Examine the effect of dimensions of participation in specialized exhibitions on the export development in Kurdistan province

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Abstract

To reach international markets, it is necessary to move towards an open economy, implementing exports rebound strategies and prudent perspective to the needs. In this regard private sector alongside of the related public sectors must have a strong presence in different markets. One of the most important platforms to represent and introduce the technical abilities and capabilities of production and services units are exhibitions. In most of countries around the world, there are annual exhibitions in which companies have the chance to show their products and technical progress. The main objective of this study is to investigate the effect of dimensions of participation in specialized exhibitions on the export development. Considering all the managers and export staff of exhibition companies in Kurdistan province, we used 348 sample based on Cochran method. In order to collect the required data researchers made questionnaires which its credibility was proven by a Cronbach’s alpha of 0.78. The results indicated that dimensions of participating in specialized exhibitions including exports knowledge, export commitment, exports strategy and exports performance are effects on the exports development in Kurdistan province.

Keywords: exports knowledge, export commitment, exports strategy and exports performance, Kurdistan province, exhibitions and exports development.

INTRODUCTION

Due to the goods variety and the population increase in nowadays world, fairs and exhibitions have truly become an important tool and played a significant role in marketing management. The role and the importance of export improvement tools particularly holding international trade fairs has been taken into serious consideration by several probes and researches. Gann (1989) conducting different researches considering the influence of fairs on exports, came to the conclusion that corporations and agencies which have partaken in the fairs have generally scored better in exports. The same conclusion was reached by Siring (1998).

Reaching stable economic growth and a full-scale development, requires following the appropriate economic development patterns. The experiences of several countries especially those in eastern Asia, reveals that these countries adopted the most appropriate method and pattern in export development
and have reached high and stable economic growth. In the country of Iran, in order to be independent from the oil industry, economists adopted the policy of substituting non-oil exports in order to provide the required currency in the country and this also motivated domestic production and exporting the other goods to the other countries. Regarding this issue, any element which can help non-oil exports, should be noticed by policy makers, programmers and economic activists. One of the important tools for improving exports and performing effective activities in commercials and goods and service marketing, is through holding fairs and exhibitions. According to economic and commercial experts, holding international advanced fairs (exports), is one of the most influential ways of developing non-oil exports.

Nowadays in developed countries trade fairs are approximately used to boost trades and exchanges and facilitate trade communications. Except for the mentioned ones, the most commercial duty of the trade fairs is to refine, improve and boost the distribution system while some others hold the trade fairs only in order to have direct access to the last consumers.

In the twenty first century, most of the countries, especially developing ones do their best to develop exports in order to provide their least currency requirements. Since Iranian policy makers have adopted non-oil economy as their major policy, the necessity for reconsideration in economic issues especially holding advanced trade fairs which is among outstanding tools for the purpose of exploring target markets and affecting these markets, is unavoidable.

According to the stated discussions, advanced fairs play a remarkable role in developing and boosting exports. Hence, the purpose of this research is to survey the efficacy of advanced fairs on export development in Kurdistan province and the mentioned fairs are examined in terms of export knowledge, export commitment, export strategies and export functions and their significance on export development in Kurdistan province.

The word “fair” is derived from a Latin word called "feira" which means holidays and markets. It is also analogous to another Latin word called “feirae” which means religious festival (Bernard, 1988). The word “fair” was applied for the first time in 1649. They applied the word “exposition” in closest meaning to display or represent in a show (Maro, 2002). Fairs are not only an interesting collection of purposes and actions which in specific time and location get together but also contain human activities, social and fundamental interactions for achieving specific purposes. Theses fairs are a sort of human activity in which the producers and pavilion owners are on one side and visitors are on the other side of the event (Lakehurst, 1951).

During twelve centuries, the importance of trade fairs has increased and the distance between markets and mosques and churches became shorter and the concepts of religious festivals and markets “market fair” changed into a single and unique concept. (Walter, 2000)

Review of literature

Parvarandeh (2004) conducted a research in management and planning organization about the influence rate of advanced fairs on improving the sales from the viewpoint of managers and assessed the organizations which participated in advanced computer and home appliance fair in Khorasan province. The results revealed that 41.7 percent of computer organization managers and 40.7 percent of home appliance managers believe that holding a fair can decrease the other marketing strategy charges and can be an appropriate substitute for other marketing strategies. Other results show that participating in a fair can have remarkable influence on increasing domestic product sales. This influence was actually more visible on domestic product sales of computer organizations.

Nazemi and Mirzadeh (2006) did a survey in order to assess the effect of presence of the presence of manufacturing firms and organizations in Khorasan international trade fair. The population studied includes 313 sales managers of manufacturing firms and organizations which have at least participated once in Khorasan international trade fair. In order to conduct this survey, some information was collected through giving questionnaires to 76 manufacturing firms. The questionnaire validity is gained through content method and for the reliability of the calculation Cronbach’s alpha coefficient is applied which resulted 93 percent for the questionnaire. For the purpose of data analysis, Kolmogorov-Smirnov’s test, Wilcoxon’s signed-rank test, -t student test, Spiserman’s correlation coefficient and analysis of variance multi-way ANOVA were used. The results of the study indicated that participating in Khorasan international trade fair led to an increase in sales and participants achieved fame for their products. It also provided the firms with loads of information about their rivals, customers and new products. However, the results did not prove that holding a trade fair can attract new customers for manufacturing firms. We generally can reach to this conclusion that participating in Khorasan international trade fair has been effective and fruitful for the participants.

Delgado et al. (2002) in Fair Industry Research Center, examined American and Canadian fairs for marketing programs. The results indicated that participants consider the fairs as an exclusive chance to make mutual relationship with current and potential customers. Moreover, the fairs have risen from fifth to second place concerning marketing costs. Also the findings reveal that fairs are the most economical method for demonstrating the products.
Douglas (1992) in his study on the reasons of fair success from marketing perspective, assessed the success of the Nuremberg international toy fair which has been honored to receive the UFI marketing award. The success reason was the early beginning of marketing activities which had the customers register in advance and this led to a variety of participants.

Theoretical framework

There are some models which have been developed from 1996 to 2004 by Ktsixz examine the export development. However, the most appropriate model for evaluating intermediary influence of export development plans seems to be the one which (Shamsuddohaand et al., 2006). This model was a combination of the existing theories that stated the use of export development plans, management understanding of export market environment, management knowledge, export commitment and export strategies. Therefore, in this research, the model of Shamsuddohaand Yunes Ali is applied to examine the effect of gradual export plans on export development. Figure 1 above.

Export Knowledge

According to Anderson, the export knowledge of the firms is considered as a competitive advantage which guides the manager in creating efficient viewpoints about exports and its environment. Moreover, it motivates the managers to create commitment and provide active marketing strategies which deeply influences export efficacy.

Every trade firm in order to be international, should have enough knowledge on the external environment. Delgado et al. (2002), in their researches noticed that firms without export experience require massive information in order to overcome the external obstacles.

Wilkinson, (2006), believe that being aware of performed activities in foreign markets is a major source of knowledge for export experts in several firms. Seringhaus and Philip, (1998) stated that government plans for elevating exports have resulted in acceleration and development of profits which this was obtained due to the knowledge gained by experiences.

Firms export knowledge has positive effects on management understandings of export market environment, export commitment and export strategy. The mentioned issue is related to the process of becoming international which declares that “the gradual increase of knowledge causes the export commitment increase and eventually leads to an increase in the number of international performances”. Moreover, having high levels of knowledge on export market environment is related to overcoming potential obstacles in export processes and also gradual obtaining of positive attitudes about export market environment. (Shamsuddohaand et al., 2006)

\[ H_1: \text{Participating in specialized fairs and increasing export knowledge of the firms, influences on export development.} \]

Export commitment

Blythe, (1999) believe that export commitment is directly pertinent to export activities with deep positive effects on manufacturers export success. In order to be sure about keeping and maintaining regular export performances, firms should have foreign purchase attitude understanding and perform advanced marketing activities. To achieve this objective, management commitment to exports is of much importance. Management commitment is defined in terms of issues such as making exclusive units for exports, observing and making plans for exports, conducting export marketing and visiting and observing export markets.
Economies. 

Many researchers have found out that having interest and eagerness and commitment is one of the most important factors in performing export marketing operations in the high levels of management (Marsh, 2005); Pretorius (2006). Senior management's tendency for applying resources to develop and perform export strategies is one of the remarkable requiring factors for manufacturing and offensive international marketing.

H2: Participating in specialized fairs and increasing export commitment of the firms, influences on export development.

Export strategies

According to Yvonne, (2008) marketing strategy helps us with the followings: in what ways should a firm allocate its resources in order to overtake the rivals and competitors? In what ways a firm communicates with its environment? And how does a firm reach its several goals?

The marketing strategy issue has almost reached the theoretical maturity but no maturity could be seen concerning overseas markets. The concepts and definitions of both research fields stem from the researches about strategy. Particularly, the Marketing Strategy concepts, generally involves mixed marketing strategy. Therefore, the decision making in this field is based on the product, the price, the distribution and advertisement. But the other components of marketing strategy concept not only involve the aspects of market requirements but also includes geographical layout of marketing value chain and discusses the competitive process aspects as well. The relationship between export marketing strategy and performance, has attracted noticeable attention in contemporary literature. Although lots of studies have been exclusively conducted on specific marketing strategy elements or have evaluated the relationship between marketing strategy and performance in developed countries, no attempt has been made concerning Exporter Marketing in Developing Economies.

H3: Participating in specialized fairs and increasing export strategies of the firms, influences on export development.

Export performance

There is still no unanimous opinion about how to measure export performance but the two major ways of measuring of performance which have been conducted by (Ketsiks et al., 1996) are: objective measurement criteria and subjective criteria. In the field of export marketing the majority of the studies apply objective indicators. Nevertheless, two different groups of problems reveal in using objective indicators for measuring export performance. First, the firm's official financial statements and their reports there is no distinguishable difference between local and international commercial operations and the fact is that, firms consider exports as a local activity development. Therefore, there is no accurate performance statistics available about firm's export activities.

Second, some mistakes might be made due to the Inherent weakness of measurement criteria which is more hidden in objective measurement criteria. For example, profitability depends on factors such as depreciation measurement methods and overhead allocation methods. When the export is integrated in operations this problem becomes more complex. Moreover, in applying performance measurement criteria theoretical considerations should be involved so the managers observe the forming and performing strategy therefore they are able to choose where and how to compete. Hence, manager's decision making depends more on their understanding of the firm's Internal and external environment than their objective reality of the environment. Specifically, about measuring the operation performance, manager is guided by his own understanding of performance not by objective grading of performance. This leads to an increase in the validity for accepting and developing subjective measurement criteria of export performance. (Najafi, 2008).

H4: Participating in specialized fairs and increasing export performance of the firms, influences on export development.

RESEARCH METHODOLOGY

Concerning methodology issues, this research is descriptive. This study is based on how to get the required data thus it is in the descriptive research category. Concerning supervision and control level this research is among field researches because the researcher examines the variables in their normal and natural status and since this study shows the relationship between the market knowledge and new product development in manufacturing firms and recommends some strategies for successful performance of product development, therefore, it is an applied research. The population of this research consists all the managers and experts of fair organizers and the personnel of active firms in export field in Kurdistan province.

The sample size in this research is based on Cochran sampling method: a on the formula 348 samples are provided as a result 348 questionnaires were distributed and their results were assessed in statistical analysis.

For examine the normality of the data, Kolmogorov Smirnov test was carried out on the data with the help of...
Table 1. Data normality results using Kolmogorov Smirnov test

<table>
<thead>
<tr>
<th>Variables</th>
<th>Number</th>
<th>Normal Attribute Parameters</th>
<th>Kolmogorov Smirnov Test</th>
<th>Level of Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Standard Deviation</td>
<td>Average</td>
<td></td>
</tr>
<tr>
<td>Export Knowledge</td>
<td>96</td>
<td>2.6090</td>
<td>0.46000</td>
<td>2.040</td>
</tr>
<tr>
<td>Export Commitment</td>
<td>96</td>
<td>3.0443</td>
<td>0.69110</td>
<td>1.513</td>
</tr>
<tr>
<td>Export Strategy</td>
<td>96</td>
<td>2.7465</td>
<td>0.47817</td>
<td>1.695</td>
</tr>
<tr>
<td>Export Performance</td>
<td>96</td>
<td>2.6536</td>
<td>0.56238</td>
<td>1.398</td>
</tr>
<tr>
<td>Export Development</td>
<td>96</td>
<td>2.7445</td>
<td>0.39794</td>
<td>1.026</td>
</tr>
</tbody>
</table>

Source: Research Data

SPSS software. The achieved results are presented in the following table 1.

The results of the test reveal that most of the data do not have normal attribute. In other words, sample attribute is not normal. According to the above table, the amount of variable statistics except for the first one, are meaningful when they are smaller than 0.5. Therefore we should conclude that the presented sample attribute is not normal and for hypothesis test we can use non-parametric tests.

Hypothesis test

In this part the researcher’s theories will be tested. To test them we have applied $X^2$ test to decide to accept or reject the hypothesis and in order to evaluating simultaneous impact of independent variables on dependent ones, multiple regression is applied.

At first we applied $X^2$ test to find out if the hypothesis are acceptable or so. The results taken from data analysis are presented in table 2 below.

According to the statistical results in table 2, we notice that identifying new carpet representatives, getting to know efficient transportation strategies, information on Transportation System Design in target markets, staff familiarization with export process, collecting economic information about export market, information about export terms and conditions of overseas markets, are significant in error level smaller that 0.5 with 0.95 trust. Therefore, there is significant relation between export knowledge variable indicators and export development variables in Kurdistan. ($p=0.001$, $df=861$, Chi $=1001.905$). So there is significant relation between export knowledge variable indicators and export development variables in Kurdistan. According to this, hypothesis $H_1$ is accepted. In other words, one can infer that participating in fairs for increasing export knowledge of the firms affects export development in Kurdistan.

Furthermore, the results shown in the table, reveals that all the involved indicators for explaining export commitment variable, are significant in error level smaller than 0.5 with 0.95 trust. In other words, the amount of $X^2$ for export commitment variable indicators indicates their influence on export commitment. Moreover, this statistic shows a significant relation between two independent variables (export commitment) and dependent variable (province export development). Therefore, hypothesis $H_2$ which is supported by the researcher could not be rejected.

In addition, the statistic results in this tables shows that indicators such as “creating strategies for competing in export markets, allocating enough budget for making use of export markets and understanding methods of obtaining information about export markets” which explain independent variable (export strategy improvement) are significant in error level smaller that 0.5 with 0.95 trust. In other words, these indicators are appropriate explainers for the independent variable and there is a significant relation between these variables and the independent variable. Therefore, there is significant relation between export strategy improvement variable indicators and export development variables in Kurdistan and we can conclude that participating in fairs for export strategy improvement influences on export development in Kurdistan province. According to this, hypothesis $H_3$ which is supported by the researcher could not be rejected.

Finally the statistic results in the table shows that “manager’s satisfaction about export sales, manager’s satisfaction about export sales development, manager’s satisfaction about export profit, firm ability to enter new markets, are significant in error level (Sig) smaller that 0.5 with 0.95 trust. ($p= 0.001$, $df= 280$, Chi$= 520.738$). So there is significant relation between export performance variable indicators and export development variables in Kurdistan. Thus, hypothesis $H_4$ is also accepted. In other words, participating in fairs for improving export
Table 2. Analysis Resultsof \( X^2 \) test.

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Level of Significance</th>
<th>Level of Freedom</th>
<th>Amount of ( X^2 )</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identifying new carpet representatives</td>
<td>0.001</td>
<td>112</td>
<td>240.956</td>
</tr>
<tr>
<td>Getting to know efficient transportation strategies</td>
<td>0.001</td>
<td>112</td>
<td>193.445</td>
</tr>
<tr>
<td>Design in target markets</td>
<td>0.033</td>
<td>84</td>
<td>109.392</td>
</tr>
<tr>
<td>Information on Transportation System</td>
<td>0.001</td>
<td>112</td>
<td>240.721</td>
</tr>
<tr>
<td>Staff familiarization with export process</td>
<td>0.001</td>
<td>84</td>
<td>155.345</td>
</tr>
<tr>
<td>Collecting economic information about export market</td>
<td>0.001</td>
<td>112</td>
<td>234.609</td>
</tr>
<tr>
<td>Information about export terms and conditions of overseas markets</td>
<td>0.001</td>
<td>364</td>
<td>760.703</td>
</tr>
<tr>
<td>Total indicator test in the form of export knowledge variable managers frequent travel to export markets</td>
<td>0.002</td>
<td>84</td>
<td>126.918</td>
</tr>
<tr>
<td>Teaching the personnel for being active in export markets</td>
<td>0.001</td>
<td>112</td>
<td>207.974</td>
</tr>
<tr>
<td>The proportion of export activity volume to the total firm activities</td>
<td>0.001</td>
<td>112</td>
<td>176.278</td>
</tr>
<tr>
<td>Being dependent to foreign organizations to gain information</td>
<td>0.001</td>
<td>84</td>
<td>138.862</td>
</tr>
<tr>
<td>Total indicator test in the form of export commitment variables</td>
<td>0.001</td>
<td>308</td>
<td>543.185</td>
</tr>
<tr>
<td>Creating strategies for competing in export markets</td>
<td>0.001</td>
<td>112</td>
<td>212.479</td>
</tr>
<tr>
<td>Allocating enough budget for making use of export markets</td>
<td>0.001</td>
<td>112</td>
<td>226.719</td>
</tr>
<tr>
<td>Understanding methods of obtaining information about export markets</td>
<td>0.001</td>
<td>112</td>
<td>190.708</td>
</tr>
<tr>
<td>Total indicator test in the form of export strategy variables</td>
<td>0.001</td>
<td>196</td>
<td>405.144</td>
</tr>
<tr>
<td>Manager’s satisfaction about export sales</td>
<td>0.006</td>
<td>84</td>
<td>120.497</td>
</tr>
<tr>
<td>Manager’s satisfaction about export sales development</td>
<td>0.001</td>
<td>112</td>
<td>199.662</td>
</tr>
<tr>
<td>Manager’s satisfaction about export profit</td>
<td>0.001</td>
<td>112</td>
<td>210.090</td>
</tr>
<tr>
<td>Firm ability to enter new markets</td>
<td>0.001</td>
<td>112</td>
<td>209.381</td>
</tr>
<tr>
<td>Total indicator test in the form of export performance variables</td>
<td>0.001</td>
<td>280</td>
<td>520.738</td>
</tr>
</tbody>
</table>

Source: Research Data

Table 3. Analysis of Variance results

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>Coefficient of Determination</th>
<th>Adjusted Coefficient of Determination</th>
<th>F statistics</th>
<th>Level of Significance of F</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.691</td>
<td>0.575</td>
<td>0.525</td>
<td>14694.475</td>
<td>0.001</td>
</tr>
</tbody>
</table>

Source: Research Data

The performance of the firms, influences on export development in Kurdistan province.

Regression analysis

In the previous part, we discussed hypothesis test and decided to accept or reject them and the results and analyses were presented in table 1 but nothing was mentioned about the influence rate or the correlation between dependent and independent variables. In other words, for evaluating simultaneous impact of independent variables on dependent ones, we use Multiple Regression. As shown in table 3, the amount of F statistics and the level of significance, supports and confirms the regression model. (The level of significance is lesser than 0.05). Moreover, the amounts of coefficient of determination and adjusted coefficient of determination equal 0.575 and 0.525 respectively which shows a percentage of the changes in dependent variable...
Table 4. Regression Coefficients results (Dependent Variable: Export Development)

<table>
<thead>
<tr>
<th>Variables</th>
<th>Non Standard Coefficients</th>
<th>Standard Error</th>
<th>Standard Beta</th>
<th>T statistic</th>
<th>Level of Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>intercept</td>
<td>0.026</td>
<td>0.012</td>
<td>2.229</td>
<td>0.028</td>
<td></td>
</tr>
<tr>
<td>Export Knowledge</td>
<td>0.354</td>
<td>0.005</td>
<td>0.410</td>
<td>70.713</td>
<td>0.0001</td>
</tr>
<tr>
<td>Export commitment</td>
<td>0.232</td>
<td>0.003</td>
<td>0.402</td>
<td>88.891</td>
<td>0.0001</td>
</tr>
<tr>
<td>Export Strategy</td>
<td>0.164</td>
<td>0.005</td>
<td>0.197</td>
<td>35.822</td>
<td>0.0001</td>
</tr>
<tr>
<td>Export Performance</td>
<td>0.240</td>
<td>0.003</td>
<td>0.340</td>
<td>68.838</td>
<td>0.0001</td>
</tr>
</tbody>
</table>

Source: Research Data

changes and which is explained by assumed independent variables.

Correlation coefficient between variables is 0.691 which shows that between the total numbers of dependent and independent variables of the research, (export development in Kurdistan) there is a fairly strong correlation. Adjusted coefficient of determination equals 0.525 which reveals that 52.5 percent of the total changes in export development in Kurdistan is dependent on the four variables mentioned in this equation.

According to F statistics (14649.475) in error level smaller than 0.05, we can conclude that the research regression model made up if fourth independent variable and one dependent variable (export development in Kurdistan) is an appropriate model and dependent variables are able to explain the changes in export development.

Regression coefficients

In the previous unit, we discussed regression model test and also we concluded that this research model is an appropriate model and the total independent variables are able to explain the changes in export development. But in this unit we discuss the effects on dependent variables on independent ones and the amount of variable influence is determined. Table 4.

As presented above, level of significance of the export knowledge, export commitment, export strategy and export performance variables are significant in 0.05 level (they are smaller than 0.05). This means that these variables influence on export development in Kurdistan and regression model is an appropriate model.

Moreover, the results reveal that export knowledge, export commitment, export performance and export strategy with regression coefficients of 0.410, 0.402, 0.340, 0.197 respectively have the most influence on export development variable in Kurdistan. In other words, export knowledge and export commitment have the most influence on export development variable in Kurdistan.

- The result of the first hypothesis demonstrates that participating in specialized fairs and increasing export knowledge of the firms, influences on export development in Kurdistan province.

The results of Najafi (2008) reveal that participating in specialized fairs with the purpose of developing exports is vitally important and there is a significant relation between increasing the amount of exports and participating in specialized fairs. The results of the above research partially match the results taken from the first hypothesis of this research.

- The second hypothesis and the conclusions made based on its results confirms that participating in specialized fairs and increasing export commitment of the firms, influences on export development in Kurdistan province.

The results of the second research hypothesis partially match the results of Iranian research in 1381. The results of Iranian research in 1381 shows that participating in specialized fairs for manufacturing and trade firms should be done according to pre-determined goals and targets. This research also proved that there is a significant relation between participating in a fair and increasing export commitment and participating effects on export development of the firms.

- The result of the third hypothesis shows that participating in specialized fairs and improving export strategy of the firms, influences on export development in Kurdistan province.
The results taken from Hanson Wahlberg indicate that for having a successful participation in trade markets, managers should appropriately demonstrate the firm and its products which participating in the fairs is one of the most efficient ways of meeting this requirement. The results of the above research also showed that sales increase and making sales representatives is one of the most efficient ways of meeting this requirement. Therefore we can state that export strategies need a reconsideration and one of the ways to meet this requirement, is to participate in fairs.

The result of the forth hypothesis demonstrates that participating in specialized fairs and increasing export performance of the firms, influences on export development in Kurdistan province.

The results taken from Dekork's research proves that there is a significant relation between increasing export performance of the firms and participating in specialized fairs and for efficacy and export improvements its vitally important necessary to participate in the fairs.

The results of the four hypotheses test confirms that holding specialized fairs influences on export development in Kurdistan province. In other words, export firms can exert influence on export development in Kurdistan through participating in fairs.

Therefore, no evidence was observed for rejecting the four hypotheses that participating in specialized fairs and increasing export performance influences on export development in Kurdistan province.

REFERENCES