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# **Internationalization in the Face of Export Barriers: a Study of New Zealand's Firms**

Sabina Jaeger

A thesis presented in partial fulfilment of the

Doctor of Philosophy at Massey University, New Zealand

2008

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## Glossary and Abbreviations

CS	Commercially sensitive
GDP	Gross Domestic Product
DIY	“Do it yourself” - a common cultural feature of New Zealanders to attempt to do everything by themselves
EU	European Union
IP	Intellectual Property
IPPC	International Plant Protection Convention. The IPPC is an international treaty to secure action to prevent the spread and introduction of pests of plants and plant products, and to promote appropriate measures for their control. It is governed by the Commission on Phytosanitary Measures (CPM) which adopts International Standards for Phytosanitary Measures (ISPMs).
IT	Information technology. Defined by the Information Technology Association of America (ITAA), is "the study, design, development, implementation, support or management of computer-based information systems, particularly software applications and computer hardware." IT deals with the use of electronic computers and computer software to convert, store, protect, process, transmit and retrieve information, securely.
Kiwi ingenuity	This is the idea that New Zealanders display an ability to solve any problem, often using unconventional means or whatever happens to be lying around.
MAF	Ministry of Agriculture and Forestry, New Zealand
MRI	Maximum Residue Index
MNC	Multi-National Corporation
Number 8 wire mentality	Inventive mentality, which holds that anything can be made or fixed with basic or everyday materials, such as number 8 fencing wire. It is the metaphor for Kiwi ingenuity and enterprise: the ability to achieve or build anything out of a piece of number eight (fencing) wire. New Zealand is renowned as a country populated by highly creative and inventive people. Overseas earnings from innovative ventures are becoming increasingly important as a source of national wealth.
NZTE	New Zealand Trade and Enterprise

OCR	Official Cash Rate. The OCR is the interest rate set by the Reserve Bank of New Zealand to meet the inflation target specified in the Policy Targets Agreement. The OCR was introduced in New Zealand in March 1999 and is reviewed eight times a year by the Bank
OECD	Organisation for Economic Cooperation and Development
OMAR	Overseas Market Access Requirements outline overseas country requirements for animal products exported from New Zealand. OMAR and official assurances are applicable to premises and businesses operating under the Animal Products Act 1999.
R&D	Research and development
RBV	Resource-based view
ROI	Return on investment
Tramlines	Tramlines are parallel lines between crops that allow farmers to drive through their fields to fertilise and spray accurately without causing damage to surrounding plants. The lines of a tramline are usually about 30 cm wide and 2 metres apart while the distance between tramlines can vary from 12 metres to 30 metres.
Tradenz	Trade New Zealand; predecessor of NZTE
Vision Manawatu	Economic development agency of the Manawatu region. Its goal “providing jobs, investment, pride for the Manawatu”; situated in Palmerston North



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## **Acknowledgements**

This research journey would not have been the same without my supervisor Dr Romuald Rudzki. I would like to thank him for doing his best in supporting me. His generosity allowed getting exposure to critical voices and feedback at both, national and international conferences.

I wish to thank my examiners Prof Sylvie Chetty, Professor Peter Enderwick and Professor Bruce Cronin for their very helpful and detailed comments and suggestions for improvement. Their feedback led to a much improved version of the thesis.

I would like to thank Vision Manawatu and New Zealand Trade & Enterprise for supporting the ABRF survey, using their database.

I would like to thank the participants of the study. I would especially like to mention here all the encouragement and support I received from many participants, especially those I interviewed. They gave their time generously and freely. They treated me with friendliness, respect and an open mind. This piece of research would not have been possible without them.

My special thanks to Robert Goddard as my informal supervisor, mentor and supporter, Nick Park for sharing his kindness and knowledge of the literature and wisdom and introducing me to the bricolage concept, Janet Toogood for kindly proof-reading and smoothing out the clumsy parts of my writing and Catherine Toulis for looking after me. To all my other friends and colleagues in the Department of Management at Massey University, Palmerston North for being a very encouraging and friendly team.

I would like to thank all my New Zealand friends who helped me with their kind support and also proof-read parts of the thesis.

My special thanks to my friend and mentor Peter Bayliss for all his wisdom and positive outlook in life and his unwavering belief in my ability to master next to

everything and his oracle prediction “you cannot NOT” which took me a long time before I understood its meaning.

I would like to thank colleagues and referees for their many helpful comments and critiques and extremely valuable feedback on my submissions to conferences and journals. I would also like to thank the many attendees of conferences where I presented papers for their interest and helpful comments during the discussions. All of this provided me with tips and guidance on how to improve my work.

The final acknowledgement should go to all the people who, in one way or another, supported me during the time of this research. All your little bits of positive thinking, feedback and love were like stepping stones which were there for me every day.

I am very grateful to all of you!

## **Abstract**

Export barriers have inhibiting effects on export performance, especially for smaller and resource-poor firms. Classical internationalization theory suggests that the bigger, the older, the more resource rich and resourceful a firm is, the better the chances for success of their international or global operations. In practice, however, many small New Zealand firms have been able to overcome export barriers and achieve successful internationalization quickly in the complex, turbulent, global environment of today. Existing theories do not fully explain how and why this is possible. The apparent knowledge gap is closed by the present research with its in-depth investigation into the management of export barriers and related internationalization practices using a holistic approach based on case studies. In this way the study contributes to knowledge by advancing the understanding of internationalization behaviour. In conclusion a new theoretical model is developed from the variables which this research has identified as to influence export performance and internationalization behaviour.

The research is based on the cases of fifty export firms across the major business sectors from New Zealand's Manawatu region. The study design involved a postal survey, background research, in-depth interviews and observations. The triangulated data was compiled into case studies and analysed using Eisenhardt's grounded approach. Two main categories of export barriers were identified: (1) industry or product-specific barriers, and (2) common or shared barriers independent of industries and products. The research design enabled research into management patterns independent from sectors or industries.

The findings suggest that export barriers determine strategies. In a situation of severe resource constraints, large geographic distance from international markets and small domestic market size, New Zealand's exporters anticipate their export barriers in order not to let them impact on export performance. Successful firms reduce the influence of obstacles towards internationalization by building their strategies creatively around their core competencies in what is described as a "bricolage" approach.