, Harvard Business School Press, Boston.

Porter, M.E. (1992), 'Changing Patterns of International Competition', in Root, F.R. and Visudtibhan, K. (eds.), *International Strategic Management: Challenges and Opportunities*, Taylor & Francis, Washington, D.C., pp. 61-85.

Putnam, J.J. (1990), 'Food Consumption', *National Food Review* 13(3), 1-8.

Putnam, J.J. and Allshouse, J.E. (1992), *Food Consumption, Prices, and Expenditures, 1970-90*, Economic Research Service, U.S. Department of Agriculture, Washington, D.C.

Rabino, S. (1980), 'An Examination of Barriers to Exporting Encountered by Small Manufacturing Companies', *Management International Review* 20(1), 67-73.

Rama, R. (1992), *Investing in Food*, Organization for Economic Co-Operation and Development, Paris.

Reid, S.D. (1981), 'The Decision-Maker and Export Entry and Expansion', *Journal of International Business Studies* 12(2), 101-112.

Reid, S.D. (1983), 'Managerial and Firm Influences on Export Behavior', *Journal of the Academy of Marketing Science* 11(3), 323-332.

Reid, S.D. (1984), 'Information Acquisition and Export Entry Decision in Small Firms', *Journal of Business Research* 12, 141-157.

Richardson, J.D. (1993), *Sizing Up U.S. Export Disincentives*, Institute for International Economics, Washington, D.C.

Robock, S.H. and Simmonds, K. (1989), *International Business and Multinational Enterprises*, Fourth edition, Irwin, Homewood, Illinois.

Root, F.R. (1987), *Foreign Market Entry Strategies*, AMACOM, New York.

Roth, K., Schweiger, D.M. and Morrison, A.J. (1991), 'Global Strategy Implementation at the Business Unit Level: Operational Capabilities and Administrative Mechanisms', *Journal of International Business Studies* 22(3), 369-402.

Ross, C.A. (1989), 'Exporters and Non-Exporters of Manufactured Products: The Case of Jamaica', *Journal of Global Marketing* 3(2), 77-103.

Rossi, P.H., Wright, J.D. and Anderson, A.B. (1983), *Handbook of Survey Research*, Academic Press, Orlando, Florida.

Samuels, J., Greenfield, S. and Mpuku, H. (1992), 'Exporting and the Smaller Firm', *International Small Business Journal* 10(2), 25-36.

Sandrey, R.A. (1992), 'Economic Reforms and New Zealand Agriculture', in Coyle, W.T., Hayes, D. and Yamauchi, H. (eds.), *Agriculture and Trade in the Pacific: Toward the Twenty-First Century*, Westview Press, Boulder, Colorado.

Savage, J. and Bollard, A. (eds.)(1990), *Turning it Around: Closure and Revitalization in New Zealand Industry*, Oxford University Press, Oxford.

Schlegelmilch, B.B. (1986), 'Can Export Performance be Explained by Attitudinal Differences?', *Managerial and Decision Economics* 7, 249-254.

Schlegelmilch, B.B. and Crook, J.N. (1988), 'Firm-Level Determinants of Export Intensity', *Managerial and Decision Economics* 9, 291-300.

Schmittroth, L. (ed.)(1991), *Statistical Record of Women Worldwide*, Gale Research Inc., Detroit, Michigan.

Schnaars, S.P. (1991), *Marketing Strategy: A Customer-Driven Approach*, Free Press, New York.

Seifert, B. and Ford, J. (1989), 'Are Exporting Firms Modifying Their Product, Pricing and Promotion Policies?', *International Marketing Review* 6(6), 53-68.

Sekaran, U. (1992), *Research Methods for Business: A Skill-Building Approach*, Second edition, John Wiley & Sons, New York.

Selvarajah, C.T. and Cutbush-Sabine, K. (eds.)(1991), *International Business*, Longman Cheshire, Melbourne.

Senauer, B. (1990), 'Major Consumer Trends Affecting the U.S. Food System', *Journal of Agricultural Economics* 41(3), 422-430.

Senauer, B., Asp, E. and Kinsey, J. (1991), *Food Trends and the Changing Consumer*, Eagan Press, St. Paul, Minnesota.

Shagam, S. and Bailey, L. (1992), 'Global Meat Consumption and Trade', *Agricultural Outlook AO-184*, Economic Research Service, U.S. Department of Agriculture, Washington, D.C., April.

Sheth, J.N. (1992), 'Emerging Marketing Strategies in a Changing Macroeconomic Environment: A Commentary', *International Marketing Review* 9(1), 57-63.

Snedecor, G.W. and Cochran, W.G. (1980), *Statistical Methods*, Seventh edition, Iowa State University Press, Ames, Iowa.

Sriram, V., Neelankavil, J. and Moore, R. (1989), 'Export Policy and Strategy Implications for Small-to-Medium Sized Firms', *Journal of Global Marketing* 3(2), 43-60.

Statistics Canada (1992), *Canada Yearbook 1992*, Ottawa, Canada, and previous issues.

Statistics Canada (1993), *Livestock and Animal Products Statistics*, No. 23-203, Ottawa, Canada, and previous issues.

Statistics Package for Social Sciences (*SPSS/PC+*)(1992), Version 5.0, SPSS Inc., Chicago.

Stichter, S. and Parpart, J.L. (eds.)(1990), *Women, Employment and the Family in the International Division of Labour*, Temple University Press, Philadelphia.

Stobaugh, R.B. Jr. (1969), 'How to Analyze Foreign Investment Climates', *Harvard Business Review*, September-October, 100-108.

Storey, L. (1992), 'Changing Export Markets for New Zealand Sheepmeat: 1983-1991', *Research Report No. 217*, Agribusiness and Economics Research Unit, Lincoln University, Canterbury, New Zealand.

Suzman, C.L. and Wortzel, L.H. (1984), 'Technology Profiles and Export Marketing Strategies', *Journal of Business Research* 12(2), 183-194.

Terpstra, V. and Sarathy, R. (1991), *International Marketing*, Fifth edition, Dryden Press, Chicago.

Thomas, M.J. and Araujo, L. (1985), 'Theories of Export Behaviour: A Critical Analysis', *European Journal of Marketing* 19(2), 42-52.

Tookey, D.A. (1964), 'Factors Associated with Success in Exporting', *Journal of Management Studies*, March, 48-66.

Toyne, B. and Walters, P.G.P. (1989), *Global Marketing Management: A Strategic Perspective*, Allyn & Bacon, Boston.

TRADENZ (1992), *New Zealand in the Global Marketplace: A Strategic Overview and Corporate Plan*, New Zealand Trade Development Board, Wellington.

Traub, L. (1992), 'Per Capita Food Expenditures Declining Around the World', *Food Review* 15(1), 19-22.

United Nations (1992), *World Economic Survey 1992: Current Trends and Policies in the World Economy*, New York.

United States Bureau of the Census (USBC)(1992), *Statistical Abstract of the United States 1992*, 112th edition, U.S. Department of Commerce, Washington, D.C., and previous issues.

United States Department of Agriculture (USDA)(1992a), *Agricultural Statistics 1992*, U.S. Government Printing Office, Washington, D.C., and previous issues.

United States Department of Agriculture (USDA)(1992b), 'Food Marketing Review, 1991', *Agricultural Economic Report No. 657*, Economic Research Service, Washington, D.C., and previous issues.

United States Department of Agriculture (USDA)(1992c), *Foreign Countries and Plants Certified to Export Meat and Poultry to the United States, Report of the Secretary of Agriculture to the U.S. Congress*, Food Safety Inspection Service, Washington, D.C.

United States Department of Agriculture (USDA)(1993a), *Agricultural Outlook*, Economic Research Service, Washington, D.C., April, and previous issues.

United States Department of Agriculture (USDA)(1993b), *Dairy, Livestock and Poultry: World Livestock Situation*, Foreign Agricultural Service, Washington, D.C., April, and previous issues.

United States International Trade Commission (USITC)(1992), 'Economy-Wide Modelling of the Economic Implications of a FTA with Mexico and a NAFTA with Canada and Mexico', *Preliminary Report on Investigation No. 332-317 Under Section 332 of the Tariff Act of 1930*, Washington, D.C.

Vanston, N. (1993), 'What Price Regional Integration?', *The OECD OBSERVER* 181 (April/May), 4-7.

Veeman, M.D. (1979), 'New Zealand Marketing Boards', in Hoos, S. (ed.), *Agricultural Marketing Boards -- An International Perspective*, Ballinger Publishing, Cambridge, Massachusetts.

Walters, C.G. and Bergiel, B.J. (1989), *Consumer Behavior: A Decision-Making Approach*, South-Western Publishing Co., Cincinnati, Ohio.

Waslien, C.I. (1988), 'Factors Influencing Food Selection in the American Diet', *Advances in Food Research* 32, 239-269.

Weaver, M. and Pak, J. (1990), 'Export Behaviour and Attitudes of Small-and Medium-Sized Korean Manufacturing Firms', *International Small Business Journal* 8(4), 59-70.

Weintraub, S. (1991), 'Free Trade in North America: Has its Time Come?', *The World Economy* 14(1), 57-66.

Whiteford, S. and Ferguson, A.E. (eds.)(1991), *Harvest of Want: Hunger and Food Security in Central America and Mexico*, Westview Press, Boulder, Colorado.

Wiedersheim-Paul, F., Olson, H.C. and Welch, L.S. (1978), 'Pre-Export Activity: The First Step in Internationalization', *Journal of International Business Studies* 9(1), 47-58.

Wilhrich, H. and Koontz, H. (1993), *Management: A Global Perspective*, Tenth edition, McGraw-Hill, New York.

Williams, G.W. and Rosson, C.P. III (1992), 'Agriculture and the North American Free Trade Agreement', *CHOICES: The Magazine of Food, Farm, and Resource Issues* (Fourth Quarter), 16-19.

Williams, R. (1990), 'An Overview of the U.S. and Canadian Food Distribution Systems', *Food Market Commentary* 12(3), 15-22.

Wiseman, F. and Billington, M. (1984), 'Comment on a Standard Definition of Response Rate', *Journal of Marketing Research* 21, August, 336-338.

Woods, R. (1988), *The Role of the Producer Boards*, Economic Development Commission, Wellington, New Zealand, July.

Woods, R. (1989), *The History and Role of Producer Marketing Boards in New Zealand*, Economic Development Commission, Wellington, New Zealand.

World Bank (1993), *World Development Report 1993*, Washington, D.C., and previous issues.

Yu, J. and Cooper, H. (1983), 'Quantitative Review of Research Design Effects on Response Rates to Questionnaires', *Journal of Marketing Research* 20 (February), 36-44.

Zwart, T. and Moore, W. (1990), 'Marketing and Processing', in Sandrey, R. and Reynolds, R. (eds.), *Farming Without Subsidies: New Zealand's Recent Experience*, Government Printing Office, Wellington, New Zealand.

GLOSSARY[5]

[5]Most of the definitions provided here were directly obtained from Kohls and Uhl (1990), Kotler and Armstrong (1991), Lipton (1991), Nelson (1990), and Wilhrich and Koontz (1993).

Ad valorem tariff - A governmental tax on *imports* assessed as a percentage of the value of the goods cleared through *customs*. For example, 10 percent ad valorem means the tariff is 10 percent of the value of the goods.

Advertising - Any paid form of nonpersonal presentation and promotion of ideas, goods, or services by an identified sponsor.

Agribusiness - The sum total of all institutions, firms, and activities involved in the commercial production and marketing of food.

Attitude - A person's consistently favourable or unfavourable evaluations, feelings, and tendencies toward an object or idea.

Away-from-home food market - The market where consumers buy food for consumption away from home; includes restaurants, cafeterias, hotels, and other food service operations.

Balance of payments - A statement of economic transactions showing the relative difference between the inflow and outflow of goods, services, and capital claims and liabilities between a country and its trading partners.

Balance of trade - The difference between the value of goods that a nation *exports* and the value of the goods it *imports*.

Bilateral trade agreement - A formal or informal agreement involving commerce between two countries. The agreement may be either preferential, applying only to the two countries involved, or *most-favoured-nation*, negotiated between the two countries but extending to all or most other countries.

Bound rates - Tariff rates resulting from the *General Agreement on Tariffs and Trade (GATT)* negotiations or accessions that are incorporated as part of a country's schedule of concessions.

Brand - A name, term, sign, symbol or design, or a combination of these intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors.

Chain stores - Two or more outlets that are commonly owned and controlled, have central buying and merchandising, and sell similar lines of merchandise.

Commodity - Broadly defined, any article exchanged in trade, but most commonly used to refer to raw materials, including bulk-produced agricultural products. An undifferentiated product such as pork, milk and wheat.

Comparative advantage - A central concept in international trade theory that holds that a country or a region should specialise in the production and export of those goods and services that it can produce relatively more efficiently than other goods and services, and import those goods and services in which it has a comparative disadvantage. This theory was first propounded by David Ricardo in 1817.

Competitive advantage - An advantage over competitors gained by offering consumers greater value -- either through lower prices or by providing more benefits that justify higher prices.

Competitive strategies - Strategies that strongly position the company against competitors and that give the company the strongest possible strategic advantage.

Consumer - The ultimate buyer and user of food products or services.

Consumer goods - Those bought by final consumers for personal consumption.

Consumer market - All the individuals and households who buy or acquire goods and services for personal consumption.

Consumer-oriented marketing - A principle of enlightened marketing which holds that a business enterprise should view and organise its marketing activities from the consumers' point of view.

Consumer-oriented products - Food products that are fundamentally end-use products that require little or no additional processing for consumption. These food items are also frequently referred to as consumer-ready products.

Consumption pattern - The set of products that consumers purchase, as well as the processes by which these products are purchased and prepared for use.

Convenience food - A product that reduces the time, effort, or ingredients required of the consumer in home preparation.

Countervailing duty (CVD) - An additional levy imposed on imported goods to offset subsidies provided to producers or exporters by the government of the exporting country.

Cultural environment - Institutions and other forces that affect society's basic values, perceptions, preferences and behaviours.

Culture - The set of basic values, perceptions, wants and behaviours learned by a member of society from family and other important institutions.

Customs - A country's governmental agency authorised to collect tariffs or duties on imported and, less commonly, exported goods.

Decision making - The selection of a course of action from among alternatives; a rational selection of a course of action.

Demand - A series of price and quantity relationships showing how much consumers are willing and able to buy at various prices.

Demand curve - A curve that projects the number of units the market will buy in a given time period at different prices that might be charged.

Derived demand - Organisational demand that ultimately comes from (derives from) the demand for consumer goods.

Devaluation - The lowering of the value of a national currency in terms of the currency of another nation.

Differentiated products - Products that, in the eyes of consumers, have significant differences, because of either price, quality, advertising or other characteristics.

Dispute settlement - Resolution of conflict, usually through a compromise between opposing claims, sometimes facilitated through the efforts of an intermediary. Procedures detailed in the GATT for legal redress in cases of violation, nullification, or impairment of trade benefits.

Distribution channel (marketing channel) - A set of interdependent organisations involved in the process of making a product or services available for use or consumption by the consumer or industrial user.

Diversification - A strategy for company growth by starting up or acquiring businesses outside the company's current products or markets. Performing more than one unrelated market activity.

Exchange rate - The number of units of one currency that can be exchanged for one unit of another currency at a given time.

Exporting - Entering a foreign market by exporting products and selling them through international marketing intermediaries (indirect exporting) or through a company's own department, branch, or sales representatives or agents (direct exporting).

Exports - Domestically produced goods and services that are sold abroad.

Export subsidies - Special incentives, such as cash payments, tax exemptions, preferential exchange rates, and special contracts, extended by governments to encourage increased foreign sales.

Fast-food industry - The restaurant segment of the away-from-home food market that emphasizes standardised menus, rapid service and minimum table service.

F.O.B. (free-on-board) - The current market value of goods in the country of origin, including all costs necessary to get them on board the ship or aircraft, but excluding freight, insurance and other costs involved in transporting goods between countries.

Food at home - Foods and beverages eaten at home -- including food brought into the home but later consumed away from home.

Food marketing system - The collection of product channels, middlemen, and business activities involved in the physical and economic transfer of food from producers to consumers.

Food quality - A multicomponent measure of the extent to which the units of a product, which a seller is willing and able to offer at a price, consistently meet the requirements and expectations of the group of buyers willing and able to buy that product at that price.

Food share of income - The percentage of consumers' income (usually after-tax income) used for the purchase of food.

Free trade - A theoretical concept that assumes international trade unhampered by government measures such as tariffs or non-tariff barriers.

Free trade area (agreement) - A cooperative arrangement by a group of nations to eliminate trade barriers among members.

Further processing - Adding value to a commodity by changing its form utility; for example, trimming and cutting meat products into parts for added convenience.

General Agreement on Tariffs and Trade (GATT) - An agreement, originally negotiated in Geneva, Switzerland, in 1947, to increase international trade by reducing tariffs and other trade barriers. This multilateral agreement provides codes of conduct for international commerce.

Gross domestic product (GDP) - A measure of the market value of goods and services produced by the labour and property of a nation. GDP excludes receipts from that nation's business operations in foreign countries and the share of reinvested earnings in foreign affiliates or domestic corporations.

Gross national product (GNP) - A measure of the market value of goods and services produced by the labour and property of a nation. Includes receipts from the nation's business operations in foreign countries, as well as the share of reinvested earnings in foreign affiliates of domestic corporations.

HRI market - The hotel, restaurant and institutional market for food.

Import barriers - Quotas, tariffs and embargoes used by a country to restrict the quantity or value of a good that may enter that country.

Import quota - The maximum quantity or value of a commodity allowed to enter a country during a specified time period. A quota may apply to amounts of a commodity from specific countries.

Imports - The quantity or value of goods legally entering a nation.

Industry - The set of sellers of a product. A group of firms which offer a product or class of products that are close substitutes for each other.

Inelastic demand - Total demand for a product that is not much affected by price changes, especially in the short run.

Inflation - A persistent and general rise in the price level that reduces consumers' purchasing power.

International trade barriers - Regulations imposed by governments to restrict imports from, and exports to, other countries. Tariffs, embargoes, import quotas, and unnecessary sanitary restrictions are examples of such barriers.

Lamb - Young sheep, male or female, under 12 months of age or which do not have any permanent incisor teeth in wear.

Macroeconomic - Dealing with the general economy as a whole.

Macroenvironment - The larger societal forces that affect the whole microenvironment -- demographic, economic, natural, technological, political and cultural forces.

Market - A group of current or potential consumers with similar unmet needs and purchasing power.

Market access - The extent to which a country permits imports.

Market development - Marketing activities and efforts designed to enhance the value of food products to consumers and in the process expand sales and profits.

Market penetration - A strategy for company growth by increasing sales of current products to current market segments without changing the product in any way.

Market performance - The economic results that market participants and society expect from the food marketing system.

Market potential - The total level of sales possible in a target market for all firms.

Market segmentation - Dividing a market into distinct groups of buyers who might require separate products or marketing mixes. The process of classifying customers into groups with different needs, characteristics or behaviour.

Market share - The percentage of total sales from the target market achieved by a single firm.

Market structure - The environmental characteristics of an industry that influence the behaviour of firms in the marketplace: includes size and number of firms, product differentiation, and barriers to firm entry.

Marketing - The performance of all business activities involved in the flow of food products and services from the point of initial agricultural production until they are in the hands of consumers; a value-adding process that adds time, form, place and possession utility to farm commodities.

Marketing channels - Alternative routes of product flows from producers to consumers.

Marketing environment - The actors and forces outside marketing that affect marketing management's ability to develop and maintain successful transactions with its target customers.

Marketing mix - The set of controllable marketing variables that the firm blends to produce the response it wants in the target market. The unique way in which a firm or industry combines its price, promotion, product and distribution channel strategies to appeal to consumers.

Marketing strategy - The marketing logic by which the business unit hopes to achieve its marketing objectives. Marketing strategy consists of specific strategies for target markets, marketing mix, and marketing expenditure level.

Meat - The edible part of the skeletal muscle of an animal.

Microenvironment - The forces close to the business enterprise that affect its ability to serve its customers -- the company, market channel firms, customer markets, competitors and publics.

Multilateral agreement - An international compact in which three or more parties participate.

Multilateral trade negotiations (MTN) - In general, discussions of trade issues involving three or more countries. An example is the GATT which serves as a forum for intergovernmental tariff negotiations.

Mutton - A female (ewe) or castrated male (wether) sheep having more than two permanent incisors in wear.

Nontariff trade barriers - Regulations, other than traditional customs duties, used by governments to restrict imports from, and exports to, other countries. Embargoes, import quotas, licensing, variable levies, state trading, and unnecessary or excessive labelling, health and sanitary standards are examples of nontariff trade barriers.

Organisation structure - A structure which breaks up the company's work into specialised jobs, assigns these jobs to people and departments, then coordinates the jobs by defining formal ties between people and departments and by setting lines of authority and communication.

Packaging - The activities of designing and producing the container or wrapper for a product.

Per capita food consumption - The average quantity of food eaten per person within a time period, usually a year; calculated by dividing the total food available for consumption by the population.

Perception - The process by which people select, organise and interpret information to form a meaningful picture of the world.

Planning - Selecting missions and objectives -- and the strategies, policies, programmes, and procedures for achieving them; the selection of a course of action from among alternatives.

Political environment - Laws, government agencies and pressure groups that influence and limit various organisations and individuals in a given society.

Price - The amount of money charged for a product or service, or the sum of the values consumers exchange for the benefits of having or using the product or service.

Price elasticity - A measure of the sensitivity of demand to changes in price.

Primary data - Information collected for the specific purpose at hand.

Procedures - Plans that establish a required method of handling future activities; chronological sequences of required actions.

Processing - The conversion of products to different forms.

Product - Anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need. It includes physical objects, services, persons, places, organisations and ideas.

Product development - a strategy for company growth by offering modified or new products to current market segments.

Product life cycle - The course of a product's sales and profits during its lifetime. It involves five distinct stages: product development, introduction, growth, maturity and decline.

Product mix - The set of products included in a firm's product line.

Product position - The way the product is defined by consumers on important attributes; the place the product occupies in consumers' minds relative to competing products.

Product quality - The ability of a product to perform its functions; it includes the product's overall durability, reliability, precision, ease of preparation and other valued attributes.

Profit - The surplus of sales dollars over expense dollars.

Promotion mix - The specific mix of advertising, personal selling, sales promotion, and public relations a firm uses to pursue its advertising and marketing objectives.

Protectionism - A tariff, subsidy, or nontariff trade barrier, for example, imposed by a country in response to foreign competition, in order to protect domestic producers.

Purchase decision - The stage of the buyer decision process in which the consumer actually buys the product.

Quota - A limit on the amount of goods that an importing country will accept in certain product categories; it is designed to protect local (domestic) industry and employment.

Sanitary regulations - Any regulations that protect human and animal health from risks arising from additives, contaminants, toxins, diseases and pests in or on agricultural products, beverages or feedstuffs.

Social classes - Relatively permanent and ordered divisions in a society whose members share similar values, interests and behaviours.

Social responsiveness - The ability of a firm to relate policies and operations to the environment that are beneficial to both the organisation and the general public.

Strategy - The determination of the purpose (or mission) and the basic long-term objectives of an enterprise, and the adoption of courses of action and allocation of resources necessary to achieve these aims.

Subsidy - A direct or indirect benefit granted by a government for the production or distribution (including export) of a good -- usually granted for activities considered to be in the public interest.

Substitute products - Products that, in the eyes of buyers, have some characteristics and utilities in common.

Supermarkets - Large, low-cost, high-volume, self-service stores that carry a wide variety of food and household products.

Supply - A schedule indicating the quantity of product that producers are willing to produce and sell at alternative price levels.

Target market - A set of buyers sharing common needs or characteristics that the firm decides to serve.

Tariff - A duty (or tax), levied by a government against certain imported products, which is designed to raise revenue or protect domestic firms and producers. A tariff may be either a fixed charge per unit of product imported (*specific tariff*) or a fixed percentage of value *ad valorem tariff*).

Technical barrier to trade - A specification which sets forth characteristics a product must meet in order to be imported. These characteristics include levels of quality, performance or safety.

Terms of trade - The volume of exports that can be traded for a given volume of imports.

Trade barriers - Regulations used by governments to restrict imports from, and exports to, other countries. Examples include tariffs, nontariff barriers, embargoes and import quotas.

Uruguay Round - The most recent round of multilateral trade negotiations conducted under the GATT. The talks were launched in September 1986 in Punta del Este, Uruguay, although actual negotiations were conducted in Geneva, Switzerland.

Value added - Increasing the value of a good by further processing.

Veal - Cattle up to 14 months of age (i.e., maiden females, castrated males and entire males) which are not showing masculine characteristics. Typically, veal meat is finely-textured and pinkish in colour.

Voluntary export agreement - An agreement between trading partners in which the exporting nation, in order to reduce trade friction, agrees to limit its exports of a particular good. Also commonly called *voluntary restraint agreement.*

APPENDICES

APPENDIX A

[Anticipated time to complete this questionnaire: 15-20 minutes]

CONFIDENTIAL SURVEY QUESTIONNAIRE

NOTE: This questionnaire is organised into several parts. It seeks information regarding firm demographics, managerial perceptions and attitudes, and company export practices. While no proprietary or commercially sensitive information is requested, all responses given will be treated **confidentially**. A code number, not your name, will be used to identify the completed questionnaire. This questionnaire will only be used for the purposes of this study and will be held in the possession of the principal researchers at **all** times. Should you desire a summary of the study's findings, we will be pleased to post it to you.

For further information or enquiries contact:

Daniel B. Waggoner
Department of Agricultural Economics and Business
Massey University
Private Bag
Palmerston North
NEW ZEALAND
(06) 350-5372, Office number
(06) 350-5642, Facsimile number

[Is the person to whom this correspondence was addressed the "*appropriate*" person to answer the questionnaire? If not, would you please give the letter and questionnaire to the person who is best able to respond to the questions and ask him or her to complete the questionnaire for us? *Thank you.*]

Please read the following questions or statements carefully and *circle* the response which you believe is most appropriate.

ATTITUDE TOWARD EXPORTING

Q-1 (X_1) In your opinion, in which particular area has *exporting* benefitted your firm the most? (**Please *circle* only <u>one</u> response**)

1 MINIMIZING FIRM RISK

2 PROFITABILITY

3 UTILISATION OF EXCESS CAPACITY

4 GROWTH OPPORTUNITIES

5 INCREASED SALES

6 DIVERSIFYING POTENTIAL MARKETS

7 OFFSETTING SALES DECLINE IN THE DOMESTIC MARKET

8 OTHER AREA(S) (please specify) _____

_____

Q-2 (X_2) Please indicate which of the following statements **best** describes your firm's handling of *export* marketing in general. (**Please *circle* appropriate response**)

1 **Our domestic sales department handles all export enquiries and activities since we have no formal structure for exporting within the firm currently.**

2 **Our firm has an export department for shipping purposes and possible export opportunities; but, exporting is primarily to make up sales volume that cannot be sold in the domestic market.**

3 **Our firm conducts systematic explorations of the feasibility of expanding our export markets.**

Q-3 (X_3) Generally speaking, which one of the following phrases best describes your firm's current *export* marketing/sales strategy? (**Please *circle* only <u>one</u> response**)

1 MAINTAIN POSITION / PREVENT DECLINE

2 STEADY GROWTH

3 AGGRESSIVE GROWTH

4 DOMINATE MARKET

Q-4 (X_4) Please indicate the degree of importance you attach to the following motive criteria in evaluating the *export* products of your firm. (**Please *circle* corresponding answer**)

	EXTREMELY IMPORTANT	SOMEWHAT IMPORTANT	INDIFFERENT/ NEUTRAL	SOMEWHAT UNIMPORTANT	NOT AT ALL IMPORTANT
(a) *Profit* potential	1	2	3	4	5
(b) *Market share* potential ...	1	2	3	4	5
(c) *Growth rate / Relative productivity*	1	2	3	4	5
(d) *Sales volume / Long-run sales stability*	1	2	3	4	5
(e) *Tax incentives* received ...	1	2	3	4	5
(f) *Product life cycle*	1	2	3	4	5
(g) *Cash flow*	1	2	3	4	5
(h) *Economies of scale* potential	1	2	3	4	5

Q-5 (X_5) How do you perceive the risks of *exporting* relative to the risks involved in *domestic* marketing? (**Please *circle* appropriate response**)

1 MUCH LESS THAN DOMESTIC

2 SOMEWHAT LESS THAN DOMESTIC

3 ABOUT THE SAME AS DOMESTIC

4 SOMEWHAT MORE THAN DOMESTIC

5 MUCH MORE THAN DOMESTIC

Q-6 (X_6) For each critical *export* marketing success factor given below, please indicate the manner in which your firm's current strategies respond to the factor, where 1 = the response is **poor**, 2 = the response is **average**, 3 = the response is **good**, and 4 = the response is **superior**. (**Please *circle* the corresponding response**)

	POOR RESPONSE	AVERAGE RESPONSE	GOOD RESPONSE	SUPERIOR RESPONSE
(a) *Opportunity analysis*	1	2	3	4
(b) *Customer analysis*	1	2	3	4
(c) *Marketing research*	1	2	3	4
(d) *Product planning and development*	1	2	3	4
(e) *Pricing*	1	2	3	4
(f) *Distribution*	1	2	3	4
(g) *Market segmentation*	1	2	3	4
(h) *Selling*	1	2	3	4
(i) *Buying*	1	2	3	4
(j) *Social responsibility*	1	2	3	4

Q-7 (X_7) In your opinion, in which aspect does your firm have the greatest competitive advantage in *export* markets? (**Please *circle* only <u>one</u> response**)

1 **QUALITY AND RELIABILITY**

2 **SERVICE AND SUPPORT**

3 **RANGE OF PRODUCTS**

4 **PRODUCT INNOVATION**

5 **BRAND NAME**

6 **LOW PRICES**

7 **OTHER(pleasespecify)**_____

_____

ATTITUDE TOWARD THE NORTH AMERICAN MARKET

<u>NOTE</u>: As used here, the *North American* market includes the United States, Canada and Mexico.

Q-8 (X_8) Does your firm currently *export* to ***North America*** (i.e. Mexico, Canada or the United States)? (**Please *circle* appropriate response**)

1 **YES**

2 **NO**

If your response is "**NO**", please proceed to question **Q-10**.

Q-9 (X_9) Please indicate the degree to which you are currently satisfied with your firm's performance within the ***North American*** marketplace. (**Please *circle* corresponding answer**)

	EXTREMELY SATISFIED	SOMEWHAT SATISFIED	UNDECIDED/ INDIFFERENT	SOMEWHAT DISSATISFIED	EXTREMELY DISSATISFIED
(a) *Profit* received	1	2	3	4	5
(b) *Market share* achieved ...	1	2	3	4	5
(c) *Growth rate / Relative productivity* achieved	1	2	3	4	5
(d) *Sales volume* achieved ...	1	2	3	4	5

Q-10 (X_{10}) To what extent are you willing to **modify** each of the following in order to take advantage of *export* opportunities within ***North America***? (**Please *circle* corresponding answer**)

	COMPLETELY UNWILLING	SOMEWHAT UNWILLING	NEUTRAL/ UNDECIDED	SOMEWHAT WILLING	COMPLETELY WILLING
(a) Product design	1	2	3	4	5
(b) Packaging	1	2	3	4	5
(c) Advertising/ Promotion policy	1	2	3	4	5
(d) Pricing / Sales policy	1	2	3	4	5
(e) Distribution channels	1	2	3	4	5
(f) Product brand name	1	2	3	4	5
(g) Product quality	1	2	3	4	5
(h) Export marketing and planning	1	2	3	4	5

Q-11 (X_{11}) In your opinion, what is the principal ***problem*** of merchandising meat *export* products in the ***North American*** marketplace? (**Please *circle* only one response**)

1 **LOW CONSUMER DEMAND**

2 **SELLING ON PRICE RATHER THAN VALUE**

3 **LACK OF CONSUMER KNOWLEDGE / CONSUMER COMMUNICATION**

4 **HIGH COST OF PROMOTION AND ADVERTISING**

5 **DEVELOPMENT OF BRAND NAME IS EXPENSIVE**

6 **COMPETITION FOR RETAIL SHELF (MEAT CASE) SPACE**

7 **GOVERNMENT IMPOSED RESTRICTIONS AND REQUIREMENTS / PAPERWORK / NONTARIFF BARRIERS**

8 **LOW RETURN ON INVESTMENT**

9 **SHELF LIFE / INCONSISTENT QUALITY**

10 **RETAILER'S MARKET ATTITUDE**

11 **TRANSPORTATION / DISTRIBUTION COST**

12 **OTHER (please specify)** _____

_____

13 **NO REAL PROBLEM(S) EXIST**

Q-12 (X_{12}) In your opinion, what single product characteristic is most likely to have the greatest influence on consumption of meat and meat items in the ***North American*** marketplace? (**Please *circle* only <u>one</u> response**)

1 **DO NOT KNOW / DIFFICULT TO DETERMINE**

2 **PRICE OF THE PRODUCT**

3 **NUTRITIONAL / HEALTH ATTRIBUTES OF THE PRODUCT**

4 **FLAVOUR AND TASTE OF THE PRODUCT**

5 **SERVING / PORTION SIZE**

6 **OTHER CHARACTERISTIC(S) (please specify)** _____

_____

Q-13 (X_{13}) In your opinion, which educational material is the **most** effective in encouraging meat consumption in the ***North American*** marketplace? (**Please *circle* only <u>one</u> response**)

1 **DO NOT KNOW / DIFFICULT TO DETERMINE**

2 **TASTE SAMPLES**

3 **DIET / HEALTH INFORMATION**

4 **COOKING DEMONSTRATIONS / FOOD SHOWS**

5 **PRODUCT PREPARATION INSTRUCTIONS**

6 **RECIPES**

7 **GENERIC ADVERTISING CAMPAIGNS**

8 **OTHER MATERIAL(S) (please specify)** _____

_____

Q-14 (X_{14}) In your opinion, how effective is the Meat Producer's Board (or similar industry-funded organisations) in identifying and supporting meat *export* initiatives and opportunities within ***North America***? (**Please *circle* appropriate response**)

1 **EXTREMELY EFFECTIVE**

2 **SOMEWHAT EFFECTIVE**

3 **NEITHER EFFECTIVE NOR INEFFECTIVE**

4 **SOMEWHAT INEFFECTIVE**

5 **EXTREMELY INEFFECTIVE**

Please indicate your degree of agreement or disagreement with the statements below. *Circle* the corresponding number that best fits your opinion. Remember, there are no right or wrong answers. It is your opinion that is most important.

Q-15 (X_{15}) Selling in the ***North American*** market has helped my firm develop more competitive products to sell domestically. **(Please *circle* your response)**

1 **STRONGLY AGREE**

2 **AGREE**

3 **NEITHER AGREE NOR DISAGREE/UNDECIDED**

4 **DISAGREE**

5 **STRONGLY DISAGREE**

Q-16 (X_{16}) *Exporting* to ***North America*** is just too complicated to become involved with. **(Please *circle* your response)**

1 **STRONGLY AGREE**

2 **AGREE**

3 **NEITHER AGREE NOR DISAGREE/UNDECIDED**

4 **DISAGREE**

5 **STRONGLY DISAGREE**

Q-17 (X_{17}) *Exporting* to ***North America*** is **no** different from doing business domestically. **(Please *circle* your response)**

1 **STRONGLY AGREE**

2 **AGREE**

3 **NEITHER AGREE NOR DISAGREE/UNDECIDED**

4 **DISAGREE**

5 **STRONGLY DISAGREE**

Q-18 (X_{18}) Government and industry sponsored *export training programmes* have helped my firm improve its *exports* to ***North America***. **(Please *circle* your response)**

1 **STRONGLY AGREE**

2 **AGREE**

3 **NEITHER AGREE NOR DISAGREE/UNDECIDED**

4 **DISAGREE**

5 **STRONGLY DISAGREE**

Q-19 (X_{19}) Government agencies and industry organisations supply the information necessary to identify and develop *export* markets -- particularly regarding ***North America***. **(Please *circle* your response)**

1 STRONGLY AGREE

2 AGREE

3 NEITHER AGREE NOR DISAGREE/UNDECIDED

4 DISAGREE

5 STRONGLY DISAGREE

Q-20 (X_{20}) Existing regulations and trade restrictions are major obstacles for *exporting* to ***North America***. **(Please *circle* your response)**

1 STRONGLY AGREE

2 AGREE

3 NEITHER AGREE NOR DISAGREE/UNDECIDED

4 DISAGREE

5 STRONGLY DISAGREE

Q-21 (X_{21}) The government-required paperwork necessary for *exporting* to ***North America*** is overwhelming. **(Please *circle* your response)**

1 STRONGLY AGREE

2 AGREE

3 NEITHER AGREE NOR DISAGREE/UNDECIDED

4 DISAGREE

5 STRONGLY DISAGREE

Q-22 (X_{22}) *Exporting* to ***North America*** is a desirable task for my firm. **(Please *circle* your response)**

1 STRONGLY AGREE

2 AGREE

3 NEITHER AGREE NOR DISAGREE/UNDECIDED

4 DISAGREE

5 STRONGLY DISAGREE

Q-23 (X_{23}) My firm's products are *more* profitable in the ***North American*** market than the domestic market. **(Please *circle* your response)**

1 **STRONGLY AGREE**

2 **AGREE**

3 **NEITHER AGREE NOR DISAGREE/UNDECIDED**

4 **DISAGREE**

5 **STRONGLY DISAGREE**

Q-24 (X_{24}) My firm is likely to introduce **new** product(s) into the ***North American*** market within the next two years. **(Please *circle* your response)**

1 **STRONGLY AGREE**

2 **AGREE**

3 **NEITHER AGREE NOR DISAGREE/UNDECIDED**

4 **DISAGREE**

5 **STRONGLY DISAGREE**

Q-25 (X_{25}) Within the next two years, my firm is likely to increase its proportion of *export* sales to ***North America***. **(Please *circle* your response)**

1 **STRONGLY AGREE**

2 **AGREE**

3 **NEITHER AGREE NOR DISAGREE/UNDECIDED**

4 **DISAGREE**

5 **STRONGLY DISAGREE**

Q-26 (X_{26}) In looking toward the future, there will be an increase in the number of brand-identified, value-added, user friendly meat *export* products that satisfy consumer demands in the ***North American*** marketplace. *Price* will no longer be the driving force of the market. **(Please *circle* your response)**

1 **STRONGLY AGREE**

2 **AGREE**

3 **NEITHER AGREE NOR DISAGREE/UNDECIDED**

4 **DISAGREE**

5 **STRONGLY DISAGREE**

BUSINESS BACKGROUND

Q-27 (X_{27}) *Approximately* how many years has your firm been in operation? **(Please *circle* appropriate response)**

1 **(*LESS* THAN 2 YEARS)**

2 **(2 TO 5 YEARS)**

3 **(6 TO 10 YEARS)**

4 **(11 TO 15 YEARS)**

5 **(16 TO 20 YEARS)**

6 **(*OVER* 20 YEARS)**

Q-28 (X_{28}) *Approximately* how many years has your firm been *exporting* meat products? **(Please *circle* appropriate response)**

1 **(*LESS* THAN 2 YEARS)**

2 **(2 TO 5 YEARS)**

3 **(6 TO 10 YEARS)**

4 **(11 TO 15 YEARS)**

5 **(16 TO 20 YEARS)**

6 **(*OVER* 20 YEARS)**

Q-29 (X_{29}) Including yourself, *approximately* how many people does your firm employ? **(Please *circle* appropriate response)**

1 **(*LESS* THAN 10)**

2 **(10 TO 49)**

3 **(50 TO 99)**

4 **(100 TO 249)**

5 **(250 TO 499)**

6 **(500 TO 1,000)**

7 **(*OVER* 1,000)**

Q-30 (X_{30}) Which one of these broad categories best describes the percentage of your firm's 1992 gross sales earned from meat *export* products? **(Please *circle* appropriate response)**

1 (*LESS* THAN 10%)

2 (10% TO 24%)

3 (25% TO 49%)

4 (50% TO 74%)

5 (75% TO 100%)

Q-31 (X_{31}) Which one of these broad categories best describes the *approximate* annual meat *export* sales **(in U.S. dollars)** for your firm during the 1992 financial year? **(Please *circle* appropriate response)**

1 (*LESS* THAN US$ 1 million)

2 (US$ 1 million TO US$ 9 million)

3 (US$ 10 million TO US$ 24 million)

4 (US$ 25 million TO US$ 49 million)

5 (US$ 50 million TO US$ 99 million)

6 (US$ 100 million TO US$ 250 million)

7 (*OVER* US$ 250 million)

Q-32 (X_{32}) Which one of these broad categories best describes the *approximate* percentage of your firm's total meat *exports* to ***North America*** (i.e. Mexico, Canada and the United States *combined*), during the **1992** financial year? **(Please *circle* appropriate response)**

1 (*NO* NORTH AMERICAN SALES DURING 1992)

2 (*LESS* THAN 10%)

3 (10% TO 24%)

4 (25% TO 49%)

5 (50% TO 74%)

6 (75% TO 100%)

DEMOGRAPHIC INFORMATION

Finally, we would like to ask a few questions about yourself for statistical purposes *only*.

Q-33 (X_{33}) Which category best describes the highest level of education you have completed? (**Please *circle* only one response**)

1 **(NO FORMAL EDUCATION)**

2 **(PRIMARY SCHOOL)**

3 **(SOME SECONDARY/HIGH SCHOOL)**

4 **(SECONDARY/HIGH SCHOOL GRADUATE)**

5 **(POLYTECHNIC OR TRADE SCHOOL GRADUATE)**

6 **(1 TO 2 YEARS OF UNIVERSITY)**

7 **(3 TO 4 YEARS OF UNIVERSITY)**

8 **(POSTGRADUATE UNIVERSITY DEGREE)**

Q-34 (X_{34}) Do you speak other language(s) besides English? (**Please *circle* appropriate response**)

1 **YES**

2 **NO**

If so, which language(s) do you speak? _____

Q-35 (X_{35}) Which one of these broad categories best describes your present age? (**Please *circle* corresponding answer**)

1 **(*LESS* THAN 20 YEARS OF AGE)**

2 **(BETWEEN 20 AND 29 YEARS OF AGE)**

3 **(BETWEEN 30 AND 39 YEARS OF AGE)**

4 **(BETWEEN 40 AND 49 YEARS OF AGE)**

5 **(BETWEEN 50 AND 60 YEARS OF AGE)**

6 **(*OVER* 60 YEARS OF AGE)**

Is there anything else you would like to tell us about your perception of the *export* activity or the *North American* marketing environment in particular. If so, please use the space below for that purpose. Also, any comments you wish to make that you think may help us in future efforts to survey *export* firms will be appreciated, either here or in a separate letter.

NOTE: Please review the information you have provided to ensure it is complete. The success of this survey depends on accurate and complete information.

THANK YOU for your cooperation in this research effort. Would you like to receive a summary of the study's findings? (Please '*tick*' [✓] the appropriate response)

_____YES

_____NO

Would you now place the questionnaire in the enclosed *self-addressed envelope* and return it before 15 April 1993. Your assistance is greatly appreciated!

[_____]

APPENDIX B

18 March 1993

name
title
company
address
city, country

Dear Executive:

Within a week or so, you will receive a survey questionnaire as part of a research study designed to identify and clarify those factors that are instrumental in determining export conduct and success within *North America* -- a key market for Australasia meat export firms. I am writing in advance of the questionnaire mailing because I have found that company executives such as yourself appreciate being advised that a research study is in process, and they have been selected at random to participate.

Your time is extremely valuable and I realise that you probably receive many requests for survey information. With this in mind, the questionnaire you will receive has been made as brief as possible, and can be completed in a short period of time.

The information requested will **not** reflect any material that could be sensitive or proprietary to your organisation. Further, all answers received will be held in **complete confidence** and used only in combination with those of other respondents for statistical analysis purposes.

Your help and that of others being asked to participate in this research effort is essential to the study's success -- and I genuinely appreciate it.

Should you have any queries regarding the survey, please do not hesitate to contact me at (06) 350-5372.

Thank you very much for your time and assistance.

Yours sincerely,

Daniel B. Waggoner

APPENDIX C

25 March 1993

name
title
company
address
city, country

Dear Executive:

The potential effects of a North American Free Trade Agreement (NAFTA) between Canada, Mexico and the United States has created both optimism and scepticism throughout Australasia. Once in place, NAFTA will become the world's largest free trade area -- 25 percent larger in gross domestic product than the European Community with a combined output of approximately US$6 trillion.

Today, Australasia meat export firms enjoy a strong presence in world meat trade. However, one of the major challenges faced by company executives, industry leaders and government policy makers in both New Zealand and Australia involves a determination of the factors that will lead to greater success in export marketing and performance -- particularly within North America.

As a senior corporate executive, you have been selected at random to participate in an extensive survey study designed to increase our understanding of those factors that can account for the varied export performance among meat industry firms. This research effort is funded in part by the New Zealand-United States Educational Foundation and Massey University, with informational assistance provided by the respective meat industry producer boards in both Australia and New Zealand.

Your time is extremely valuable and I realise that you probably receive many requests for survey information. With this in mind, the enclosed questionnaire has been made as brief as possible -- so that you can complete it in a short period of time. As you will see when you read the questionnaire, the information requested does **not** reflect any material that could be sensitive or proprietary to your organisation. If you feel it is appropriate, please forward the questionnaire to the individual in your firm most responsible for export marketing activities.

Let me assure you that **all** of your answers will be held in **complete confidence** and used only in combination with those of other respondents for statistical analysis purposes. To assist you in returning the questionnaire, a self-addressed envelope has been enclosed. If you would, please return the questionnaire by **15 April 1993**.

Given the nature of the random sample procedure, and in order for the findings of this study to be of useful value, your cooperative participation is essential. When the study is completed, I would be pleased to share the results with you. Therefore, please indicate your desire to receive a summary of the report's findings on the last page of the questionnaire.

Thank you very much for your time and assistance.

Yours sincerely,

Daniel B. Waggoner

Enclosure

APPENDIX D

8 April 1993

name
title
company
address
city, country

Dear Executive:

Approximately two weeks ago, you should have received a research questionnaire regarding export decision making and export marketing -- particularly within North America. As a senior corporate official, you were selected at random to participate in the survey.

I realise that many times things become misplaced, or time cannot be immediately found to complete research questionnaires. If you have completed the questionnaire and returned it, I thank you. However, if not, would you please take a few minutes to complete and post it today. Your confidential response is very important to the success of this study.

If by some chance you did not receive the questionnaire, or it has been misplaced, please contact me at facsimile number (06) 350-5642, and I will forward another one to you today.

Thank you again for your cooperation and participation in this research effort.

Yours sincerely,

Daniel B. Waggoner

APPENDIX E

16 April 1993

name
title
company
address
city, country

Dear Executive:

Approximately three weeks ago you should have received a research questionnaire regarding export decision making and export marketing -- particularly within the North American marketplace. As a senior corporate official, you were selected at random to participate in the survey.

The large number of questionnaires returned so far is very encouraging. If you have already completed and forwarded the questionnaire, please accept my sincere thanks for your cooperation and support. If you have not had an opportunity to complete the survey, would you please set aside a few minutes today to assist in the request.

This research project represents one of the most extensive ever undertaken regarding Australasia meat industry firms and their views toward exporting and the North American market. The results should be of particular importance to senior-level executives such as yourself. However, your participation is extremely vital to the accuracy and usefulness of the study's findings.

I have enclosed another copy of the questionnaire along with a self-addressed envelope for your convenience. Once the study is completed, I would be pleased to share the results with you. Therefore, please indicate your desire to receive a summary of the report's findings on the last page of the questionnaire.

Thank you again for your time.

Yours sincerely,

Daniel B. Waggoner

Enclosure