

**COUNTRY OF ORIGIN EFFECT  
AND THE IMAGE  
OF  
THIRD WORLD MANUFACTURED  
GOODS EXPORTERS:  
AN EXAMPLE FROM ZIMBABWE**

By

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2006

This thesis is submitted to the University of Derby in partial fulfilment of the requirements for the award of the Degree of Doctor of Philosophy.



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# ABSTRACT

This thesis reports research in the Country-of-Origin (COO) area of international business, into the postulated phenomenon of Negative Image. Image has been regarded as a potential purchase decision influencing factor but to date not investigated in-depth. Research was carried out in the business to business area, across cultures and between developed and developing countries, using an example from Zimbabwe. The primary research methodology comprised semi-structured elite interviews with Zimbabwean footwear exporters and UK footwear importers. A questionnaire incorporating sections on topics related to the international image of manufactured goods exporters based in Third World countries was also administered to the UK footwear importers. This dealt with political, commercial and image aspects of importer-exporter relationships and also addressed directly the issue of Third World businessmen's image. Results from the field work demonstrate that the Negative Image of Third World manufactured goods exporters directly affects importer decision making and that Negative Image has an exclusively negative impact. Data from inductive analysis of interviews and supporting correlations arising from the questionnaire were used to construct a model of the relationships and formalise the concepts and constructs of Negative Image. These included disparities in exporter and importer expectations of quality, price, delivery and performance. In addition unreliability, inefficiency, professionalism, lack of both marketing skills and social conversation contribute to the phenomenon. A potential conflict was identified at the individual level between personal and professional perspectives and a reciprocal Negative Image of importers was identified from the Zimbabwean exporters' perspective. Suggestions are made regarding the key factors in exporter-importer relationship development and conclusions are then drawn suggesting that improvement to levels of importer-exporter contacts and information flows can be useful in ameliorating the Negative Image effect. Scenarios for image improvement are offered at government, firm and individual levels. Finally, limitations of the research are discussed and recommendations for further research are given.

## LIST OF ACRONYMS USED IN THIS THESIS

ANZMAC	Australian and New Zealand Marketing Academy.
CAFOD	Catholic Agency for Overseas Development.
DTI	Department for Trade and Industry.
FINGAZ	The Financial Gazette, Zimbabwe.
ILO	International Labour Organisation.
IMF	International Monetary Fund.
IMP	Industrial and Marketing Purchasing Group.
ISSAfrica	Institute For Security Studies, Africa.
LDC	Less Developed Country
LIZ	Leather Institute of Zimbabwe
MBT	Masai Barefoot Technology
MDC	More Developed Country
OCHA IRIN	Office For The Coordination of Human Affairs Integrated Regional Information Networks.
OECD	Organisation for Economic Co-operation and Development.
SIBEX	South Investment Business Exchange.
TIP	Theory Into Practice.
UNCAP	United Nations Consolidated Appeals Process.
UNCTAD	United Nations Conference on Trade and Development.
UNIDO	United Nations Industrial Development Organisation.
VSO	Voluntary Service Overseas.
WMRC	World Markets Research Centre.
WTO	World Trade Organisation.
ZIC	Zimbabwe Information Centre.
Zimtrade	Zimbabwe Government Trade Information Centre.



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# **CHAPTER ONE**

## **INTRODUCTION**

# **CHAPTER ONE INTRODUCTION**

## **1.1 Thesis Overview**

The problem studied within this thesis relates to the postulated phenomenon of Negative Image of Third World manufactured goods exporters. In the context of this research the effect is seen in the interaction of African exporting and UK importing firms, the particular exemplar being Zimbabwean shoe manufacturing companies. The study builds from the area of international business literature known as Country Of Origin effect and integrates primary and secondary research.

Qualitative and quantitative methods were used in order to construct a holistic understanding of the phenomenon from the Zimbabwean and UK perspectives. Interviews were carried out with footwear exporters and support organisations in Zimbabwe, interviews and questionnaires were utilised with UK footwear importers. Inductive data analysis provided the basis for construction of a tentative model and three scenarios for improvement of developing country export manufacturers' image were devised. The scenarios addressed perceived opportunities for improvement at government, business and individual exporter levels.

## **1.2 Structure**

Chapter One begins by exploring the research background. Following this, aims and objectives of the research are presented, the research questions are stated and a discussion of the anticipated contribution to knowledge is given. The penultimate section is taken up with a review of the research sequencing and rationale for topic selection. Lastly, an outline of the phased literature review is given. The literature review was in two phases, as dictated by the needs of an exploratory study. Literature Review phase one aided in refining the initial idea into a set of workable research questions, while Literature Review phase two was designed to maintain awareness of current



developments affecting the course of the research, feeding into the phase one Literature Review as necessary. Tentative results from Literature Review phase one suggested that a study across cultures would be required to deepen understanding of the research questions and enable research in the context of Less Developed Countries (LDC) : More Developed Country (MDC) relationships.

### **1.3 Background To The Research**

#### **1.3.1 International Trade Position Of Developing Countries**

Despite endeavours of economic theorists to liberalise trade and create enhanced access to industrialised markets for developing nations, improvements have failed to materialise. International trade expansion continues to occur principally between the developed nations of the Northern Hemisphere (Lee, 1999). For many years developing countries have been exhorted to enter world markets, follow export oriented growth models and open their economies to trade. Models assumed that all developing countries would then follow orthodox economic growth models and move towards MDC standards. Key models include the Structural Change or Dual Sector Model (Lewis, 1965), Linear Stages Theory (Rostow, 1971), Dependency Theory (Gunder-Frank, 1995) followed later by free market approaches and Endogenous Growth Theory (Todaro, 1994). While orthodox explanations advance quality, price and delivery as factors responsible, this rationalisation reveals a partial truth (Dakin, 1999). Continuing trade development efforts such as the Generalised System of Preferences, Lomé Convention, Cotonou Agreement, Everything But Arms and African Growth and Opportunity Act have failed to enhance market access for developing countries (Haveman and Shatz, 2003; Raghavan, 2001; Mbaku, 1995). Haveman and Shatz note that

*“Benefits were concentrated among a minority of countries, and difficulties with rules of origin and other procedures have kept many exporters from taking advantage of programmes” (Haveman and Shatz, 2003, p22).*



### 1.3.2 Attempts At Integration

Despite failures such as the 2003 Cancun Trade Summit (Weber, 2005) efforts continue to date though growing marginalisation of Less Developed Countries (LDC) illuminates a weak international position (Allen, 2002, Sandrasagra, 2000). Some countries such as Malaysia and the four 'Dragon' economies of Singapore, Taiwan, South Korea and Hong Kong (IMF, 1998) have achieved rapid economic growth. Krugman (1994, 1995) argued rapid growth in industrial inputs rather than gains in actual industrial efficiency were the primary difference to other developing nations. These were noted as *"one-time changes in behaviour that cannot be repeated"* (p146), however, liberalisation of economies and outward oriented growth policies appear still to be favoured by other influential writers (Krueger, 1997; Oram and Doane, 2005). Observation of countries in Africa where little or no economic development has occurred suggests similar inputs have failed to materialise.

### 1.3.3 The African Situation

The business environments of African countries have encountered particular political incursions, such as indigenisation (Himbara, 1994). For a number of years the domestic environment of the Zimbabwean leather goods industry was subject to stresses and restrictions imposed by the Unilateral Declaration of Independence period (1965-1980) and later by the Marxist political orientation of the government (Smith, 2001; Riddell, 1991). Zimbabwe became marginalised as one of the Afro-Marxist states in which *"governments took control of most economic activities and seriously damaged the effective functioning of markets"* (Mbaku, 1996, p147). At the same time,

*"nepotism, clientelism, bureaucratic and political corruption has constrained the ability of African countries to develop viable and sustainable economic and political systems"* (Mbaku, 1996, p147).

Marginalisation and asymmetric development are argued to be continuing and possibly increasing (Yotopoulos, 2006; Nkomo, 2006; Andreasson, 2005).

#### 1.3.4 Country Image And Zimbabwe

Issues affecting the business environment may be seen as contributing to the image of developing countries and their firms. According to Wanjiru (2006) *“Most African countries are unfortunately blessed with negative associations”* (Wanjiru, 2006, p85) and among the biggest challenges are *“the persistent negative images, such as corruption”* (Wanjiru, 2006, p86).

Within the literature the relationship between business performance and a country's image, conceptualised as Country of Origin (COO) effect, has been well researched. Since 1965 more than 400 peer-reviewed articles covering areas such as product evaluation, perceived risk and stereotyping have been published (Usunier, 2006).

The specific phenomenon of Negative Image is also suspected of disrupting the efforts of exporters based in the developing countries (Dakin, 1999, 2001). To date little work has been undertaken to formalise Negative Image, neither have these issues been fully addressed in the traditional marketing approaches. The research described in this thesis represents an attempt to remedy such shortcoming. Aimed specifically at identification of the origins, components and constructs of Negative Image the research cites the example of Zimbabwe, focusing in particular on the export efforts of leather footwear manufacturers.

#### 1.3.5 Exemplar Country

Zimbabwe has been identified as the exemplar country in this research into Negative Image for several reasons:

1. With the exception of South Africa, Zimbabwe had a more diversified economy than any of its neighbours. In addition

*“Zimbabwe's living standards and social indicators..... for a long time had been among the best in Africa”* (IMF, 2005, p5).

2. In 1999 services contributed around 56% of GDP and the manufacturing sector was developed, generating about 17% of GDP. In 1998 export earnings totalled 15% of GDP (ISSAfrica, 2006).
3. The leather industry was well established and footwear was a large user of domestically produced raw materials (Zimtrade, 2001).
4. Language problems would be minimized since the business language is English.
5. Researcher access to businesses could be facilitated by University of Derby connections. The Derbyshire Business School had for some time operated an MSc Strategic Management within Zimbabwe.

#### **1.4 Brief Personal Statement**

The research was approached with industrial and commercial experience that suggested companies based outside the developed market economies would encounter resistance in attempting to develop exports. Opposed to this was an academic background that predisposed the author towards empathy with developing countries. Academically my perspective on development issues was shaped by a first Degree in Third World (Development) Studies.

#### **1.5 Aims and Objectives**

The aim of this research was:

*“To empirically investigate and formalise the nature of a postulated Negative Image of LDC export manufacturers and determine possible scenarios for amelioration of negative effects.”*

The specific objectives of the research were:

1. To critically review the literature and theoretical concepts to identify the components and constructs of Negative Image and its links to buyer-seller relationships in an international context.
2. Taking the example of the Zimbabwean leather footwear manufacturing sector and Zimbabwean exporters, to investigate the image of LDC exporters from the perspective of UK importers with a view to identifying any Negative Image.
3. Based on the findings at (1) and (2) above to assess potential for development of scenarios for amelioration of any Negative Image in an importer/exporter scenario.

## **1.6 Research Questions**

The supplementary questions associated with this study are:

- ❖ Does Negative Image exist in this scenario and if so, what are the relevant components contributing to this image?
- ❖ If Negative Image exists, what effect does this have on trading relations between Zimbabwe and the UK?
- ❖ What reconciliation of views, or potential accommodation, can be reached between exporters and importers on the facets of image?
- ❖ From the foregoing, what scenarios for improvement can be suggested and can this analytical framework be transferred to other situations?



## **1.7 Contribution to Knowledge**

It will be shown that this research is located in the international business field, dealing specifically with COO. A review of the literature has identified a gap in the COO knowledge base, no formalisation or composition of the components of Negative Image has been identified; no specific research across cultures initiated from the African developing country viewpoint has been performed; no arbitration on mutual importer and exporter perspectives has been attempted or scenarios for improvement devised.

Accordingly it is anticipated that the contribution to knowledge will result from:

- ❖ formalisation of the phenomenon of Negative Image.
- ❖ isolating the components and constructs of Negative Image and researching across cultures to identify the relationship between image and buyer-seller relationships in an international context, enabling satisfaction of the first objective.
- ❖ establishing the image of LDC exporters from UK importers' perspectives, satisfying the second objective.
- ❖ analysis and review of interview and questionnaire data to provide feedback for discussion with exporters and importers, subsequently allowing evolution of consensus and scenarios for image improvement, achieving the third objective.

Further justification for award of PhD is based upon:

1. Uniqueness and originality of the research. The literature review has identified and directly addresses gaps in the field, therefore extending the literature and creating a contribution to theory.



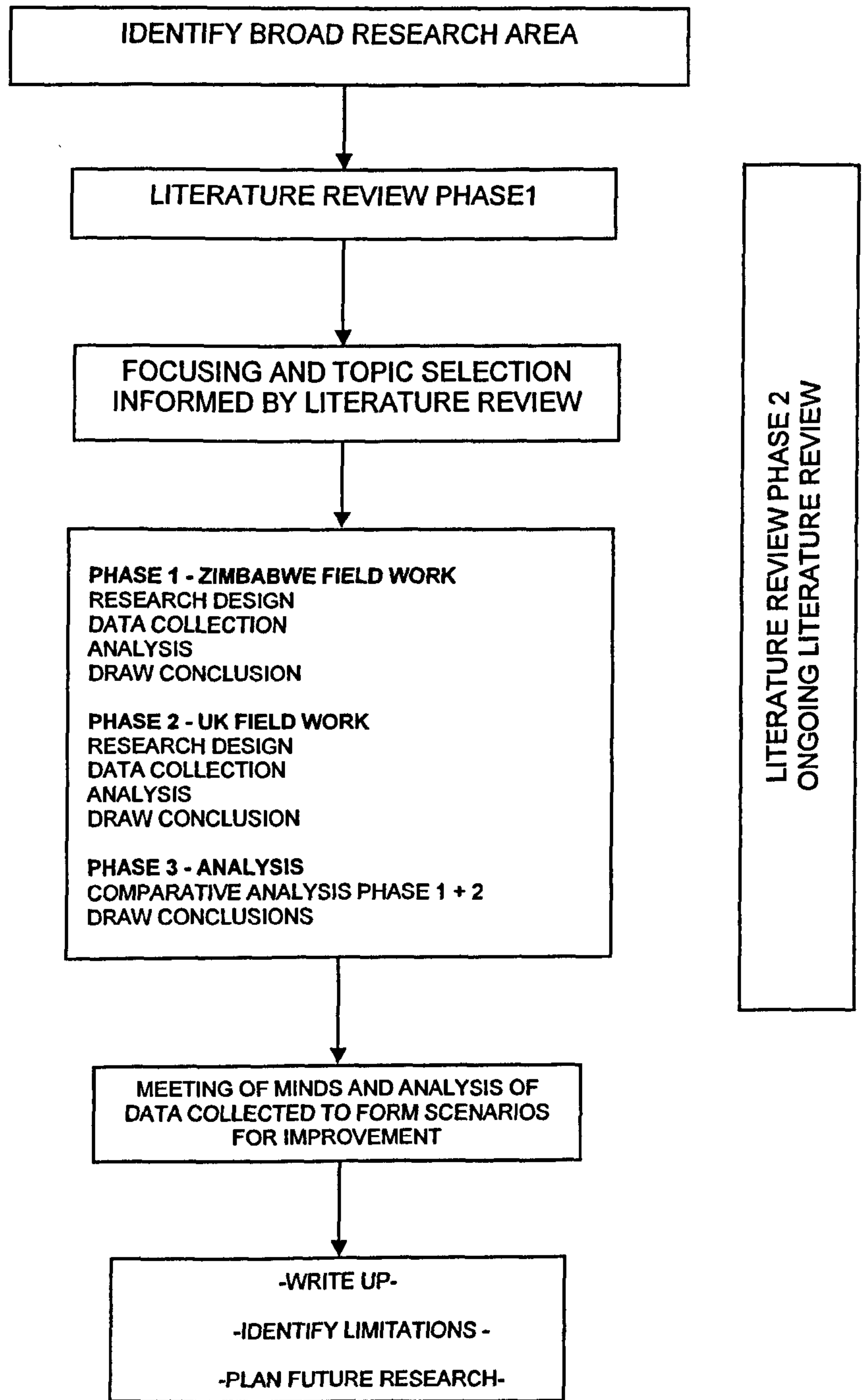
2. The current study has attempted to empiricise the Negative Image concept through investigation of the Zimbabwean example and indicated existence of the phenomena from the research. This extends current theory in the COO area.
3. The possibility of generating a transferable framework of investigation. A model is tentatively established and the research design has created a general methodology that can conceivably be transferred to other similar sets of circumstances.

### **1.8 Sequence of the Research**

The research process, according to Bechhofer (1974) is not a clearly delineated linear path consisting of predetermined steps; rather it is an activity that must be guided by a framework, see Figure 1.1. The alternative is to descend into “*a mindless.... theoretical wasteland*” (Adams and White, 1994, p566, 574). Being cognisant of these authors’ views it was determined that a framework should be established from a wide ranging review of the literature. This was designed to move through an ordered sequence from broad conceptual area to the precise focus of the study.

The literature review was in two phases, as dictated by the needs of an exploratory study. Phase one resulted from an initial exploration of the international business literature and covered areas of what was anticipated to be the core material. This included stereotyping and mental models, country of origin effect, the business environment and buyer-seller relations. Outputs from the review, in conjunction with prior knowledge of Third World development issues, assisted generation of the research questions. For example at section 2.14 question eight asks – does negative image subsume stereotyping? In Phase two, which was an ongoing review, publications and online sources were interrogated in a continual process of updating current research thought. The importance of this is demonstrated by awareness of

**Figure 1.1 The Research Framework**



the recently launched Journal of Place Branding. This potentially important field of research was perceived as related to COO and features in section 2.10.3 Current Developments.

The field work was also phased. Phase 1 Zimbabwe Fieldwork, a set of interviews with footwear exporters in Zimbabwe, was undertaken to gather primary data regarding existence of the hypothesised phenomenon. The data derived from Zimbabwean interviews was then used as input to Phase 2 UK Fieldwork, a set of interviews and questionnaire with UK footwear importers. This feedback was seen as necessary so that testing of the Zimbabwean primary data with actual importers could be undertaken. Subsequently Phase 3 Analysis followed and consolidated results of both field researches. Conclusions drawn suggested coincident areas for a meeting of minds between MDC importers and LDC exporters, potentially resulting in improvements to the image of LDC exporters.

## **1.9 Topic Selection**

Within the field of development studies it is accepted that LDCs in general and African countries in particular, have failed to achieve high levels of exporting. A review of the literature by Aaby and Slater (1989) showed minimal interest in the LDC perspective. Paliwoda (1999) subsequently noted that the bulk of literature in the area was Western in perspective and concerned large firms. This international marketing research is across-cultures and focuses on Small and Medium Enterprises (SME) as defined by McAuley (2001). Recently Katsikeas (2003) has also noted "*sizeable gaps*" (p140) in the international marketing literature. Leonidou (personal communication, 2005) has more recently reiterated the earlier position held by Aaby and Slater (1989).

International business, for example between Zimbabwe and the UK, emphasises the phenomenon of diversity. In management, however, there have been suggestions of parochialism and ethnocentrism, the antithesis of diversity, leading to rejection of potential suppliers perceived as having a Negative Image. Despite this, no formalisation or composition of the negative country-of-origin image is suggested. The apparent omission led to final topic selection.

## **1.10 Summary of Introductory Chapter**

The introduction opened by noting the content of each chapter. The aim and corresponding objectives of the research were then stated. Following this the research background was given. A number of developmental theories that had sought to explain the growth trajectory of a nation were identified and the failing of African nations highlighted. The role of COO effect was noted and the specific concept of Negative Image was introduced. This was established as a potential underpinning explanatory factor. Justification for the selection of the leather footwear manufacturing industry of Zimbabwe as an exemplar in the investigation and description of the topic selection followed.

The remainder of this thesis is constructed according to the basic structure suggested by Perry (1995). Chapter contents are broadly as follows: Chapter One provides an introduction to the research; following this, Chapter Two details the wide-ranging literature review and Chapter Three describes the research methodology. Chapter Four attends to data analysis and presentation of the Alpha model constructed and validated through a series of semi-structured interviews with Zimbabwean leather footwear exporters and UK footwear importers. In Chapter Five the refined or Beta model is presented. Chapter Six provides a research summary, conclusions, offers reflections on the research process and suggestions for further research. At this point it is argued that a substantial foundation for this research has been given, leading into Chapter Two, the Literature Review.

# **CHAPTER TWO**

## **LITERATURE REVIEW**



## **CHAPTER TWO LITERATURE REVIEW**

### **2.1 Introduction**

#### **2.1.1 Purpose Of The Review**

Bryman (2004) suggests a review is necessary in order to avoid “*re-inventing the wheel*” (p526) and, importantly, to provide assistance in developing an analytic framework. To this end academic literature, government, trade publications and internet sources were accessed. The review also enabled refinement of the initial research idea into more explicit research questions and continued awareness of current developments in the field (Blaxter *et al.* 1996). Other functions advocated for the literature review, especially in an exploratory study (Ticehurst and Veal, 2000; Cresswell, 1994) include:

- a) Apprising the reader of results of similar studies, seen here as COO studies.
- b) Linking the current study to a larger field, in this research international business.
- c) Establishing a framework for the importance of the current study and providing a comparative benchmark, explicitly achieved in the conclusions and scenarios for improvement.
- d) Reviewing the literature is additionally necessary in order to indicate knowledge gaps (Ticehurst and Veal 2000). In this case that there is no formalisation of the components and constructs of Negative Image.

#### **2.1.2 Literature Review Process and Content**

In this exploratory study the literature review is placed in a separate, dedicated, section. This provides a framework for understanding and investigation related to discussion of previous work rather than detailed theory explication (Cresswell, 1994). A two stage process was adopted. First, a review of basic texts was undertaken, carried out in conjunction with the author’s teaching role. Second, an ongoing appraisal of current articles in

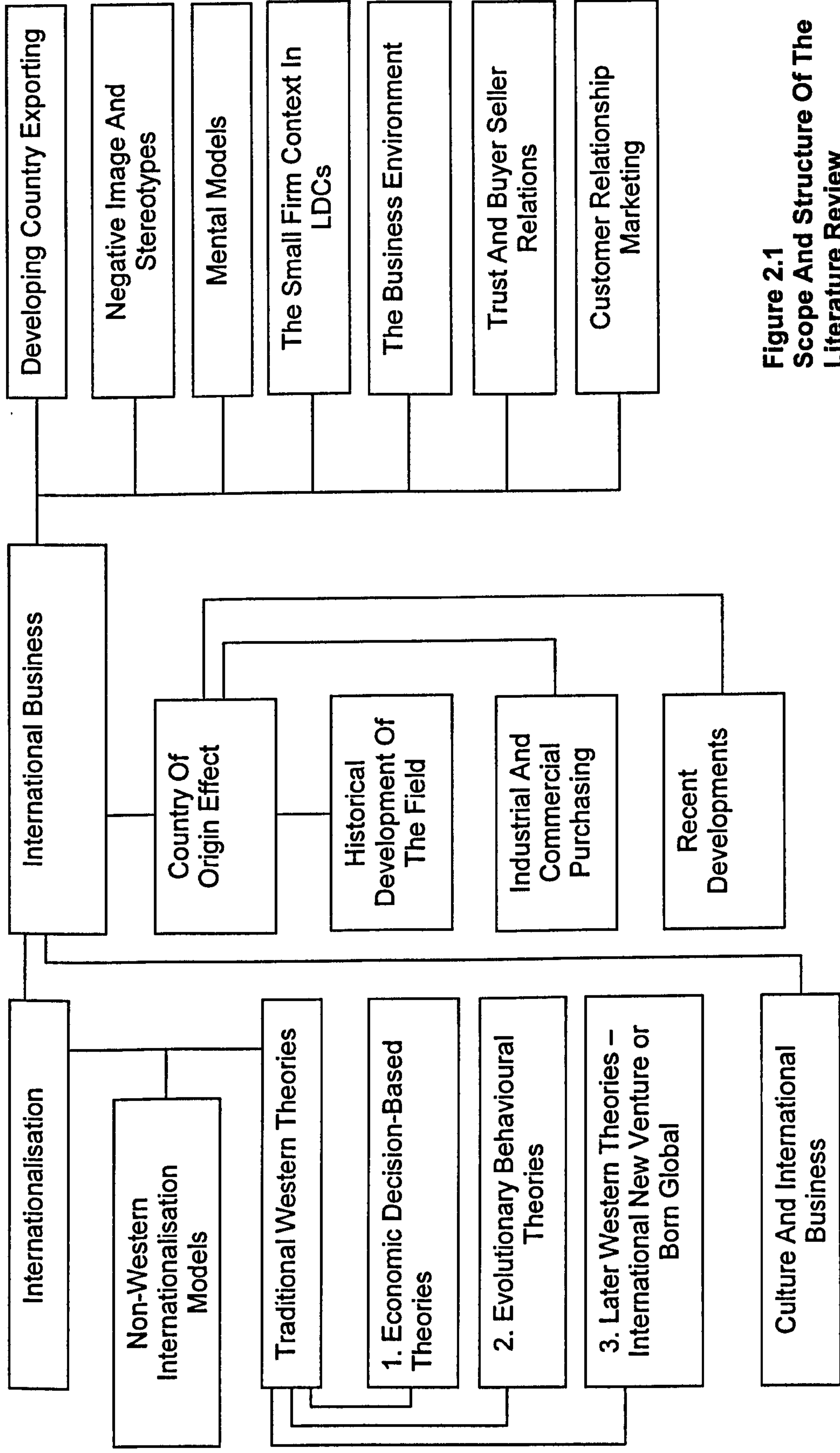
authoritative journals that would maintain and improve knowledge of leading edge research thought. Critical analysis of existing literature on the proposed research subject helped in the process of clarifying and framing research questions and ascertained the extent of prior research in the topic area (Hart, 1998; Blaxter, Hughes and Tight, 1996).

In addition to hard copy journals a number of on-line resources such as Google Scholar, Emerald and EBSCO were interrogated. Investigation of the literature sources indicated keywords or terms such as negative image, market entry strategy and brand country image were likely to produce usable data.

The literature review will initially locate the field of research within international business and then consider the process of internationalisation. After this, Negative Image, stereotypes and mental models are addressed, followed by the small firm context in LDCs and an examination of the business environment. At this point COO affect, the largest section, theoretical corpus and problem focus of the study is addressed. Here the historical and contemporary development of COO are discussed and linked to the concept of place branding. Subsequently, cross-cultural and buyer-seller relationships are considered, followed finally by customer relationship marketing. The scope and structure of the literature review are outlined at Figure 2.1.

## **2.2 Locating The Field**

This research concerns international business, a field that has become of great interest and academic activity in recent years and that can be broken down into a number of allied areas. One method of achieving this is by utilisation of a cognitive map to deconstruct the field into loosely delineated streams (Chandra and Newburry, 1997; Morgan and Katsikeas, 1997b; Li and Cavusgil, 1995). Following Chandra and Newbury the current research is seen to be located within the identifiable discipline and theoretical corpus known as Country of Origin. Key work referred to will include Schooler (1965),



**Figure 2.1  
Scope And Structure Of The  
Literature Review**

Wang and Lamb (1983), Sri Ram Khanna (1986), Liang and Parkhe (1997) and Jaffe and Nebenzahl (2001). More recent work by Anholt (2005), Fan (2006) and Usunier (2006) will also be considered.

## **2.3 Internationalisation**

In order for international trade to take place it is necessary for domestic firms to establish contacts and trading relations with firms in other countries. The resulting transactions occur “*across national borders for the purpose of satisfying the needs of individuals and organisations*” (Rugman and Hodgetts, 2003, p4). Knowledge of internationalisation processes was seen as useful in attempting an understanding of the expectations and motivations of developing country SMEs. Useful overviews by Raisanen (2003), McDougall and Oviatt (2003), Bell *et al.* (2003), and Coviello (2002), Tornroos (2002a, b), Whitelock (2002), Fillis (2001), Pan and Tse (2000), Ahokangas (1998) and Morgan and Katsikeas (1997) were identified. These covered both recent and established models. Other theories such as the Isomorphism Perspective (Davis *et al.* 2000) and Contingency Framework (Kumar and Subramaniam, 1997) have not become established and are not pursued here.

The review of internationalisation theories revealed two main strands, see Figure 2.2. Firstly, the traditional western theories which perceive internationalisation either as a rational economic process or incremental movement and a later group of western theories centred on the born global or instant international concept; secondly, non-Western attempts at theory development.

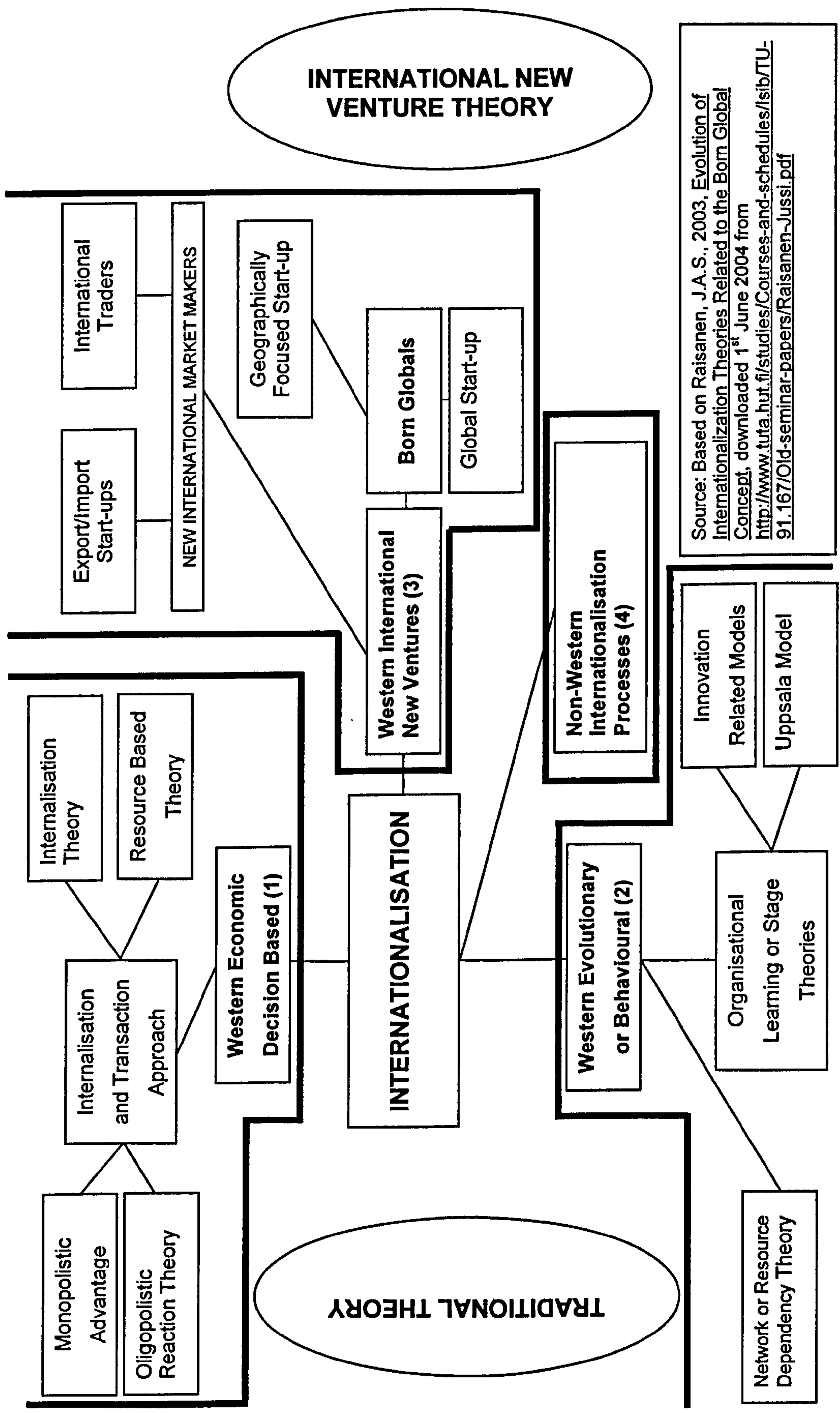
### **2.3.1 Traditional Western Theories**

#### **1. Economic Decision-Based Theories**

Economic Decision-Based Theories (1) are based on rational, strategic, decision making regarding markets and entry methods, underpinned by



**Figure 2.2 Theories and Models of Internationalisation**



Source: Based on Raisanen, J.A.S., 2003, Evolution of Internationalization Theories Related to the Born Global Concept, downloaded 1<sup>st</sup> June 2004 from <http://www.tuta.hut.fi/studies/Courses-and-schedules/sib/TU-91.167/Old-seminar-papers/Raisanen-Jussi.pdf>



quantitative data projections. These are all based around large firms, limiting their usefulness in the explanation of SME internationalisation (Ahokangas, 1998). This may be partly related to the difference in internationalisation drivers. Large firms in particular may seek new markets, strong brands, economies of scale or resources (Ghauri and Cateora, 2006); for SMEs reasons include survival, growth, development or profit maximisation. Other motivations such as excess capacity (internal) or unsolicited orders (external) have also been identified (Ahokangas, 1998).

## 2. Evolutionary Behavioural Theories

In the second group of theories evolutionary patterns of behaviour are perceived to be based on learning and knowledge acquisition. Aharoni (1966 cited in Tornroos, 2002b) views internationalisation in terms of a decision process model. Here internationalisation is described as responsiveness to outside stimuli such as a trade proposal, potential market loss, band wagon or 'me too' effect, or foreign competition in the home market.

The process or stage theories argue for an incremental movement which reflects the diffusion of innovation (Rogers, 1976). There are two main models, the Uppsala or U Model (Johanson and Vahlne, 1977) and the Innovation Related or I Model. Similar stages are present in both models. Increasing market knowledge is utilised so that innovation and reaction, not deliberate strategy, are the drivers. McDougall and Oviatt (2003) argue that such learning is a key issue in internationalisation as it is often the basis of achieving competitive advantage in foreign markets. This is supported by Autio *et al.* (2002) who argue that as firms age their ability to learn is reduced. Newer firms retain the flexibility to learn rapidly in new environments and continue growth in foreign markets. The latter will help to develop new contacts and networking relationships that *"can be used in climbing over the country market barriers and entering the country market"* (Johanson and Vahlne, 2003, p96).

Evolutionary models predict that incremental growth is slow in view of cultural and political uncertainty, described as psychic distance (Clark *et al.* 1997). This was seen as an important motivating factor in earlier internationalisation models. Empirical usefulness of the concept has become questionable as the significance of psychic distance is perceived to reduce with continuing globalisation (Stottinger and Schlegelmilch, 1998; O'Grady and Lane, 1996). Fenwick *et al.* (2003) argue that contrary to expectations arising from psychic distance, perceived similarities may be misleading and in fact create unforeseen problems. Zimbabwe's enforced isolation during UDI may be an issue here (Smith, 2001). For ex-colonies, such as Commonwealth countries, following historical links may be seen as a method of reducing internationalisation costs (Lundan and Jones, 2001). Further importance accrues from allied language, cultural heritage, communication and transport orientations. In a review of market entry studies Mayerhofer (2004) concludes that cultural and economic dimensions of the home environment are also influential in market entry decisions.

### 3. Later Western Theories - International New Ventures or Born Globals

The third distinct group of internationalisation theories centre on what have been termed International New Ventures (INV) or Born Globals, see Figure 2.2. An International New Venture has been defined as

*“a business organisation that, from inception, seeks to derive significant competitive advantage from the use of resources and the sale of outputs in multiple countries”.*

(Oviatt and McDougall, 2005a, p30).

Oviatt and McDougall (1994) propose sustainability of international new ventures depends upon the internationalisation of transactions, alternative governance structure, foreign location advantage and unique resources. These differentiate sustainable new ventures from others that may not be so endowed. INV theory surpasses stage theories by offering an explanation for the proactive and entrepreneurial nature of some firms. As in the behavioural

theories learning is perceived as a further determinant of growth. For purposes of discussion INV theory will be deemed to incorporate other categories of internationalisation such as New International Market Makers, Export/Import Start-Ups and International Traders. Similarly the Born Global category subsumes Geographically Focused Start-Ups and Global Start-Ups.

In the case of Born Global firms several entrepreneurial competences have been identified: global vision, focused approach, recognition and capitalisation of technological advances, founders' insight (Fillis, 2001). These possibly allow SMEs to omit stages in internationalisation leading to being Born Global. For Rasmussen and Madsen (2002) a Born Global firm:

*"is a production firm with an export percentage (compared to the total sale) of 25% or more, which have started exporting within three years after the firms foundation".*

(Rasmussen and Madsen, 2002, p14).

This is essentially similar to the INV definition above. Born Globals are perceived to have unique firm advantages and to omit the linear, evolutionary path traditionally expected in internationalisation. It has been argued that as the business environment changes the process of internationalisation will further reflect new and varied influences such as widespread customer base, effects of IT and outsourcing (Tornroos, 2002a). Harris and Wheeler (2005) believe international contacts made by entrepreneurs and relationships arising from business or social situations can *"direct strategy and transform the firm"* (p204). Harris and Wheeler (2005) conclude that

*"internationalising entrepreneurs should develop an internationalisation strategy in partnership with strong personal relationships based on knowledge and trust. The origins of these relationships are more likely to be at home than abroad".*

(Harris and Wheeler, 2005, p205).



### **2.3.2 Non-Western Internationalisation Models**

A review of theory related to internationalisation of non-western firms suggests this is an under researched area. For Zafarullah and Ali (1998) Asian firms, those in Pakistan and Bangladesh, adopt a process based on familial ties. Bakunda (2003) suggests a competence based approach for African firms focused on the abilities of senior managers. Chinese business has been studied by Yeung (1999a) who suggests forward and backward integration within particular industrial sectors is one common internationalisation strategy. Diversification into unrelated business and networking through family and management relationships also occurs. Yeung (1999b) argues that working through relationships or 'guanxi' is not necessarily restricted to the Chinese business community. The comparison is made to western firms where personal relations are replaced by firm relations or 'bamboo networks' and participants' obligations create a 'locked-in' situation. Networks can be seen in terms of in-groups and out-groups, where individuals feel morally obligated to the in-group and disconnected from the out-group, who may be deemed strangers (Hutchings, 2003; Hutchings and Murray, 2002). The in-group therefore becomes the focus of business. Hutchings (2003) argues that groups may play a less dominant role as China becomes increasingly competitive. Group importance is declining in large firms, but not for smaller firms, therefore in the context of small firm internationalisation network importance is perceived to continue.

### **2.4 Developing Country Exporting**

Internationalisation requires that firms adjust to new competitive situations. In a study on exporting Kaleka and Katsikeas (1995) concluded that intensity of competition in foreign markets and national export policies are the dominant export development barriers. For regular exporters these should be viewed in conjunction with problems of transport, risk factors and lack of competitive price. For sporadic exporters the most prominent export development barriers were establishing foreign market contacts, export document complexity,

export financing and transport. Having begun exporting on either a sporadic or regular basis (Katsikeas, 1995; Naidu and Rao, 1993; Samiee and Walters, 1991) activity at the firm level could be expected to focus on development of profit or volume. This development is subject to barriers in a number of strategic and tactical areas such that firms “*face a double wall of market resistance*” (Khanna, 1986, p29) related to the COO effect, stereotyping and image. For firms considering exporting, attention focuses on increasing competition and their inability to offer competitive prices, views exacerbated by lack of experience (Morgan and Katsikeas, 1997a; Morgan, 1997; Leonidou, 1995; Das, 1994). It has also been suggested that LDC firms’ initial trading experience may have been in a relatively protected domestic market, which implies underdeveloped managerial and marketing skills when compared to those prevalent in the global marketplace (Zeffane and Rugimbana, 1995; Malhotra, 1988; Kaynak, 1982).

Dominguez and Sequira (1991) suggest that to compensate for lack of skills LDC exporters have adopted three main strategies. First, to implement a low intensity, price led export programme, predominantly reactive, targeted at required partners; second, also price based but more proactive with a broader market spreading approach; and third, the longer term exporter utilising an element of product differentiation. Channel strategy should fit the company’s competitive position and reflect the desired level of foreign market involvement. The most common scenario is for a ‘right’ channel to be ‘locked-up’ or have an existing arrangement with a competitor company, creating the need to develop conditions for buyer switching (Keegan and Schlegelmilch, 2001). Gaining access to distribution channels will depend upon the product’s unique selling proposition, susceptibility of importers and negotiation skills of the proposer. Such strategies may be based on market research which, though widely utilised in LDC firms, is predominantly informal, face-to-face and unconscious (Hollensen, 2001; Nijssen *et al.* 1999) suggesting that firms need to become more market driven (Vorhies *et al.* 1999). The pricing issue reflects a study by Katsikeas *et al.* (1997) from the importers’ perspective which suggests price, new product development and quality are key issues. For Anderson *et al.* (2000) this primacy may be attributable to “*poor*



*demonstrations of value by suppliers*” (p325). Alternatively, for purchasing managers there may be “*strong budgetary constraints or reward and measurement systems that emphasise purchase price*” (p325) leading to price based product evaluation. The role of customers must also be considered since it is they who ultimately influence importers’ purchasing decisions (Keegan and Schlegelmilch, 2001). This suggests customer perceptions of LDCs, as relayed to importers and retailers by pressure groups, could be influential in purchasing decisions.

Within the literature few general conclusions on successful export practices have been drawn (Zou and Stan, 1998; Aaby and Slater, 1989). Nevertheless some synthesis has been achieved across the extensive range of exporting studies produced and a number of factors apparently influential in achievement of exporting success have been identified (Darling and Seristo, 2004). Those components relevant in the context of this research include the level of attention afforded to relational factors, communications and maintenance of positive relationships within the distribution chain. A high level of visits by exporters to their overseas markets with the objective of establishing close personal relationships with business network members is also important. In addition product quality is seen as a critical element, directly influencing country image (Ambler and Styles, 2000). Subsequent work suggests that human values, a core element of culture and context, are useful as predictors of country of origin image (Balabanis *et al.* 2002). Context, in terms of current and historical inter-country relations is particularly important, while values should be used in marketing on an individual country basis. This ultimately suggests the importance of culture in business to business exchanges.

## **2.5 Culture And International Business**

It has been noted by one authority that “*the business of international business is culture*” (Hofstede, 1994, p1). This underlines the salience of culture in international business relations where numerous definitions abound. One particular description suggested that culture is a system of concepts or ideas

which provide a design for living (Namenwirth and Weder, 1987). An alternative definition is provided by Hofstede (2001) which applies particularly to national culture as discussed in this thesis.

*“Culture is defined as the collective programming of the mind; it manifests itself not only in values but in more superficial ways: in symbols, heroes, and rituals”.*

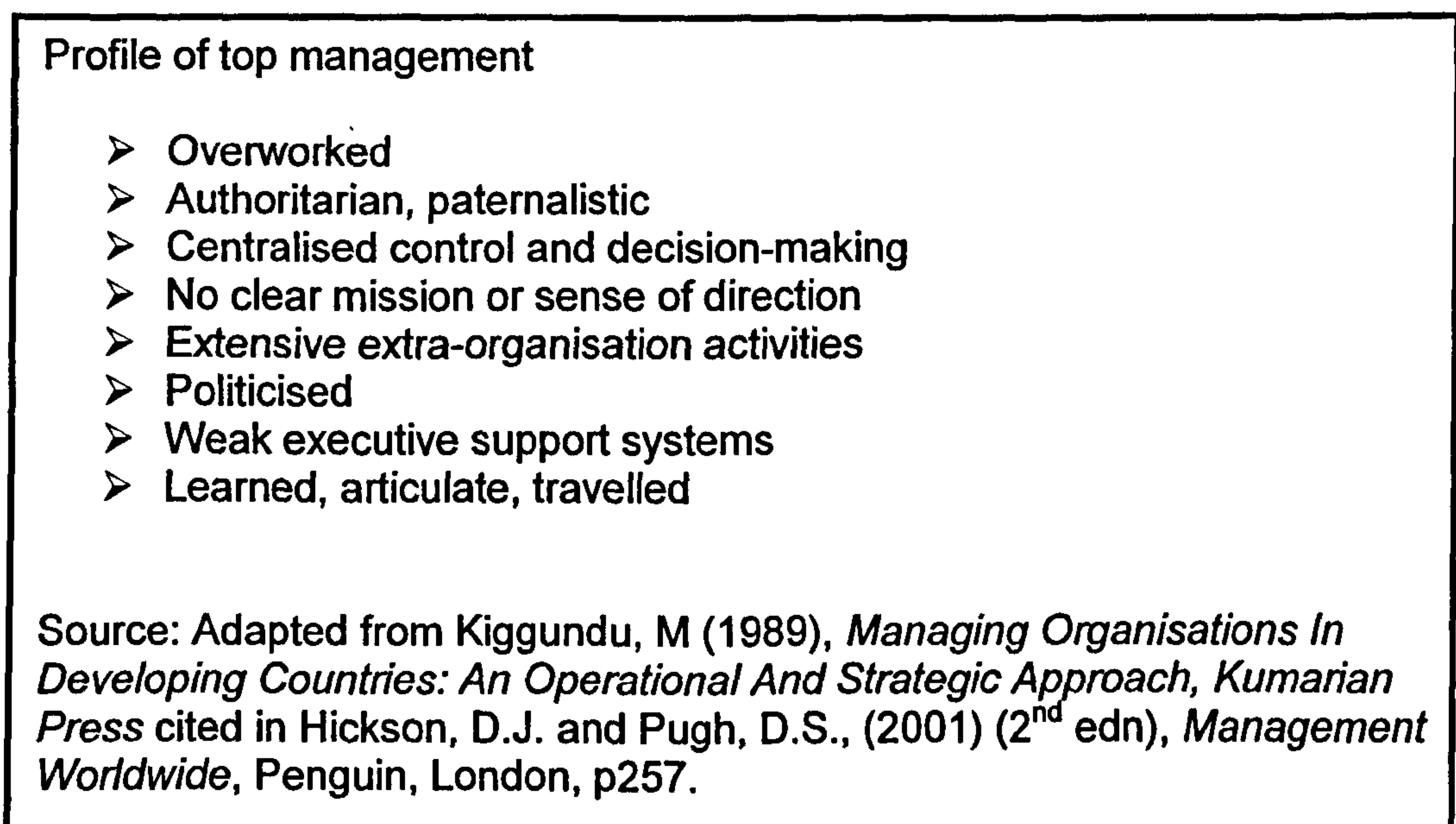
(Hofstede, 2001, p1).

Hofstede initially distinguished four cultural dimensions: power distance, individualism/collectivism, masculinity/femininity and uncertainty avoidance, which might explain differences between cultures (Hofstede, 2001). A fifth dimension was subsequently added, long versus short term orientation, based on collaborative work with Michael Harris Bond (Hofstede, 2001). These cultural differences are not universally accepted, being seen as over-rated and illusory (Markoczy, 1998) or useful generalisations where exceptions occur leading to paradoxical situations (Osland and Bird, 2000; Rodrigues, 1998). In many cases apparent differences are identified from a Western perspective and therefore may in themselves be culturally biased (Triandis, 1999).

Knowledge of cultural dimensions has been seen to assist in the formation of social and structural bonds, although with the caveat that differences in the cultural orientation of a country may signify difficulties in cross-cultural business relationships (Williams *et al.* 1998). Non-cross culturally trained management may lack the awareness to anticipate or cope with culturally related business relationship problems that may be anticipated in importer-exporter relations. For example, management operating in the Southern African context, including Zimbabwe, may be adopting either the Eurocentric approach, described as autocratic, hierarchical, authoritarian and individualistic; the Afrocentric approach sometimes known as “*ubuntu*” which flows from “*traditional African leadership values*” (van der Colff, 2003, p257) or a dual heritage, synergistic, inspirational approach (van Binsbergen, 2002; Oak, 2003; Prime, undated).

While these alternatives have elements that reflect the prevailing management style in the UK (ul-Haq, 2000) they lack the current more informal emphasis. Another view describes management in sub-Saharan Africa as “done in a centralised fashion, sometimes verging into authoritarianism” based on high power distance and paternalism (Hickson and Pugh, 2001, p255). See Figure 2.3. This may conflict with a need for collectivism within the organisation (Korac-Kakabadse et al. 2001) and potentially with expectations of foreign business partners in the establishment of international relations. Cultural distance (Geringer and Herbert, 1990) has also been described as an obstacle to successful cross-cultural relationships, though sensitivity, cultural adaptation and other approaches can be employed to counter the effect (Trang et al. 2003, 2004; Harich and LaBahn, 1998; Pornpitakpan, 1998; Aviel, 1990).

**Figure 2.3 Profile of Developing Country Management**



Cross-cultural marketing emphasises the diverse cultural norms and values of overseas markets which reflect their societies. For Stephens (2004) the international business environment encompasses cultural, demographic and social facets. Although attempts have been made to capture cultural dimensions, for example through the work of Hofstede (2001), Triandis (1999)



and Trompenaars and Hampden Turner (1997), conceptual differences remain.

Commonly utilised bases for cultural categorisation include observable attributes such as gender, ethnicity, race and age. These are more likely to elicit a response based on stereotype and bias than the relatively unobservable attributes of education, personality and personal values (Burke, 1997). Discussing business management Burke (1997) argues that *“managers must go beyond their parochialism”* (p9) and that *“ethnocentrism....is widespread”* (p10). This infers that within the international business sector there may be an inability to perform at the firm level in a culturally integrated manner. Culture also has effects in global trade agreements. These are predicated upon the notion of equity, itself a cultural construct, therefore disagreements ensuing from negotiations are

*“essentially grounded in divergent values.....(which) remain firmly fixed in culture and belief systems, which frequently defy change even through convincing argument”.*

(Behrman, 1995, p98)

Assumptions should therefore not be made regarding reasoning processes even though similar attitudes may be superficially apparent (Bigoness and Blakely 1996). The conclusion drawn is that *“a world of moral pluralism is rife with problems of transcultural communication”* (Husted et al. 1996, p406).

Within cross-cultural business relationships sales negotiation and communications also encounter difficulties (Behrman, 1997; Herbig, 1997; Martin and Herbig, 1997). Style differences in cognition, coding and decoding of messages, together with ‘noise’ in the system, combine to endanger the achievement of successful outcomes (Bradley, 1995). Simintiras and Thomas (1998) argue that the critical point in all negotiations, either intra or cross-cultural, comes during the initial phase when first impressions are formed. These will ultimately influence future strategies and bargaining positions. This directly impacts on competitiveness since



*“few countries or companies have taken the time to learn the cultural bases of foreign countries with which they are dealing or competing. This lacuna results in much misunderstanding....in commercial negotiations, in joint ventures and in the performance of foreign affiliations”.*

(Behrman, 1995, p93).

Differences in African and European management styles may lead to intercultural conflict, requiring the adoption of conflict handling modes (McKenna, 1995). To be constructive conflict requires sensitivity and adaptability to other cultural communication styles based on the adoption of a cultural variability perspective. This utilises ‘lenses’ to identify base areas from which conflict may arise (Ting-Toomey, 1999).

Priming is an additional consideration. Priming sets the atmosphere for negotiation and results from prior exposure to a cultural stimulus, suggesting unconscious ethnocentrism may be present in the negotiation. Bi-cultural individuals may move between cultural lenses dependent upon the cultural system primed by the environment (Chang, 2001). For individuals from LDCs such as Zimbabwe this may be an advantage. At all stages the ultimate aim must be to build trust between the partners, which in the initial stage is highly dependent upon reputation (Heffernan, 2004). In the LDC exporters’ case, development of trust is therefore subject to the influence of a possible negative image.

## **2.6 Negative Image and Stereotypes**

It has been argued that international business relationships are formed against a back-drop of mutual uncertainty and potential misunderstandings. Stereotypes may be introduced as a form of ‘shorthand’ to quickly provide information when confronted with the unexpected or unfamiliar in business and social situations. Individuals may hold covert stereotypes which can perform a useful categorising and simplifying function. Conversely overt or shared stereotypes may lead towards oppression and intolerance. Stereotypes have been defined in social identity theory as:

*“belief systems which associate attitudes, behaviour and personality characteristics with members of a social category”.*

(Cinnirella, 1997, p37)

A wide ranging overview of conceptual approaches to stereotyping is provided by Ashmore and Del Boca (1981). Gardner *et al.* (1995) summarise more recent material arguing that stereotypes are held both individually and consensually (Gardner, 1994). They conclude that studying consensual aspects will yield greater results in terms of the reality of social interactions. Stereotype judgements are deemed quicker and more automatic than those not supported by stereotypes, functioning particularly in social encounters. While groups may be categorised at a gross level, individuals appear to be 'subtyped' based on salient characteristics. This may allow inferential conclusions to be drawn based on little data, supporting the view of stereotypes as cognitive energy saving devices or 'shorthand' in circumstances of cognitive overload

Displacement or scapegoating, a universal aspect of social behaviour (Giddens, 1993) may be caused by stereotypes. Here hostility is generated against a specific sector of society perceived to be the cause of detrimental circumstances. The action by EU Commissioner Mandelson regarding dumping of footwear by Chinese and Vietnamese firms (EUROPA, 2006) could be seen as an example of this.

In social psychology investigations revolve around matters of group stereotype adoption and their associated usefulness. A distinction is made between active and dormant stereotypes. Active stereotypes are those that are currently functioning in society. Dormant stereotypes are inactive or stored within a variety of media and espoused by certain groups, these 'anchor' social representations (Cinnirella, 1997). Media stereotypes may also set a context for interaction and once absorbed are difficult to dislodge (Lester, 1997). The longevity of Third World images used by media in events such as the 1985 Live Aid concert and the more recent 2005 Live 8 may be seen as examples (VSO, 2002a). These events strongly featured negative images of

Africa. The legacy of images principally designed to draw in donations from around the developed world has been to engender, or at least continue, a negative stereotype that

*“revolves around an implicit sense of superiority and inferiority” and that ‘80% of us are confident that the developing world exists in a permanent state of doom and disaster’.*

(VSO, 2002a, p3)

A report by VSO concludes that a wide section of people in Britain hold negative stereotypes *“about life and people in the developing world”* (VSO, 2002b p2). One researcher reported that *“you really have to push to get past Africa”* (VSO, 2002b, p5). The survey suggests that British consumers hold negative stereotypes of people in the developing world based primarily upon media constructions designed to elicit a particular response. This illustrates the importance and longevity of media imagery, not generally linked with country of origin literature. Once in place images are persistent, tending to create structures supporting negative images of LDCs, particularly those in Africa.

Stereotyping occurs in both social and organisational contexts (Soeters and van Twuyver, 1997; Cooper and Kirkcaldy, 1995) and operates even among those who reject the process itself (Jarvis, 1998). Soeters and van Twuyver (1997) studied stereotyping in organisations and concluded that intergroup contact alone does not reduce and may exacerbate stereotyping. One method of alleviating such reactions may be the *“development of superordinate goals”* (p508). In the business context this may be seen as interdependency in importer-exporter business relationships.

Interactions in business situations involving stereotypes are also discussed by Fant (1997) who suggests that stereotyping is an important part of intercultural encounters. Self or own-group, autostereotyping, serves to confirm that the holder is perceived by out-group members as an in-group representative. Stereotypes of other cultures, heterostereotypes, are



constructed by developing predictive views of 'others' and attempting to determine the underlying rationale for 'others' behaviour. An overall value judgement is made from this which subsequently becomes the individual's stereotype for that group. Some elements may be acquired from external sources such as cultural beliefs or other in-group members. The potential result is that in-group standards are seen as correct and form scales of performance against which out-groups may be measured. For example in domestic importing firms, overseas organisations may be seen as inferior. This view is arguably endorsed by footwear trade magazines focused on the quality of European, particularly Italian, footwear styles, leathers and manufacturing skills.

Interactions may illuminate stereotype disparities (Fant, 1997). Hamilton (1981) argues, however, that group members

*"were more likely to 'see' or remember information that fit with their stereotypic beliefs than information unrelated to those beliefs. Such a bias would have the consequence of perpetuating a person's stereotypic conceptions in the absence of confirming evidence".*

(Hamilton, 1981, p142).

A further requirement in interactions is the establishment of symmetry in the status of participants (Stangor and Schaller, 1996) which relates both to the cultural embeddedness of management style and cultural dimensions. Equality of interactants will enhance intergroup contacts, potentially leading to revision of stereotypes. It is perhaps not the case with inter-racial contacts. Uncertainty in the interaction may be due to unfamiliarity between groups, therefore more structured encounters may offer better results (Rose, 1981). In the international business context these may be seen as pre-arranged importer-exporter meetings which would allow information acquisition necessary to stereotype release (Locksley *et al.* 1980).

The literature on cognition suggests we may be unaware of significant factors that commonly influence our behaviour (Banaji *et al.* 1993). Such a situation



*“critically compromises the efficacy of ‘good intention’ in avoiding stereotyping and points to the importance of efforts to change the material conditions within which (psychological) stereotyping processes emerge and thrive”.*

(Banaji *et al.* 1993, p280)

Banaji *et al.* (1993) showed that casual, unconscious, contact with stereotype material will modify appraisals of interactants. It may therefore be argued that efforts to change stereotypes, such as country images, are useful.

## **2.7 Mental Models**

Stereotypes and images, positive or negative, are one aspect of the widely adopted mental model concept within cognitive science (Thagard, 1996). Johnson-Laird (1989) sees Craik (1943) as the progenitor of mental models. Craik (1943) wrote that:

*“human beings translate external events into internal models and reason by manipulating these symbolic representations. They can translate the resulting symbols back into actions or recognise a correspondence between them and external events”.*

(Craik, 1943, cited in Johnson-Laird, 1989, p469)

We represent or conceptualise knowledge, for example what we think we know about foreign countries, our environment, situations or entities, using mental models. These are perceived or imagined images or abstract notions, in the form of either image or language (Sasse, 1997). According to Paivio (1986) the mapping quality of pictures is best represented by photographs, maps or drawings, where detail and scale are closely connected across from the original. Language-oriented representations are looser and tend to consist of components. Sasse (1997) suggests phonemes, or individual sounds, are important in human language type models. Representations can combine features of both picture and language types. Crucially the complexity which

restricts use of pictures is an advantage for language which can be utilised both in physical and abstract representations, i.e. concepts.

Johnson-Laird (1989) suggests one of the main sources of mental models is perception and that models integrate sense data from all available inputs. We may have direct perception of the world phenomenologically, but this also is dependent on experience and therefore *“The limits of our models are the limits of our world”* (p471), for example restrictions in the period of Zimbabwean isolation. Mental models are also utilised to provide a basis for understanding new situations (Sasse, 1997), for instance in importing where new suppliers may be continually encountered. In general, mental models may be regarded as *“representations of reality that people use to understand specific phenomenon”* (TIP, 2004).

An important point in relation to the question of decision making in supplier selection is that mental models

*“are parsimonious and provide simplified explanations of complex phenomena”* and *“can be represented by sets of condition-action rules”*. (Schumacher and Czerwinski, 1992, cited at tip. psychology.org).

The inference here is that buyers may not explore particular supplier offerings and possibly will apply pre-selection criteria in advance of detailed discussions. For example, regarding security of supply, based on country of origin image. In such a case those having negative images would appear to be disadvantaged, linking to the Theory of Planned Behaviour (Ajzen, 2002). In the business arena discussion of change and mental models (see Figure 2.4) resolves into questions of theory espoused and theory-in-use (Senge, 1992). When change is espoused the new ideas may come into conflict with deep seated mental models of the world, the theory-in-use and be resisted (Senge, 1992). If existing mental models are retained then the status quo continues. This suggests that if behavioural patterns are to change, in this research referring to purchasing from Third World based exporters, then learning is required at individual and organisation levels.

## **Figure 2.4 Mental Models Concept**

Source: Senge, (1990), *The Fifth Discipline*, Random House, London, p.376.

Exporter selection may be made under time constrained conditions or during periods of information overload, which may be deemed stressful. In these circumstances a strong drive towards a particular action is unlikely to be formed. This suggests import buyers wishing to purchase from Third World exporters and being risk-averse may not take their favoured course of action. The choice may be reinforced if the dominant ideology of the enterprise is ethnocentric, creating a subjective norm (Ajzen, 2002). Mental models are used to represent our environment and as knowledge expands so the models deepen, perhaps corresponding to media representations. This arguably forms the main information source on Third World countries. The conclusion which may be drawn regarding international business is that exposure to individuals from Third World countries, or increased information about those countries, may lead to the revision of mental models. This could potentially contribute to reduction in negative images. We now turn to a discussion of small firms in the international context.

### **2.8 The Small Firm Context In LDCs**

International business may begin by exporting in response to unsolicited orders (Liang 1995) or incentives (Crick and Chaudhry, 1997). Hollensen

(2001) alternatively argues for “*staying at home*” (p3) as an option for a small firm with a weak home market position and limited international experience. This provides protection from the pressures of international competition that may lead to a decline in prices (Soderbom and Teal, 2001).

As shown in Chapter One some developing countries have been affected by political pressures. Their experience also differs from that elsewhere due to structural problems such as lack of physical or institutional infrastructure (Yotopoulos, 2006; Pedersen, 1999). In addition SME access to skills and business-educated staff is limited; a critical area in this context is international marketing (Foroma, 1999). Lall (2000) in acknowledging these constraints argues for greater, proactive, support in LDCs rather than simply passive responses.

Pil and Holweg (2003) argue that SME strategy may be intuitive and radical, taking advantage of environmental changes and new opportunities as they occur. Small scale operation also provides other potential advantages, for example, allowing companies to locate ‘hot spots’ and tap into local knowledge networks, as exemplified in clustering. In addition it becomes possible to respond more rapidly to customer needs and trends in regional demand. This involves SMEs in risk taking (Gilmore *et al.* 2004) which is perhaps facilitated by short communication channels that allow greater flexibility when considering and reacting to opportunities. A disadvantage, however, is that small scale operation also results in a general inability to influence COO effects (Vrontis and Thrassou, 2006).

International SME managers may also be owners. Such entrepreneurs require skills and knowledge types over and above those of their domestic counterparts. These include knowledge of cross-cultural, regional or international transactions. The requirement for extra knowledge suggests that international marketers are facing different issues in their search for transactions and that a product transferred from the domestic market may not meet more stringent international requirements (Keegan and Schlegelmilch, 2001). A global mindset is needed (Srinivas, 1995) and ideally international



managers should see all points equidistantly (Ohmae, 1999) as opposed to adopting the Ethnocentric, Polycentric, Regiocentric or Geocentric (EPRG) framework (Perlmutter, 1969; Keegan and Schlegelmilch, 2001) or a strategic mindset (de Cieri *et al.* 2004). According to Gordon (2000) a further development of this is the cybercentric organisation which takes worker and management orientation out of the physical world and into a “*virtual extended enterprise*” (Gordon, 2000, p5) where COO effects are now also being considered (Ulgado, 2002).

Where SMEs marketing knowledge and resources are restricted, then direct exporting may be chosen as the market entry mode. This low cost, low risk, option does not, however, create a significant market presence or allow significant control over markets. It also has the disadvantage of creating static market knowledge. Since the exporter’s organisation remains embedded in the home country importer selection and channel strategy become critical, being seen in the literature as “*one of the key policy decisions*” (Keegan and Schlegelmilch, 2001, p435).

Although exporting is important for SMEs, as noted in Chapter One, reviews of the literature by Aaby and Slater (1989) and Paliwoda (1999) showed minimal interest in the LDC perspective. It is also noteworthy that

*“the vast majority of research studies in this area have focused on the export activities of firms based in countries whose industrialisation and economic development has reached an advanced level”.*

(Kaleka and Katsikeas, 1995, p499).

This suggests a Western orientation to the literature (Kaleka and Katsikeas, 1995). A similar conclusion was reached more recently by Ibeh (2003) suggesting that the current research may contribute towards filling a gap in the literature. “*sub-Saharan Africa is one particular region in which little systematic firm-level export behaviour research has been undertaken*” (Ibeh, 2003, p1).

## 2.9 The Business Environment

The primary requirement for growth of business in the LDCs has been described as the creation of an enabling environment. See Table 2.1. It has been argued that such issues have not been discussed within the LDCs; rather the responsibility for lack of achievement is placed elsewhere. This conceals the problem and does not permit the growth of business (Ayittey, 2001).

**Table 2.1 Factors Comprising An Enabling Business Environment**

1. security of persons and property
2. system of objectives or incentives
3. rule of law
4. basic functioning infrastructure
5. stability of business and national environment including political, social and business/economic aspects
6. basic political, business and economic freedoms

Source: Ayittey, G.B., 2001, Key Note Speech, International Academy of African Business and Development, Washington DC, 4<sup>th</sup> - 7<sup>th</sup> April 2001

Within this framework the key issues are a hostile government attitude to business, construction of the enabling environment and free discussion of political issues. Academically the international business environment has been defined as:

*“the totality of external environmental forces which may influence any aspect of organisational activity”*

(Brooks, Weatherston and Wilkinson, 2004, p4).

These issues are reflected in the changing political situation in Zimbabwe which has reduced the effectiveness of business associations and restricted their access to government (Brautigam *et al.* 2002). Firms interrelate with their

business environment, conceptualised by Worthington and Britton (2003) as comprising two areas, the contextual and operational. The contextual area contains factors alluded to by Ayittey (2001) and can be analysed under social, legal, economic, political and technical headings, the common acronym STEP (Czinkota and Kotabe, 2001). In the operational environment other factors are considered including suppliers, competitors, labour market and financial institutions. An important consideration in the operational environment is interrelationships with suppliers, particularly those overseas where image and stereotyping may be an issue. Competitors to the firm in overseas markets may be qualitatively different in terms of competencies such as marketing, production technology or product quality. This leads to the need for environmental analysis at different spatial levels. Firms also need to identify and meet customer needs, which in turn will be affected by their own environmental pressures, in this case those affecting MDC markets (Worthington and Britton, 2003).

Wilson (1992) alternatively suggests that the environment may be seen as:

1. objective fact - a clear, measurable and definable reality.
2. subjective fact - its particular characteristics being dependent on individuals perceptions and interpretations.
3. enacted (Weick, 1979) - where the division between organisation and environment is not clear and where the environment is created and defined by individuals and organisations.

The latter characterisations of the environment as subjective fact and enactment may be seen as leading towards the possibility of an environment in which a perceived image factor could affect relations between exporters and importers. Brooks *et al.* (2004) appear to concur with Weick and Wilson, arguing that the environment is seen through "*perceptual filters*" (p16-18) which selectively filter incoming information. A further perspective is introduced by Baron (2003) who adopts the terms market environment and non-market environment. While the market environment is seen as essentially similar to that envisaged by Worthington and Britton the non-market

environment is characterised by 4I's. These are Issues, for example human rights or deforestation; Interest groups, either organised or unorganised; Institutions such as bodies that make decisions and function as debate arenas, for example the WTO; and finally Information, what institutions know (Baron, 2003, p5).

Baron suggests that the non-market environment is shaped by competition among activists, individuals, interest groups, government officials and firms. The media can be seen as a constituent part of interest groups, where media coverage performs several functions including alerting the public about firms' policy and practice, representing interests and principles coincident with news medias perception of its role in society. See Figure 2.5.

### **Figure 2. 5 The Theory of Media Coverage and Treatment**

Source: adapted from Baron 2003, Figure 3.2, p67.



The media therefore have a potential role in creating and articulating issues, perceptions and images of firms and countries. Baron suggests that treatment and perspectives may be factual coverage, interpretation, exploration of significance or advocacy. In terms of bias and accuracy, conceptual stories may not receive the coverage justified since they often provide few opportunities to develop controversy or to provide visual effects. If an issue has immediacy or urgency then it becomes more newsworthy. For example

*“working conditions in overseas factories are a distant issue for most readers and viewers, but because of its high societal significance as perceived by the media it receives considerable coverage.....treatment of the issue, for example, frequently used the term sweatshops”.*

(Baron, 2003, p67).

This suggests that many positive issues related to the Third World may not play to the strength of Western television since they lack visual appeal. Such issues would perhaps include improved living standards or progress in manufacturing technology, which although having intrinsic interest for concerned parties are not essentially suited to a visual medium and may lack societal significance. Accordingly it may be argued that ‘good news’ stories lack coverage and their absence contributes to the negativity of Third World images. In Zimbabwe continuing dislocation of social and business life, as reflected in the media (cf recent news reports), arguably produces and disseminates a negative image of both country and African continent. The concept of a negative image is acknowledged within the African business literature (SIBEX, 1999). SIBEX concedes that some individual images may reflect reality, but in discussing the renaissance of business in Africa the continental negative image is seen as a leading reason for lack of foreign direct investment:

*“All too often potential investors discount the African continent as a location for potential investment because of the perceived negative image which they hold of the continent as a whole”.*

(SIBEX, 1999, p2).

Other more recent writers also express concerns regarding the negativity of African national and continental images. A widespread internet based fraud perpetrated from a Nigerian origin is one example of what has been described as a “*growing epidemic*” (Viosca *et al.* 2004, p12). The importance of such negativity of image in the context of international business is supported by Pineda and Natarajan (1999) who propose that the current frameworks of globalisation strategy do not adequately explain non-economic influences. It is argued here that this type of influence may impact upon importers’ perceptions of both country and product. A potential result may be creation of the type of negative image from which some countries and products of those countries suffer, a factor related to COO effect which is discussed in the next section.

## **2.10 Country of Origin Effect**

This section of the literature review sets out the theoretical corpus of the study and considers the COO field from two complimentary perspectives. Initially an overview and historical trace (Marshall and Rossman, 1995) based on established work are given. Subsequently, recent developments including links to national branding are considered.

Differences of interpretation regarding COO are evident. A recent definition of COO states:

*“any influence that the country of manufacture has on a consumers positive or negative perception of a product”.*

(Ghauri and Cateora, 2006, p314).

Variations on the basic concept include country-of-assembly, country-of-design, country-of-components and country-of-association (Hamzaoui and Merunka, 2006; Quester *et al.* 2000; Jaffe and Nebenzahl, 2001). Wide ranging reviews suggest COO has, or had, an influence on product evaluation. Studies have typically taken place between developed countries

utilising products and services. COO may also act as an extrinsic cue in making product quality judgements, or perhaps a summary construct representing brand-country knowledge (Usunier, 2006; Al-Sulaiti and Baker, 1998; Phau and Prendergast, 1998; Peterson and Jolibert, 1995; Bilkley and Nes, 1982).

### 2.10.1 Historical Development of The Field

A seminal study by Schooler (1965) examined product evaluation in countries of the Central American Common Market (CACM). Differences in consumer product evaluations were found and attributed to internecine rivalry. It was suggested that these would act as informal barriers to trade between CACM member states. Schooler (1965) reported that

*“significant differences in the evaluation of products, identical in all respects except the name of the country appearing on the label, were found”.*

(Schooler, 1965, p396).

Rierson (1966) discussed national image and stereotyping in the context of consumer purchase decision making on a sample of Texas students. This early study demonstrated that estimates of quality in product purchase decisions were affected by national image across product classes and individual products.

Using a semantic differential scale Nagashima (1970) tested products from several countries identifying different profiles for individual MDCs. Nagashima concluded that for businessmen the image of a manufacturing base was affected by product availability, familiarity and stereotype of the country. Gaedeke (1973) subsequently extended the work from developed countries to include what, at that time, were clearly regarded as developing countries. Gaedeke (1973) found that individual consumers assessed products from the Philippines, Indonesia, Hong Kong, Brazil and South Korea for quality differently when ‘made-in’ data was disclosed. The theme of economic development was pursued by Krishnakumar (1974) who also directly related



the COO concept to developing countries. The study found that consumers rated their own country products lower than those originating in more developed countries. Factors such as gender and travel experiences were noted as influencing the appreciation of products. In this context travel may be taken as a proxy for exposure to other cultures and possibly the degree of buyer worldmindedness. The level of export buyers' business experience, seen in the context of global exposure, has also been seen as an influential factor in purchasing decisions. The more experienced buyer having a greater openness than the less experienced (Abdul-Malek, 1975). The potential for image improvement was demonstrated when Nagashima (1970) found that post war prejudice against Japanese products in the United States market was being slowly eclipsed by positive consumer experiences. More recently it has also been established that image components can change quickly. This was shown by the development of antipathy towards United States public policy on Iraq and perceptions of the United States itself (Fullerton, 2002).

Bilkley and Nes (1982) argued specifically that COO effects disadvantaged developing countries and could reduce investment and exports. These effects *"would slow down the economic development of affected LDCs"* (p94). Wang and Lamb (1983) supported the work of Krishnakumar (1974). It was found that political, economic and cultural factors of the manufacturing country were important considerations. An environmental segmentation model developed by Wang and Lamb (1983) showed a consumer preference towards MDCs such as the United States or countries in Europe, Australia or New Zealand, while Africa and Asian countries were perceived as poor product sources. The perceived degree of 'freedom' of the country was especially influential, suggesting awareness of international issues. The advice offered by Wang and Lamb (1983) was, in some circumstances, to camouflage the country of origin.

Khanna (1986), writing from the Indian perspective, argued that an adverse country-of-origin image may close market segments or markets. Developing country manufactured products were seen as originating from countries described as *"industrially backward, underdeveloped, technologically inferior"*



(Khanna, 1986, p30). This created a double wall of market resistance. Firstly, the attitudes of foreign businessmen and consumers, secondly, tariff and non-tariff barriers in developed markets. The conclusion was that *“generalisations about LDC business firms may be made even when little or nothing is known about them”* (p30). It was also noted that the COO effected potential new business more than repeat business, suggesting the development of trust over time.

Chao (1989) refers directly to *“negative image associated with the product”* (p75) and links this to the country-of-origin literature. Similarly to Khanna (1986) he sees a *“double wall of consumer resistance”* (p76) associated with reduced technological capability of LDCs and domestic consumer bias in developed countries. Chao (1989) believes this situation represents

*“a reduced propensity to purchase resulting from the poor stereotypical image (which) has been found to be associated with products made in less developed countries that are generally perceived to be less technologically capable in producing products of high quality”.*

(Chao, 1989, p75-76).

Work by Khachaturian and Morganosky (1990) supported Chao (1989). They also found that the lower the perceived level of a country's development, the greater was the apparent reduction in product quality.

Al-Hammad (1988) had earlier argued that consumer education could be an important factor in reducing bias against imported goods. As education levels increase, so buyers may become more open towards purchases of imported goods. This suggests the possibility of interaction with factors identified by Han and Terpstra (1990) who argued that COO was conceptualised as a consumer 'halo' effect where willingness to purchase was related to the economic, political and cultural characteristics of the origin country. Additional influencing factors were the consumers' perception of the level of similarity between domestic and exporting countries, political and cultural climate and belief systems. This work relied only on product measures and the study

design and conceptualisation have been challenged recently by Laroche *et al.* (2005). Graby (1993 cited in Amine and Chao, 2005b) found country image to comprise three outputs: products, both manufactured and cultural, effects arising from association with regional conditions and perceptions by foreign publics of conditions in the national environment. This relates to earlier work by Crawford and Lamb (1981) and, like Chao and Khanna, implicitly suggests the involvement of continental images and awareness of developmental issues. Subsequently Kim and Chung (1997) postulated the existence of a development continuum and that a country's position may affect the purchase of goods from that country. Kim and Chung (1997) found that "*country-specific intangible assets existed, furthermore, significantly interacted with marketing variables*" (p382) with the inference that lower development is coincident to lower levels of export success. While these conceptualisations potentially represent stereotyping it is argued here that they are differentiated from stereotypes and product country image by their consistently negative orientation. According to Gertner and Kotler (2004)

*"Stereotype suggests a widely held image that is highly distorted, simplistic and carries a favourable or unfavourable bias".*

(Gertner and Kotler, 2004, p51).

Product-country images have been defined by Agrawal and Kamakura (1999) as "*images of quality of specific products marketed by firms associated with different countries*" (Agrawal and Kamakura, 1999, p256). These can also be positive or negative, enhancing or reducing the evaluation of all brands of a product that are associated with a country. This is unlike the proposed phenomenon of Negative Image which is consistently damaging to purchase intentions.

### 2.10.2 Industrial and Commercial Purchasing

Some COO research has been specifically undertaken in terms of industrial and commercial purchasing. An early study by Yaprak (1978) on United States and Turkish purchasing executives showed that made-in MDC labelling

positively affected purchase intentions. White and Cundliff (1978) found statistically significant differences, based on stereotyping, in industrial buyers' quality assessments of developed and developing country products. It was noted that while attitudes may be changed they *"involve entire industries and national economies and may not be influenced by the desires or decisions of only one firm"* (p85). The results were reconfirmed in White (1979). These differential assessments possibly result from the influence of buyers' assessments of economic development levels and political freedom in individual countries (Crawford and Lamb, 1981) though a country's stereotype will vary between countries (Cattin *et al.* 1982). According to Al-Sulaiti and Baker (1998) a number of studies showed effects in various industries: Chasin and Jaffe (1979) demonstrated a similar preference in the purchasing of agricultural equipment in Eastern Europe; Niffenegger *et al.* (1980) carried out a study into retail purchasing and reconfirmed the effect on purchasing intentions; and in a study involving purchasing by footwear distributors, Heslop and Wall (1985) identified a preference for shoes made in Italy over those from less developed countries. Ahmed *et al.* (1994) conducted an investigation into Canadian purchasing managers' decisions regarding office products. Results indicated that quality, value and general product profile were important in purchasing decisions, with developed country products again preferred over those originating in less developed countries. In addition the country of design was found to be more important than the country of assembly. The leading issue, however, was price. The overall conclusion from these studies is that, as in consumer research, the COO appears to have an effect upon purchasing decision.

### 2.10.3 Recent Developments

Although COO has long been acknowledged as an influence on purchasing decisions the concept is still subject to investigation. Recent work on COO has included more explicit consideration of brand influence. O'Cass, Lim and Julian (2000) investigated the classification of brands in relation to COO utilising a student sample in Singapore. It was argued that as the result of a proliferation in hybrid products culture-of-brand-origin (COBO) had now



replaced COO in consumer purchase decision making. Consumers are better able to determine culture-of-origin than COO and COBO should now be viewed as the *“next wave of understanding in how consumers perceive and evaluate brands”* (O’Cass *et al.* 2000, p875). Clemens and Babcock (2004) addressed the issue of country brands and country of origin labelling (COOL) in an investigation of the marketing of New Zealand lamb. A key point was that a high quality product gave strong support to the label. In this case positive country branding is argued to open markets. In their conclusions Clemens and Babcock (2004) state

*“New Zealand lamb has become internationally known as a high quality meat product.....(and).....country branding has opened markets and achieved strong consumer recognition”* .

(Clemens and Babcock, 2004, p18).

The paper links country image and branding together, opening a further avenue for investigation. Current work argues brand familiarity and objective product-country knowledge may be seen as mediators of consumers’ reliance on COO. The suggestion is made that market segmentation according to levels of consumer knowledge may be possible (Phau and Suntornnond, 2006).

In a wide ranging analysis of COO and nation branding Papadopoulos and Heslop (2002) highlighted several issues, summarised into nine conclusions. The key points for this research are that national image affects all types of buyers and, in certain circumstances, can outweigh price, dealer reputation and brand cues. In addition greater discounts are expected on products originating in countries with poorer images than from those with relatively better images. Industrial buyers are said to distinguish between country of design, manufacture, assembly and brand home country, creating a hierarchy of countries where developed countries are seen as more acceptable sources than developing countries. Speece and Nguyen (2005) support the existence of a country hierarchy in which Newly Industrialised Countries (NICs) are *“behind developed countries, but ahead of developing countries”* (Manrai *et al.*



1998 cited in Speece and Nguyen, 2005, p40). Papadopoulos and Heslop (2002) noted the results of a separate study which showed that country images comprise three country constructs: a nation's level of development, affective notions regarding inhabitants and links with the country. They also reported four product constructs: product assessment, price, market presence and buyers' level of satisfaction. As in other major surveys these results referred to developed rather than developing countries, specifically the United States and Japan. Within the literature studies have shown that due to their origin developing country products fare badly when judged against these criteria.

Advice regarding remedial actions is diverse and contradictory. Wells and Wint (1990 cited in Papadopolous and Heslop, 2002, p310) suggest techniques should vary according to the stage of the decision making process. Advertising and image building could be utilised as an early stage influence on buyers' perceptions, later moving to personal techniques such as visits at the point of decision. Alternatively COO may be disguised in a hybrid product origin (Chao, 2001). Jaffe and Nebenzahl (2001) recommend tactics such as advertising, piggy backing and discounting to overcome the disadvantage. The latter advice runs counter to Speece and Nguyen's (2005) more recent conclusion that price cuts do little to attract customers away from brands perceived to be of higher quality. Nargundkar and Bajaj (2002) suggest emphasising value added and high quality, arguing this can influence image and is within the capability of individual firms. Their attempts at export marketing, with minimal government or industry group involvement, can lead to an inconsistent country image (Papadopolous and Heslop, 2002). Exclusion of exporters from contracts or the denial of large scale foreign direct investment to countries on the basis of a false image may result; a similar conclusion was reached separately by Liang and Parkhe (1997). Ultimately "*tactics which communicate quality and value*" (Speece and Nguyen, 2005 p46) rather than concealing the COO (Kim, 2006) may be the most effective in combating Negative Image.

Studies featuring developing countries do not generally discuss the components of image. A recent exception to this comes from Nargundkar and Bajaj (2002) who discuss Indian export products including carpets, clothes and leather goods. They argued child labour, environmental concerns and the treatment of animals had made a contribution to a very poor image.

*“Indian companies have a non-professional image in terms of almost any parameter known to affect successful marketing. Our quality is perceived as shoddy, packaging is not up to international standards, delivery is unreliable and export procedures unfathomable.”*

(Nargundkar and Bajaj, 2002, p69).

Subsequently in the Indian market Kinra (2006) again found bias away from domestic products and towards developed economy products. These were perceived as having higher technology, quality and status. Similar conclusions have been reached for other countries: Taiwan (Wang and Heitmeyer, 2006), Tunisia (Hamzaoui and Merunka, 2006), Malaysia (Nooh and Powers, 1999), Bangladesh (Kaynak *et al.* 2000), Nigeria (Okechuku and Onyemah, 2000), South Africa (De Wet *et al.* 2001), China (Balestrini and Gamble, 2006; Ahmed and d’Astous, 2004) and Indonesia (Hamin and Elliott, 2005). In developed countries the converse effect has been reported. This was attributed in the UK to consumer ethnocentrism (Balabanis and Diamantopolous, 2004) while in Japan and the USA cultural differences were seen as responsible (Gurhan-Canli and Maheswaran, 2000). A further influence is the occasional role played in domestic purchasing by sentiments such as ‘buy national’ (Saffu and Walker, Forthcoming).

Recent work by Liu and Johnson (2005) based on consumer assessment of Japanese and Chinese computers in “a large southern metropolitan city” (p91) suggests consumer COO effects are activated automatically, unintentionally and without control. The effect may lessen when more careful evaluation is needed, such as in high involvement purchasing. In a similarly located investigation of Japanese and Swedish products Laroche *et al.* (2005) found that beliefs about country image and products affected evaluation of products

simultaneously. They concluded this occurred irrespective of consumers' knowledge about products. Laroche *et al.* (2005) argue this is important since country-level competition is increasing rapidly and country and product beliefs may be incongruent.

Usunier (2006) utilises COO as a vehicle to examine the field from a perspective of disconnection between *“academic credibility and real-world relevance”* (p60). The fundamental basis of COO is attacked by Usunier (2006) arguing that COO is no longer a major issue for international firms in view of multinational production, growth of global brands and relaxation of labelling rules. It is noted, however, both that low levels of democracy may be detrimental to the image of goods made in a particular country (Martin and Eroglu, 1993, cited in Usunier, 2006, p62) and that labelling regulations are also detrimental for developing and newly industrialising countries:

*“Origin labelling for countries with weaker images as manufacturing nations (which is the case of developing nations) is increasingly associated with discrimination against the exports of newly industrialised countries”.*

(Usunier, 2006, p63).

COO research is perceived as implicitly reflecting the rise of Asian manufacturing, known as the *“besieged factories scenario”* (p67-68) and a need for reassurance of Western nations. Usunier (2006) perceives this as outmoded in view of global outsourcing and the increased quality and price of Asian products. The current study seeks to identify factors inhibiting Western market access for products having their origins in less successful developing countries. A final point made by Usunier (2006) concerns the self-referential nature of COO research. The argument is made that although new aspects such as brand dominance are in evidence, essentially the same material is cited and topics re-visited. There is little questioning of the relevance to business management. The current study offers a new perspective on COO by focusing on interactions between developed and developing countries, with clear relevance to the business purchasing area and input from other disciplines e.g. cognitive science.



Exporters should have an appreciation of the importers' perception of brand, both as a point of product differentiation and possibly a cue in terms of value for money (Lye and Hamilton, 1998). Though product brands are common and have been seen as having positive or negative images (Lamons, 2004) regarding a country as a brand presents difficulties since "brand" itself is a nebulous concept (de Chernatony and Riley, 1997, 1998). Over time linkages have been established (Ohlau, 2001; Thakor and Kohli, 1996) and recently a relationship has evolved between COO and national image. This is known as nation or place branding, though the latter differs *"in almost every respect from branding a product"* (Lodge, 2002, p17). The concept extends COO from products or services into the arena of actual country or national image. Examples in the literature include Spain, Scotland, New Zealand and Ghana, among others. One leading writer in the field has particularly associated developing countries with nation branding and image management (Anholt, 1998, 1999). Anholt (2000) believes country image may provide positive consumer assurance or

*"at worst, an inappropriate or **negative image** (which) can make it extremely difficult to export anything from that country unless it's provenance is disguised"*.

(Anholt, 2000, p208, original author emphasis).

Anholt (2000) suggests some African countries have the possibility of creating a more positive national image. They have the advantage of a lack of historical negative associations and a potential sense of community. The developing countries in general, however, face particular problems related to image management. Country images need attention in view of their strategic implications:

*"country images exist and will continue to evolve one way or another, but without attention by the countries themselves they will often be based on misconceptions with potential negative short and long term consequences"*.

(Papadopoulos and Heslop, 2002, p309).



Kotler *et al.* (1993) discussed places having one of six alternative images, including a negative image. Under such circumstances places would want “*to curb their image distribution*” (p35), suggesting the possibility of image management. Subsequently Olins (1999, p23-24) set out a seven stage methodology for managing and sustaining the required the image. For O’Shaughnessy and O’Shaughnessy (2000) the question is one of associating positive national “*reputational capital*” (p64) with products, a theme reiterated by Passow *et al.* (2005). Recently Jaworski and Fosher (2003), Anholt (2003) and Gilmore (2002) have conceptualised factors perceived to be involved in national image and branding. Interrelationships between the factors appear important since “*increasingly, brands are actually the means by which consumers form their views about national identity*” (Anholt, 2002, p233). In what he terms the ‘advanced’ sense of branding Anholt (2005) includes visual identity, together with the idea of “*intangible or brand related qualities*” (p117) arguing that under this conceptualisation a brand becomes the focus of organisational (country) activities. This may be a product, place or nation and in the latter case amounts to “*an attempt to manage the “reputational assets” of the place rather than sell it*” (p119) through attention to human, financial and organisation issues. Any changes to image must, however, be in “*amplification of what is already there and not a fabrication*” (Gilmore, 2002, p284) presenting ideas and concepts to which the population can connect. Subsequently Gertner and Kotler (2004) suggested a process of “*strategic image management*” (p51). This entails influencing image in terms of target groups, including businessmen. A prerequisite for sustainable success, however, is the actual removal of problems.

Amine and Chao (2005a) present an analysis of Taiwanese country image management efforts between 1990 and 2004 designed to assist product marketing efforts. The case study focuses on Acer, a computer firm, attempting to enter the Chinese market. Initially Amine and Chao (2005a) found the Taiwanese national image to be a positive factor for Acer in terms of “*downhill marketing effect*” (p191) towards a country regarded as being of lower economic development. The position subsequently changed when Japan and the USA, having a higher level of development than Taiwan,

entered the market. Under these circumstances Taiwan's image became a negative factor, exemplifying country hierarchy, or the development continuum, noted by Chao (1989).

Fan (2006) supports the earlier positions adopted by Lodge (2002) and O'Shaughnessy and O'Shaughnessy (2000) arguing that a nation has an image irrespective of any nation branding efforts. Fan (2006) poses the question *"How can nation branding help a country's image building if it is plagued by war, poverty, crime or terrorism?"* Fan answers this question by stating that *"Nation branding will not solve a country's problems but only serves as the final touch, to add icing on the cake"* (Fan, 2006, p13).

## **2.11 Trust and Buyer-Seller Relations**

Country image acts upon marketing relationships which have been assessed as costly, time consuming in construction and seen as intangible, accenting their unstable nature (Blois 1997). Coincidentally Blois (1997) writes that the very effort of alleviating this intangibility will dissipate the advantageous features of the relationships, therefore an acceptable level of instability is implicit. In addition relationships have been seen (Perrien and Ricard, 1995; Krapfel, *et al.* 1991) as a *"strategic issue"* for the seller and *"communication process"* (p37) for the buyer. The process of building a marketing relationship is both an asymmetrical and personalised process dependent upon the salesperson. Key aspects of this are trust and bilateral satisfaction resulting from the generation of benefits. There is a demand side focus and little consideration for suppliers (Gibbs, 1998).

Relationships and their life cycles are seen as manageable entities. According to Biong and Selnes (1995) much of the responsibility for success of the relationship centres upon relational selling behaviour and skills of the salesperson involved. Biong and Selnes believe that contract extension and increased commitment to the relationship, or dependence, involves the development of trust (p484). This is mediated by contact and communication

between buyer and seller. A further important aspect is conflict resolution, all factors indicating a need for closeness of the parties in the relationship.

Nielson (1998) investigated the 'closeness' concept and developed and empirically tested a model of buyer-seller relationships in industry. This model posits that trust is the key requirement for a close relationship, that is, 'trustworthy' is synonymous with capability and reliability. This obviates the fear of opportunistic behaviour, which would damage the relationship and allows partnership investment, for example supplier product modifications. These may be seen as 'superordinate goals' as suggested by Soeters and van Twuyver (1997) leading to closeness and supplier benefits. The benefits sought may be fair trading and, to an extent, reciprocity where each side benefits and achieves personal goals. This requires that trust is monitored and nurtured (Parkhe, 1998). Such trust may however be subject to opportunism from the buyers if better terms are obtainable elsewhere (Gibbs, 1998) which suggests a need for trust with verification (Markoczy, 2003).

A key requirement in buyer-seller relationships is the building of trust, comprising competence, probity and continuity, which have traditionally been key issues in forming business relationships. This also argues the need for organisational learning (Dakin and Ryan, 2001) in terms of African export potential, though little work has been done internationally (Samiee and Walters, 2003). More recently caring for, or nurturing, the client has assumed more importance reflecting the growth of Customer Relationship Marketing (CRM) (Minett, 2002). This is assisted by the learning and dialogue between parties that generates relationship specific knowledge (Ballantyne, 2004) since "*it would be fallacious to say that trust would emerge naturally*" (Sahay, 2003, p560).

Trust is seen to reduce perceived risk through satisfaction in the factors of communication, commitment and conflict handling, the antecedents of trust. This enables longevity of the relationship and increased benefits, however environmental uncertainty affects trust negatively (Geyskens *et al.* 1998; Selnes, 1998). Hedaa (1993) employs a triangulation of trust, uncertainty



reduction and confirmed expectations as an explanatory tool. Within the triangle trust is regarded as both an inter-organisational and interpersonal boundary-spanning construct (i.e. between buyer and seller). As the levels of trust and the engendered counterpart, distrust, oscillate so the parties will move towards and away from a 'shared space'. A similar situation pertains with uncertainty except that here outcome perfection is impossible. The aim must therefore be to establish a bank of positive experience and so reduce levels of uncertainty for the parties. Within the dyad expectations are seen as arbiters of future decay or strengthening and changes may not be apparent to both parties. As Hedaa argues

*"many incremental disconfirmations of expectations accumulate over time, and eventually change (the) level of expectations"*.

(Hedaa, 1993, p203).

An examination of the buyers' perspective is provided by Anderson and Narus (1984) who argue from their research that distributors (importers) find reasonableness in policies from manufacturers (exporters) highly desirable, but that manufacturers omit or fail to comprehend this. Examples given include *"inventory return, credit, and number of franchised distributors in a trade area"* (p70). Meaningful communications and superior performance of the supplier compared to alternative suppliers are also noted. The presence of these qualities reduces the supplier's need for aggressive tactics, enhancing the level of relationship performance.

A meta-analysis of twenty-four studies conducted during the period 1970-1995 dealing with the Western buyer perspective on relations and trust was carried out by Geyskens *et al.* (1998). They reported a total lack of research on trust in non-Western settings. Here trust was defined as *"the extent to which a firm believes that its exchange partner is honest and/or benevolent"* (p225). A corollary to this was that honesty circumscribes aspects of reliability and sincerity while benevolence encompasses subordination of self interest to the partner's interests and joint benefits. This self interest may be seen as opportunism which reduces the possibility for establishment of long term



business relations and competitive advantage (Jap, 2001; Lee, 1998a, 1998b). The meta-analysis results are reported to support establishment of trust as a central tenet of relationship marketing. Other constructs related to trust were sentiments, actions, performance, channel decision structure and environmental certainty. Geyskens *et al.* (1998) suggest an order of precedence for firms when developing trust in relationships: goal compatibility and fairness; communication, opportunistic behaviour and support. Economic outcomes form the subsets. Developing trust will increase relationship satisfaction and long-term orientation, however, environmental uncertainty is noted as having a negative effect on trust, resonant with the developing country manufacturer context of this research. Current research in an international setting by Zaheer and Zaheer (2006) shows the nature of trust and its institutional and cultural support differ across national contexts. This suggests potential difficulties for exporters attempting to establish relationships since they *"bring with them different motivations and expectations of behaviour"* (P28).

Piercy *et al.* (1997, 1998) argue that buyer-seller relationships revolve around the requirement for exporters to understand the 'real' requirements of importers. One salient point made in the study is that price and quality of products, while important 'hard' factors are not the final arbiters of supplier choice. Attention should be paid to 'soft' factors such as fairness in business dealings, the development of trust and cooperative, supportive, behaviour towards importers. It is proposed that in this way a viable export strategy could be developed which maintains competitive quality and price, but majors on investment and development of the relationship. In a wide ranging review Leonidou and Kaleka (1998) develop this argument emphasising the behavioural aspects of buyer-seller relations.

Katsikeas and Dalgic (1995) believe that the level of importing activity is a major determinant of the importance of problems identified within buyer-seller relationships. Such problems are described as having internal/external and domestic/foreign origins, applicable to either sporadic or regular importers. Many of these factors may be ascribed to the external environment beyond

the trading relationship, for example exchange rate fluctuations. This again echoes the LDC and especially Zimbabwean situation. Such a view, however, conflicts with Leonidou and Kaleka (1998) who reviewed the buyer-seller relationship literature and found that most research in the field concerned developed country sellers, concluding that relationships placed emphasis on longevity. A further notable point is that LDC exporters tend to initially cede control to MDC importers until in-house exporting experience, including market knowledge and marketing skills, has been accrued (Katsikeas, *et al.* 2000; Kaleka *et al.* 1997). This supports earlier findings by Katsikeas and Piercy (1991) that LDC exporters lack marketing knowledge and fail to understand differences in MDC market structure. These require a rational rather than “*opportunistic and/or unsystematic*” (p18) approach which is likely to become an impediment, possibly leading to the initial export failure identified earlier by Welch and Wiedersheim-Paul (1980).

Conversely where market information is used in the formation of long term strategic plans rather than tactical activities firms tend to be more successful (Bradshaw and Burridge, 2001). Summarising the earlier importer behaviour literature Liang and Parkhe (1997) wrote that, due to a lack of work in the area “*our knowledge of importer behaviour remains fragmented, nascent and incomplete*” (p496). Their analysis of almost two hundred articles related to importer behaviour suggests that, unlike the assumed rational choice framework of neoclassical economics, importers do not logically determine their choice of supplier but, due to information overload, importers may adopt “*elimination by aspect*” (p519). In this non-compensatory process the criteria adopted incorporate rejection of

*“countries that either have political unrest or a negative country-of-origin image and then eliminate all vendors whose prices are judged to be too high”.* (Liang and Parkhe, 1997, p519, emphasis added).

A second method identified by Liang and Parkhe utilises the screening procedure above in combination with a subsequent selection procedure. This type of behaviour provides a linkage between task related and non-task

related aspects of buying, requiring a refocusing of investigations in the transaction. This could have relevance in the situation of business across cultures when related to interaction between, for example, relatively high and low context cultures (Remland, 2000) such as the UK and Zimbabwe.

## **2.12 Customer Relationship Marketing**

Research into Relationship Marketing (RM) has evolved into two streams (Coviello, 1999). These are a European stream focusing on relativistic and qualitative methods and a positivist and quantitative North American stream. Both of these are reported to lack research in cross-national and cross-cultural areas. The current research, which is focused on business across cultures, may therefore tentatively be seen as contributing towards filling this gap.

Morgan and Hunt (1994) argued RM requires commitment to a relationship and trust in the partner in that relationship. In the business marketing literature 'relational' is defined as being comprised of longer term, ongoing interactions that are dynamic processes, in contrast with 'transactional' discrete exchanges. A claimed advantage of relationships is reduced risk and uncertainty about partner actions e.g. opportunism (Iacobucci and Ostrom, 1996).

Cognitive schemes are used to organise perceptions of the world (our personal world-view) these include social interactions and relationships. Certain theoretical dimensions (Table 2.2) have been seen to characterise dyadic relations, with four dimensions underlying interpersonal relations (Wish, 1976, cited by Iacobucci and Ostrom, 1996). Firms themselves may claim relationships though these are acknowledged to be metaphorical. Individuals with firms can have personal relations and there may also be legal/contractual arrangements. While the social-work relations dimension is not wholly applicable to the business-to-business situation some social rather than totally work related interaction at the individual level does exist. In the

Factor Analysis performed by Iacobucci and Ostrom (1996) business-to-business dyads are initially characterised by interdependence, however, they are also reported as lacking in closeness and support.

## **Table 2.2 Underlying Dimensions Of Interpersonal Relations**

Source: Based on Wish (1976) cited in Iacobucci and Ostrom (1996, p55).

The authors suggest this reflects contractual arrangements and a business, not personal, orientation as the basis of the relationship. From a Correspondence Analysis that was part of the same study no firms were portrayed as casual or distant, since

*“if two firms or groups of persons are going to go through the sometimes difficult task of coordinating a relationship, it becomes by nature non-distant... this confirms our previously stated expectations that firm-level dyads are likely to be close and long-term in nature”.*

(Iacobucci and Ostrom, 1996, p69).



This supported Morgan and Hunt (1994) who had earlier argued RM requires commitment to a relationship and trust in the partner in that relationship. Some writers, however, saw relationship marketing as simply “*a new term for an ancient phenomenon*” (Gummesson, 1997, p55) or a step enroute to Developmental Relationship Marketing (DRM) where “*consumers are subjects empathetically served*” (Wolfe, 1998, p449). Zeithaml and Bitner (2000) disagree with both arguments. For them RM is a paradigm shift within business which “*represents changes in mindset, organisational culture and employee reward systems*” (p139). McDonald et al. (2001) continued the debate by propounding the view that:

*“Increasingly the transactional approach to marketing, with its short-term focus on the ‘sale’ and the ‘acquisition’ of customers, is being challenged”.*  
(McDonald et al. 2001, p51).

This contrasts with the cautionary view offered by Egan (2001) who argues that RM is not necessarily a panacea for all ills. Egan (2001) condemns RM with faint praise, suggesting it is potentially a “*management fad*” perhaps based on “*selective research*”. Possibly more serious is Egan’s notion of “*networks of corrupt buyers and sellers*” (p216 -219).

RM then, is said to represent a shift away from transactions and the acquisition of customers to a retention and relationship building perspective, characterised by some as a fundamental change in philosophy. Customers are seen to prefer a long term, stable relationship with a single product or service provider that avoids switching costs. This is consistent with the view among suppliers that retaining customers through retention strategies is more cost effective than constantly replacing them and incurring associated costs. Alternatively this may be

*“the discovery by some sectors of the marketing community of phenomena which have been long established elsewhere”.*  
(Palmer and Ponsonby, 2002, p175).

Long term customer relationships represent potential business growth from increasing customer needs. Benefits to the organisation may accrue financially from increased volume, regularity or value of customer purchases. Word-of-mouth advertising is also an added benefit since such 'free' endorsements are often better received by potential customers than commercially originated messages. Despite the adoption of one paradigm over another, basic interaction between the partners is required (Jancic and Zabkar, 2002) possibly through the advent of technology (Holland and Naude, 2004; Wilson *et al.* 2002). The establishment of organisational benefits spring from quality in the core business service within the BtB marketing context. This observation is reinforced by experience in the USA where

*“rapid development of relationship techniques has been accompanied by growing customer dissatisfaction”.*

(McDonald *et al.* 2001, p10).

Relationship marketing has clearly been the subject of debate and criticism. Such philosophical debates may possibly lead to permanent division among factions espousing wider and narrower views of what should be encompassed by the term RM. These are essentially an all-inclusive approach and an alternative emphasising the more restricted buyer-supplier dyad perspective where relations are ultimately subject to rational choice criteria (Egan, 2003). For both footwear exporters and importers the essential elements of product and service quality remain; for importers the option of adopting rational choice criteria also exists.

### **2.13 Critique and Summary of Literature Review**

A number of points were raised throughout the literature review and the critique is extended here. The review opened with a brief elucidation of theory surrounding internationalisation. As noted the relevance of this section resides in a need to understand processes of SME internationalisation in non-Western countries, but in general the accepted models do not appear to fully account

for this. Papers were identified that described processes in India, Pakistan and China. For some firms based in ex-colonies the Commonwealth effect may have an element of validity. Models of internationalisation for SME firms based in African LDCs are almost absent from the literature, only one study addressed the African experience (Bakunda, 2003). This reflects comments by Fillis (2001) that much of the work focuses on western business. It is concluded that there is no particular theory providing a general explanation of SME internationalisation processes in non-western countries.

Working internationally argues the necessity for sensitivity towards others norms, values and codes of behaviour. Hofstede's cultural classification generalises European and African cultures as individualistic and collectivistic, while the UK is low and Africa high power in distance. No reference is made to other situations, for example where there is a national cultural divide. Though culture is an important aspect of international business the literature appraises this from a Western perspective and, it appears, over emphasises identified cultural differences at the expense of basic expertise. A related issue concerns interactions between strictly hierarchical and more sophisticated horizontal management styles; the literature did not deal with this. Culture is therefore seen as an area of unresolved debate and, as in the internationalisation case, does not provide detailed guidance in this research area.

The formation of business relationships presupposes mutual interest and the development of trust. The literature suggests, however, that they are unstable, suggesting unwillingness to invest time and effort in their development. Despite these circumstances trust is perceived as a key issue, one that will not self generate, needing mutual commitment and establishment of positive experiences. It is emphasised that a long term relationship should be established rather than a short-term transactional approach. Here fairness, superordinate goals and a high level of communication, soft factors, are critical. This conflicts with the supremacy of price, quality and delivery, or hard factors. Concurrently the literature emphasises buyer dominance and ceding of control by exporters, ultimately relationships may be mediated by factors



resulting in “*elimination by aspect*” (Liang and Parkhe, 1997, p519). Little of this debate, however, relates directly to the MDC buyer-LDC exporter situation or to countries with a negative COO image.

Image reflects the operational business environment, which revolves around the roles of government and business. The need for these parties to work in cooperation to create and develop a business environment conducive to investment appears crucial. According to the literature media portrayals of LDCs are not perceived as positive, focusing on subjective fact and news worthiness rather than conceptual items. The extent to which business perceptions of LDCs are shaped by negative media portrayals rather than personal experience of participants therefore appears a potential factor in creation of LDC image.

A linkage between media representations and image was established through stereotypes. Support was given for both media effects and stereotype longevity. The functioning of stereotypes from the social psychology perspective was examined with reference to groups. It was noted that stereotypes may operate unconsciously in some instances and intercultural business encounters potentially form one such area. Stereotyping is seen as a method of expediently dealing with domestic or intercultural business encounters and may be positive or negative.

Evidence was provided from the African literature establishing the phenomenon of negative image and supporting the current thesis. No substantive evidence of this was found in Western literature. Citations showed that LDCs image is one predominantly associated with low levels of both technology and business management skills, perceived to culminate in poor quality goods.

Mental models are used to understand new situations, therefore since these models exist at the individual and group level it would appear possible for exporter–importer relationships to create the conditions for revision. By contrast such action is argued to transgress the organisational subjective



norm and therefore be resisted, suggesting a personal-professional dichotomy and difficulty for both exporters and importers.

Within the international business literature LDC based SMEs are under-represented and the current research offers further illumination. SMEs paucity of business strengths and the rigorous requirements of international trade were viewed as disincentives to export. These deficiencies were argued to be compensated by certain advantages, for example flexibility, acceptance of risk taking and fast reactions. The literature therefore creates a paradox for exporters. They are urged as SMEs to consolidate the home market, yet are equally encouraged to become outward oriented and sufficiently motivated to risk losses in order to export. This deficiency allows the possibility that LDC manufacturers will receive guidance from the extant literature predicated upon culturally specific MDC based research.

Reviews of the COO literature, for example Phau and Prendergast (1998) and Al-Sulaiti and Baker (1998), address similar literature but adopt different directions. Phau and Prendergast (1998) suggest a range of topics related to future directions in COO research, including methodological, conceptual and strategic issues. Unlike Al-Sulaiti and Baker (1998) they make no explicit differentiation between consumer based and industrial or commercial studies, treating the material as homogenous, unlike the current study.

Phau and Prendergast (1998) noted that although suggestions regarding compensating for poor image are made, for example lower price, no theoretical underpinning for observed changes had been identified. Usunier (2006) comments on COO studies in general, noting many papers are North American based, repetitive of old COO themes and are mainly consumer based. The current study follows a business to business theme, therefore exploring a different direction. Usunier also provides further support when commenting on the reflection of domestic factors in country image and specifically that developing countries are still inhibited by non-tariff barriers such as labelling requirements which essentially reflect COO. Subsequent

market development efforts by LDC exporters were seen in the context of intangible barriers resulting from COO effects.

It is argued within the literature that COO appears to activate stereotypes and can present a problem for some exporters. The literature suggests that LDC exporters were fundamentally characterised in MDCs according to media images of the foreign country. Price based exporting was seen within the literature to have failed in terms of quality and product development, while deliveries to importing countries need to be on time and to specification. A question arose as to how these two positions could be resolved. Maintenance of customer contact and problem solving could be a component in developing business relationships. A key component here is trust, which develops through communication and closeness, also seen as a demonstration of capability and therefore of risk reduction. The hard factors of price, quality and delivery were no longer sufficient to maintain competitive advantage therefore marketing needed to focus on soft factors of service and customer support. Factors including personal contact, communication and maintenance of positive relationships through a high level of overseas market were identified as potentially important in mediating the effect of market distance. Ultimately firms may be assessed according to non-rational selection criteria. One proposition which arose from the literature was that COO and stereotyping, together with negative image may be linked and that by questioning the constructs and components of negative image, investigation of the factors would be simultaneously undertaken. Investigations of COO effect had moved towards place branding though a debate continues about the efficacy of such efforts, particularly from the LDC perspective.

#### **2.14 Issues and Questions Arising From The Literature Review**

The literature review has focused on the international business field and specifically the COO area. A number of issues have been raised and deficiencies identified relating to the literature gap discussed at section 1.7.

The following issues and questions arose from review of and reflection upon the literature.

1. To what extent has enforced isolationism affected the Zimbabwean worldview?
2. What is the impact of potential differences in African and European management styles as a possible source of inter-cultural misunderstanding?
3. How can the potential effects on business interactions be ameliorated?
4. How ambivalent are MDC importers towards investment in ventures with potential new LDC based suppliers and could this lead to the revision of mental models?
5. Can the presence of stereotyping be confirmed within the context of MDC-LDC business interactions and what is the stereotype content in terms of negative image?
6. What is the imperative that motivates LDC manufacturers to risk exporting?
7. What are the constructs and components of negative image and is it the case, as may be deduced from the literature, that COO, stereotyping and negative image are interlinked?
8. If this is the case does this latter phenomenon subsume the others?
9. What are the actual as opposed to theoretical circumstances surrounding development of business relationships across-cultures?
10. Is learning occurring in relation to LDC exporting firms and if firms are not learning, to what extent is this ostensibly due to capture by past experiences?

11. Will it be possible from the literature review and field work to formalise the phenomenon of Negative Image?

## **2.15 Conceptual Framework**

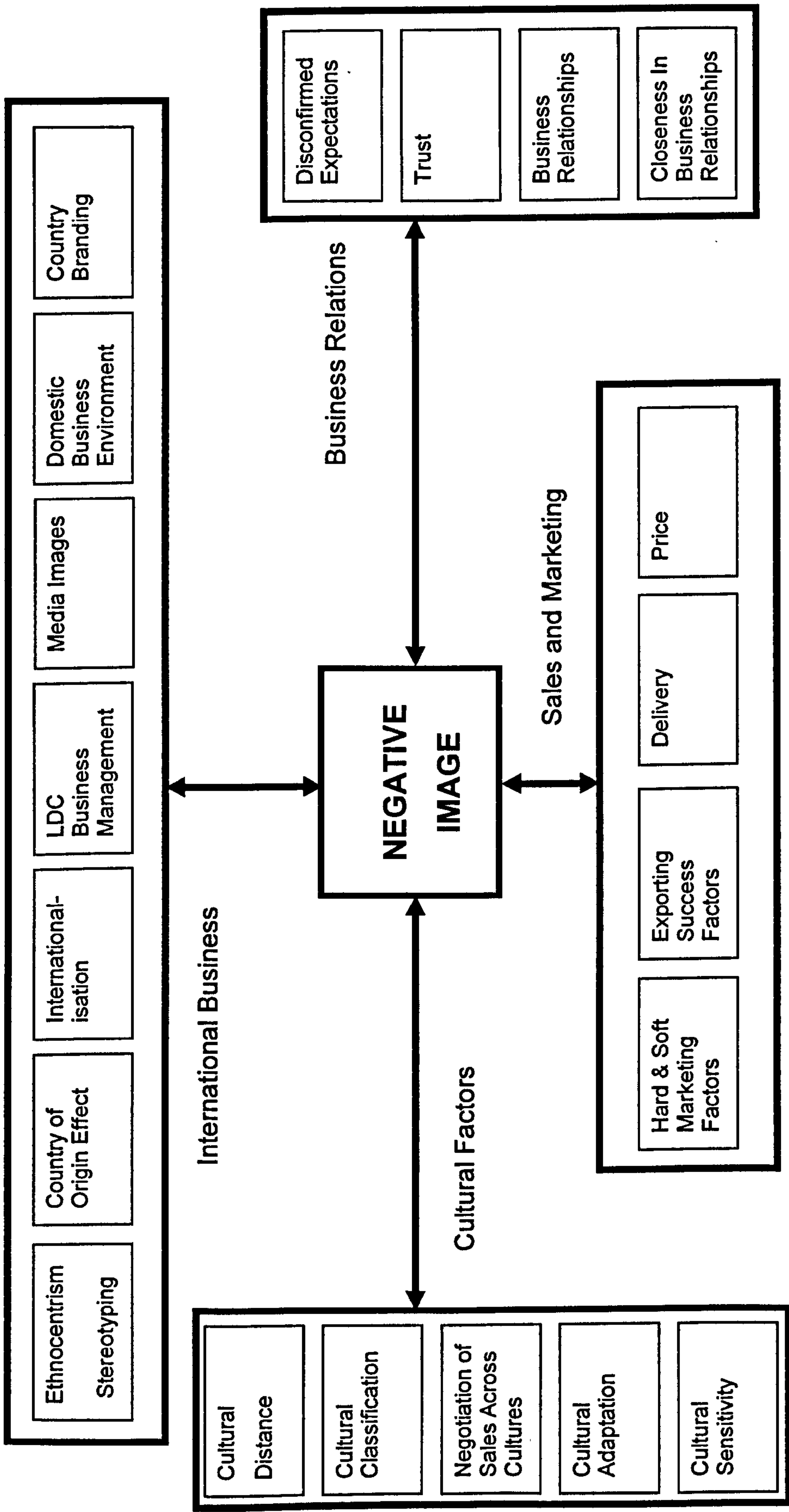
Analysis of the literature review permitted construction of a conceptual framework, presented as Figure 2.6, which would guide the fieldwork (Bryman, 2004). From the framework it may be seen that four macro areas are involved, namely international business, business relations, cultural factors and sales and marketing, each of which provides the possibility of linkages to other areas through interrelationships. At the micro level individual factors are indicated which may impinge upon the proposed phenomenon of negative image either through the major area or perhaps directly. Construction of the conceptual framework fulfilled a necessary *“focusing and bounding function”* (Miles and Huberman, 1994, p19). The final version shown resulted from several iterations which were produced as the focus narrowed.

## **2.16 Operationalising The Research Questions**

In section 2.14 and 2.15 a number of questions and a conceptual framework were identified that would assist in satisfying the Aims and Objectives. See section 1.5. Answering the questions is operationalised by developing a methodology, described in Chapter Three, that focuses on the Zimbabwean footwear industry as an exemplar. This choice was briefly discussed at section 1.3.5.



**Figure 2.6 Initial Conceptual Framework**



# **CHAPTER THREE**

## **RESEARCH METHODOLOGY**

## **CHAPTER THREE METHODOLOGY**

### **3.1 Introduction**

The aim of this study was to investigate and formalise the existence of a postulated phenomenon, Negative Image, which is deemed to affect Third World exporting companies attempts to enter the UK market. This Chapter describes the methodology used in the study and is laid out as follows. A discussion of the author's philosophical stance is given, followed by an overview of the methodology, including consideration of concepts between Zimbabwe and the UK. Subsequently ethical and access issues are addressed. Quality of the research process will be discussed in terms of reliability and validity and the researcher's position on reflexivity. Reliability and validity were exercised at the level of techniques as well as at the level of the research design. An in depth examination of the methodology follows and finally individual techniques used to gather and analyse data are discussed. The Chapter is then summarised.

#### **3.1.1 Operationalisation Of The Research Design**

In the following sections the research design utilised is set out. The procedure for operationalising the research questions was indicated at Figure 1.1 and is revisited here in more detail at Figure 3.1.

### **3.2 Research Philosophy**

In research it is necessary to establish a philosophical position. This allows construction of an appropriate methodology that reflects the researcher's conceptualisation of reality and knowledge. These are regarded as the ontological and epistemological questions of research. In addition it permits methods to be identified and used that accord with the author's beliefs and the problem being addressed.

### Figure 3.1 Operationalisation Of The Research Questions

**RESEARCH DESIGN** – An exploratory study aimed at investigating a postulated Negative Image of Third World manufactured goods exporters. The design needed to be flexible in order to cope with emerging and unformulated concepts.

**DATA COLLECTION** – Data collection is aimed at accessing and understanding people's perceptions of issues and concepts within the country of origin and the UK. Qualitative data collection methods were seen as dominant.

**ANALYSIS** – Acknowledging the research problem and type of data collected led to the choice of inductive data analysis methods. Quantitative analysis was used in a minor supporting role.

**COMPARATIVE ANALYSIS** – The study took place across cultures and required data collection in Zimbabwe and UK. A comparative analysis was required to identify congruency between the participants perceptions of issues raised in the fieldwork. This allowed construction of a theoretical model.

**DRAW CONCLUSION** – The study sought clarification of the Negative Image phenomenon between Zimbabwe and UK. Conclusions were drawn regarding the nature and substance of the phenomenon and recommendations made aimed at alleviating the effects of Negative Image based on the particular research context. No generalisable conclusions were drawn.

A researcher's specific ontological position is important for two reasons. First, that stating the position allows the reader to understand how a researcher conceptualises reality so that their point of departure be determined. Second, that subsequent influences on analytical and other methods can be evaluated allowing the reader to draw conclusions regarding the 'goodness' of the study results. For this researcher reality is perceived from a Critical Realist position which is

*"an intervention within a discourse that is primarily attentive to issues of ontology and epistemology. In contrast critical realism involves a more or less conversant association of other forms of analysis, including some within the*



*field of management and organisation studies, with the evolving episteme of Critical Realism”.*

(Contu and Willmot, 2005, p1646, original emphasis).

By adopting this philosophical position the world is acknowledged to be physical and to have an existence independent of our perception of it. At the same time the construction of social structures by interactions of human agents is admitted. This allows the researcher to engage with and study social phenomena ‘scientifically’ though not in the orthodox positivist hypothetico-deductive sense. For ‘Critical Realists’ science should aim to reveal and explain concealed frameworks and agencies acting upon society both as a whole and at the level of the individual (Reed, 2005a).

These ontological entities are seen to have two dimensions. The first, as unchanging or intransitive ‘things-in-themselves’ and, second, human beliefs and knowledge concerning such objects, which are transitive and fallible (Bhaskar, 1978, p21). In view of this differential Critical Realism requires that observation and inferential investigative processes are employed appropriate to establishing the nature of underlying social structures that shape and affect humans. The aim of this investigative process is to create accounts of reality that may more nearly reflect, but never match, the actual existing reality itself. A process of choosing between alternative explanations then takes place utilising explanatory power as a basis (Outhwaite, 1987). This may be seen as allied to decision making by “*inference to the best explanation*” (Morton, 1997, p212).

From this perspective epistemology is taken as having a ‘linguistic turn’. Here knowledge is argued to be produced within social structures and processes in which language itself is culturally and historically situated. Since humans are seen to produce knowledge through this fallible process there can be no constant conjunction of events resulting in positivistic generalisations. Rather ‘things’ have characteristics which display tendencies to act in particular ways. These social structures are said to pre-exist and be independent of human activity, additionally limiting human attempts to make choices. The

epistemological models constructed by Critical Realist researchers are hypothetical attempts to reveal the underlying mechanisms of such structures and therefore of reality. Concerning causal powers however:

*“We do not “create” social structure. We reproduce it and transform it. But it too causally affects us”.*

(Lopez and Potter, 2001, p15).

A debate has ensued within the Critical Realist community regarding causal power. The Transformational Model briefly outlined above, originated by Bhaskar who has been seen as an architect of Critical Realism, is broadly accepted (Lopez and Potter, 2001). Alternative positions are espoused by Harré (ibid p21-28) and Varela (ibid p63-71), also seen as influential in the development of this school. They argue that while the existence of social structures can be accepted their causal power cannot. The inference being that human agency is responsible for evolution in the structures. A third position is also said to exist. Two further writers, Pearce and Woodiwiss (ibid p51-62), argue that while social structures may have great causal power human agents have little and are therefore subject to manipulation by the force of such structures. Debate continued more recently between, for example, Reed (2005a, 2005b) and Contu and Willmott (2005).

The ontological and epistemological positions outlined above may be related to the research in two ways. The phenomenon under investigation, ‘Negative Image’, concerns the attitudes, perceptions and actions that people have towards businesses originating in developing countries. It is therefore linked to the issue of human agency. In a further sense the question of country image resolves into experience based interaction, or perceptions of the Zimbabwean firms based on interactions with firms from other developing countries. Alternatively perceptions may be based on expectations and social structures internal to the UK based importing firms, or as seen within the international business community in terms of the Country of Origin (COO) effect.

Ontologically social reality is perceived by Critical Realists on three levels (Sayer, 1992). These are the empirical, which is the level of experiences; the actual, being the level of events; and the real, comprising processes, structures, powers and causal mechanisms that generate events (Archer *et al.* 1998). An attempt to explain such ontological stratification is made by use of a retroductive strategy that aims to uncover the underlying structures and mechanism at work within social reality. Retroduction reasons backward asking – what, if it existed, would account for the phenomenon under investigation? From observed connections between events, hypotheses and perhaps models, may be developed that would account for the observed relationship (Reed, 2005a).

The tools and techniques adopted in the research also reflect tenets of Critical Realism. Qualitative techniques can be used to attempt understanding of individuals' reality and are best suited to areas requiring the building of rapport, in-depth enquiries and new areas, as in this study (Zyzanski *et al.* 1992). Specifically, in-depth interviews are used to access (qualitative) importer and exporter attitudes and beliefs. Interview results are supported and confirmed by questionnaires (quantitative data gathering). This reflects the mixed methodology generally, but not always, endorsed within the Critical Realist philosophical position (Archer *et al.* 1998). Pratschke (2003) argues in favour of quantitative techniques that

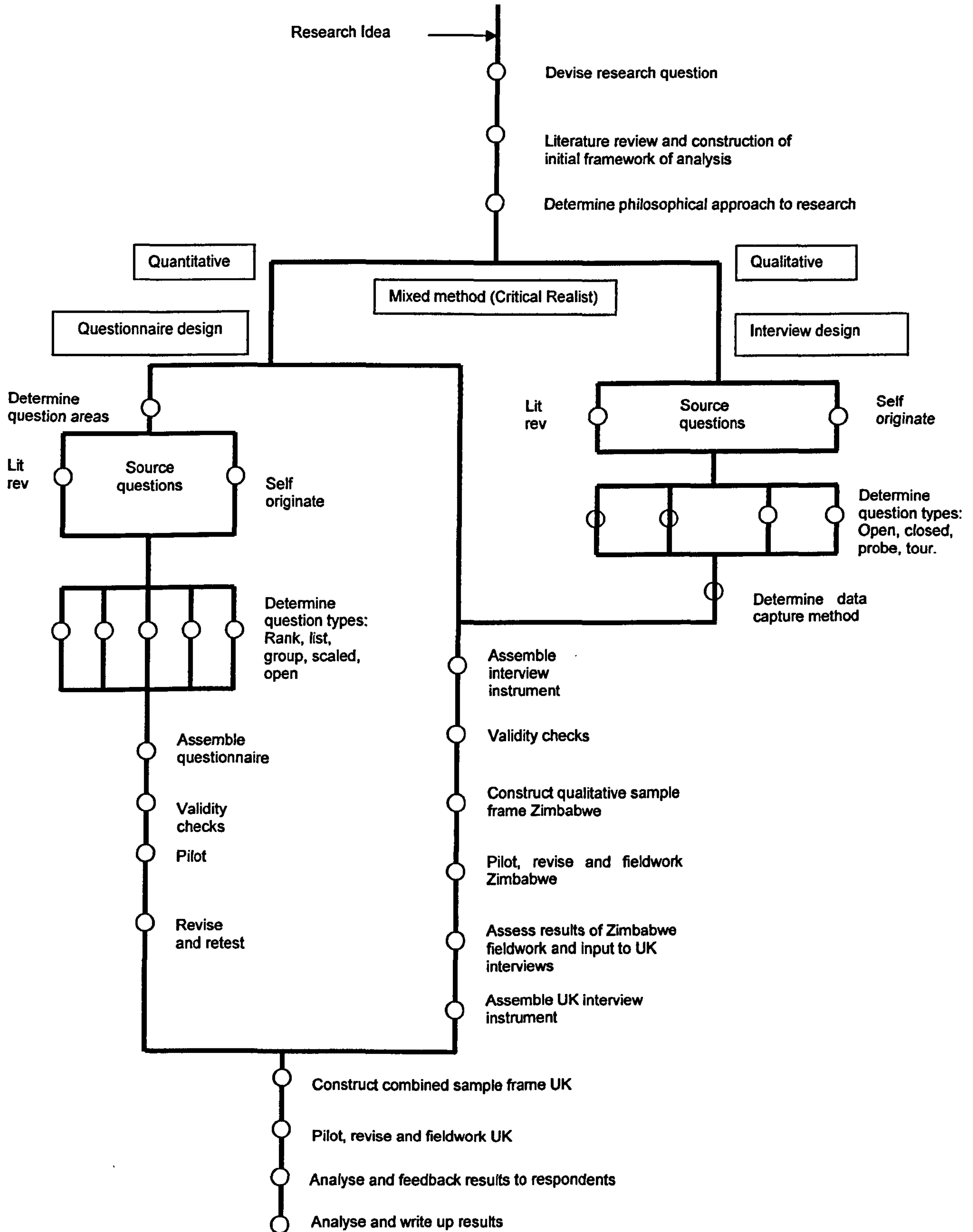
*“by arguing that statistical analysis is inevitably “deductivist” in nature, I believe that Critical Realists merely reinforce the influence of empiricism...(and)...this hostility towards statistical methods reflects the methodological preferences of Bhaskar, Lawson and other Critical Realists, in favour of a case-based, qualitative approach to social explanation.”*

(Pratschke, 2003, p13-20).

### **3.3 Overview Of The Methodology**

An overview of the research methodology is shown at Figure 3.2.

**Figure 3.2 Methodology Construction**





Following an in depth review of the literature this international field research was conducted through a series of tape-recorded elite interviews. These were conducted in Zimbabwean footwear manufacturing, support and comparative organisations during April 1998 and October 1999. Results fed into similar UK importer interviews accompanied by questionnaires. The questionnaires played a supporting and confirmatory role. UK interviews were carried out during the period November 1999 to December 2002.

Data from interviews and questionnaires were coded, analysed and integrated with the literature review enabling creation of a tentative Alpha Model. During 2005 this was scrutinised by exporters and importers. Comments were generally provided by email supplemented by telephone discussion to clarify particular points. Feedback was used to refine the model leading to construction of a Beta Model and scenarios for improvement of the Zimbabwean exporters' image. This model and scenarios may potentially be applied to other similar situations, but not generalised. On the basis of the detailed description that follows it is felt that the research is reliable, valid and provides a justified basis for the analysis described in Chapter Four. This is further supported in terms of responses to the assessment criteria articulated by Marshall and Rossman (1999). See Appendix I.

### **3.4 The International Context**

This research takes place in an international context, defined by Aaker, *et al.* (1998) as

*“marketing research conducted either simultaneously or sequentially to facilitate marketing decisions in more than one country”.*

(Aaker *et al.* 1998, p18).

Particular strictures apply in international marketing research (Malhotra *et al.* 1996). One of these is adoption of the Self Reference Criterion (Lee, 1966) when defining the problem. This is

*“an unconscious reference to one's own cultural values, experiences and knowledge as a basis for decisions”.*

(Cateora and Ghauri, 1999, pp13-15).

Initial research was undertaken which identified existence of the purported 'negative image' from the Zimbabwean exporters' perspective. This also confirmed construct equivalence that

*“deals with how both the researcher and the subjects of the research see, understand, and code a particular phenomenon”.*

(Aaker et al. 1998, p88).

The data collected in Zimbabwe was utilised as input to interviews with UK footwear importers aimed at accessing their perceptions and attitudes regarding possible negative images of Third World manufactured goods exporters. Data gathered from these interviews in Zimbabwe and the UK were then subjected to comparison to determine points of congruency and difference. This was seen as a type of comparative analysis.

### **3.5 Research Ethics**

The word ethics is derived from the Greek Ethos, a term that implies 'custom' and 'character' and is taken here in the normative sense of right or acceptable conduct (Rohmann, 2001). Research ethics has been defined as

*“the appropriateness of your behaviour in relation to the rights of those who become the subject of your work”.*

(Saunders et al. 2003, p129).

Ethical considerations have been a feature of this work. Saunders et al. (2003) provide general ethical guidance and responses from the current study are shown at Table 3.1.

**Table 3.1 Summary of Ethical Principles Observed In This Research**

Participants were offered copies of research results on completion. A number accepted and will be recontacted. Interviews for this research were conducted according to appropriate ethical and academic standards as described above



(McDaniel and Gates, 1999). The ethical standards applied are seen retrospectively to be broadly in line with the University Code of Ethics (2004).

### **3.6 Access Issues**

As an external researcher, in general, access to firms was only required at the first level, that of physical access (Gummesson, 1991). In all cases the individuals also appeared to give cognitive access (Saunders *et al.* 2003). Continuing access was not required except in the case of Zimtrade, here cooperation was requested and received for three interviews. In the Zimbabwe context occasional personal recommendations were utilised where the Leather Institute of Zimbabwe had acted as 'broker' (Easterby-Smith *et al.* 1991). Visits were made to a UK tannery and shoe factory in order to assist the creation of researcher credibility, shown from personal experience to be an advantage in gaining access to organisations. This enabled trade terms to be learned which proved useful in telephone calls to negotiate access. During visits to businesses a University of Derby business card and identity badge were used. The card acted as formal 'legitimation' of interviews (Zikmund, 1988). The badge also gave Zimbabwean staff some indication of the nature of the visit and allowed the initiation of introductory conversations.

### **3.7 Justification for the Methodology**

#### **3.7.1 Introduction**

Research philosophy has been discussed at section 3.2 leading to an informed approach in the choice of research design. Decisions such as deciding questions to ask or designing the sampling procedure should flow logically from this. It also enables judgements on the appropriateness of techniques available and third, that it enables better adaptation to research constraints (Easterby-Smith *et al.* 1991).



### **3.8 Choice of Research Design**

It will be recalled that a Critical Realist philosophy has been adopted offering the major advantage of an ability to utilise different or mixed methods (Johnstone, 2004; Creswell, 1994) for different purposes: triangulation of data collected, strengthening validity; using multiple methods may also cancel out any bias arising from utilisation of a single method or technique. The research therefore derives benefit from their mutually beneficial and supportive nature (Zyzanski *et al.* 1990; Bulmer, 1984). Each of these advantages leads, through the research design, defined as “*a blueprint used to guide a research study toward its objectives*” (Aaker *et al.* 1998, p71) and “*a framework for the collection and analysis of data*” (Bryman, 2004, p543), to the potential for increased credibility of research findings. An important consideration in the choice of design is the level of analysis. In this study peoples' perceptions of a postulated phenomenon were to be investigated, therefore the appropriate level of analysis was the individual level rather than groups, organisations or societies (Bryman and Bell, 2003).

Bryman and Bell (2003) identify five types of research design. These are experimental, cross-sectional, longitudinal, case study and comparative. Saunders *et al.* (2003) refer to these as research strategies rather than designs and also identify exploratory, descriptive and explanatory research strategies. Churchill (1999) suggests there is more than one method of research design classification, though fundamental research objective is common. Table 3.2 shows the principal characteristics of descriptive, causal and exploratory research design. The Churchill typology will be taken as summarising the different but essentially similar views. Choices required and decisions made in respect of the design adopted in this study are now discussed. Experimental designs relate to the manipulation of organisational behaviour and causal findings. In this study the level of analysis had been identified as the individual and the phenomenon had yet to be formalised and therefore this type of design was inappropriate. The current study was focused on single example, Zimbabwe, to be viewed in terms of individual footwear importer based in the UK.

### **Table 3.2      Types of Research Designs**

In a cross-sectional design more than one case is required and because the researcher is interested in variation across the sample this design was not adopted. Cross sectional design also focuses on data collection at a single point time in time and it was necessary that data from Zimbabwe should all be collected *within a two week period in the field*. There was no intention to follow up individuals over a long period or revisit them to update basic information therefore this element of the cross sectional design was adopted. An additional criterion was the question of availability of quantifiable data for benchmarking. At the outset there was no firm intimation of what data would be collected because the study addressed an *unformulated problem area* and so benchmarking for the purpose of assessing variation in variables was not possible, this again supports the choice of a cross sectional design element. The UK importer questionnaire was explicitly cross sectional, being completed in full at the time of interview and is substantiated in that patterns of association are the only type of relationship that can be examined. Finally, in the main qualitative data collecting activity no time element was present.



The study investigated a postulated phenomenon, Negative Image, which had not been formalised, therefore no longitudinal information was available from which to establish a baseline and subsequently assess change overtime. Churchill (1999) suggests that 'true' longitudinal studies rely on panel data and panel methods, these could not be utilised in the current study and a longitudinal design was therefore not considered appropriate. In addition information was required that would establish the nature of a postulated phenomena perceived to operate to the detriment of a wide range of developing countries, rather than a single organisation, location, society or event. Such criteria were not evident in terms of the study and case study design was not adopted.

A review of the COO literature established that the postulated phenomenon of Negative Image had not been formalised. Review of the literature also established that the presence of the postulated phenomena could be anticipated in regard to the developed countries, but was not confirmed in developing countries, therefore contrasting cases were not predicted. Construct equivalence was established in the Zimbabwe during the pilot study. For example Nargundkar and Bajaj (2002), section 2.10.3, discuss the creation of a negative image of Indian industry although contextualisation of their remark indicates their usage is not equivalent to that in the current study. In a comparative research design similar methods are emphasised in investigation of two or more contrasting cases which was not possible and therefore the comparative design, in total, was not adopted although an element was employed in comparison of data from Zimbabwean and UK interviews. The study also required an across-cultures approach rather than a cross or intercultural approach, therefore the comparative design framework was not adopted. This distinction is acknowledged throughout the thesis.

Saunders *et al.* (2003) argue the descriptive study requires "a clear picture of the phenomena on which you wish to collect data prior to the collection of data" (p97). In this research prior knowledge of relationships underlying the issue to be investigated was not available and so a descriptive design was not appropriate. In the final designs, explanatory studies and causal research

designs, the concern is with issues of relationship. The designs seek to establish causal relations between variables. They must therefore have identified them prior to commencement of the study, which was not possible in this case and so these designs were not considered appropriate.

Having considered all of the above it was decided to follow Churchill (1999) who argues that exploratory research designs may be used to identify the nature of a problem or issue and clarify concepts. Exploratory designs are characterised by researcher receptivity to potential alternative explanations, following new information and the search for new examples. Sharp contrasts, seen here as the MDC:LDC trade imbalance, may offer productive insights prompting adoption of an exploratory design in the current study. Flexibility is typical of exploratory studies (Churchill, 1999, p103), demonstrated in this research by adaptation of the sampling process. This supports the case for designation as an exploratory study. For Saunders *et al.* (2003) an exploratory study is *“particularly useful if you wish to clarify your understanding of a problem”* (p97). According to Blumberg *et al.* (2005) an exploratory study is one where the researcher addresses such an area or variables are not known. Alternatively the researcher may not have

*“a clear idea of the problems they will meet during the study. Through exploration, researchers develop concepts more clearly, establish priorities, develop operational definitions “.*

(Blumberg *et al.* 2005, p132).

Negative Image was a postulated phenomenon with potentially unknown problems and therefore a vague research area. This type of research problem lends itself to inductive analysis, which was the method of analysis adopted. Patton (2002) argues that *“inductive analysis is one of the primary characteristics of qualitative enquiry”* (p454) and links exploratory studies and inductive analysis when he states that inductive analysis *“begins by exploring then confirming”* (Patton, 2002 p 41).



### **3.9 Types of Exploratory Study Utilised**

The types of exploratory study used here were literature review, experience study and insightful example. Focus groups were not used for reasons of geographic distance and respondents' time constraints.

The first aspect of this exploratory research, a review of the literature, has been provided in Chapter Two. This provided information on key areas related to the research topic and enabled construction of an initial conceptual framework for the investigation. The second aspect, an experience study, or key informant survey, is represented by interviews with managers and owners of Zimbabwean footwear manufacturing firms and UK importers. Triangulation interviews carried out in Zimbabwe provide further instances. The third aspect of exploratory research utilised was the *"insight-stimulating example"* (Churchill, 1999, p113). The basis of this research, an example from Zimbabwe, may be seen in terms of stimulating insights.

### **3.10 Qualitative and Quantitative Methods**

#### **3.10.1 Qualitative Methods**

A general definition of what constitutes qualitative research is lacking within the methodology literature. Characterisations offered include indirect, contrasting, component, procedural and product type methods (cf Potter, 1996, p16-19). The nature of qualitative evidence calls for assessment of attitudes and values embedded in the lived experiences of people participating in the study. Understanding and interpretation of data will necessarily entail subjective evaluations by the researcher since they cannot be accessed through wholly empirical, experiential, means. Reflexivity and contextualisation of research analysis are therefore necessary attributes of qualitative research practice (Mason, 1996). Sensitive topics, as in this study essentially concerning inter-racial relations and in-depth enquiries, are

especially amenable to investigation by qualitative methods (Zyzanski *et al.* 1992).

### 3.10.2 Quantitative Methods

Quantitative methods do not attract intuition but focus on measurement of variables. For example, by measurement of two variables in

*“a sample of people, one can calculate an index of the relation between the two variables (e.g. the correlation coefficient), and state the direction and strength of the relation with clarity and conciseness unattainable through verbal descriptions.”*

(Pedhazur and Schmelkin, 1991, p17).

Quantitative methods can identify and assist in focusing on a limited number of variables and are useful in attempting to understand the way in which variables in a study are structured (Jankowicz, 2005). Statistical analysis leading to creation of enhanced understanding within the study was not available within the qualitative paradigm and therefore the deployment of quantitative techniques was justified. It should be noted, however, that the quantitative aspect of this study is perceived to be supporting and confirmatory of qualitative data.

### 3.11 Reliability, Validity and Reflexivity

As this is a multi method study two types of reliability are required. For the qualitative technique, triangulation has been employed and indicates that interview replies and observer recordings are reliable. In the case of the quantitative technique tests of statistical significance have been used and suggest that results from the questionnaire are reliable. See section 3.11.3.

Reliability and Validity are described by Bryman and Bell (2003) as follows:

*“Reliability is concerned with the question of whether the results of a study are repeatable”.*

*“Validity is concerned with the integrity of the conclusions that are generated from a piece of research”.*

(Bryman and Bell, 2003, p33).

### 3.11.1 Qualitative Validity

The importance of validity relates to concerns regarding *“the integrity of conclusions that are generated from a piece of research”* (Bryman, 2004, p545). Qualitative validity in particular, according to Lincoln and Guba (1985), should be seen in terms of credibility, transferability, dependability and confirmability. Reflexivity is discussed subsequently. Table 3.3 gives brief responses from this study to the Marshall and Rossman (1999) criteria regarding ‘goodness’ of qualitative research. The criteria are addressed in greater detail at Appendix I.

The four areas highlighted by Lincoln and Guba (1985) were:

- a) **Credibility** - refers to the accuracy of expected results in terms of adherence to the respondent's meanings. In the current study credibility is enhanced by cross checking comments and periodic summarising during interviews. Additionally a final summation was undertaken at which time the respondent was asked to concur with, or amend, the summation. As noted earlier triangulation of sources is also employed.
- b) **Transferability** - the applicability of results to other settings. In this study transferability is tentatively seen in terms of potential *“lessons for other settings”* (Mason, 1996, p154) and



**Table 3.3 Responses To Marshall And Rossman (1999) Statements On  
The 'Goodness' of Research**

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Adapted from: Marshall, C., and Rossman, G., (1999), (3edn), *Designing Qualitative Research*, Thousand Oaks, California, Sage, p143.



- c) Dependability - this issue will be addressed by production of interview transcripts and retention of working papers, enabling tracking of the research process.
- d) Confirmability - tape recordings are retained for use; see above.

### 3.11.2 Reflexivity

In the natural sciences validity, reliability and generalisability are seen as key measures of good quality research while in the social sciences reflexivity regarding personal outputs is increasingly accepted (Mantzoukas, 2005; Easterby-Smith, Thorpe and Lowe, 2002).

It is also seen as a major constituent in the quality assessment of research (Taylor, Gibbs and Lewins, 2005) to the extent that the omission of reflexivity from the research process *"amounts to abdication of intellectual responsibility which results in poor research practices"* (Sandywell, 1996, cited in Johnson and Dubberley, 2000, p178). It should be noted, however, that the excessive pursuit of reflexivity can be self defeating, drowning the voices of the 'others' (Alcoff, 1992).

Reflexivity begins from a position which acknowledges the intertwined nature of observer and observed within a particular research context (Easterby-Smith and Malina, 1999). Bryman (2004) suggests that

*"reflexivity entails a sensitivity to the researcher's cultural, political and social context. As such, 'knowledge' from a reflexive position is always a reflection of a researcher's location in time and social space.....The researcher is viewed as implicated in the construction of knowledge through the stance that he or she assumes in relation to the observed and through the ways in which an account is transmitted in the form of text".*

(Bryman, 2004, p500).

In qualitative research it is asserted that there is no blueprint, therefore research is constructed out of situative and contextual decisions (Mason, 1996, p165). In such a situation the presence of a researcher may alter the research setting or participant's responses (Robson, 2002). Qualitative researchers must therefore attempt to understand their own role in the research. For reflexivity to provide acceptable levels of quality assurance there needs to be an audit trail revealing the interpretations placed upon events. This provides transparency and demonstrates that no obvious alternatives have been left unexamined or biases allowed to effect interpretations. There should also be the clear presence of consideration of negative cases. None of this means, however, that objectivity is expected to be achieved (Taylor, Gibbs and Lewins, 2005).

While reflexivity may be regarded as a single aspect of qualitative research both methodological and epistemic aspects have been identified (Johnson and Dubberley, 2000). The methodological component of reflexivity focuses on the behavioural impact of the researcher on the research process, the intention being to improve research practice by reducing the potential for lapses in applied methodology. In this research it is argued that attention is paid to methodological reflexivity.

Epistemic reflexivity concerns the effects of the researcher's beliefs on what constitutes knowledge and "*thinking about their own thinking*" (Johnson and Dubberley, 2000, p178). There also appears to be an assumption regarding epistemic reflexivity that:

*"it is possible for the researcher autonomously and rationally to reflect upon and engage with their own mode of engagement at either a metatheoretical or a methodological level".*

(Johnson and Dubberley, 2000, p178).

Ashmore (1989) contests this view, arguing that a researcher's biography affects the forms and outcomes of research. Use of qualitative methods



additionally entails acceptance of the conviction that there will always be more than one valid account of any research (Johnson and Dubberley, 2000).

### 3.11.3 Quantitative Validity

Internal validity of the Likert type scaled questionnaire sections was tested by reference to Cronbach's Alpha coefficient since nominal and categorical data scales were not used (Corston and Colman, 2003). In this research an alpha coefficient of 0.82 has been achieved for the total Likert type items at Part Two of the questionnaire. This indicates that the instrument is measuring the hypothetical variable or construct (Hair *et al.* 1998; Santos, 1999) and therefore that the research results are valid. External validity, also known as generalisability, is not sought in this research. The intention is only to provide potential scenarios for improvement of the exporters' image or "*lessons for other settings*" (Mason, 1996, p154). In view of the above it is argued that the study carries face validity and content validity.

## 3.12 Discussion Of Individual Research Techniques Adopted

### 3.12.1 Qualitative Techniques

#### 3.12.1.1 Semi Structured Interview

There are two main approaches to interviewing, the positivist and interactionist (Rubin and Rubin, 1995). In this research, having accepted a Critical Realist philosophical stance, which acknowledges an element of socially constructed reality, the interactionist approach is favoured. This centres on "*establishing meaning, understanding, authenticity and participation*" (Wilson and Edwards, 2001, p2).

Several types of interview are identified in the literature (Robson, 2002; King 1994). In this research qualitative or semi structured interviews were utilised and triangulated as appropriate. These are described as interviews

*“whose purpose is to gather descriptions of the life-world of the interviewee with respect to interpretation of the meaning of the described phenomena”.*  
(Kvale, 1983, p174 cited in King, 1994, p14).

The interviewee was seen as a participant in the process and guidelines suggested by McCracken (1988), Figure 3.3, provided the basis for inquiry. To ensure quality question development was succeeded by self-examination as a human instrument in the research. The intention was to identify personal interest, isolate and acknowledge potential biases and distance the researcher from the topic.

### **Figure 3.3 Four Step Method Of Inquiry**

Source: Based on McCracken, G., (1988), *The Long Interview*, Qualitative Research Methods Series, 13, Sage, Newbury Park, p29.

It is noted in the literature that interviews can reduce question refusals, assist with complex questions and allow probing for further information (May, 1997). The main disadvantage is that personal interviews are seen to be time consuming (Bell, 1999). Elite interviews ensured that decision-makers concerned with exporting and importing made an input to the study.

Interviews fundamentally originated in the literature review and questions for the initial Zimbabwean exporter interviews were related to broad topic areas. The categories initially identified in this approach to data collection are shown



below. See Table 3.4. See Appendix II for an example of themes and sub-themes emerging from the inductive analysis.

**Table 3.4 Main Categories Of Initial Data Collection**

LDC image	Export destinations	Exporter problems	Importer problems
MDC image	Selling process	Exporter Marketing	Exporter details
Distribution chain	Exporter development		Importer details

of revealed by the literature to be important in importer-exporter interactions. There were other, self generated, questions focused on the topic of image. UK importer interviews were informed by the results of Zimbabwean interviews. Substance, style, scope and sequence of questions were considered (Mason, 1996, p42-47). In some cases questions directly addressed specific issues, while others were affirmations of attention and interest. The utilisation of 'grand-tour' type questions set the general scene and these were followed up with prompts into specific areas (Stringer, 1999, p68-70). See Appendix III. The questions were also able to "establish a clear sense of the direction of the journey and the ground it (would) eventually cover" (Mason, 1996, p37). Rapport building was enhanced by interviewer self-preparation, the development of pre-understanding (Gummesson, 2000) and interviews were taped with interviewee permission. Transcripts were analysed to reveal themes, classes and linkages in the data.

### 3.12.1.2 Connection Between Interview Series

Fieldwork in this research took both qualitative and quantitative forms, the latter being seen as supportive. In order to ascertain project viability a number of pilot interviews were undertaken in Zimbabwe during 1998 and a report discussing the results was written while in Zimbabwe. This confirmed the

exporters' perception that MDC importers held a potentially negative image of LDC export manufacturers and their goods.

The initial interviews were followed up in 1999 by a larger series of interviews with all available export footwear manufacturers in Zimbabwe, constituting a census. Questions put to interviewees were generally grounded in the COO and Third World Studies literature, while others were self originated. Subsequently interviews were carried out in the UK with leather footwear importers, contributing an element of methodological data triangulation. The interviews with UK leather footwear importers followed up on and were informed by the interviews with leather footwear manufacturers in Zimbabwe.

The purpose of this second set of interviews was to establish importers' perceptions of LDC based manufacturers, thereby investigating any potential negative image held by UK based importers. The UK interviews were also a precursor to attempts to determine any match between the exporters' and importers' views. It was intended that this would potentially establish or identify any leads towards areas for improvement.

While the qualitative interviews in Zimbabwe were seen as a stand-alone aspect of methodology the UK interviews were supported by a questionnaire. It was not possible to utilise a questionnaire during field work in Zimbabwe as that interview series constituted initial primary research and data gathering. The UK questionnaire was developed as a separate, supporting, quantitative data collection instrument. This would allow collection of basic demographic data and provide an opportunity for statistical analysis not available in the qualitative research form. Additional analysis was perceived as necessary to allow identification of linkages that may not have been visible in the qualitative data, thereby offering a further perspective on the topic while strengthening and offering support to the analysis.

### 3.12.1.3 Interview Analysis

Qualitative data analysis involves a constant interaction between activities of

data reduction, display, seen as writing and conclusion drawing or verification (Miles and Huberman, 1994). See Figure 3.4.

### **Figure 3.4 The Qualitative Analysis Process**

Source: Miles, M.B., and Huberman, A.M., (1994), (2edn), *Qualitative Data Analysis: An Expanded Sourcebook*, Sage, Thousand Oaks, California, p12.

Self-reflective and continuing data analysis began while in the field, culminating in production of a report justifying continuation of the study. Consequent upon this, the two main interview series were carried out in Zimbabwe and the UK. From the first of these interviews the researcher began to reflect on what the interviewees had said and take that forward and explore it in the subsequent interviewees.

In Zimbabwe these were often later in the same day although in the UK series this was not the case. Post interview notes could then be made, this may also be seen as memoing. Following interview the tape recordings were initially transcribed by hand for typing, but later directly audio typed. Each transcription included line numbers, pauses, comments such as 'laughs' or 'interruption' and 'umms'. Any inaudible discussion was revisited by the researcher and interpreted or eliminated.



It was originally envisaged that NUDIST would be used for the main analysis. Early in the study a NUDIST training course had been undertaken. Over time there had been a loss of skill between commencement of data gathering and analysis of the full data set. This was due in part to the constraints of full time teaching and a project management role that included frequent overseas visits. In addition the method was thought to be disproportionately time consuming on a small data set. Perhaps a more important reason was that to utilise NUDIST, NVIVO or other system of computer based textual analysis would create distance between analyst and data. The analysis was therefore undertaken manually to bring the researcher closer to the richness of the data and achieve greater immersion in the data.

Two methods of manual analysis were attempted. One method utilised Excel spreadsheets and involved a high level of prior instrumentation. Transcripts were line numbered, colour coded and annotated. Key words or phrases taken from the conceptual framework and therefore the literature review were then identified. The process of reading and re-reading the interviews highlighted emerging themes. Key extracts that illustrated themes were cut and pasted into cells on the spreadsheet, this found was restrictive for an exploratory study (Miles and Huberman, 1994). The 'bins' (Patton, 2002) being used essentially formed a constraint on the analysis since they did not allow for unforeseen sub-themes emerging from the analysis. Consequently the method was abandoned.

The method ultimately used has been described as the "*conventional advice*" (Miles and Huberman, 1994, p57) and was a combination of the qualitative analysis processes described by Burnard (1991), Silverman (2001), Patton (2002) and Miles and Huberman (1994). Pope (2000) was also consulted. Miles and Huberman (1994 p57) offer a partial description from Strauss (1987) "*cutting copies of field notes into segments, each containing a potentially important aspect*". They subsequently describe the method in more detail:

*“The conventional advice was to go through transcripts or field notes with a pencil, marking off units that cohered because they dealt with the same topic and then dividing them into topics and sub-topics at different levels of analysis.....These identifiable topics (or themes or gestalts) presumably would recur with some regularity. They would be given a name and instances of them would be marked with a shorthand label (a code)”.*

(Miles and Huberman, 1994, p57).

This was seen as a form of inductive analysis. Inductive analysis and the associated creative synthesis have been described by Patton (2002) as

*“immersion in the detail and specifics of the data to discover important patterns, themes and interrelationships; begins by exploring then confirming; guided by analytical principles rather than rules; ends with a creative synthesis”.*

(Patton, 2002, p41).

As an exploratory study it was necessary that the dimensions of the analysis should emerge (Morse, 1994) from patterns in the data. This was enabled by implicit coding and annotation of transcripts. See Appendix II. Inductive analysis also requires inventory of key phrases, terms and procedures familiar to people in the setting. These are represented in the study by knowledgeable use of terms such as ‘wet blue, Goodyear Welted, lasts’ and generation of pre-understanding. Development of the Alpha model, described in Chapter 4.4, is perceived to represent the creative synthesis stage.

As part of the revised analysis interview recordings were repeatedly replayed, for example during daily commuting and at other times. Immersion in the raw data and reflection on phrasing, intonation and content were therefore continued. Reflective notes were written, annotating the transcripts. Patterns were then identified and captured in a process of “rummaging” (McCracken, 1988, p19) producing an “*emergent structure*” to which ‘chunks’ of data were attached (Saunders *et al.* 2003, p381). Each major theme was re-evaluated to identify sub-themes which might arise naturally from prolonged consideration



of the data; in a small sample this was manageable manually. Representative interview extracts were chosen for each theme and sub-theme, colour coded to particular respondents. See Appendix IV. Extracts have been used extensively to capture the essence of the data and although acknowledged to be data reduction, surrounding discussion retains the original context. Participants' voices are therefore heard through this means.

Analysed interviews are stored thematically in envelopes labelled either 'exporter' or 'importer' that contain annotated transcript extracts, writing notes and copies of subsequent revisions made as insights developed. Some extracts are replicated in more than one thematic envelope. During the analysis a writing-up order was developed. This was a difficult, iterative, process of "*winning material to a manageable length, communicating only the essence*" (Wolcott, 1990, p18). A benefit was continued provision of insights and linkages between themes that ultimately allowed the participants' story and author's insights to be displayed to the reader.

### 3.12.2 Quantitative Methods Adopted

Levine *et al.* (2000) suggest that quantitative methods are based on the use of descriptive or inferential statistics. As an exploratory study no categorisation of participants was available and therefore descriptive statistics were inappropriate. Inferential statistics (Levine *et al.* 2000, p5) were adopted in conjunction with Nominal, Ordinal and Interval levels of measurement. Ratio data has not been measured since this scaling requires an origin or zero point. This is not possible with attitudes and perceptions associated with identification of the constructs of the postulated Negative Image.

### 3.12.3 Sampling

In the statistical sense a population has been defined as "*the total collection of elements about which we wish to make some inferences*" (Blumberg, Cooper and Schindler, 2005, p202). The choice of sampling method applied to the population is dependent on the objectives of the study and is essentially one



of selecting probability or non-probability methods of surveying. Surveys often attempt to access attitudes, or information about “*a person’s image of something*” (Aaker *et al.* 1998, p218) justifying the use of a survey in this research. The relationships between types of sampling are illustrated in Figure 3.5.

### **Figure 3.5 Breakdown of Probability and Non-Probability Sampling**

In this research the population is in two parts, Zimbabwean leather footwear exporters and UK leather footwear importers. These are specified operationally as:

- a) Zimbabwean footwear manufacturer: an organisation having more than one hundred employees, that works in leather, currently, potentially or historically exporters.

- b) UK leather footwear importer: a firm dealing with Third World countries; ideally a firm having a Zimbabwean trading partner.

Non-probability sampling methods were adopted due to perceived peculiarities in the populations concerned. First, a limited number of firms met the operational definition of Zimbabwean leather footwear exporters. As all available firms were interviewed the interview series was deemed to be a census. Second, although an apparently large population of UK leather footwear importers existed pilot testing showed that few in fact met the actual sampling criteria.

#### 3.12.4 Sampling Frame

This has been defined as a *"list of population elements from which we select units to be sampled"* (McDaniel and Gates, 1999, p409). No sampling frame is ever complete or accurate therefore 'best efforts' were used to create as near a match to the actual sample frame as possible (Oppenheim, 1992). The sampling frame for this research was self-originated and is in two parts commensurate with the Zimbabwean and UK phases of field research.

##### a) Zimbabwe Sampling Frame

The Zimbabwe sampling frame was constructed on a key informant, snowball basis through help and assistance provided by the Leather Institute of Zimbabwe and Zimtrade, the Zimbabwean government export development agency. Pre-selection criteria were that the companies included should be manufacturers of leather footwear, past, present or potential exporters and of one hundred employees or larger. Personnel interviewed were owners or senior managers and therefore elite interviewees. In total sixteen interviews were concluded.

##### b) UK Sampling Frame

The UK sampling frame was self generated from Yellow Pages, Kelly's,

Kompass and shoe trade directories. Data provided by the Shoe and Allied Trades Research Association (SATRA) was also incorporated. Preselection criteria were that the firm's main business should be importing leather footwear from Zimbabwe. It became clear that the 'Yellow Pages' category of footwear wholesaler had virtually ceased to exist. The emphasis of calls therefore moved to 'importers, footwear, leather'. A final sample frame of approximately one hundred and fifty interview contacts was identified. Using a standard telephone screening script the firms were then identified as interview candidates, i.e. leather footwear importer dealing with Zimbabwe or other LDC, or deleted. See Appendix V. The database was then updated, see Appendix VI.

A total of twelve UK interviews were completed. Although acknowledged to be a small sample repetition of answers developed in the totality of responses indicating that saturation had been achieved (May, 1997). See also 3.20.6 for further discussion of sample size. The basic procedure described by Aaker *et al.* (1998), described disparagingly as "*the industrial equivalent of door-to-door interviewing*" (Aaker *et al.* 1998, p235), was applied and found to work well in this low intensity application. Elite interviewees were again targeted as

*"in international business research....only these so-called 'business elites', usually at the level of Board Director, possess privileged access to the processes and mechanisms of transnational operations"* .  
(Yeung, 1995, p329).

Once operational definition criteria had been satisfied an appointment was made to discuss the research with the potential interviewee. From this telephone appointment an interview was arranged.

### 3.12.5 Sample Size

In probability sampling particular criteria are used to justify sample size, while non-probability sampling relies upon other criteria, for example Henry (1990) argues against probability sampling for populations of less than fifty cases.



According to the Economist (1997) a minimum sample size of thirty elements is required; the rider to this being that where a population is less than 30 all elements should be sampled. This applied in the Zimbabwe field work where a census was undertaken. An alternative guideline on sampling, applied for the UK interviews, suggests that the process should stop at the point of theoretical saturation (Strauss, 1987; May, 1997).

Other authors suggest that sample size should be a matter of judgement and that decisions regarding sample size should to some extent be predicated upon the research questions. Decisions made and the logic behind sample selection are also important and should be transparent (Hoinville, Jowell and Airey, 1985; Patton, 2002). In this research the decisions made regarding sample size and constituency have been set out at 3.20.5 above. An alternative but complementary view is provided by Jankowicz (1997) who proposes that in non-probability sampling it is the respondent's individuality and idiosyncrasy which make them interview targets. A further important point regarding sample size concerns generalisation. In the case of this research where there is no desire to generalise findings then

*“the proportion of the population you choose to talk to (or the probability of being chosen as a respondent) has no particular significance”.*  
(Jankowicz, 1997, p155-156).

This also supports the decision to pursue elite interviews as a means of exploring the proposed “Negative Image” concept. In addition it may be seen from the initial framework constructed at the end of Chapter Two that diverse aspects of international business were identified as potentially interacting within the research area, creating complexity in the research. This again called for interview input from particular respondents.

The field research in Zimbabwe, which created background information for the UK series, established that there were no companies currently exporting to the UK and no recent contacts available to follow-up. A further impediment to the construction of a larger UK sample was that Zimbabwe was not

recognised in the trade as a source country. Under these circumstances the decision was made to amend interview criteria to include all LDCs. This decision allowed interviews with companies importing leather footwear from India, China and Vietnam. The combination of these factors required development of a logical, robust sampling strategy. This should be clearly explained, since otherwise *“you run the risk that your sampling will be misunderstood, and judged by statistical criteria”* (Mason, 1996, p95).

The circumstances, background, underpinning logic and rationale for decisions taken have now been clearly explained. It is therefore argued that the sampling strategy is justified.

### 3.12.6 Survey Response Rate

A survey response rate has been defined as *“the percentage of a sample that does, in fact, agree to participate”* (Bryman and Bell, 2003, p 104). In the Zimbabwe footwear exporter interviews one company was eligible and willing to participate but out of the country at the proposed interview date and was unreachable. The remainder participated, constituting a census of available firms.

The formula suggested by Neumann (2000) has been used to calculate the response rate for UK footwear importer interviews. After cleaning, the initial sampling frame comprised 247 companies. This was reduced by removal of ineligible companies, unreachable companies and refusals.

When discussing response rates Saunders *et al.* (2003) note the work of Kervin (1992) who suggests a response rate for interviews in the region of 50% as acceptable. Neumann (2000) cautions that average rates as high as 75% have been suggested. The response rate for UK importer interviews of 40% therefore points to the need for caution in interpreting results. As the UK importer questionnaires were completed at the time of interview a response rate of 100% was achieved. No questionnaires were used in the Zimbabwean interview series.



Initial sampling frame		<b>247</b>
Number of shoe companies unreachable		117
Of which: Phone number incorrect/not responding	52	
Ceased trading	43	
Other reasons, e.g. private line	<u>22</u>	
	117	<u>        </u>
		<b>130</b>
Number of companies ineligible		100
Of which: Not importing at all	72	
Not importing from LDC	<u>28</u>	
	100	<u>        </u>
<b>Total Eligible</b>		<b>30</b>
Refusals		18
Number of companies interviewed		<b>12</b>

Response Rate =  $\frac{\text{total number of responses}}{\text{number in sample} - (\text{unreachable plus ineligible})} =$

$$\frac{12}{247 - (117+100)} = \frac{12}{30} = \underline{\underline{40\%}}$$

### 3.12.7 Questionnaire Development

The questionnaire was developed following a ten-step process similar to that described by McDaniel and Gates (1999, p362). See Figure 3.6. As this research involves COO the Pisharodi and Parameswaran (1991) scale for COO studies was consulted and used to guide question design. Each individual question was either derived from the literature review and therefore found justification from that source or where originated, discussed and piloted by the author. Statements in all subsections of the Questionnaire Part Two were written in a combination of both positive and negative styles to reduce the possibility of response bias. This is exemplified in the following extract.



## Political Aspects

Statement 9            Third world debt should be cancelled

Statement 10        Indebted Third World countries should payback borrowings.

A mixture of open-ended, close-ended and scale-response questions were used. This allowed respondents to answer from their own frame of reference, standardised information and captured the respondent's attitude direction and intensity. The questionnaire also utilised balanced, fully labelled, dichotomous and multichotomous questions about the particular importing firm and Third World topics.

Particular emphasis was placed on phraseology, which was designed to be clear, jargon free, unambiguous and geared to the target audience. Due to the sensitivity of the subject matter several questions were deleted and one version of the questionnaire Part Two totally revised. The final questionnaire is shown at Appendix VII.

Finally, it was decided that the questionnaire would be self administered at the respondent's business premises subsequent to the semi-structured interview. This was based on the premise that the interviewer would be present and therefore able to offer assistance if required; that the topics would be fresh in the respondent's mind; and that completion at that time would put an obvious 'full stop' to the process. This represented exit in some cases.

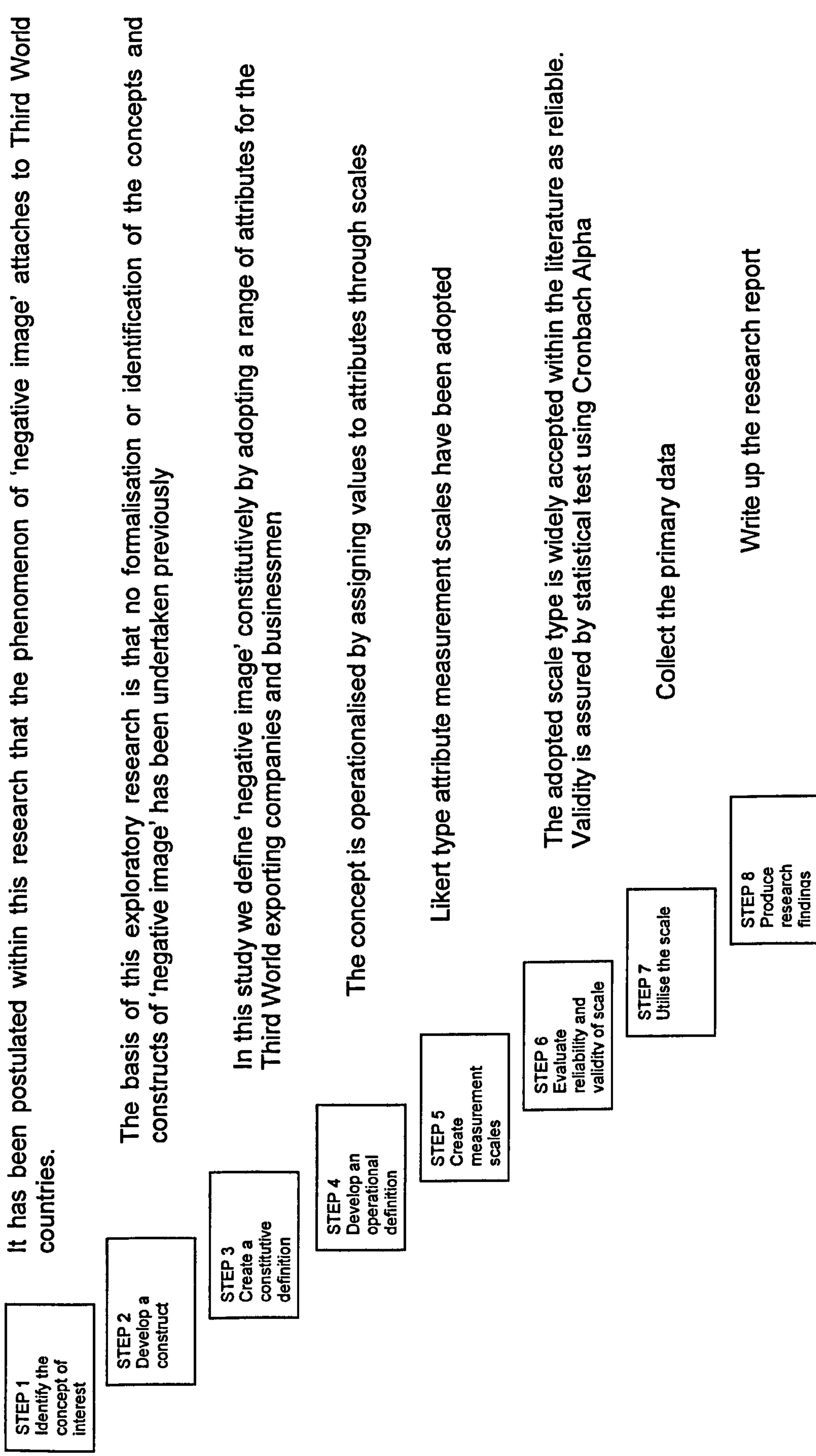
### 3.12.8 Attitude Measurement

Measurement has been defined as

*"a standardised process of assigning numbers or other symbols to certain characteristics of objects according to pre-specified rules".*

*(Aaker et al. 1998, p274).*

**Figure 3.6 Quantitative Measurement Process**



Steps in this process are discussed in the following sections, beginning with the nature of attitudes and their components.

### 3.12.9 Attitudes

One definition of an attitude states:

*“An attitude is an enduring organisation of motivational, emotional, perceptual and cognitive processes with respect to some aspect of our environment. It is a learned pre-disposition to respond in a consistently favourable or unfavourable way toward an object”.*

(McDaniel and Gates, 1999, p321).

A further definition states that attitudes are

*“mental states used by individuals to structure the way they perceive their environment and guide the way they respond to it”.*

(Aaker et al. 1998, p273, emphasis added).

From these definitions we may anticipate attitudes providing guidance or inferences regarding individual's responses to the environment or objects within it. This is deemed to justify attitude research.

### 3.12.10 Attitudes and Behaviour

Table 3.5 illustrates the main points to consider regarding attitude research and behaviour prediction. Comments pertaining to actions taken in the current study have been appended for each section.

Responses show detailed consideration has been afforded to each aspect. From this it is argued that the current study is cognisant of the major requirements for attitude research.



## **Table 3.5 Aspects of Attitude Research and Study Responses**

### **3.12.11 Attitude Measurement Scales**

Attitude measurement in marketing derives from social psychology. It is suggested that attitudes can be assessed, have a directional quality and although persistent can be changed (Churchill, 1999). The most common scales are noted in Table 3.6 and commented upon in relation to the current research.

The term 'scales' refers to the level and particular scale type. Scaling itself

*"is the process of creating a continuum on which objects are located according to the amount of the measured characteristic they possess".*

(Aaker et al. 1998, p274).

### **Table 3.6 Common Attitude Scales**

Since attitudes have no absolutes the optimum scaling was deemed to be an interval scale. Scales can be either one-dimensional, measuring only one attribute of a respondent or object, or multi dimensional where several attributes are measured. In this study an attempt was made to elicit data on multiple components and constructs of 'Negative Image'. Accordingly a multi dimensional Likert type scale of attitude measurement with a large number of statements was chosen. Interviewees indicated their level of agreement or disagreement with groups of statements on a six-category scale.

Final scale specification allowed both reliability and cross comparison of responses between subjects (Oppenheim, 1992). The particular attitude scales chosen were discontinuous, balanced, bipolar, with labelling of extremes only. The scale, shown below, has six points which is considered sufficiently sensitive. A neutral point was not used though the debate is acknowledged.

1	2	3	4	5	6
Strongly Agree	Agree	Tend to Agree	Tend to Disagree	Disagree	Strongly Disagree

### 3.12.12 Questionnaire

A questionnaire or survey instrument has been defined as

*“A set of questions designed to generate the data necessary for accomplishing the objectives of the research project”.*

(McDaniel and Gates, 1999, p356).

The questionnaire design retained the respondent audience in mind, in this research the time constrained company import buyer. Table 3.7 shows the question types, which were worded in good quality business English with inbuilt skip patterns for efficiency of response.

### 3.12.13 Physical Characteristics of The Questionnaire

The questionnaire was produced in Microsoft Word with yellow coloured paper in order to provide a clear, sharp, professional appearance. Good quality 100 gram paper was used for a ‘quality’ feel. Yellow enabled easy recognition of the document in case of delayed completion beyond interview date. This occurred in one instance. The questionnaire comprised four double sided A4 pages and one single sided A4 page, nine sides in total, printed in 12 point Arial, widely spaced for clarity, with examples to aid completion.



### **Table 3.7 Criteria For Designing Question Flow**

The questions were numbered and sub-numbered for editing. Coding has therefore been implicitly established through numbering of individual questions and statements. Further explicit coding was enabled through the construction of an SPSS code book, Appendix VIII, used in data entry.

Tick boxes were included for ease of use and three lines, each of a full page width, allowed for completion of open sub-questions. The majority of the questionnaire comprised sixty scaled attitude statements broken into discernable sections to reduce any intimidation factor. Skip instructions were

printed in block capitals and examples of completions given at the start of each section, with headers used where necessary to remind respondents of scaling. Final evaluation of the questionnaire was performed using the protocol method. Tests undertaken with colleagues suggested the questionnaire should take about twenty minutes to complete. This was borne out in practice and found to be acceptable to respondents.

### 3.12.14 Analysis of Questionnaire Results

The questionnaire, seen as supporting the exporter and importer interviews, was constructed in two parts: Part One: General Demographic Detail and Part Two: Political, Commercial, Image and Perceptions of the Third World and Image of Third World Businessmen. Statistical Package for the Social Sciences (SPSS) Version 11.5 was used for analysis.

Basic analysis entailed construction of correlations, shown in tabular form throughout Chapter Four, Part Three. Both intra and inter-section correlations between scaled items from sub-sections of Part Two of the questionnaire were calculated. Individual correlation coefficients are given together with significance level and Coefficient of Determination (Robbins and Daneman, 2002) interpreted as amount of shared variance. Following Bryman (2004) in this research statistical significance of correlations has been considered based on  $p=0.05$  significance level. This is tempered by the knowledge that *“statistical significance does not indicate social significance or practical usefulness”*. (Oppenheim, 1992, p288).

As this research is based on a small sample ( $N < 30$  cases) the interpretation of results has been of particular importance. Pallant (2001) notes that

*“many authors in this area suggest that statistical significance should be reported but ignored, and the focus should be directed at the amount of shared variance”* (Pallant, 2001, p121).

The importance of shared variance has been acknowledged by setting an acceptance level of 0.80 correlation strength (64% Coefficient of Determination) in relation to criteria suggested by Franzblau (1958).

Cronbach's Alpha Coefficient established the Likert-type scaled items in Part Two of the questionnaire had an overall reliability level of 0.82, which was seen as acceptable (Nunally, 1978). Part Two of the questionnaire was constructed in several sections. Each section focused on a different aspect of the factors thought to influence business relationships between UK based importers and exporters based in Third World countries. Details of correlations identified are given in tabular form at the commencement of each section.

### **3.13 Summary of Research Plan**

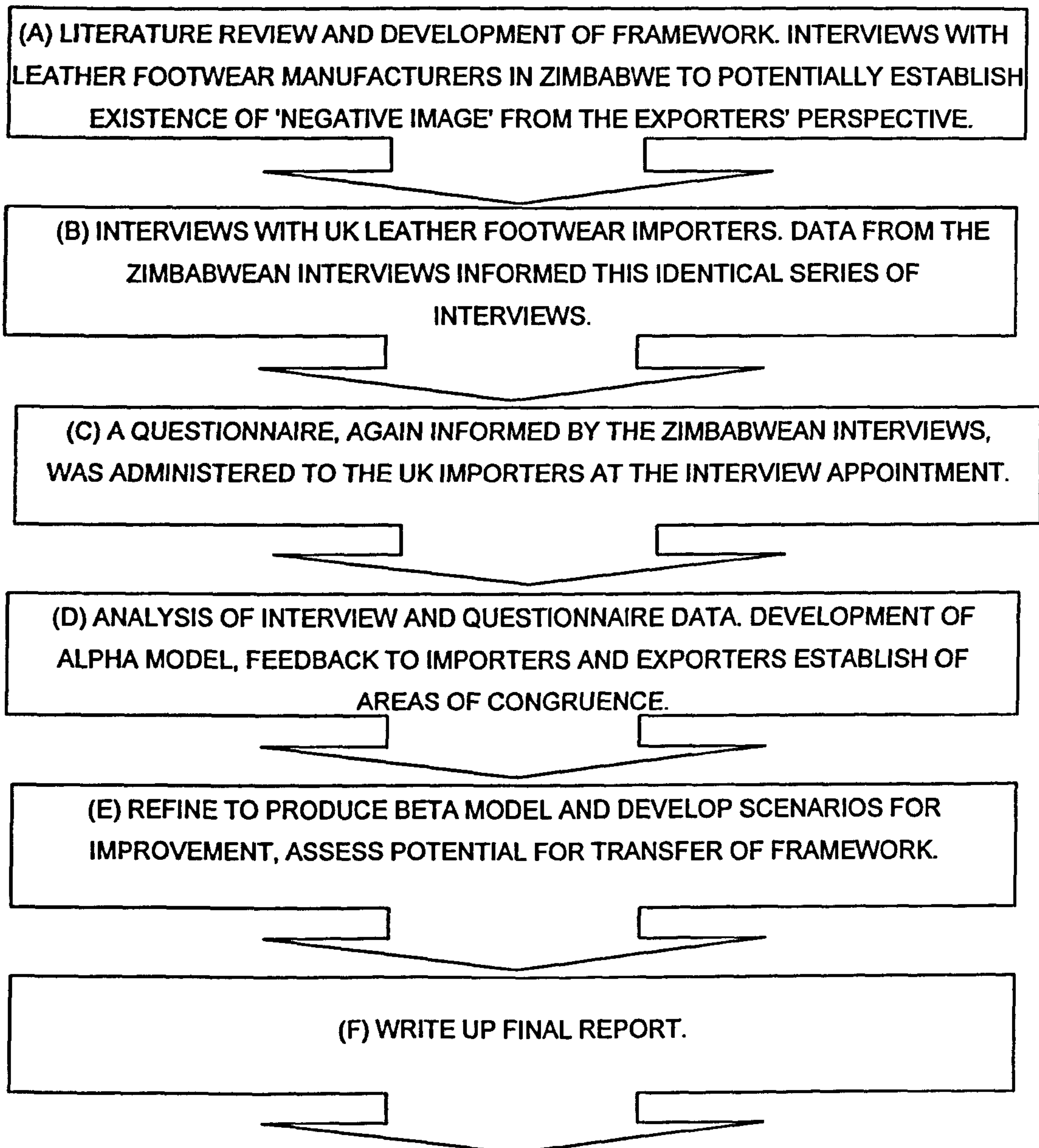
#### **3.13.1 Sequencing of Stages**

The research stages (Figure 3.7) are outlined below.

- 1. Interviews with leather footwear manufacturers in Zimbabwe to potentially establish existence of 'negative image' from the exporters' perspective.**
- 2. Interviews with UK leather footwear importers. Data from the Zimbabwean interviews informs the identical series of interviews. A questionnaire, again informed by the Zimbabwean interviews, administered to the UK importers at the interview appointment.**
- 3. Zimbabwean exporter interviews and UK importer interviews subjected to inductive analysis (Burnard, 1991; Miles and Huberman, 1994).**
- 4. UK importers' questionnaires analysed using SPSS to ascertain the presence of any correlations among responses.**



**Figure 3.7 Sequencing of Research Stages**



5. The totality of data collected was then subjected to cross comparison between exporters and importers to attempt identification and matching of congruent areas of perception.
6. The integration of data derived from qualitative and quantitative techniques created synergies with the literature review enabling construction of the Alpha Model. A Beta model was then derived from participants' feedback.

### **3.14 Feedback**

The data was offered for feedback at a 'meeting of minds' in the mutual perceptions of Zimbabwean exporters and UK importers, mediated through the researcher. This took place through email and by telephone interview leading to revision of the Alpha model into a refined or Beta model.

### **3.15 Scenarios For Improvement**

Scenarios for improvement of exporter image as seen from the 'others' perspective are suggested. Subsequent to this an assessment of analytical framework transferability has been made subject to the caveats of similar context and that overall generalisability is not sought in this research.

### **3.16 Contribution To Knowledge**

This research has extended knowledge in the international business area, specifically the COO field and a clear contribution is demonstrated from both empirical and theoretical perspectives. Data from the field research produced an empirical contribution. Comparative analysis with extant literature allowed a confirmatory or non-confirmatory function, resulting in the extension of theory in the subject area. The concept of theory is now briefly explored.

In the natural sciences theory has been described as

*“an ordered set of assertions about a generic behaviour or structure assumed to hold throughout a significantly broad range of specific instances”.*

(Weick, 1989, cited in Llewellyn, 2003, p664 ).

Llewellyn (2003) argues that this description is problematic for the social sciences since it cannot explain such phenomena as 'management', is centred on generalisation and generic behaviour and lacks any element of

contextualisation, tending towards abstraction. For the purposes of the current social science study, following Llewellyn (2003), theory will be viewed as being stratified into five levels: metaphor, differentiation, conceptualisation, context bound theorising of settings and context free 'grand theorising'. It will be argued later that a claim to theoretical contribution at the conceptual or third level can be sustained. This view is underpinned by reference to Llewellyn (2003) who argues that understanding how beliefs and values of individuals or groups relate to action and therefore organisational practice, calls for conceptual theorising. In addition micro phenomena such as motivation, intention, social interaction and presentation of self are best theorised at or below level three. Finally, the theorisation of meso phenomena such as practices (or how people make things happen in particular context) is also generally theorised at the conceptual level.

### **3.17 Limitations of The Methodology**

The methodology for this research can be briefly summarized as mainly qualitative, inductive, cross-sectional and carried out across cultures. In the social sciences research is necessarily limited by the nature of the problem with which the researcher engages. In addition, as in all research, this study has further contextual limitations. These arise from the particular areas noted below. It is argued that, while the limitations are acknowledged, the research remains valid.

1. Small sample size – this has been specifically discussed in section 3.12.5.
2. Inability to contact importers of Zimbabwean shoes – the original intention was to interview importers of Zimbabwean product and establish the nature of working relationships within the dyad from both exporter and importer perspectives. This was not possible and ultimately the sampling frame was necessarily expanded to incorporate the available partners. This is not seen to undermine the validity of data collected since the reality of these interactions has been captured in the



study and therefore results are believed to be grounded in the lived experiences of interactants.

3. Extended period over which research has been executed – An appraisal of the current situation is given in Chapter 4.1.15 that reinforces the research proposition and substantiates currency of the research.

This Chapter has laid out and justified the research methodology. In the next Chapter the primary research data is discussed and analysed. This is undertaken in four parts. These deal with exporter interviews, importer interviews and the supporting importer questionnaire, before presenting the Alpha model which summarises the theoretical contribution. Chapter Five discusses the refined or Beta research model. Subsequently Chapter Six offers conclusions, recommendations and scenarios for image improvement.

# **CHAPTER FOUR**

## **PART ONE**

### **ZIMBABWEAN**

### **FOOTWEAR EXPORTER**

### **INTERVIEW ANALYSIS**

## **CHAPTER FOUR**

### **PART ONE - ZIMBABWE FOOTWEAR EXPORTER INTERVIEW ANALYSIS**

#### **4.1. Exporter Interview Analysis**

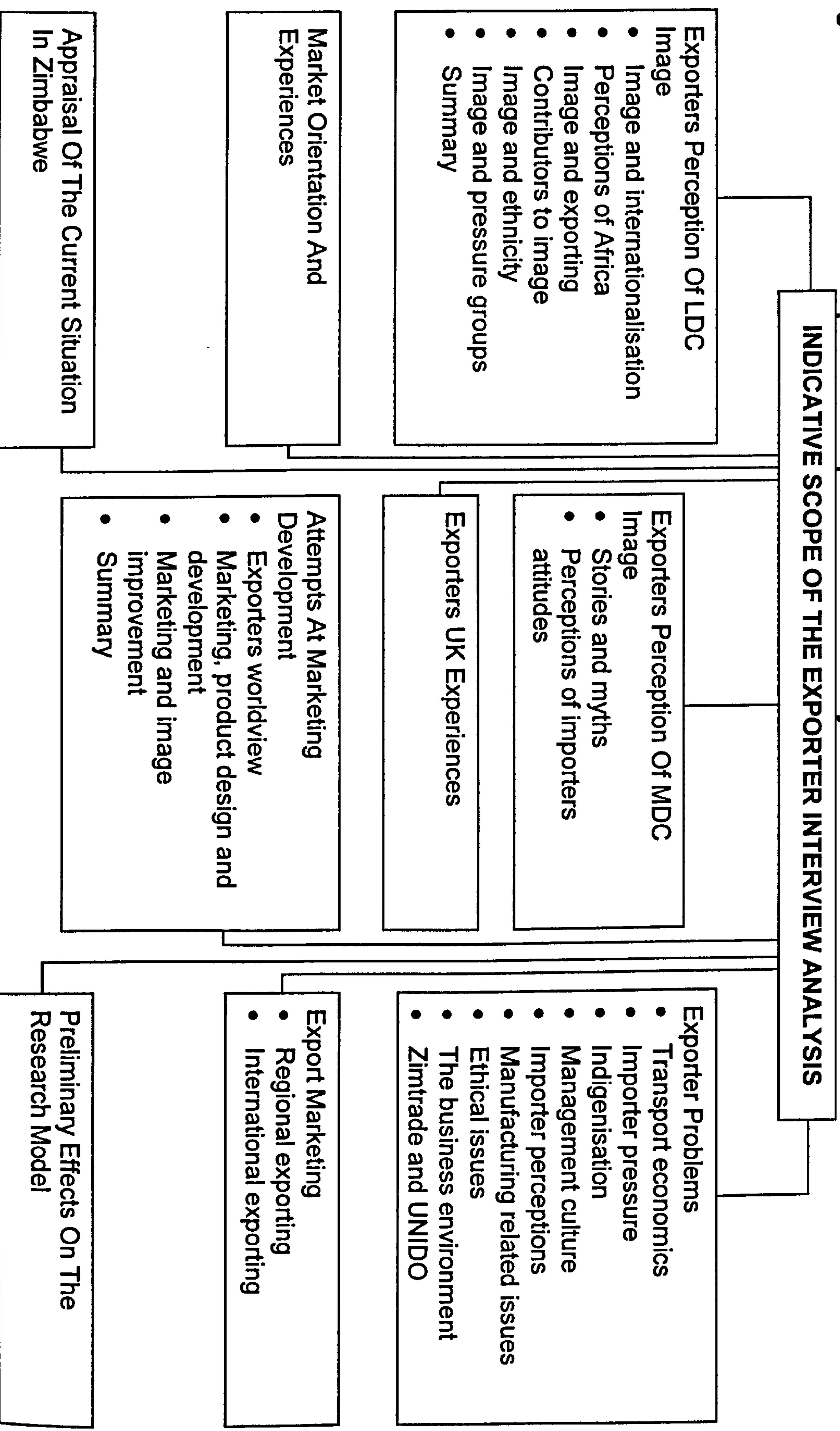
##### **4.1.1 Introduction**

It will be recalled that this investigation of the postulated phenomenon of Negative Image called for an exploratory study across cultures. Associated research questions were operationalised according to the methodology described in Chapter Three and Zimbabwe was selected as the exemplar country. Data collection focused on elite interviews carried out with leather footwear exporters in Zimbabwe. See Appendix IX for details. The companies were past, present or potential leather footwear exporting firms selected in conjunction with the Leather Institute of Zimbabwe (LIZ). Triangulation was afforded by the literature and data from twelve interviews with ancillary organisations, see Appendix X. Questions for the Zimbabwean interviews were based on the literature review.

As an unformulated research area interpretations and insights are discussed within the themes and sub-themes identified from inductive analysis of the Zimbabwean interviews analysis. Discussion is also related to topics identified within the conceptual framework from Chapter Two. Indications are given where theory is supported, not supported or tentatively perceived to be extended by empirical work in this study. Discussion begins with exporters' perceptions of LDCs image, followed by consideration of issues related to export marketing, market orientation and experiences. Exporter problem areas are then addressed, followed by a discussion of specific attempts at marketing development and exporters UK experiences. Consideration is subsequently given to exporters perceptions of MDCs. The penultimate section focuses on an appraisal of the current situation in Zimbabwe, followed finally by a brief section on preliminary effects on the research model. Overall scope of the discussion is indicated at Figure 4.1.1.



**Figure 4.1.1 Indicative Scope Of The Exporter Interview Analysis**



Verbatim quotations from interview are shown throughout in *Italic* script and the exporting firms indicated by, for example, the notation 'EE'.

#### **4.1.2 Exporter Perceptions of LDC Image**

This section directly addresses the question of image. The exporters' perception of LDCs is specifically considered together with their perception of how MDC based importers view LDC exporters. Possible sources of images or factors which may contribute to them are tentatively identified.

##### ➤ Image And Internationalisation

The question of image relates to individuals' perception or perhaps mental models of a situation. It was quickly established from interview that historical, political and familial ties exist between LDCs and colonial metropolises (Freidberg, 2003; Gunder Frank, 1995). For exporters linkages were still relevant in business terms since *"Zimbabwe was a colony of the UK for starters"* (Firm EG). There was an expectation that this empathy would be reciprocated. UK importers would be expected *"to try and encourage a Third World country from Africa rather than Colombia or India"* (Firm EG).

The interview data suggests that Zimbabweans perhaps overlook the past colonial ties that also existed with other countries. From a Critical Realist perspective it is possible to suggest that the Zimbabwean exporters may have misunderstood the position of such ex-colonies as India, once clearly regarded as the 'Jewel in the Crown' and also a footwear exporter. The image also emphasises expectations of deeper allegiances to what are now not only ex-colonies, but also independent countries. Colonists may have inculcated to their descendants what could be seen by UK importing firms as possibly erroneous expectations of ties. Exporters understood that establishing trade with UK firms would not result from historical associations alone. Knowledge of the political situation, land acquisition for example, was suggested as a reason for resistance encountered by exporters. In addition exporters accepted that questions around reliability and war in Africa do arise in the context of image

and that Zimbabwe was associated with these. This insight refers to psychic distance and also internationalisation in line with the Commonwealth effect (Lundan and Jones, 2001) which was, however, contextualised to a particular period that may no longer be appropriate

➤ Perceptions Of Africa

When the specific topic of image was introduced one respondent remarked that *“people (overseas) could not comprehend there was a (shoe manufacturing) company in darkest Africa”* (Firm EH). This indicates that perceptions of Africa itself and as a global manufacturing base for footwear may not be coincident. The perception is said to have changed after a visit by importers to the particular factory concerned. The interviewees comment was confirmed regarding Zimbabwe’s location and amplified in reference to manufacturing plants. Conversely it was stated that *“hand made in Africa”* (Firm EH) created advantageous introductions. When asked specifically if it was possible to use Africa as a banner the interviewee replied positively that *“you’ll grab their attention straight away, even though it’s not handmade, just a dream”* (Firm EH).

This comment illustrates what the exporter perceived to be buyers’ image of the African continent. The image had been used more widely for promotion of one niche marketing firm’s product. For the potential import buyer this suggests a split perception of Africa. On one level a negative image with no conceptualisation of Africa as footwear manufacturing base, while on a second level, the possibly romanticised image of Africa as a source of adventure and artisanal crafts. The latter view is possibly substantiated by the same interviewee who later noted Asian buyers’ great interest in handmade beaded sandal production. Other respondents noted similar importer unawareness of the country location and manufacturing capability.



## ➤ Image And Exporting

A related issue was lack of exposure to African companies, reportedly leading to questions from potential buyers such as *“Zimbabwe, where the hell is that?”* (Firm EQ). While this reported response may be an exaggeration it indicates the buyers’ lack of business knowledge which possibly results from the marginalisation of the export source. The interviewee offered no explanation but subsequently, concerning image, stated that it was not *“a major problem”* (Firm EM). This suggests acceptance of the issue and that business could be anticipated *“at a certain price”* (Firm EM) though no transaction detail was specified. This was a surprising statement from the interviewee and conflicts with other exporters’ experiences where unfavourable reactions had been reported.

One interviewee reported that he had contacted importers for appointments *“and they said “where you from?” I said “from Zimbabwe” and there it goes, the phone is banged down”* (Firm EE). This type of reaction suggests the active presence of negative stereotypes, discussed in the literature review in relation to the work of Cinnirella (1997), Lester (1997) and Jarvis (1998). A further example concerned rejection based on what was described as a cursory inspection of the product. Again the negative image of the product origin appears problematic. The exporter clearly saw this as an abbreviated meeting where product dimensions such as price were not discussed. According to the interviewee:

*“if it’s not right tell him sorry, you’re way off the mark, you’re price is way out. Thank you very much, I’m very busy, go. I didn’t get to that stage”.*  
(Firm EE).

This quote demonstrates a perception of the apparent influence of Negative Image. This effect was underscored by what were anticipated to be positive factors such as use of materials exported from Europe, joint language and perhaps proximity to Europe in comparison to other LDCs.

➤ **Contributors To Image**

From interviews the presence of a negative image was understood to be comprehensible to exporters, being explained by one particular exporter in African terms when it was said that

*“It’s understandable, I’m not trying to criticise, that is the situation. If you ask me about Somalia or Ethiopia, I, first thing I think of - hungry people, even though I know the situation and I know they make beautiful shoes”.*

(Firm EE).

This quotation identifies the exporters understanding of reasons for the importers perception of Africa as a continent and of Zimbabwe in particular. These included constitution of government, political and civil instability and deteriorating infrastructure, including telephone and banking systems. This confirms the literature evidence (Pedersen, 1999) identified in Chapter 2.8. In addition it was suggested by exporters that inconsistency or unreliability of product also contributed, framed in terms of differences between samples and continuous production.

The influence of media imagery was also perceived by exporters.

*“Usually when people switch on the TV at home, watching the news every evening....well Africa, Somalia there’s a drought, there’s a war in Congo...violence in South Africa... the whole lot of them, there a waste of time...So there’s a major perception problem.”*

(Firm EE).

This clearly relates both to the continent of Africa, as above and Zimbabwe itself, as exemplified in the previous section. Exporters appreciated importers’ perceptions of events in the domestic business environment of Zimbabwe would potentially influence importers decision making. Comments supporting this view highlighted government handling of the economy and its belief in press and media bias. Internationally focused behaviour was also cited as an additional



constituent of Zimbabwe's perceived negative image. A further element was corruption, though it was argued by exporters this was not known in Zimbabwe alone, as noted by Ayittey (2002) and Mbaku (1996). Government's lack of understanding of the needs of business was reflected in import duties, bureaucracy and red tape which *"are excessive and they make you uncompetitive before you even start"* (Firm EM). This substantiates UNCTAD (1999) and Wangwe (1995).

The issue of negative perception was also discussed in relation to levels of business sophistication. Exporters appeared to believe that importers felt themselves superior in this area commenting that *"they do believe we are naïve in many respects"* (Firm EM). If this was accepted is not clear since

*"it depends on who you are dealing with; you know there are a lot of good people underneath"* (Firm EM).

The latter quote elucidates exporters' differentiation between import buyers. The remark could also indicate a business-personal dichotomy for importers in terms of firm performance and sympathetic tendency towards the exporter. This may suggest tension in the decision making process leading to the risk aversion noted earlier. Exporters foresaw that contact over an extended period is a key issue in building business relationships. According to one source this would need to be done by each individual firm since the shoe-manufacturing firms in Zimbabwe

*"are so different one from another that to be able to create some sort of relationship would be very difficult"*.

(Firm EQ).

This circumstance is compounded by firms' lack of credibility in export marketing where the nature of trust varies across cultures (Zaheer and Zaheer, 2006). Firms cannot gain export orders from risk averse importers which would lead to credibility, or the volume business required in order to create experience curve effects. As noted by one firm *"where Zimbabwe fails on the shoe exports*



*is actually on the volume, we don't have volume*" (Firm EQ). This reflects the literature where export development is expected to focus on development of profit or volume (Katsikeas 1995; Naidu and Rao 1993; Samiee and Walters 1991). It was suggested that essentially the importers need a reason to change from a known to an unknown supplier, referring perhaps to 'locked up channels' as discussed in the literature review. Price might be one reason to change (Anderson *et al.* 2000). This would perhaps be insufficient in view of switching cost issues, for example investment in the relationship and demonstrable reliability.

### ➤ Image And Ethnicity

Exporters comments regarding ethnicity suggest, based on their perception of cultural similarities, that having European antecedents may give an advantage in European markets. One exporter suggested that *"in Zimbabwe, we are basically British"* (Firm EE) displaying an ethnocentric perspective. Conversely for the Asian market there appeared to be a possible advantage in having African antecedents since

*"Asian countries perceive Africa as black... I still don't think they think there's white people living in Africa sometimes".*  
(Firm EH).

The latter comment was supported by interviewees' experience at regional trade shows. These views present some ambiguity, but indicate Asian traders perceive Africa through a lens focusing on black businesses with little or no acknowledgement of white run businesses.

### ➤ Image And Pressure Groups

The final issue that arose in the image-focused section of exporter interviews was the environmental movement, in particular wild life conservation. Exporters were relatively unaware of pressure and lobby groups, a general acceptance of the exotic hide trade existed. Exporters' comments suggested a perception that

importer reticence to transact business was based on mistaken ideas of the treatment and living conditions of wild life in Africa. This view was expressed in strong terms, that

*“they only believe what Richard Attenborough tells them on the bloody television, which is nonsense anyway”.*

(Firm EK).

The quote also indicates exporters believed importers were not willing to trade in wildlife hide and skin products because of potential prosecution, fearing them endangered or illegally killed. At the time of interview a legal trade existed in Zimbabwe and at least one exporting firm was a relatively large-scale participant. For the importers to hold such a perspective may preclude market development, although one exporter has successfully established a niche market in the premium price bracket based on exotic hides.

#### ➤ Summary

In this section a discussion of the interviews has been given based on an inductive analysis of transcripts (Burnard, 1991; Miles and Huberman, 1994). A number of themes emerged from the analysis which can be tentatively regarded as dimensions of the postulated Negative Image phenomenon in the context of the Zimbabwean example. Briefly stated these are:

- Amalgamation of the Zimbabwean Negative Image, as perceived by exporters, with the continental image. Exporters perceived the Zimbabwean image to be informed by the continental image of Africa. This insight provides a new perspective on the COO literature. To date continental image has not generally been conflated with country image.
- The insufficiency of product quality improvements. While these could be made, for example use of imported materials, exporters did not believe this would be sufficient in itself to counteract the Negative Image held by



importers. This provides a new insight on the literature regarding technology deficiencies in LDCs. Theory is potentially extended by suggesting that lack of technology alone is insufficient reason for the Zimbabweans inability to develop trade. In addition it is appreciated by exporters that while improvements to the product should be made these are not the basic reason for lack of export success and that in terms of their own actions *'there's many ways of me throwing anyone out the door'*. (Firm EQ)

- **Changing international orientation.** Exporters indicated that the strength of colonial ties had weakened, but were still important in Zimbabwe. UK empathy was expected to give Zimbabwe and other African ex-colonies preference over countries that had not been colonies or were now more successful, such as India. Exporters anticipated this was unlikely in view of acknowledged business performance issues, lack of knowledge of Zimbabwe and Africa as manufacturing bases and importers awareness of domestic politics. This provides a new perspective on the Commonwealth Effect (Lundan and Jones, 2001).
- **Asymmetry of positions.** Exporters perceived themselves to be viewed as inferiors by some importers, being considered less sophisticated in business matters. This was compounded by a lack of credibility, leading to lack of opportunities and therefore an inability to offer proof of performance. This situation suggests a cycle of cumulative causation which may be a new perspective on the problems arising from COO.
- **Growth of environmental and ethical consumerism.** Exporters indicated consumers environmental trading concerns were a component in the Negative Image held by importers. Exporters themselves did not appear to appreciate the importance of this in their marketing efforts. This factor has not been generally been highlighted in the COO literature and therefore presents a new insight.



- Exporters perceived the media as a constituent in importers image of LDCs. This was mainly focused on television output, for example documentary, but it was considered as detrimental to a true understanding of the Zimbabwean situation. This type of media influence has not generally been seen in the COO literature and represents a new perspective on the issues raised.

#### 4.1.3 Export Markets

##### ➤ Regional Exporting

For Zimbabwean footwear manufacturers Europe was an attractive export market. Adjacent regional markets, such as Malawi, Kenya, Botswana and South Africa were also important. Emphasis was given to each at different times in the interviews indicating ambiguity in prioritising their exporting efforts. In the longer term Europe was clearly the major aim, however, regional markets were often the pragmatic choice for market development. When internationalisation models are considered elements of the behavioural process are seen, but in general Zimbabwean manufacturers' movement into exporting does not support any particular model of internationalisation. In some instances, such as attempted exporting to the UK and Australia, the Commonwealth Effect (Lundan and Jones, 2001) appears relevant and a competence based approach may also have merit (Bakunda, 2003).

Interviews with manufacturers suggested that experiences in regional export markets had on the whole been positive and problem free. One suggestion for this success was a material shortage in the South African market. For Zimbabwean shoe manufacturers this resulted in a better income from leather exporting than from finished shoes. A second reported reason is that South African manufacturing also *“seems to have collapsed as a result of cheap Chinese products”* (Firm EG). The high levels of Chinese imports to the Zimbabwean domestic market were also a potential export driver. In the South African market there were no reported duties at the time of interview. Coupled with large market size a powerful incentive was created for firms to enter that

market. Further encouragement derived from an exporter's belief *"that's where the money lies (and) I mean we need the foreign currency in this country"* (Firm EG). In addition to direct exporting, manufacturers' products also reach other markets via regional trading companies. One firm reported supplying buyers from Mozambique, supporting the existence of unsolicited export orders as a market entry mode (Liang, 1995).

### ➤ International Exporting

Exporting into Europe had not met with the same general level of success. Attendance at the Dusseldorf GDS, among others, appears to have been an exploratory entry route into the market for several firms. One company identified export potential in Austria and Scandinavia. Firm EG was confident and enthusiastic about exporting due to Dutch antecedents and a substantial level of investment from the parent company. Other companies noted enquiries from Greece, Libya and unspecified Middle East countries. Italy and the United States were also named. Despite this there appears to have been little quantifiable outcome, either from visits to the UK or contacts at GDS.

The UK was described as a 'difficult' market, and a *"different ball game for the Asians and for the Africans"* (Firm EO). For the Zimbabweans this comment acknowledges their European extraction and again echoes UK in-group membership which was apparently not reciprocated by importers. It was noted above that one company had imported UK components *"and we are using the products and somehow our quality wasn't acceptable to the market"* (Firm EO) indicating differing perceptions of quality. Within the literature there are differing conceptualisations (Garvin, 1987) and requirements at the international level (Keegan and Schlegelmilch, 2001). In African regional markets the Zimbabwean image may be strong, but not globally, supporting uphill and downhill marketing (Amine and Chao, 2005a). The current study extends the proposed concept into African markets.



#### 4.1.4 Market Orientation And Experiences

This section specifically concerns issues related to the exporters outward orientation. Exporters attempting to follow colonial orientation and enter the UK market felt they had encountered sales resistance. This was illustrated explicitly by one exporter, who said Zimbabwean firms were

*“tending to break away from the colonial thing, selling in the UK, you know, if we are going to get such a run around and hard time. Let’s see what we can sell elsewhere”.*

(Firm EI).

This comment appears to substantiate Fenwick *et al.* (2003) in their proposal that the psychic distance phenomenon may create disconfirmed expectations. The reported failures may result from inadequate exporter performance in terms of market research, sales technique, or product related factors. The ensuing desire to experiment in other markets is tempered by an understanding that achieving orders elsewhere will still be difficult. In the following series of three quotations different aspects of potential trading relationships are illustrated.

1. Although an Italian agent had seen the product of one firm and given a positive reaction, it was remarked, by the exporter, that

*“they are saleable in Italy. Now being saleable in Italy and getting the sort of price we are looking for are two different matters”.*

(Firm EI).

This suggests a degree of realism, also expressed during other interviews, regarding international pricing differentials (Soderbom and Teal, 2001). Specifically the comment refers to achievement of ‘acceptable’ margins as discussed in section 4.1.6 and the ultimate viability of exporting into Italy and therefore Europe.



2. So far as the negotiation process was concerned another exporter firmly held the view that trading should be a reciprocal win-win situation. Importers who are perceived as genuine could be pursued while the 'chancers' or opportunists need eliminating. This pragmatic approach was clearly stated:

*"if I don't make any money I won't live for long and you are not going to make anything more out of me and if you don't make any, I know I'm not going to sell you any more".*

(Firm EQ).

Such remarks support the argument for reciprocity in buyer-supplier relations and presence of buyer opportunism (Gibbs, 1998).

3. Exporters were aware of opportunists who assumed a false position as volume buyers. Such importers hoped to make a quick killing and

*"sometimes come in and blind you, but we've been hit so many times we go in with a lot of caution"* (Firm EQ).

For exporters such occurrences may justify caution (Markoczy, 2003) and a negative image of MDC buyers based on negative experiences. This would appear to demonstrate the reverse of the situation generally described throughout the exporter interview series. As a result of meetings samples and changes appear to be requested by the importer. Such a sampling process, according to the exporters, may continue over a protracted period,

*"six or seven months" with "no order at the end of the day. Just God knows what happened. I don't know if the guy left, the company closed or he just decided to go elsewhere".*

(Firm EI).

From the exporter perspective this extended sales negotiation contributed to a negative image of importers and induced frustration. It was also seen as an example of prevarication demonstrating the importers' insincerity. An alternative

scenario was described where the sale had virtually been closed, with the exporter willing to accept a very small margin *“just to get in and the guy started squeezing”* (Firm EJ). In this case the firm walked away, possibly sacrificing more lucrative future orders. When asked to explain this, the reason given was that importers appeared to have realised the strength of Zimbabwean exporters desire to export and had therefore leveraged this knowledge in negotiations. The point was made that just as the Zimbabwean businessmen were cautious, so were the UK importers in dealing with *“people they don’t know”* (Firm EJ). The overall impression of UK importers gained by one apparently pragmatic Zimbabwean exporter was that

*“It doesn’t matter where you are from, just, they are not great about jumping straight on the bandwagon with someone they don’t know”.*

(Firm EF).

Interview evidence indicates that scepticism exists for both sides in the negotiation, hindering relationship development. There is no evidence to suggest attempts were made to engender trust at the initial or subsequent meetings. This implies a transactional perspective on the negotiations as opposed to a relationship marketing orientation (Iacobucci and Ostrom, 1996). A further point made regarding the negotiations is that identification of decision makers is difficult, this is seen as referring back to an apparent lack of market research.

Set against these apparent difficulties the Zimbabwean initial order volume may be an advantage. A figure of 1,000 pairs was generally quoted, being seen as a significant difference to other LDCs. Chinese exporters were specifically referred to concerning considerably larger initial orders. This small minimum order figure should also be seen in the context of a niche marketer exporting *“100-150 pairs a month to the States”* (Firm EK).

One exporter described how negotiations, including an offer of low minimum order quantity, had failed to elicit any order. The exporter believed that the importing firm had squandered an opportunity to build an exclusive own label



range at a very low landed price. The exporter's reaction was one of frustration and bewilderment, expressed in terms that *"I just think that, sometimes I felt like shaking them and saying what's wrong with you?"* (Firm EF). This again contributes to a negative importer image, but also possibly reflects an inability by the salesperson to correctly read the situation (Behrman, 1997; Herbig, 1997; Martin and Herbig, 1997; Bradley, 1995). Given that the exporters favour what appears to be a transactional approach then this situation may also be interpreted as evidence of the requirement for re-evaluation of the sales and marketing processes currently employed. Clearly the importers were not prepared to place orders immediately, this suggests a potential inclination towards relationship development over the long term which may be the norm in UK footwear importing.

#### 4.1.5 Exporter Problems

This section investigates the general types of problems encountered by Zimbabwean exporting firms.

##### ➤ Transport Economics

Within the literature the economics of transport are seen as a significant, but not critical, component in the manufacturing of goods. Evidence from interviews unexpectedly suggested transport and distribution costs were of major importance to Zimbabwean exporters. This immediately has an impact upon pricing which itself influences national image (Ambler and Styles, 2000).

*"Our labour here is cheap. Labour here is a give away. But when you start now... now the transport here, from here to England almost represents 50% of the actual cost of the shoes".*

(Firm EQ).

For regional markets road and rail are utilised, internationally sea freight and air freight are utilised. Export and import were affected. Component imports by sea were said to take approximately



*“six weeks if you are lucky... guaranteed us two months, container will be here. We always work on three months”.*

(Firm EQ).

An important consideration with international sea freight is the difficulty caused by the land-locked nature of Zimbabwe (Rezenthal 1993; Havlicek 1991), which necessitates exit through either Durban in South Africa or Beira *“in Mozambique which is secure, fairly”* (Firm EQ). Loss of rail shipments or containers arriving empty at the port had been common, though less so at the time of interview. This type of episode would appear to potentially present European importers with evidence of poor performance and contribute to a negative image of exporters. Regional exporting, for example to South Africa, was seen to be simple

*“Road transport, no problem, we go through Botswana and down that way which is quicker because of the condition of Beitbridge”.*

(Firm EH).

Customs delays were described as a problem. Excessive bureaucracy is substantiated by Wangwe (1995) though interviews with customs clearance and shipping agents, carried out as a triangulation of exporter data, suggest that the perceived obstacles may be exaggerated. It was also suggested that for regular exporters the use of dedicated in-house staff or a customs clearing agent would be appropriate.

Air freight had been used by footwear exporters. Interviews with horticultural exporters suggested air freight is common in that industry, justified in terms of speed. A common comparison made by footwear exporters was transit times between sea freight into Europe, generally taking up to six weeks and air freight, three to four days. Only in Firm EG, which had been specifically set up to export by a foreign company, was this done on a regular basis. Though air freight was generally seen as a quicker alternative to sea freight not all reaction was positive. A Bulawayo based exporter remarked *“air freight is unreliable out*

*of Harare, ... because you never know if planes are not going to take off* (Firm EH). Exporters based in Harare did not appear to share this view.

Such difficulties suggest exporters may communicate an estimate of delivery to importers, being unaware that goods had not left *“just delays here, delays there”* (Firm EQ). This would act negatively on importers assessments of reliability and therefore have an image impact. This was summarised by the same Bulawayo based firm who said that *“You’d have to go out of Harare you know and that would be horrific”* (Firm EH). A further point of comparison for exporters was cost per shipment. For sea freight the normal arrangement appeared to be pairage per 20-foot container, while on air freight weight and volume data were considered as the charging basis. One interviewee noted that carriers calculated *“cubic metre versus weight (and) they go to whichever one is higher”* (Firm EQ). This allows a cost advantage in terms of shoe upper exporting over completed product, but the majority of any added value would accrue to the finishing firm. The shoe upper export business may therefore not be as lucrative as complete shoe exporting.

#### ➤ Importer Pressure

Beyond the decisions regarding carriers and customs procedures, exporters are also subjected to pressures from importers’ delivery deadlines. This suggests exporters may be pressurised to agree to unachievable targets resulting in manipulation of manufacturing schedules to meet despatch dates, ending in failure and an image of unreliability. One exporter said

*“you have got to react to the market, you’ve got to look at your lead times going by sea freight, air freight .... sourcing the raw materials and this is one of the problems, our inability to react fast enough”.*

(Firm EM).

Key issues in this quote are performance of obligations, trust and relationship formation. This was explicitly acknowledged by one exporter who recognised failure to comply with importer requirements, whether from in-house or external



causes, could jeopardise future orders because *“those guys don’t mess around with you”* (Firm EQ). Image is therefore directly related to these topics. In this area the empirical evidence supports theory (Gilmore *et al.* 2004) and is extended here specifically in relation to the Zimbabwe situation.

➤ Indigenisation

It was noted earlier that in Asian markets African is perceived as black, this may also be the case in Europe. When race was raised in interview directly it was stated that *“black owned companies tend to not do too well”* (Firm EF). No substantiation was given for this assertion and it was noted throughout the interview series that no indigenous shoe manufacturing companies fitting the project parameters were found. On a smaller scale there are many black owned micro enterprises. A programme of indigenisation had been indicated by the Zimbabwean government, creating uncertainty within the domestic business environment and potentially reinforcing negative images of the Zimbabwean and African continental image abroad.

One of the smaller firms in the sample, like many others in Zimbabwe, was family owned. This reportedly places such firms at a disadvantage with the authorities and unions. These have concerns that human resources are less well managed here than in non-family owned businesses. It was also noted that within the companies generally cultural differences between black and white, commonly works and management, could create difficulties. This issue was specified by management in terms of a requirement for greater worker education and increased appreciation of black cultural heritage. The mixture of white management and black work-force appears to be a consequence of the colonial power structure. One owner manager regarded this as

*“the Zimbabwe attitude, right? I never allowed the problem, I wasn’t brought up in colour prejudice so at least I can make a difference”.*

(Firm EF).



This suggests, despite vehement protestations to the contrary by one white manager who said *"It's not a problem, not a problem"* (Firm EH) that race has been an issue. The situation was not wholly restricted to northern Europeans; a number of the firms interviewed were managed or owned by families originating in southern Europe and one from the Indian subcontinent.

➤ **Management Culture**

One consequence of the firm structure may have been increased power distance within the hierarchy. This was evidenced for the author in observations of management activity, particularly the delivery of instructions to staff. The type of management style seen here is reminiscent of that adopted in Europe some time ago, tending to be formal, perhaps autocratic, with a high power distance and a strict demarcation of roles and responsibilities, supporting Hickson and Pugh (2001). This is unlike the more inclusive styles of African management which appear not to have developed in Zimbabwe (van der Colff, 2003; van Binsbergen, 2002; Prime, undated; Oak, 2003). The system of management indicated by informal participant observation suggested a hierarchical, high power distance culture. This differs from the current UK low power distance style where interpersonal skills are more developed (ul-Haq, 2000). Retention of older management styles reduces the need for growth in interpersonal skills and possibly suggests failure in development of integration or construction of close working relationships within the firm. Such circumstances may also create difficulties in establishing working relations with managers used to more informal relationships.

➤ **Importer Perceptions**

The management linkage to southern Europe also ensures that some footwear has a Portuguese 'signature' deriving from technical knowledge grounded in that industry location. It was noted by one manufacturer that while having similarities in construction and design the product was expected to be lower cost due to being manufactured in Zimbabwe. The interviewee noted that *"the buyer in Europe....is going to expect a much lower price, considerably lower*

*price*” (Firm EC). When asked if this tied the price and source together for European importers the manufacturer confirmed *“yes - the source and I think that that was one of our main problems”* (Firm EC). It was emphasised that compared to other countries products, even if the Zimbabwean quality had been similar, or better, the same expectation would apply. This confirms the continued currency of early work on COO such as that by Khanna (1986) and Chao (1989). Further evidence is provided in the following quotation from an exporters experience at an exhibition.

*“He says right, fine, I definitely want it. The quality’s fine, everything’s fine, lets talk. From the moment we hit fifteen, I said we’re playing, we’re just passing time, playing games. So he dropped me down to \$9 for the same shoe.....well why are you prepared to pay \$55 to the Italians for the same shoe, why are you prepared to pay the South Americans \$35 for the same shoe.....yet you are squeezing me from eighteen right down to, to nine, where is the logic?*

*He says well you all live in trees and you guys pay your workers nothing, so I mean it was a very important lesson to me, that they are prepared to knock you down for the sake of knocking you down and this was not just one person, this happened several times and they were just prepared to knock you down because you are from Africa. So there is a general perception problem that anything from Africa, these people are Third world or Fifth world, people don’t deserve anything better”.*

(Firm EG).

This is an interesting quotation which offers an insight into one exporter's perspective on the postulated phenomenon of Negative Image. The reported buyer response to exporters selling price suggests a country hierarchy, with Italy foremost, followed in this case by South American manufacturers and then marginalised African countries such as Zimbabwe. The exporter had what was perceived to be an equivalent product and started from a defensible price based on expectations arising from Zimbabwean domestic market experience and comparison with similar footwear at the exhibition. The final buyer offer was a price considerably below exporter expectations that, it was suggested, was



divorced from product related features. It would also appear that a number of features of Negative Image merge at this point: country and continental image are involved, together with possible elements of ethnocentrism and asymmetry in buyer-seller relations. In addition part of the buying price appears based on perceptions of cheap labour and exaggerated expectations of low level manufacturing and social infrastructural development in Africa.

The quotation illuminates some buyers' attitudes towards LDC exporters and that the Negative Image phenomenon, in this reported instance, was divorced from the product offering. Ultimately the reported incident demonstrates that when faced with a Negative Image, exporters should not anticipate equality of treatment with more established manufacturing countries. This example provides a different perspective on buyer-seller interactions and the COO literature in light of the proposed Negative Image concept.

A similar comment was made with reference to UNIDO

*"I had this argument with somebody from Geneva...(they said) because it is coming from Zimbabwe it has to be a lot cheaper".*

(Firm EC).

The inference here is of high level acceptance of the Negative Image phenomenon and that COO in general is an issue beyond the business arena, tending to confirm work by Anholt (2000).

#### ➤ Manufacturing Related Issues

Some exporters believed that part of their image problem was based on poor product quality, stemming from deficiencies in manufacturing technology. This had been upgraded in some cases, but not to the extent perceived to be required to compete effectively in export markets. Reinvestment was seen as a method of improving quality and productivity, but was also the source of potential problems. One respondent commented that



*“We have tremendous problems in this country with equipment, we’ve all got old, obsolete machines except (names Firm)”.*

(Firm EL).

A contradiction arises with modernisation. When working effectively high tech equipment can increase quality and raise labour productivity rates, but this must be weighed against the susceptibility of complex machinery to African environmental conditions and lack of skilled technical support. Machine downtime therefore tends to be longer, while less sophisticated technology is perhaps more robust and easier to reinstate. In addition it was suggested that modern machinery was geared towards high volume synthetic production which would not be suitable for the leather manufacturers in question. Similar findings were reported by Voordijk (1999) in a study on Ethiopia. This lends support to exporters perceptions of the views held by importers regarding technology in LDCs.

Efforts had been made to introduce quality control and strengthen training. Training and quality were seen by some as coincident. Lack of training appeared to have deleterious effects on the work-force who were

*“not at that state where they are conscious that everything has got to be (just) so... and that is what the difficult thing is, they cost business”.*

(Firm EL).

Deficiencies in training were apparent in the case of at least some management. One owner spoke about a small manufacturing incident, remarking that *“we didn’t know that and those are the little funnies”* (Firm EL). Although management are aware of basic production processes more in-depth knowledge of the sophisticated shoe production methods employed in European markets appears lacking. The situation is perhaps reflected in the expression *“third world finish”* (Firm EF) used to describe quality.

In international markets product appearance can be an important factor. In general exporters perceived domestic leather as poor quality and the comment

was made that due to the technology in Zimbabwean tanneries their leather was not up to the Italian tanning finish. This is used as a type of informal benchmark (Al-Hasan and Haines, 2002) and said to be 'beautiful'. Zimbabwean leathers could be improperly finished or naturally marked which ultimately detracts from the finished footwear. For this reason footwear made for export tended to use imported leathers, while local market manufacturers are *"not interested in it"* (Firm EC) being more concerned with price and saleability of the finished product. Use of lower quality leathers may contribute towards the Third World finish noted earlier. This is perhaps in line with the response that *"we've got Third World poverty, Third World finishing, I can't afford the finishing machines"* (Firm EF). It was believed that a display of better quality Zimbabwean leather footwear *"on its own looks wonderful"* (Firm EF) but when mixed with international brands the lack of attention to detail would be noticeable and attributed to *"cheap labour"* (Firm EC) contributing to an image problem.

➤ Ethical Issues

Exporters have also seen manufacturing as a problem in terms of country image and MDC perceptions of human rights issues. A contradiction exists for exporters when importers demand good working conditions and equitable pay rates for workers, yet simultaneously low footwear prices. Exporters perceived importers expectations of Zimbabwean manufacturing as *"you can get 12 year olds to work in your factory and you can work 20 hours a day"* (Firm EC). This may possibly contribute to the suggested MDC perception of *"sweat shops"* (Firm EG) noted by an interviewee discussing the African image from an MDC perspective. A positive point made regarding marketing efforts concerned with image change and the *"plight"* (Firm EG) of African workers was that publicity initiatives could be undertaken to educate buyers *"how much better off they really are"* and *"how different are we from India, Colombia and so on"* (Firm EG). Such comments reflect concerns within the literature (Baron, 2003) expressed in relation to media perceptions of social significance and the internationalisation of such issues (VSO, 2002b).



➤ The Business Environment

Events in the domestic business environment compound problems that companies may have experienced in overseas markets. Power cuts, floods, lack of home market orders leading to occasional layoffs or short time working and failure in the supply chain creating loss of output were reported. It was noted that the domestic economic situation was volatile and in the latter case unanticipated excise duties could have affected the supplier. These events have the potential to impact negatively upon export deliveries and therefore exacerbate negative images of LDC exporters.

A compensating factor, in social psychological terms this reflecting group adoption (Fant, 1997; Hamilton, 1981) may perhaps be the regional markets. For example South Africa who

*“understand because they are experiencing similar problems, Europe do not understand...why should they?”*

(Firm EM).

Importing has also created problems for Zimbabwean exporters importing raw materials from countries such as India and Pakistan. On occasion goods ordered were incorrect to the extent that opening a container *“was a real lottery”* with the consequence that *“You have to phone the company up and it doesn’t exist any more, that type of thing”* (Firm EI). Such events occurred coincidentally with contact from UK importers, believed to reflect an attempt by UK importers to eliminate their own delivery problems. The Zimbabwean manufacturer and importer would *“then talk and through historical, colonial links with this part of the world this was attractive”* (Firm EI).

The example encapsulates perceived colonial links and indicates a potential source of reciprocal business. It also shows that exporters encounter similar problems to the UK importer and could therefore generate shared experience as a basis for business relationship development. This provides an alternative view on trust across cultures to Zaheer and Zaheer (2006) regarding exporters



who *“bring with them different motivations and expectations of behaviour”* (p28). In this case the motivation for mutual support, or problem solving is likely to be similar, leading to shared experience.

Importing materials and equipment requires foreign currency. This is accessed through exporting and then held in a Foreign Currency Account pending purchase of further supplies and materials from foreign suppliers. Duties are payable on imports. One importer thought these excessive

*“shoe lasts for instance, you cannot make a shoe without a last.....no one makes them in this country. Why are we paying 70% duty on bringing shoe lasts in?”*

(Firm EF).

Better quality shoe lasts are not manufactured in Zimbabwe due to the complexity of production process and investment required. *“Good machinery is too expensive for us to buy, it’s not worth the risk”* (Firm EF) therefore lasts must be imported. Other simpler components are also imported, such as better quality eyelets and buckles. In all these instances a rebate procedure exists but *“it’s when you actually do it that you realise how complicated it is”* (Firm EF) tending to suggest a disincentive. This situation can be seen to reinforce problems of transport highlighted earlier.

For all the manufacturers general home market uncertainty was a major factor, related to the transport, material, bureaucracy, infrastructure and political concerns highlighted earlier. Environmental effects on manufacturer and consumer confidence, levels of final customer disposable income, retailer orders and cost of borrowing were regarded as responsible for lack of reinvestment and curtailment of expansion plans. Fluctuating currency and duty levels affected import costs of raw materials and components. At the time of interview, interest rates were approximately 23%-35% but subsequently increased sharply. Inflation rates also rapidly escalated as currency values fell, the exchange rate, GBP £1 = Z\$60 and described as ‘poor’ had, by the time of a return visit, weakened to GBP£1 = Z\$1,300 and on the unofficial market was

reported to be around GBP £1 = Z\$3,500 further exacerbating operational problems. These conditions lead to a position where firms are unsure of their continued survival. One firm noted that they would be

*“very careful of exporting anywhere, because at the moment we don’t know how we are going to run locally”.*

(Firm EM).

#### ➤ Zimtrade And UNIDO

One body expected to represent the voice of industry to the government in Zimbabwe was Zimtrade. This organisation has a designated role to encourage and facilitate exporting (Zimtrade, 2003). Zimtrade has been seen as a beneficial body in shoe exporting: providing information, instigation of trade shows and giving support through the provision of infrastructure resources such as design and production experts from Europe. Over time the value of Zimtrade’s input to shoe manufacturing appears to have reduced, while issues such as the imposition of high rates of import duties on components imports remain unresolved. A second organisation contributing to the development of manufacturing and exports both in Zimbabwe and other countries is UNIDO. Here again manufacturers saw the initial stages of involvement as encouraging, but disenchantment has grown through apparently inequitable treatment in respect of a revolving investment fund. These two bodies, along with the Leather Institute of Zimbabwe, were seen as developmental organs that had instituted much appreciated efforts to resolve issues in the conduct of manufacturing for export. The problems appear to remain, supporting Brautigam *et al.* (2002).

#### 4.1.6 Attempts At Marketing Development

##### ➤ Exporters’ Worldview

For the Zimbabwean exporters marketing was an important issue, though for



some only undertaken in a *“world that exists between the Limpopo and the Zambezi”* (Firm EM). This is taken to imply a narrow, parochial worldview while from the literature a global mindset is seen as desirable (Srinivas, 1995). In the speaker’s context the phrase also referred to a lack of marketing development at the international level where competition was qualitatively different to that in the domestic business environment. One reason suggested for the insular nature of some firms was historical. This supports the literature (Zeffane and Rugimbana, 1995; Malhotra, 1988; Kaynak, 1982). A second reason was the tough market conditions faced in the UK and Europe coupled with easier accessibility of the African market as a whole

*“we have a potential market of 250 million people ... 2 million people as a potential market directed to our product, that’s more than one company can cater for”* (Firm EE).

The inclination therefore was to concentrate regionally and *“keep watching what is the direction Europe is taking”* (Firm EE). This type of response, that it was better to invest in local and regional markets before trying to enter Europe, was common. It was viewed positively as a necessary learning experience and a way of increasing sales without incurring heavy expenditure at a time of financial stringency. The comment should perhaps also be understood in the context of international exporting difficulties.

One manufacturer believed some colleagues thought regional success would necessarily mean international success, he argued that their view of export marketing lacked realism. The exporter disparaged such views saying *“They’re all airy-fairy and think you’ve just got to make a shoe and take it to England”* (Firm EL).

The interviewee continued that in fact exporters should understand UK based importers were likely to *“do what Marks and Spencer and Woolworth’s in South Africa do... they’ve got tight specifications”* (Firm EL). This describes a differential in export marketing awareness among the manufacturers. Few of the interviewees gave any indication of an approach to marketing beyond



responding to incoming enquiries passed on by Zimtrade, or alternatively efforts to 'pitch' the product at appointments during prospecting trips. One manufacturer viewed exporting into Europe from a production levelling viewpoint on the basis that

*"in winter it's quiet in our market here, but we would manufacture winter for the summer market there".*

(Firm EH).

➤ Marketing, Product Design And Development

This manufacturer made styles based on designs from European magazines and television believing they would sell into local markets later. Product development also came from attendance at fairs where, for example, new heels might be seen and so *"without a doubt we're not behind in fashion"* (Firm EH). The perception of designs from this interviewee contrasts sharply with other experiences. One interviewee who had attended a UNIDO sponsored trade fair suggested that the event was not a success, in fact, *"it was a fiasco....all of us from Africa were lost"* (Firm EL). The individual's overall view regarding UNIDO's input was that the

*"people who they were sending out for the markets... didn't really know they're markets anyhow... tell us the style and ... when we went to the market nobody really wanted those shoes".*

(Firm EL).

In addition to the expense incurred there was also a question of personal esteem arising from this apparent mismatch between product and market. One interviewee who attended a UNIDO sponsored fair in Australia commented *"I was so embarrassed ... for the time I was there I felt like hiding under the table"* (Firm EQ).

The above may be simply a personal reaction by one exporter, but during other interviews there appeared to have been no significant level of business

generated at the fairs. This was despite an alternative comment that there had, for one firm been a *“very favourable”* (Firm EH) reaction. Although the interviewee gave this assessment no business was generated. The potential buyers were said to be *“very price conscious... they knock 50p of your side, that’s a lot of money this side”* (Firm EH).

A further comment regarding exhibitions and fairs was that there had been no volume orders. This suggests small orders had been taken, perhaps a trial or exploratory order between potential new business partners. The buyers were seen to be experimenting cautiously on the basis that *“they have had a lot of bad experiences in the past”* (Firm EM) though these were not specified by any interviewees. It was also noted that *“I think they come in with that mistrust... and you’ve got to work your way through that”* (Firm EM) this again indicates acceptance of a negative image problem.

These comments provide evidence that potentially illuminates what may be seen as an image issue based on past experience, or at least perception, for the Zimbabweans. This has been acknowledged and countered with positive reactions by the manufacturers. One company believed that, given they were in the market and trying to export, then importers would appreciate that and give credit for the fact that they were *“not in there with a begging bowl”* and *“we’re in there doing something”* (Firm EG). Other exporters suggested that the current method *“to go in there putting your product on the table, say do you like, yes I like it, no I don’t like it”* (Firm EE) needed to be revised. The exporters appeared to feel as individuals they lacked credibility an important factor in BtB buying situations (de Pelsmacker *et al.* 2001). Clearly referring to a negative image one exporter said *“you are coming from Africa so you know you’ve already got ... a problem”*.

(Firm EE).

These examples provide several contrasting views on fashion, exhibition success, importers’ experiences and marketing approach. These suggest different interpretations of the international marketing environment, leading to divergent views and potential for learning (Augier *et al.* 2001; Dakin and Ryan,



2001). Buyers are assumed to see the Zimbabwean exporter as one more in a series of prospective suppliers. When known and presumably trusted suppliers were available within the European continent *“why should they even bother wasting their time going through a learning curve with these people?”* (Firm EE). This comment indicates that the particular exporter had attempted to establish business relations with UK firms and failed, leading to lack of confidence in Zimbabwean manufacturing capacity and antipathy towards future engagement.

➤ **Marketing And Image Improvement**

A longer term perspective was supported by an interviewee discussing Zimtrade who said that it was imperative to maintain efforts aimed at generating an alternative image of Zimbabwe to the current one. This was perceived to encompass all the bad news associated with continental Africa. The development theme was continued by a manufacturer who suggested that the rehabilitation of South Africa presented an opportunity for Zimbabwe to become associated with a positive country image and move away from the poor continental one. This may presumably still allow the romantic connotations to continue but reduce future impacts of negative events. Such comments suggest a long-term view on trading with importers in the UK rather than the transactional approach described previously as *“our method”* (Firm EE). Some of the interviewees therefore appear to be looking for relationship development as discussed by Ballantyne (2004), though it was not clear from interview that this was in fact the case. An alternative interpretation, of a series of discrete transactions over time, may be applicable in the Zimbabwean situation.

A further perspective on international trade that was expressed concerned the need for ‘someone’ to act as UK marketing agent. The person should be currently established in the trade and therefore possess a good reputation and network of contacts. This suggests an attempt at image improvement by increasing product and exporting base credibility through association with a respected interlocutor. Margins were another potential factor, seen by one firm as unacceptable,



*“we were only making 12% on exports, that’s not enough, it’s really not enough (and) we are still not getting any (orders)”.*

(Firm EJ).

The feeling was that this margin was close to other exporters as the importers were in “comms” (Firm EJ). An alternative explanation might be that the exporter had been in a leading position and the importer was routinely attempting to squeeze prices as noted earlier. This reaction could also have been the result of unfamiliarity with the market. One particular exporter saw the need for fast reactions, a sense of urgency and penetration pricing. This was exemplified in a particular comment regarding potential orders that

*“I want these shoes now, in production, I want to have it on say Monday, Tuesday next week, I want to see it on the plane and gone”.*

(Firm EQ).

The crucial point appeared to be proving Zimbabwean manufacturers could provide quality saleable products, were reliable and efficient.

### ➤ Summary

We therefore see from the extracts given that divergence has occurred. Some manufacturers see exporting as a way forward to development of a large business, requiring initial low margins and considerable market and production efforts over time. Others are focused on domestic and regional markets. A further difference, one between those who try to ‘sell off the table’ or transactionalists and those who claim a long term vision, relationship builders was also evident. It is not clear that Zimbabwean footwear exporters as a group have adopted any particular strategy. They may therefore be characterised as ‘stuck in the middle’ or not totally market oriented, a factor identified in the literature as having a positive effect upon firm performance (Deshpande and Farley, 2004). A lack of marketing skills coincident to the literature (Voordijk, 1999) has been noted throughout, potentially a requirement for a portfolio of exporting skills (Thirkell and Dau, 1998). This could include market research

(Hollensen, 2001; Nijssen *et al.* 1999) and firms becoming market driven (Vorhies *et al.* 1999) rather than reactive. The COO and marketing literature, being essentially western oriented, do not relate to the African situation and provide no assistance regarding the revision of an image based in an African developing country business environment. Lack of skills cannot be overcome without assistance which is not available in the African domestic situation (Lall, 2000). Taken in aggregate the individual perspectives adopted indicate lack of consensus within the Zimbabwean footwear industry on a way forward towards internationalisation and, in addition, the fragmented structure of the industry.

#### 4.1.7 Exporters UK Experiences

Analysis of interviews showed that past exporters had taken advantage of contacts by incoming British Shoe Corporation (BSC) personnel. This had the effect of allowing exporting into the UK market at arms length and therefore no market knowledge was gained. With the demise of BSC these contacts were severed and exporting ceased, requiring to be re-established by the individual firms through their own marketing skills. Few of the manufacturers were aware of UK market restructuring or the consequent amalgamation of some BSC retail outlets. In another case successful exporting had been carried on over a short period in the shoe upper trade. Here the relationship had at first been successful, but changes in personnel had apparently created a search for cheaper sources and the relationship foundered as a result. Such factors argue a requirement for greater market knowledge identified in the literature (Katsikeas and Piercy, 1991) and the possibility of initial export failure (Welch and Wiedersheim-Paul, 1980) leading to withdrawal. One manufacturer who had visited the UK to establish contacts suggested the companies that had been visited were

*"I'm not sure, I think it's Shoe City but I'm not - there was Shoe City and Shoe Fayre and then we went and had a word with Marks and Sparks".*

(Firm EF).



There is a clear indication of informality and opportunism which may be argued as an advantageous entrepreneurial trait. Subsequently little attempt at relationship building or maintenance was evident.

#### 4.1.8 Exporters' Perception Of MDC Image

##### ➤ Stories And Myths

Exporters' perception of MDC importers has in general been subsumed within other topics. There are two points in particular that may be discussed here. The first point concerns perception of MDC importers directly and refers directly to delivery problems and rejection of shipments. For some potential exporters descriptions of events in overseas markets contribute to a mythology of problems that circulate because *"this is a very, very small town"* (Firm EF).

From a critical realist perspective the quotation is interpreted to mean that a social structure exists in which information exchange takes place. This is seen in contrast to the earlier industry structure example. Potential outcomes from any exchanges may be curtailment of exporting and reinforcement of UK importers' negative image as evidenced below. These possible effects are not perceived in cause and effect terms.

The belief existed for one exporter that

*"wholesalers may find they've one problem with one pair, they send the whole shipment back... and that scares me".*

(Firm EF).

This was a story that had been heard and repeated, apparently contributing to a negative image of MDC importers. It was felt that the occurrence described may result from a lack of trust and inability to carry out random sampling on whole containers. As a safeguard for the importer complete shipments were rejected based on initial inspection. This line of reasoning was extrapolated into the financial effects of rejection. It was calculated that with the financing of



production, initial shipment and return costs, plus non-reclaimable duties, the costs would be unsupportable and *“Oh my God you’re out of business, thank you very much and people are scared of that fact”* (Firm EF). For this participant a very hard mental model of the UK market and importers existed, potentially reflecting the perception of other manufacturers. Such images may militate against any desire to enter a market that is seen as *“one of the hardest in the world”* (Firm EF). It may also perhaps lead to *“de-internationalisation”* (Mellahi et al. 2005, p200) for those engaged. For this reason exporters are perhaps attracted to regional exporting so that one would initially *“get your feet wet on a softer level”* (Firm EF).

This indicates that exporters’ individual experiences are not being shared among the industry members. Learning is therefore not taking place. One effect of this is that exporting may become an iterative cycle of failure reinforcing negative images of the UK market, already described as ‘hard’.

#### ➤ Perceptions Of Importers’ Attitudes

A second point concerns importer attitude. For one interviewee *“the English attitude was the problem”* (Firm EK). It was stated quite firmly that there was a lack of international mindedness which restricted the importers’ worldview. This conflicts with earlier interview evidence regarding lack of empathy with Zimbabwean exporters and dealings elsewhere. It was felt by the same expatriate that most British would only travel in Europe and *“they go to Spain, they want to eat bloody fish and chips”* (Firm EK). Although importers may want to buy from African manufacturers it was believed that there was a failure to understand, for example, that leather could be naturally scarred and marked in the bush.

*“They are impregnated with this concept that everything must be perfect... so that’s a lot of the problem... whereas in other countries we’ve sold our uniqueness”.*

(Firm EK).

As noted earlier this suggests differing concepts of quality (Garvin, 1987) from UK importers. Exporters perceived importers to have unreasonable expectations of the product, perhaps also of attempts to apply standard criteria to a particular product range that in fact was outside the norm. This suggests a lack of comprehension of UK market requirements, supporting the lack of market knowledge previously noted.

#### 4.1.9 Appraisal Of The Current Situation In Zimbabwe

It is acknowledged that the research has been carried out over an extended period and that this may raise concerns regarding validity. A number of threads permeating the analysis are drawn together in the following section. These demonstrate that rather than improving, circumstances in Zimbabwe have deteriorated potentially creating an increasingly negative external image. Sources include documents from UK government and international organisations, contemporary UK and Zimbabwean trade and press reports from the period. These are inevitably anecdotal in some cases, but seen as necessary to provide depth of description. The approach is chronological, beginning in the 1990s and concluding in 2006. It is hoped this gives an understanding of the deterioration overtime.

In the mid 1990s trade with Zimbabwe was being energetically pursued at government level. Statistics from the Department for Trade and Industry (DTI) show that UK exports to Zimbabwe were £103m in 1996 (DTI, 1998). Numerous sectors appear to have been targets for increased business activity for UK firms, including telecommunications, information technology and the service sector. A Sales Director for an energy sector firm was reported by the DTI as saying he was extremely satisfied with the climate of investment. At that time the UK was Zimbabwe's largest trading partner outside Africa (DTI, 1996). In 1998 the Minister For Trade, Lord Clinton Davies, made a visit to Zimbabwe where several meetings were planned with Zimbabwean Ministers in conjunction with a trade event incorporating some fifty UK based firms (DTI, 1998).



This visit suggests a significant level of activity by UK government aimed at sustaining and perhaps enhancing the level of trade between the two countries. It also suggests that the business climate was encouraging and relatively problem free. By the year 2000 events had swung away from trade promotion and towards criticism of the previously feted Zimbabwean administration. At that time the Guardian railed against UK Government supported arms sales, painting a picture of a country in crisis, bereft of IMF and World Bank support (Guardian, 2000). It is implicit in the cited article that negative publicity and reportage was reaching the UK population, including businessmen and potentially influencing personal perceptions, thereby contributing to the development of a negative image.

Changes in Zimbabwean economic and political circumstances were reflected in international assessments of the country's acceptability as a business location. The World Markets Research Centre (WMRC) issued a press release on 20<sup>th</sup> November 2001 that gave an increased risk assessment for Zimbabwe. This noted *"escalation of politically motivated violence"* (WMRC, 2001) leading up to the March 2000 elections, this was an additional element in what was already an *"operational environment immensely problematic for business"* (WMRC, 2001).

During 2001 the focus of some international organisations still fell on improvements to Zimbabwean industry. For UNIDO one important aspect was tannery effluent treatment as a method of environmental improvement, (UNIDO, 2001). It was reported that

*"Zimbabwe's leather industries are a leading sector in the country's developing economy with several companies ranking among the continent's most successful exporters".*

(UNIDO 2001).

By 2002 the situation had changed significantly with reports of falling cattle numbers and increasing disease within the national herd. For leather footwear manufacturers a double jeopardy existed: that they are unable to obtain



supplies of good quality leather for the manufacture of export quality shoes and that the potential conversion process to synthetics would be perhaps too long and costly.

In February 2002 the European Union (EU) implemented sanctions against Zimbabwe. Figures issued by the British Embassy (2006) Trade and Investment section in Harare show that

*“Trade has declined from UK exports of £78 million in 1998 to £34 million in 2002, while exports from Zimbabwe have declined from £123 million in 1998 to £86 million in 2002”.*

(British Embassy, Harare, 2006).

The local situation continued to worsen such that business support organisations such as the Zimbabwean National Chamber of Commerce (ZNCC) also faltered. A report in the respected Zimbabwe Financial Gazette (FINGAZ) showed that in September 2003 ZNCC faced eviction for rent arrears on Harare offices. This suggested that members had perhaps not been forthcoming with fees. A ZNCC source is quoted as remarking that

*“we are fighting with the Government to put its house in order and yet we are having our own internal problems, which we are failing to resolve”.*

(FINGAZ, 2003).

The Commonwealth Heads of Government Meeting (CHOGM) took place in December 2003 and considered continuation of Zimbabwean suspension. The original suspension was imposed subsequent to the 2002 election when results were found by observers to have been manipulated. Renewal was implemented despite a non-unanimous decision and resulted in President Mugabe’s decision to withdraw from Commonwealth Membership (British Embassy, Harare, 2003).

Following closure of most non-government media organisations, expulsion of all foreign journalists and arrest of a Zimbabwean journalist Amnesty International (2004, 2002) had

*“repeatedly expressed serious concern about the use of national legislation to suppress freedom of expression and silence dissent in Zimbabwe”.*

(Amnesty International, 2004).

The International Labour Organisation (ILO) also protested against government actions, notably against arrest of trade union activists (ILO, 2004). In the Zimbabwe Independent it was noted that although some African states supported President Mugabe, not all did. The response was that this was not surprising:

*“Which African country wants to be associated with the racist demagoguery and suppression of democratic rights Zimbabwe has earned notoriety for?”*

(Coleman, 2004).

Coleman (2004) reported a statement by SADC disagreed and that in Nigeria The Vanguard questioned why action had been taken against Zimbabwe when the Nigerian election was arguably also flawed. The report continued that The Daily Trust supported and approved of President Mugabe's actions in

*“calling the bluff of the so-called Commonwealth by pulling out of the colonially rooted, imperialist-inspired and driven organisation”.*

(Coleman, 2004).

Subsequent to the renewed Commonwealth suspension IMF administrators began expulsion proceedings against Zimbabwe. Sanctions that had been imposed by the Council of the European Union on 18<sup>th</sup> February 2002 were renewed two years later continuing the pressure towards improvement of the situation in Zimbabwe. African influence on Zimbabwe may come from neighbouring South Africa. President Thabo Mbeki has to date been pursuing a policy of 'quiet diplomacy' although this approach, in common with other outside initiatives, does not appear to have produced visible results.

Lack of investment in the manufacturing sector was also a problem. Funds available from the Productive Sector Facility at 30% concessionary interest



rates were ostensibly intended for investment in production capacity. They were feared by the IMF (which had now re-engaged with Zimbabwe) to be diverted in some cases. A FINGAZ on-line report suggested that was largely towards *“speculative and consumptive purposes, which are inflationary”* (Banya, 2004a). This was contested by the Government, but it was noted that

*“most producers have used the funds to retire debilitating debts, which had soared on the back of an interest rate rally late last year, while not much has been committed to actual production”.*

(Banya, 2004a).

The FINGAZ on-line reported that financial stringency perhaps resulted from high interest rates, touching 1000% in December 2003 (Banya, 2004b). Foreign currency, a crucial enabling factor for Zimbabwean firms, was also in short supply. Heavy industrial firms consume large amounts of imports which have to be purchased in foreign exchange accrued from overseas earnings. According to the Zimbabwe Information Centre (ZIC) the Government implemented a system

*“under which exporters are paid Z\$824 to the United States Dollar for a quarter of foreign currency earned”.*

(ZIC.com, 2004).

This was lower than the Z\$4523 auction rate, meaning that exporters were losing considerable sums in the conversion and, while incurring Z\$ debts at the prevailing auction rates, were building heavy liabilities. The result was that companies were running out of operating funds. One company, Zimasco,

*“the leading ferrochrome producer, is laying off scores of workers after shutting down three furnaces at the Kwekwe smelter”.*

(FINGAZ, 2004).

Other companies, for example gold mining companies, also considered their position. Industry and internationally based non-Governmental Organisations



(NGOs) alike were in part sustained by trading operations that utilised bureau de change as banks, providing currency exchange and finance support for operational and investment purposes. With a change in Reserve Bank of Zimbabwe policy, closing all bureaux, this facility disappeared and an important lifeline was cut.

The overall situation is reflected in Table 4.1.1 which essentially shows assessment reports for years 1998 to 2005 on the Zimbabwean business and political environment.

**Table 4.1.1 Zimbabwean International Corruption Ranking**

<b>Year</b>	<b>Rank</b> High rank number indicates a high level of corruption	<b>Number Of Countries Listed</b>
1998	43	85
2001	65	91
2002	71	102
2003	106	133
2004	114	146
2005	107	159

Source: Transparency International Global Corruption Report. Various years, downloaded 12<sup>th</sup> January 2003 and 11<sup>th</sup> April 2005 from:

<http://www.globalcorruptionreport.org>.

According to the Transparency International Global Corruption Report 2005 country report for Zimbabwe:

*“Hyperinflationary pressures, foreign exchange shortages, the proliferation of black markets for basic items and rising poverty levels are in part the symptoms of corrupt business practices, though both they and the corruption are largely the result of financial and political mismanagement.”*

(Transparency International, Global Corruption Report 2005, p222).

The final comment in this description addresses the humanitarian situation. Overtime the population of Zimbabwe has been increasingly affected by deteriorating circumstances. According to the United Nations, up to 2005 the domestic situation worsened and when the Zimbabwean government launched Operation Murambatsvina/Restore Order this created widespread homelessness. The UN Secretary-General's Special Envoy for Human Settlement Issues in Zimbabwe estimated that *"some 650,000-700,000 people were directly affected through the loss of shelter and/or livelihoods"* (UNCAP, 2006). The UN Consolidated Appeals Process aims to provide food and other support for more than 3 million people (UNCAP, 2006). At the time of writing, September 2006, a further UN report indicates that the situation continues to decline (OCHA 2006).

#### 4.1.10 Appraisal of The Current Situation In Zimbabwe - Conclusion

The appraisal that has been made is illustrative and no claim is made to be definitive. Indeed since a Third World country is being utilised as an exemplar in the study it is expected that some of the features described are found. These are believed to form a part of the basis of negative image and are therefore fundamental to the research. It was noted, however, that many indicators of the nation's health appear to have become increasingly negative since April 1999 when Zimbabwean field research was carried out.

Based on the description of escalating inflation and deteriorating political and economic circumstances that has been given it is argued that the global image of Zimbabwe may have become more negative. Accordingly it is felt that the research continues to be substantiated. Current World Bank data, Table 4.1.2, supports this view.

Despite all of the enumerated problems and difficulties it is worth noting that in the author's experience the Zimbabwean people remain open, friendly and, perhaps surprisingly, optimistic for the future.

**Table 4.1.2 Zimbabwe Economy**

	<b>2000</b>	<b>2003</b>	<b>2004</b>
<u>GDP (current US\$)</u>	7.4 billion	7.9 billion	4.7 billion
<u>GDP growth (annual %)</u>	-7.9	-10.4	-4.2
<u>Inflation, GDP deflator (annual %)</u>	56.2	262.8	350.2
Based on World Development Indicators 2006 (WDI) database.			

Source: World Development Indicators database, April 2006. Downloaded 30<sup>th</sup> June 2006 from:

<http://devdata.worldbank.org/external/CPProfile.asp?PTYPE=CPandCCODE=ZWE>

#### 4.1.11 Preliminary Effects On The Research Model

The current research, in view of the unformulated nature of the research problem, has been designated as an exploratory study. Negative Image as conceptualised here is not discussed within the COO literature. As noted in section 2.10.1 and 2.10.3 negative images have been discussed by some authors, notably Chao (1989), Nargundkar and Bajaj (2002) and Anholt (2000). Others have noted the detrimental effects of negative images, beginning with early studies by Schooler (1965) and Nagashima (1970). Later work (Bilkley and Nes, 1982; Khanna, 1986; Khachaturian and Morganosky, 1990; Kim and Chung 1997; Liu and Johnson, 2005) supported the argument. Current work (Usunier, 2006; Balestrini and Gamble, 2006; Hamzaoui and Merunka, 2006; Wang and Heitmeyer, 2006) continues that support and indicates the relevance of this study.

The conceptual framework, shown in Figure 2.6, highlighted a number of literature areas anticipated to be of importance that could be investigated during



interview with Zimbabwean exporters. In addition the four main areas shown were considered as potentially interacting in the postulated Negative Image phenomenon. These were international business, business relations, sales and marketing and cultural factors, each of which subsumed other areas of literature. Broad indications of effects on the model related to these topics are now discussed in turn.

The internationalisation process of Zimbabwean exporters does not follow any of the established models. Interview evidence indicates that the UK market, perceived as psychically close, is the focus of Zimbabwean exporters' aspirations. This is in line with evolutionary behavioural theories (Johanson and Vahlne, 1997, 2003). In addition the Commonwealth Effect (Lundan and Jones, 2001) is predicated on the psychic distance concept. From interview evidence it is apparent that Zimbabwean exporters had encountered resistance rather than the anticipated reciprocal empathy. This possibly unexpected reaction, predicted by Fenwick *et al.* (2003) may arise from reduction in importance of the concept due to increasing globalisation (Stottinger and Schlegelmilch, 1998; O'Grady and Lane, 1996). Exporters had, however, noted that importers were unaware of Zimbabwe as an exporter, had no concept of Africa as a manufacturing base and may be affected by knowledge of the domestic situation in Zimbabwe. In the context of this study these theories may therefore require a different perspective which acknowledges evolution of the UK towards a more European business orientation and away from historical links such as those with the Commonwealth. This suggests a wider worldview for importers.

According to Kaleka and Katsikeas (1995) increased competition in foreign markets is a dominant export development barrier, this is borne out as “a *different ball game*” (Firm EO). In addition it was noted that importers appear to feel superior, or regard exporters as naïve, suggesting a desire for control of the importer–exporter dyad (Kaleka *et al.* 1997). Interview evidence indicates that in the Zimbabwean case this inferred position was not accepted, when linked together this combination may suggest conflict across cultures. This situation is not specifically addressed in the Alpha model, but may contribute to Negative Image and is seen as an opportunity for future research.

Exporter marketing activity in the UK market also appears commensurate with Dominguez and Sequira (1991) low intensity, price led export programme. From the Zimbabwean perspective distribution channels appear closed (Keegan and Schlegelmilch, 2001). This may, however, be partly due to poor product value demonstration (Anderson, 2000) which may arise from operating in a previously protected market (Zeffane and Rugimbana, 1995). According to some Zimbabwean exporters, there were misconceptions regarding the market and product suitability. Empirical evidence from this study is broadly in line with the literature, however, Zimbabwean exporters do not appear to be pursuing the activities identified as influential in export success (Darling and Seristo, 2004), for example, maintenance of positive relationships, despite an apparently encouraging context in terms of human values (Balabanis *et al.* 2002). This failure may contribute towards Negative Image and is considered implicitly within the Alpha model as a component of exporter marketing activity. This is also seen as a future research opportunity.

Within the literature establishment of business relationships is perceived as the responsibility of the seller (Biong and Selnes, 1995). In this study exporters did not indicate any relationship development. This suggests lack of progress towards establishment of 'superordinate' goals with importers and failure to understand their actual requirements (Piercy *et al.* 1997, 1998). In addition no ongoing contact was maintained and therefore positive experiences could not be accumulated (Hedaa, 1993) allowing development of trust. In terms of the current study this is perceived to contribute towards a Negative Image of LDC exporters.

Zimbabwean exporters operate in a high power distance culture and the UK importers a low power distance culture (Hofstede, 2001), therefore some element of cultural adaptability and sensitivity would be needed in order to overcome what may be an unexpected cultural distance (Geringer and Herbert, 1990) potentially leading to conflict (McKenna, 1995). The initial phase of contact is important here (Simintiras and Thomas, 1998). It could have been anticipated that with historical associations to the UK giving Zimbabwean exporters knowledge of cultural dimensions (Williams *et al.* 1998) interactions



might have been successful. Based on interview data this does not appear to have been the case. Analysis of the interview transcripts showed no emphasis had been placed by the Zimbabwean exporters on this or other aspects that had been anticipated to occur. In view of this the apparent lack of cultural awareness may be considered a possible contributory factor in Negative Image.

From the discussion above it will be seen that LDC exporters, in this study exemplified by Zimbabwean footwear exporters, do not achieve objectives suggested by the four areas of literature in the conceptual framework. This would tend to suggest that their performance, irrespective of country image from the importer perspective, is a contributory factor in Negative Image. In the next part of Chapter Four we address the importer perspective.



# **CHAPTER FOUR**

## **PART TWO**

### **UK FOOTWEAR**

#### **IMPORTER**

##### **INTERVIEW ANALYSIS**

## CHAPTER FOUR

### PART TWO - UK FOOTWEAR IMPORTER INTERVIEW ANALYSIS

#### 4.2 Importer Interview Analysis

##### 4.2.1 Introduction

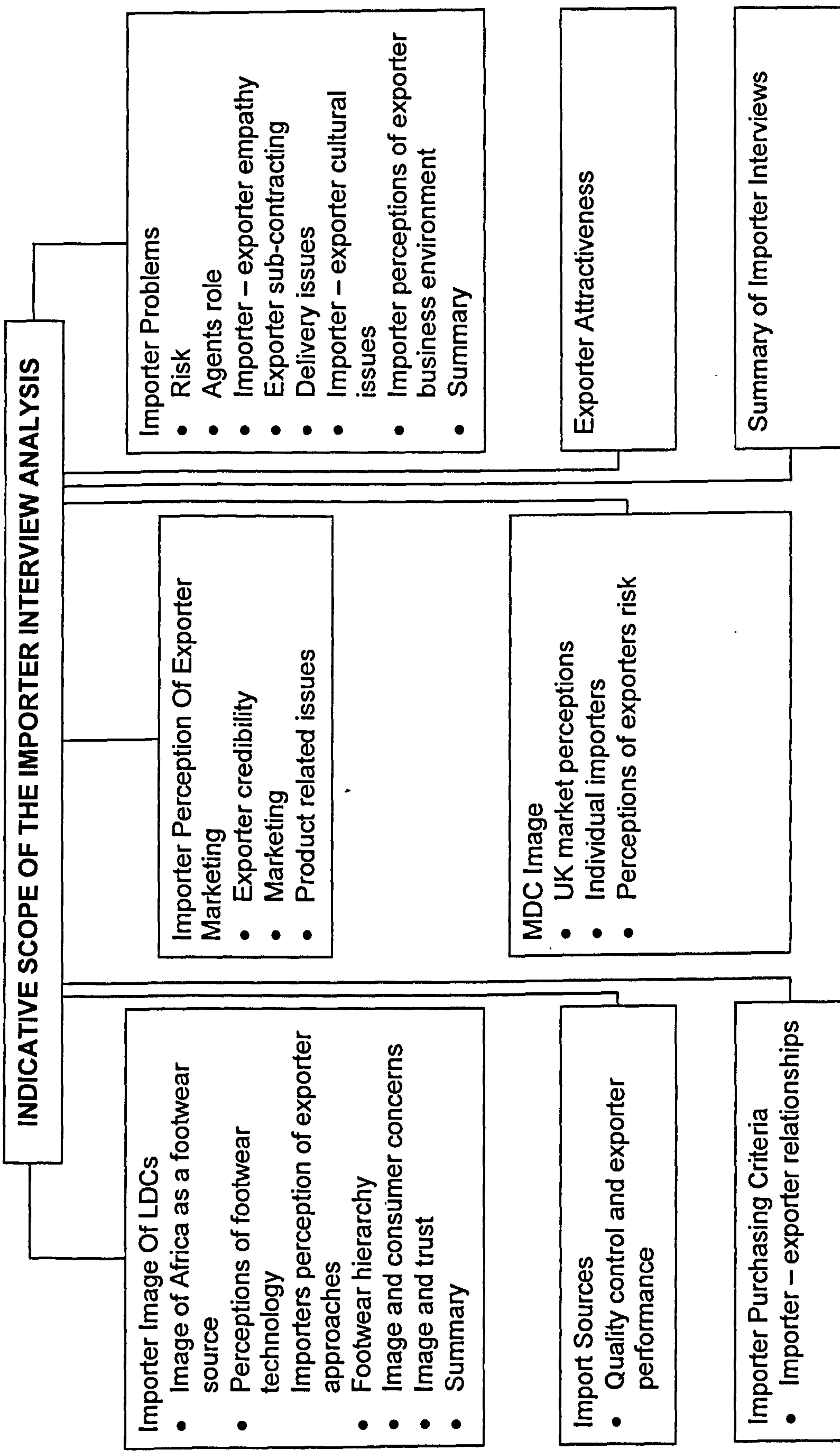
The Aims and Objectives of the study required access to any potential negative image of Third World manufactured goods exporters that might be held by UK footwear importers. Data from the exploratory semi-structured interviews reported here reflect an attempt to achieve that aim through a small sample of UK leather footwear importers, listed in Appendix XI. As in the exporter interviews efforts were made to gain pre-understanding (Gummesson, 2000) of trade terms and the interviewees' business environment prior to interview. Interpretations and insights are offered throughout on the unformulated problem areas where questions sought information such as image, relationships, context and product and exporter performance related issues. Reference is made to theory in terms of topics within the conceptual framework. As in the exporter interviews verbatim quotations are shown in *Italic* script and the importer identified by initials, for example 'IM'.

Analysis begins with discussion of the importers image of LDCs and moves on to consider the sources of footwear imports, importer purchasing criteria and particular problems. In the penultimate section importers perceptions of exporter marketing efforts are considered and lastly importer perceptions of MDC image. The chapter is then summarised. Scope of the discussion is indicated at Figure 4.2.1.

##### 4.2.2 Importer Image of LDC

Issues related to LDC image were the focus of importer interviews. When asked to describe his image of a Third World country one importer replied that

Figure 4.2.1 Indicative Scope Of The Importer Interview Analysis





for him this was a country where an *“even higher percentage than the UK are poor and obviously so, that’s the first thing”* (Firm II). The interviewee acknowledged that there are a large number of poor people within the UK, but the developing country situation was perceived as appreciably different in scale. The importer continued that for him

*“a high proportion of the workforce are very unskilled and generally that there isn’t the infrastructure in that country either from a... transport view point or from an industry view point”.*

(Firm II).

This example serves to illustrate a number of key issues. These include the high visibility of mass poverty, use of the description *“very unskilled”* taken as inferring illiteracy and the impact created by an absence of commercially important infrastructure (Pedersen, 1999). This is interpreted to suggest a restriction on the free flow of goods and lower sophistication of production technology, there are also product quality implications. As a result approaches from LDC based exporters are likely to be treated with caution, potentially slowing business development and inhibiting the growth of trust between parties. Reference to these issues supports a range of established work (Vrontis and Thrassou, 2006; Nargundkar and Bajaj, 2002; Khanna, 1986). By comparison European countries were seen as leaders in footwear production with no implied caution in dealings, or deficiencies in either technology or worker skills.

Importers discussing developing countries generally appeared to have in mind non-European countries such as India and China, echoing the weak international position noted in the literature (Allen, 2002; Sandrasagra, 2000), though most recognised Zimbabwe as the former British colony of Rhodesia. In general Africa was not a continent that elicited empathy, also suggesting marginalisation (Nkomo 2006; Andreasson, 2005). When asked about specific perceptions there appeared to be an early indication of a negative image based in importers apparent antipathy towards elite groups and perception of

social injustice. Media imagery (Baron, 2003) and personal experience are both possibly implicated here. One importer commented

*"I think...people's general perception is that Africa is (full of) these (desperate people getting) loads of aid money which is going on a few people at the top of each country... if you go from a human perspective if you like it's got a very negative perspective I think".*

(Firm IE).

#### ➤ Image Of Africa As A Footwear Source

The previous quotation suggests a negative perception rooted in emotional reactions towards poverty and corruption. The interviewee appeared to feel that his view also reflected a common perception. This is indicated in the following quote:

*"People can warm towards certain countries or people; I don't think there are many people who warm towards Africa to be honest".*

(Firm IE).

Interviewees were then asked if they had been aware of Africa as a source of leather footwear before the researcher's initial contact. From analysis of interview data it quickly became clear that there was little or no knowledge of manufacturing in Africa. When specifically questioned about Zimbabwe as a potential source of imports it was said to be *"way down the list at the moment"* and subsequently described as *"not a very safe country still, and it's getting worse"* (Firm IF). Use of the word *"still"* suggests long term awareness of events in the country and a negative image. By comparison with Turkey, an LDC on the edge of Europe, Zimbabwe was also perceived to have the disadvantage of distance. Purchasing appeared restricted to countries having a 'track record' in the trade or that belonged to an importers' evoked set. The result is the circular logic that exporters cannot become accepted without a track record and cannot develop that until they are accepted



*“traditionally it’s not a footwear exporter. I don’t think anyone would really consider it, to be quite honest, for that reason”.*

(Firm IE).

These comments suggest little knowledge of manufacturing in Africa or general sharing of information about sources. Exceptions to this were one company that had contracted business with South Africa shortly before the interview and another that had imported shoe upper leather from Zimbabwe. That was *“going back historically quite a bit, we’ve never ever developed anything else”* (Firm IH). One of the main opportunities for firms to be noticed is the annual GDS trade fair which is acknowledged in the trade as the principal marketing event. Only one importing company recalled noticing the UNIDO sponsored stand for Zimbabwean manufacturers at GDS in the early 1990s. This was described as

*“nothing very commercial as far as we were concerned and they were relatively expensive for what they were offering”.*

(Firm IL).

Potentially, without visiting the country or communicating with manufacturers in Zimbabwe, importers would remain unaware of footwear manufacturing activity. Zimbabwe therefore faces a dual threat of having a negative image in its own right and also sharing the general invisibility of African manufacturing.

#### ➤ Perceptions Of Footwear Technology

When asked for their perceptions regarding the developmental state of footwear manufacturing in Southern Africa the reference point adopted was that of India in the nineteen seventies. This was described as having low levels of infrastructure, private tanneries and poor quality housing attached for the families, concluding that it would be *“a little bit primitive”* (Firm II). This supports established work (Pedersen, 1999). Zimbabwe was, however, judged to be in a higher development bracket than India, suggesting a more sophisticated or westernised economy. Kim and Chung (1997) suggest,



however, that a higher position on a development continuum would be advantageous. The lack of image as a manufacturing base could be an overriding factor here. When linked to colonial memories of Southern Rhodesia the comments could also be construed as ethnocentric, supporting Burke (1997). India was in some respects deemed to be *“very developed”* (Firm IM) in view of some very large conurbations and the level of Indian technology. A point specifically made here by one interviewee was that

*“that’s the thing about countries with huge populations, if they actually set their mind to this sort of thing, the Chinese or the Indians .... they actually unleashed their power, in terms of brain power, they could do all sorts”.*  
(Firm II).

Indian factories appeared a mixture of old and new, with some being described as *“very modern”* (Firm IM). One interviewee commented regarding his experience of India that *“I’ve been to Calcutta. It was as bad as I thought it might be to be honest”* (Firm IE). Overall Indian footwear factories appeared to leave a mixed impression of the *“grim”* and the *“really modern”* coincident with the wide diversity of living standards (Firm IK). The older factories were said to *“hand stitch the shoes with an awl”* and *“sit on the floor to work”* (Firm IM). This contrasts to an in-house factory located in Pakistan which

*“employs something like 5,000 people. They are capable of making something like ½m pairs of canvas shoes a month and they export over 100,000 pairs of leather shoes a month, but on the other hand one of the factories I deal with in India is a very small factory. They probably employ 30 or 40 people and even that’s a lot more than they employed two years ago, it started off with about 7 people”.*  
(Firm IF).

The interviewees’ responses indicate that the image of India is perhaps changing, or at least creating ambiguity in the minds of importers. The country is seen in the business sense to be modernising, however, the social situation remains, or is perceived to remain, static and grounded in poverty and

overpopulation. This contrasts to the earlier quotation regarding the potential of countries with large populations

Importers accepted that some images may be inaccurate and could change (Nagashima, 1970; Fullerton 2002), though under what circumstances was not stated explicitly. When questioned about the potential for their perceptions to affect commercial decision making it was acknowledged that *"I think I would be lying if I said no, I mean it does influence, of course it does"* (Firm II). Such comments support Khachaturian and Morganosky (1990) who argued that a decline in image quality is directly related to a decline in development status.

The desire to remain competitive by utilising the optimum supplier could be one condition that would overcome negative image effects. Style, quality and price were further components in the ultimate decision, possibly indicating a range of real requirements (Piercy *et al.* 1997, 1998). There appeared to be differing views on the necessity for indicating COO on footwear. It was suggested by one importer that under EU legislation COO need not be indicated. Conversely a different importer believed that only larger brands such as Nike and Reebok needed to show COO on their products. This indicates importers felt that if retailers could still obtain satisfactory margins then showing COO would be unimportant. Some COO labels, such as the sole legend 'Made In Italy' for example, were seen as advantageous (Heslop and Wall, 1985). It was admitted though that 'badging' takes place on occasion.

#### ➤ Importer Perception Of Exporter Approaches

When questioned about direct approaches from LDC based manufacturers it was suggested by one firm that they would be rejected as too burdensome to deal with unless trading with companies from a particular country became a noticeable trend. Another importer proposed alternatively that speculative enquiries would be acceptable since serendipity was always a factor in locating new sources of supply. These perspectives suggest ambiguity in importer attitudes to LDC manufacturers and that judgements regarding the



nature and attributes of LDCs are not monolithic. In addition importers acknowledge the impact of perceptions on the commercial decisions they make, supporting the literature regarding cross-cultural communications (Behrman, 1997, 1995; Herbig, 1997; Martin and Herbig, 1997).

➤ Footwear Hierarchy

A common hierarchy (Manrai *et al.* 1998 cited in Speece and Nguyen, 2005, p40) appeared to exist among exporting countries, placing Italy first, Portugal second and Spain third potentially implying Eurocentric attitudes or parochialism (Burke, 1997; Heslop and Wall, 1985). The primary sources of supply outside Europe appear to be India and China with the smaller countries regarded as perhaps the next generation of suppliers. For South Africa the comment was made that

*"I had some shoes out of South Africa (erm) and, but only dealt with them once and had all sorts of problems and I said never again".*

(Firm IE).

The dominance of MDCs confirms the view of Chao (1989) that developing countries are perceived as less capable of producing high quality products. China was, however, noted by one interviewee as likely to replace Italy as the dominant country in world manufacturing, suggesting a positive image. Burma was singled out as being *"unsavoury"* (Firm IE) while Vietnam was mentioned several times without criticism. When asked about the overall ethical standards of LDC manufacturers interviewees in general referred back to the particular people they had met or worked with and based decisions on those. One individual linked this issue directly to image

*"I don't have a perception of any particular country in any way; I have the perception of dealing with the people with whom I deal, if it works with them".*

(Firm IL).



The importer clearly argued that he had no country perceptions, but will later be shown to ascribe developing countries a particular hierarchical position. The importance of this quotation additionally lies in the implicit proposal that personal relationships between importer and exporter may be more important than economic or rational factors in the decision making process. Responses indicated individual exporter appraisals were made separate from, but complimentary to, overall prior image assessments of the firm. This essentially creates a multi stage rational and emotional process of risk evaluation. It would also appear from the quote to be an ongoing review.

➤ Image And Consumer Concerns

According to responses, part of the importers' awareness of ethical issues is driven by retail customers' involvement. This was identified by a number of respondents and linked to retailers' sensitivity to their customers' stance on child labour and animal welfare (Nargundkar and Bajaj, 2002). While importers recognised the strength of these opinions it was conversely noted that a child worker might be the sole source of income for a family. This created an ethical dilemma that has been resolved by some companies refusing to trade with firms employing child labour, such as in India. A preconception of India revolved around *"cheap labour and sort of mass market and maybe sort of child labour, things like that"* (Firm IK).

In mainland China child labour appears to be a major factor in manufacturing. One visiting Managing Director is reported to have instructed

*"I don't want to see any factories which uses child labour and that knocked off a hell of a lot of factories"*.

(Firm IG).

One advantage of the availability of cheap labour was low cost hand production of leather footwear. Conditions appeared to have changed over time and the rate of change in India was believed to be accelerating. This was seen in the reported de-stratification of footwear manufacturing in India, where

length of experience in the manufacturing process is no longer reflected in the level of quality achieved. Regarding China, the anticipated reality was that

*"I thought they'd be perhaps bigger and more sort of state controlled if you like, but no, they are just ... free enterprise really, like us".*

(Firm IN).

In what may be seen as a summarising of factory visits one interviewee remarked *"at the end of the day (you) see what you (want)"* (Firm IE). This reflects Brooks *et al.* (2004) concept of perceptive filters and suggests a similar situation pertains concerning the generality of business problems

*"I've been constantly surprised and pleased by the Chinese for instance, and the Indians, you know, you get things go wrong but you do with anybody, and certainly you have some problems. You know that there are certain people who you wouldn't want to deal with, but then that's not a result of where they come from. You meet them and you chat to them... just as you would with any nationality, you think well can I do business with this guy? And on the basis of your conversations you have a (feeling) and we protect ourselves by whatever means we can".*

(Firm IL).

This quotation suggests the importer had particular negative expectations, was *"constantly surprised"*, regarding manufacturers capabilities, but was also attempting to balance that against the generality of trading experiences. This assumes measurement against European and other developing country manufacturers' performance.

#### ➤ Image And Trust

Interview data suggested that importers viewed a business relationship as a joint learning experience, but this process cannot begin until willingness arises for both potential parties. Assessment of the 'other' would include appreciations of cultural distance and sensitivity together with management



styles. Although a relationship may eventually be formed caution, apparently in excess of the norm, is still required until trust has been established in the partner (Zaheer and Zaheer, 2006; Markoczy, 2003).

Regarding trust one interviewee said

*“eventually I would like to deal with people that I think are good people to deal with, but sometimes you have to deal with people because they've got something right”.*

(Firm IN).

Any emotional response, or negative image, may not be eliminated but would appear to be suppressed in favour of rational economic aspects. For this importer it would seem that placing business with exporters from the developing countries is based upon performance, including their ability to overcome negative country images. Importers' personal experiences and inclination to form personal relationships have an important role to play, but so too does media input, see Figure 2.5. One importer commented regarding media coverage of developing country issues that

*“there are things in the papers that could put you off, yeah. Our press'll, if they get a bee in their bonnet, will, they'll rubbish whoever they think they can rubbish, it sells more papers”.*

(Firm F).

#### ➤ Summary

The empirical evidence presented here illustrates aspects of importers' images of LDC exporters and establishes that a 'Negative Image' is held. The data is unique to this research and represents a significant contribution to knowledge. In addition the perspective adopted in the current study, where the influence of media contribution to image is highlighted, has not been adopted in previous COO research and represents an extension of theory. It is therefore argued that the second research objective has been satisfied.



### 4.2.3 Import Sources

The exploration of import sourcing was originally envisaged as basic data collection, but evolved into an investigation of image and surrounding issues. Importers were initially asked to identify the developing countries from which they purchased leather footwear. See Table 4.2.1. India and China were quickly identified as key sources.

**Table 4.2.1 Developing Country Leather Footwear Sources**

India	China	Egypt
Columbia	Brazil	Thailand
Indonesia	Vietnam	Korea
Kenya	Tunisia	Philippines
Taiwan	Hong Kong	Malaysia
Sri Lanka	Kenya	South Africa

According to interview data larger importers follow the movement of cheap manufacturing sources. The international product life cycle (Wells, 1968) has resonance here. Smaller firms did not follow this type of exploration, finding costs prohibitive. One importer noted

*“the Taiwanese had the main control of the industry, and they tended to move the factories around sort of Indonesia and then into Thailand and then into Vietnam and eventually... Philippines”.*

(Firm IJ).

#### ➤ Quality Control And Exporter Performance

Probing revealed that South Africa and Kenya may possibly be recognisable as potential sources by some UK importers. The Kenyan experience of one importer had served as a salutary lesson to an interviewee who remarked that his colleague had moved sourcing following lower prices and *“as far as Joe*

*Public is concerned, the quality went down the pan*” (Firm IJ). The reason suggested was that there had been *“quality problems and a delivery problem”* (Firm IJ). This is read as reinforcing African manufacturing’s potentially poor image for quality and reliability.

The pursuit of cost savings and quality issues may therefore account for the peripatetic nature of the industry. It became clear from the interview data that none of the African countries were regarded as mainstream locations. One reason given for the lack of consideration afforded Africa as a source was the potential of Europe to provide footwear imports at much shorter distances, ostensibly giving security of delivery. Importers generally would like the opportunity to make more quality control visits, but with the proliferation of LDC based firms it is not possible. One importer stated that having a company employee on-site as a quality control inspector was the single most effective security measure that could be adopted.

#### 4.2.4 Importer Purchasing Criteria

Developing country manufacturers were important to importers. One importer described them as

*“absolutely essential for any developed market, because they fulfil a role at the bottom of the price structure in a way and always will, so you’ve got to have them”.*

(Firm IL).

According to this view LDC exporters are necessary, but possibly not a sought after component in terms of MDC market structure and also have an ascribed position. The reason for this appears to be that consumers have become more price conscious, according to some importers this results from BSC sourcing policy. The ability of domestic manufacturers to supply at lower price points has diminished. An example given on one particular shoe showed a difference in manufacturing cost of £10 per pair between domestic and overseas manufacturers. The rise of alternative retail outlets had produced a

perceived change in consumer buying patterns to the extent one interviewee believed that

*“these days they (the consumer) could be anywhere and see a pair of shoes they like and they buy them, it’s almost an impulse buy.*

(Firm IE).

The data indicated that pricing was therefore under pressure and described as being weighed against the availability of similar goods from competing LDC manufacturers. Key criteria were the importers’ margin and retailers’ buying price. Apart from pricing issues, LDC manufacturers’ shoes also lacked finesse. For most importers initial appearance was the principal point of departure and the moment at which an instinctive decision was made on the possibility of further interest in the range. Importers felt that styling should fit the UK market, which was different from that of, for example, Germany. Styling therefore needed to be coincident with and originate in specific markets. It was noted that over time, as a result of increasing contacts with export markets, exporters may develop their own expertise in styling. Ultimately a parallel value judgement appears to be made on the two issues of price and style.

One specific criticism levelled at importers by exporters was that they would take multiples of samples without any intention to purchase. When questioned importers denied this, though the substance of the complaint was not seen as surprising, exporters may come to believe there was no intention to buy. One importer defended the practice saying

*“the intention would be there to buy, provided we can sell, we’d have to be able to sell it, but normally we are looking to develop a range of products for a customer”.*

(Firm II).



Analysis showed importers purchased according to quality and price level while exporters made to a price point. This suggests a potential mismatch in perceptions around the quality/price issue, leading to repetition of sampling. The call for samples may also depend upon an agent or manufacturer's reputation. Initial sampling could be misleading since samples may possibly come from the Sample Room and not general production. Accordingly a short production run, perhaps five hundred or one thousand pairs, was frequently requested. As part of the buying process background checks were performed to ascertain time established, if the factories were of the size stated, actually in the supposed locations and could they produce at the specified output level to avoid surprise subcontracting. Bank and trade references were also requested.

➤ Importer – Exporter Relationships

The ultimate aim was to establish long-term relationships, building confidence and trust over time. Having found a 'good' factory the quality produced may not be maintained long term. The following quotation relates to experience in India.

*"I've had some goods out of them and they've been OK. I gave them a particular, some men's shoes to do and when they came in they were terrible. I'd actually sold them into Stead and Simpson, in Leicester....came in, in their container and I just turned them straight round and sent them back. In actual fact I sent them to Germany because that's where I'd purchased them, through the Spran and Gruber agency".*

(Firm IM).

Although referring to India the quote also illustrates a fear expressed by Zimbabwean exporters regarding their financial commitment and stories circulating within the industry. In addition it emphasises the vulnerability of importers to poor quality product. Legal action was potentially available to retailers for example

*“Product recall from somebody like Marks and Spencer will cost between quarter of a million and five hundred thousand pounds, depending on how much product is out there”.*

(Firm II).

This was an important point for consideration and suggests that although importers may personally be inclined to trade with new LDC suppliers, professionally they would find it difficult to place orders with an unknown supplier. As a result the potential for a personal-professional dichotomy in decision making arises. In some cases this was acknowledged as due to financial constraints supporting Anderson *et al.* (2000) or company policy, potentially the subjective norm, confirming Ajzen (2002).

In some cases the importer/exporter relationships had been in existence for twenty years. Volume business was placed according to saleability and not the experience encountered, meaning that even if a factory has produced good quality over an extended period, should the particular range falter in the market place it will be withdrawn and not replaced. The factory would therefore lose business even after producing good quality workmanship. This relates back to the idea of countries or factories being known for certain product types e.g. Brazilian moccasins. Replacing the withdrawn product with something unsuited to that particular manufacturer would not be countenanced. Such a move would undoubtedly colour the exporter's view of importer relationship performance and affect future relations, if any. This type of operation may contribute to what appeared from analysis to be a general awareness among participating importers of a negative image of manufacturers.

One further constraint on UK importers may be the lower volume business that they are able to place. This precludes them from moving production to higher volume factories in countries such as China and Brazil. Importers also preferred to stay with current trading partners where these were able to provide good quality and service rather than chasing price. Such loyalty allowed the development of good relationships with factories. For importers



preferring to buy high quality Goodyear Welted from UK factories there was an additional consideration. Despite the attendant problems of dealing overseas

*“the UK factories are finding it harder and harder all the time. If we start to lose that (expertise)....we are going to have to go out and try and source a factory”.*

(Firm IK).

#### 4.2.5 Importer Problems

##### ➤ Risk

Trading with Third World suppliers was acknowledged to incur risk since the onus of delivery and quality lay with the importer. This section examines a range of problems commonly recognised by importers.

In some cases importer – exporter relationships had been formed over long periods, despite this import buyers appeared to operate as unsupported individuals and faced the consequences of their own decisions. These factors may have resulted in excessive prudence, exacerbating an already risk averse buying situation. Buyer’s isolation within the firm can be illustrated by an importer who said that

*“inevitably as a buyer you are likely to be wrong fairly frequently and you just rely on your own judgement and you are not really going to discuss that judgement with anybody else until you've struck up a relationship with them”.*

(Firm IL).

Simple deconstruction of the quote indicates that importers are willing to experiment under some circumstances. Equally the lack of discussion may be interpreted as secrecy regarding mistakes creating a situation where buyers have to experiment in order to find the better exporters. At the same time better firms will not be enabled to gain a justified reputation in the industry.



From a Critical Realist perspective this suggests a compartmentalised structure where information is exchanged quite sparingly and only among long term members. The postulated phenomenon of negative image could possibly be one result from such iterations of failed importing. The latter part of this quotation also suggests in-house pressures to ensure that decisions are not made against a subjective norm. This supports literature review reference to Ajzen (2002).

The issue of quality control was cited as a particular difficulty for smaller firms *“it’s very difficult with a relatively small organisation to control the quality, to source from all these different factories...basically two countries is enough for me to deal with....I just haven’t got the time to go to all these places and check out the factories”*.

(Firm IF).

The quotation indicates that importers may be wary of exporter performance in terms of an image of poor production quality and reliability regarding contract or sample compliance. This potentially reflects retailer pressure on importers. For larger organisations, those with a dedicated buyer or other person able to allocate time, regular prospecting visits may still be possible.

#### ➤ Agents Role

Another route available for time-constrained importers is to directly employ an agent to represent them, or to use a factory agent. Factory agents are generally UK based, self-employed, ex-shoe firm personnel and may represent a single factory or group. An example of this was given by one importer who had retained the services of an exclusive agent to deal with factories in India and had done so successfully for a long period. Overseas based agents more often represent several factories and, knowing the factory product ranges, will attempt to place orders on all factories. Placing orders with particular factories could be based on a number of factors. Analysis of interview data showed the end customer was a prime consideration since importers needed an appreciation of the retailers’ market position. Others

included quality, price, delivery, design or style, reputation and importantly, the factories perceived specialism. For example Brazilian factories would be a preferential source for Moccasins and shoes of harder leathers. Italy would attract orders for more stylish footwear and India is perceived as a source of labour intensive leather footwear, especially the Goodyear Welted shoe which is difficult to manufacture.

➤ **Importer – Exporter Empathy**

Interview data also suggested sympathy for the difficulties encountered by exporters. They were seen to construct new footwear from possibly imprecise verbal instructions, sketches, or make copies of samples from other factories. According to one interviewee when mistakes were made it was not always the exporter at fault. In some instances the importer may not have been precise enough, for example not stipulating the number of stitches per inch, *“even the best factories in the world have problems, things go wrong”* (Firm IF). Difficulties should be anticipated or at least countered by importer alertness, because if things go wrong *“generally speaking it's your own fault really, one way or another”* (Firm II). This implies differences in reasoning or understanding (Bigoness and Blakely, 1996). Although the importers' opinions coincided regarding vigilance they were not always complimentary to manufacturers' intentions or capabilities. This may be an oblique indication of the LDC manufacturers' standing from the importers' perspective.

➤ **Exporter Subcontracting**

A well recognised problem was the disparity between pre-production sample and main production footwear alluded to above. This tended to occur when product had been 'made out' or subcontracted. Inspectors were allocated to factories as a preventative measure to oversee production so that *“anyone with a brand name has people virtually sleep in factories”* (Firm IE) showing the frequency of the practice and importance attaching to brand name. The problem is not confined solely to the LDC based factories. One interviewee described a Portuguese scenario where



*“after you've got the samples made, you order the bulk and the bulk goes out to some, you know, old person... sub it out to some old person's house who's got a few machines in his garage”.*

(Firm IK).

This may be a somewhat derogatory exaggeration, but similar comments were common among importers, India being a frequently cited example. Subcontracting may relate to the type of labour intensive footwear being manufactured. Subcontracting was also linked by one interviewee to agents. It was suggested that as agents may represent a number of factories it was incumbent upon them to *“keep the factories full”* (Firm IK) and simultaneously maximise personal commission. This highlights the paradox that importers' use of agents expedites business and may assure quality control, but that some agents act detrimentally to importer interests. Alternatively importers would deal directly with known firms wherever possible, a response that partially alleviated the problem.

#### ➤ Delivery Issues

Delivery was also an issue that exercised importers. It had been noted that delivery would routinely be approximately ten to fourteen weeks from date of order, but manufacturers had been known to

*“wait until they've filled a container, so it's a sealed container that comes over, it's between two and a half thousand to three thousand pair at a time. You'll place an order, you would expect about... a fourteen weeks delivery cycle but in effect it can turn out to be four months from when you place the order”.*

(Firm IG).

The problem of late deliveries appeared common and had knock-on effects such as creating out of stock situations. This was countered by over-stocking which itself may generate the problem of higher costs. Deliveries from India could be also affected by climate, the monsoon season. Importers had found that leather footwear travelling through the monsoon could arrive in mildewed



condition, possibly due to poor packaging (Nargundkar and Bajaj, 2002). This was not re-saleable before rectification; goods were therefore passed back to agents as an issue between themselves and the factories. The leather itself was also an issue. Domestic Indian and Zimbabwean leathers were not considered suitable for higher priced ranges, creating a leather importing requirement for potential exporters.

A further delivery related issue was lack of adherence to order sequence. This may again mean that out of stock occurs and in addition that consignments of footwear are received in reverse order or indeed multiple consignments of the same style. Such occurrences possibly result from lack of small importers' leverage in the factory, reflected in better margins on other orders. Alternatively the manufacturers may simply be opting to use whatever moulds and materials are present. A particular instance of the sequencing issue concerned the well-known brand of Timberland. This resulted in delay to a small importer who was

*“waiting for a supply for about six months once, we eventually get to the bottom of it, couple of months before we started it, they messed a big order up for Timberland and had to remake it”.*

(Firm IG).

The example illustrates what importers saw as an advantage of dealing with Spanish or Portuguese manufacturers. Importers can easily visit and *“start chasing them up and sort of almost pushing the shoes round the factory ourselves”* (Firm IK).

#### ➤ Importer – Exporter Cultural Issues

Interview responses suggested that an important factor in the assessment of exporters' general unreliability was LDC manufacturers were said to promise what they cannot achieve. This was not seen as deliberately mendacious on the exporter's part, but perceived to result more from over eagerness to win

orders and retain customers. The situation was summed up by one importer who said that

*“A lot of factories don’t like saying, no. I mean if you say no, then the guy will go somewhere else and if he’s happy he won’t come back to you”* (Firm IF).

This suggests inter-cultural misunderstandings (Behrman, 1995). Several importers expressed concerns regarding acceptance of orders over capacity and placement with cottage industry. When asked if this behaviour was perceived as more prevalent in developing country than European manufacturing they agreed, but argued that Europeans had learnt misinformation would have detrimental effects on long-term customer relations. This suggests European manufacturers had previously engaged in similar practises. Some LDC trading relationships with individual factories had enjoyed longevity; periods ranging from ten to fifteen years were mentioned. These were still affected by conflict

*“I am dealing with a chap in India at the moment, dealt with him now for best part of ten years, and I have to say to him, look, can you do this, and he says, yes, and I say, don’t just say it like that, think about it, if you can’t do it say so. And I mean he’s a friend now and I can almost get hold of him by the lapels and say, look don’t... kid me, you know, I really mean it, because it’s going to cost us both a lot of money if you are not telling the truth, just say if you can’t do it, you know? And he said, well alright, maybe I can’t but I could try”.*

(Firm IF).

The exporter behaviour described is a potential reinforcement of negative image held by importers. Equally, from the exporter’s perspective, the importer’s action may represent bullying tactics or a lack of cultural sensitivity to cross-cultural conflicts (McKenna, 1995; Ting-Toomey, 1999) and similar reinforcement of negative image. This supports the contention by Soeters and van Twuyver (1997) that intergroup contact does not necessarily alleviate stereotypes. In the example the word *“friend”* and phrase *“cost us both”* suggest sympathy for the LDC cause, tempered by an innate importer



caution. Such apparent lack of trust in exporters, even those of such long-standing, perhaps also acts to retard trade development. As one importer said

*"I'm very wary with new suppliers, because I've learnt over the years. People are very good at promising things and saying yes and not very good at delivering".*

(Firm IF).

This suggests that any negative image of exporters may in part be based on experiences. An additional rationale for such apprehension may be retailers' reaction to late deliveries. The probable loss of future business is paralleled by commensurate damage to importers' reputations, perhaps resulting in further losses. To allay importers' concerns one solution for exporters might involve sacrificing short-term gain. This would enhance long-term reputation for reliability and potentially deepen relationship with trading partners from the display of commitment (Biong and Selnes, 1995).

#### ➤ Importer Perceptions Of Exporter Business Environment

Several issues related to the business environment were raised following references in the exporter interviews. When questioned directly importers acknowledged the existence of bribery and that there was *"bound to be a fair amount....of bribery knocking about"* (Firm IL). Occasional instances of UK malpractice were also raised in defence of LDC firms. The following extract indicates that corruption was seen by importers as accepted practice in LDCs and a part of the LDC business culture. The extract also strongly argues against importer involvement in exporters' business practices and a lack of equivalence in standards (Minett, 2002).

*"in most of these countries that's the.....way they do business and providing I'm not involved....it's not really my job to tell them how they should run their consciences or their business".*

(Firm IL).



Pressure groups related to issues such as child labour in exporting countries were a more urgent topic for the importers. This appeared to be a personal as well as business issue. There was definite antipathy towards dealing with suppliers employing children. In one instance this was linked to forced labour in China and contractual stipulations barring use of materials from this source. Another importer suggested that as they dealt with multiple retailers they would not want to be involved in child or forced labour at all, although they had unwittingly done so at one point. Importers are aware of children in the factories, but it was explained that exporters try and gloss over the issue by suggesting for example that

*“he's learning the skill....from his father, so when his father retires he can take over the job. I mean, they do do that in India”.*

(Firm IM).

This type of justification appears to be sceptically received by importers and echoes an earlier interpretation regarding perceptual filters when discussing image in general. Operating practice when not under review by UK personnel is acknowledged as questionable. One interpretation which might be applied is that, although importers make general stipulations, local conditions are tacitly admitted to over-ride them. While the importers may indeed have a desire for ethical trading contractual obligations placed on factories could be ineffectual.

In reality these checks perhaps only serve as insurance for importers wishing to extricate themselves from potentially damaging positions in the future. Equally, exporters may not fully appreciate the long term implications, that importers may be forced to switch orders to other suppliers irrespective of low prices. Factories that continue with the use of child or forced labour do nothing to reduce any negative image held by importers or consumers; for both parties consumer positions are increasingly seen as important, though price dominates. This analysis reflects Baron (2003) regarding societal significance of media coverage.

## ➤ Summary

This section has illustrated a range of issues perceived by importers to be problems in their dealings with LDC exporters. The complex interactions between issues have the potential to generate negative images for new importers, or reinforce those of existing importers. It was not clear from importers descriptions that exporters had an appreciation of the effects their own actions could have on relations. The discussion supports environmental uncertainty in the relationship, affecting trust (Geyskens, Steenkamp and Kumar, 1998; Selnes, 1998) and in this research is extended to encompass the development of negative image.

### 4.2.6 Importer Perception Of Exporter Marketing

A separate theme that emerged from interview analysis was marketing in terms of the interaction process between LDC exporters and UK importers. A key requirement was to try and determine what perceptions importers held of exporters' efforts.

## ➤ Exporter Credibility

The initial step for exporters was making contact. This was seen as essentially similar to the prospecting methodology adopted by many European companies. Prospecting occurred in various forms, which importers saw as an important part of footwear marketing for the exporters: e-mail, fax, cold calling by exporters or their agents, mail shot or telephone canvassing. Indian and Korean factories routinely use e-mail and fax, with enquiries from the Indian Embassy being common. Exhibitions appear to play an important role in footwear marketing and invitations to footwear exhibitions, either private or public, were a common event. One example was an invitation to a small manufacturer's exhibition at an Embassy.

It was remarked by one interviewee and corroborated by others, that having domestic UK representation was an advantage for exporters. One importer



commented that due to the volume of contacts

*“the only way that I think that we’d really take it seriously is if an English....person decides to take on the agency (for the manufacturer)”.*

(Firm IK).

It would instil confidence in the importer that the English agent had ‘bought into’ the proposal. The agent is expected to have visited the factories to inspect and personally approve them to be sure of maintaining his own reputation which is now attached to that of the exporting factory. One importer, supporting earlier discussion on agents, noted the potential to go native

*“if you are sat beside the factory, even if you are a UK expert, I think within a certain period of time you are going to certainly lean towards the factory’s viewpoint”.*

(Firm II).

Agents are still subject to trade references, reflecting continued caution. In some cases importers may initiate dealings with factories directly, eliminating the agent because of poor service. Agents can therefore contribute to the negative image of exporters. This is highlighted in the following quotation describing one importer’s experience

*“he was an agent for this factory, saying, what do you reckon to these, I can do these at a price and we did place an order with the factory - but I had all sorts of problems getting them.... it was a bit of a fiasco really”.*

(Firm IM).

Despite these reservations agents are generally seen from the importers’ perspective as a useful adjunct, being someone who will visit factories and inspect production quality on a regular basis. As a result of agents assurances offers are acted upon *“but basically it’s very rare”* (Firm IE). The ultimate guide to generation of potential business *“nowadays, it would be the product, the*



*actual product*” (Firm II) implying quality assessment (Ambler and Styles, 2000). Although exporters’ English representation gave importers assurance none relied solely upon them until proven in the longer term. Trust and relationship development was again a major influence. When considering unsolicited contacts one importer asked

*“what is their mentality, what are they thinking about, actually they are just going fishing aren’t they?”*

(Firm IJ).

#### ➤ Marketing

Exporters apparent lack of formal research and strategic planning were seen as weaknesses (Hollensen, 2001; Nijssen *et al.* 1999), supporting the necessity to become more market driven (Vorhies *et al.* 1999). Importers appeared to learn very little from the transactional market approach adopted by Zimbabwean exporters. This contrasts with, for example, the case of Indian shoe firms where small scale export product exhibitions and low level contacts were initiated by their government representatives in UK. In addition it did not appear from interview that importers were aware of any exporter research undertaken prior to arrival in the UK. Importers believed that their responses to speculative enquiries requesting a unit price for a particular style gave the exporter no idea of quantity, potentially invalidating both parties’ efforts. Despite this, speculative contacts were seen as basically useful.

#### ➤ Product Related Issues

Exporters’ display of samples was seen as desirable so that the actual quality of product could be scrutinised. Designs should ideally be market specific and while there were very fine differences they were clearly important to the importers. When it was suggested that the Zimbabwean footwear might have a Portuguese ‘design signature’ it was felt that this would be detrimental to sales in the UK market. Importers’ rejection of the sample could be handled in several ways, through design, quality or price. For example

*“very nice indeed, but it's a bit above our price level, really meaning no I'm not in the least bit interested in it in any way, shape or form”.*

(Firm IL).

The importer perceived this to be a well meant approach that could be problematic. Exporters might sense a buying signal and mistakenly begin negotiating on price when there was no realistic chance of a successful outcome. One importer was of the opinion that market entry would still be difficult, even with good quality products, as the exporters were trying *“to enter a saturated market and Europe and I think America is saturated”* (Firm IJ). Importers characterised the UK footwear market as a buyers market, *“to buy isn't a problem at the moment”* (Firm IN); channel power lying with the importer as identified in the literature and *“very price oriented”* (Firm IN).

Other explanations for exporters' failure to secure business in face-to-face encounters varied. One key emergent theme was that current business relationships would be difficult to dislodge assuming that the new product offering had no particular advantages. Reasons suggested for this included financial incentives to stay with the current supplier, or that unique designs may be in production and importers did not wish to jeopardise them. One route to cost reduction for importers and exporters is to copy original shoe designs, but what importers appear to desire more is originality. This combination was expressed by one importer in the following quotation:

*“I live on new ideas and new designs and good things. If I've got somebody who's serving me well in some connection then I'm certainly not about to have that copied unless there's a very good reason for it”.*

(Firm IL).

Another reason advanced for not negotiating business was that existing and potential product ranges might be too closely aligned. One importer appeared to sum up by saying that *“it would have to be something exceptional I suppose to break the mould”* (Firm IN). This remark suggests two facets constrain change in the business relationship. The first is a positive



disincentive to change, importer loyalty to suppliers who were producing products to specification, an acknowledgement of the investment made by both partners. The second is perhaps negative, that once good working relations have been established importers are reluctant to move on, restarting with a new and untried partner. These form switching costs for the importer. Some importer-exporter relationships had been established over many years. That did not necessarily mean there was trust on the importer's part, suggesting instability. It would seem replacement of the exporting partner could be possible, but that there would need to be good reason. As a factor in the relationship trust continues to be a critical issue over time and without trust survival of the relationship is questionable.

#### 4.2.7 Exporter Attractiveness

Importers sought partners with whom they could work long-term. In some cases they had successfully developed business relationships over many years, though apparently based on the maxim "*trust but verify*" (Markoczy, 1998 p1). Descriptions of the potential export partner's factories varied according to location. Import partnering with companies in Africa did not appear to have been considered, the image of Africa as technologically impoverished and lacking manufacturing knowledge being a major problem. This is the antithesis of China and India who were attractive in view of technology transfer from UK, Germany, Taiwan and Italy. It was suggested that

*"if somebody says, we've got a Korean guy working for us, showing us how to do the things, it'd make it a lot more interesting to me... to go and have a look at that factory".*

(Firm IF).

Mutual assistance between factories was perceived as a strength. This was particularly emphasised by one interviewee following a visit to Agra where it was noted that components



*“from the leather, from the cottons, laces, eyelets, units, insoles, everything, you find down that, that one street”.*

(Firm IM).

This evidence of industrial clustering and mutual support may be contrasted with the Zimbabwean situation where supporting infrastructure and component industry is lacking.

#### 4.2.8 MDC Image

##### ➤ UK Market Perceptions

There was consensus among importers that exporters saw the UK as either part of the European market or as perhaps a smaller version of the American market, but not as a separate entity. The rationale for this was volume of footwear traded. Importers also thought exporters perceived the US market as possibly less ethical and potentially less stable than the European market.

A number of importers suggested that selling into the UK enhanced an exporter's reputation. This was believed to be particularly the case in respect of the branded houses, which gave kudos to exporters and visibly demonstrated the quality of their workmanship. It was also thought possible that exporting into the UK was perceived by exporters as supplying the 'home' of shoe manufacturing. This arose from the traditions of shoe making, for example in Northampton and was equally related to the presence of SATRA and shoe technology colleges where overseas students were trained.

##### ➤ Individual Importers

Exporters' perception of individual importers was viewed as somewhat negative. It was understood that exporters would *“get fairly brassed off”* (Firm IL) with importers continually requesting samples and then breaking off contact. The substantiation was that, without exporter knowledge, importers were probably trying to generate business from the samples and achieving no

results. There was therefore nothing to communicate. Exporters were believed ideally to need importers who would *“buy in your own right rather than putting orders back to back with the eventual buyer and factory”* (Firm IL).

Ultimately exporters preferred the well known and established import houses, suggesting a positive image from the exporters' perspective. The major problem for exporters was perceived to be a body of ex-shoe trade people who saw it as

*“nice and easy to do a bit of importing, who have given almost all European countries a very bad name from time to time”.*

(Firm IL).

#### ➤ Perception Of Exporters Risk

One potential problem seen to arise for the exporters was dishonoured letters of credit. Importers appreciated there were financial risks for exporters to consider, equivalent to those faced by importers, when attempting overseas business. This was seen to reflect upon all importers and had created a negative image for them.

#### 4.2.9 Summary of Importer Interviews

This summary was informed by the interview data and its analysis. The focus of interviews with UK importers in this exploratory type study was the postulated Negative Image of LDCs. The inductive analysis discussed in this chapter reflects back to the conceptual framework, Figure 2.6, developed from the literature review and the analysis of the Zimbabwean exporter interviews. Four major areas of international business, business relations, sales and marketing and cultural factors were identified and are discussed.

The image of developing countries held by the importers was that they are perceived as having extensive poverty, a high level of unskilled work force



and poor infrastructure. Importers noted the potential for media influence such as famine, war and corruption. The interviews provide no instance of positive media stories. These factors could potentially affect business and increase any Negative Image of developing countries. This would in turn affect the level of trust between importer and exporter therefore threatening the potential for business relationship formation.

The focus for importers in international business was on India, a major leather footwear exporter. Zimbabwe was only recognised after probing and then as the former Rhodesia, there were no indications of current familiarity, suggesting the marginalisation in relation to business relationships and in the media of Africa as a whole. This indicates a lack of extant empathy and linkages to the ex-colony in matching with the 'resistance' reported by exporters during sales visits to the UK and suggests a new perspective on the psychic distance concept from evolutionary behavioural patterns of internationalisation associated with Johanson and Vahlne (1977, 2003). The importer worldview is not focused on ex-colonies but, in line with UK involvement in EU appears to be wider; countries traded with now appear dominated by China and, in leather, Vietnam and India which was not discussed by Importers in ex-colonial terms. See Figure 4.2.3 for countries noted by importers as exporters.

International business relations between UK importers and Zimbabwean exporters therefore appear problematic. Factors noted in this image include antipathy towards elite groups and social injustice, together with consumer driven issues such as reluctance to trade with exporters employing child or forced labour referring particularly to some factories in India and China.

Zimbabwe was not acknowledged as a manufacturer and was perceived to be 'unsafe'. With no track record Zimbabwe needs to be discovered by main stream importers. Previous historical contacts were recalled after probing, confirming they had occurred, though experiences were negative. The current importer focus is on an EU based hierarchy of countries, Italy, Portugal and Spain followed by developing country exporters, with Africa last.



In terms of business relations the importers suggested that relations were formed on the basis of the appraisal of individuals and not particular conceptions of countries. From interview data importers appeared to have personal sympathy with developing countries but being risk averse needed to “protect themselves by whatever means they can” this indicated that rational, professional judgements guided placement of import orders on the exporters: a personal – professional dichotomy.

Small importers cannot constantly supervise the performance of exporters and hence business relationships become established with exporters where there is security of supply. There is a barrier to entry for new exporters because of the switching costs for the importer, including establishing that the supply of goods is secure. Agents, the preferred route in to UK for exporters, were seen by importers to have some use in this, but can also be problematic and in general importers indicated direct contact as the favoured option.

An important component in the relationship is importers apparent desire to select preferred footwear styles based on experience and knowledge of the UK retail market. This was informed by constant contact with retail customers. Exporters distrust this aspect of the importers role and were averse to the importers' ongoing sampling requirements. Interview data indicates that importers may not have communicated the value of the process by which exporter footwear samples are promoted to potential retail customers in order to potentially win orders that could be placed on the exporter. This breakdown of communication leads to joint mistrust and also indicates an inability to create superordinate goals (Soeters and van Twuyver, 1997). When taken together these factors undermine the embryonic relationship and potentially contribute to Negative Image.

A further aspect of communication also informs sales and marketing, the third main category of data collection rising from the conceptual framework. According to importer interview data, the Zimbabwean exporters appeared not to undertake pre or post sales appointment contacts, suggesting no

appreciation of the CRM concept. This contrasts with the regular contacts noted from India and Korea and confirms exporter interview data. It is also potentially important in the Negative Image of developing country exporters. So far as the importers were concerned the exporters approach amounted to 'fishing' with no indications of long term strategy or market research, offering little encouragement to relationship formation. The lack of contact except when attempting to achieve transactions may contribute to Negative Image.

The business environment also featured in terms of an element of acknowledged corruption, though this received no emphasis. Delayed and missing deliveries due to customs bureaucracy and failure to ship containers were noted as leading to poor experience in general.

Importers believed that exporters were relatively unsophisticated in marketing terms, for example potentially reacting incorrectly to what they assumed were buying signals. The product needed to offer a unique selling proposition and many did not, therefore they were not distinctive, leading perhaps again to the importers need for design inputs. A further selling point for some LDC exporters was the presence of outside help or technology transfer. For India clustering effects were seen as a strength by the importers, but exporter interview evidence indicates that Zimbabwean exporters see themselves as too competitive to operate in cooperative clusters. As noted a joint component factory had been established but the outcome the experiment is awaited.

Reference was made at section 2.5 to culture and international business. From a Western perspective Hofstede (1994, 2001) has characterised European and African cultures as individualistic and collectivistic, while the UK is seen as low and Africa high power in distance. Such descriptions are not universally accepted (Markoczy, 1998; Osland and Bird, 2000; Rodrigues, 1998). Management styles also differ, the UK perceived to be relatively informal (ul-Haq, 2000) while the African model may be somewhat autocratic, possibly paternalistic (Hickson and Pugh, 2001, p255). The culture of Zimbabwe and the UK may therefore be seen divergent, potentially leading to difficulties in establishing business relationships across cultures (Williams *et*



*al.* 1998). The focus of UK importers has shifted with entry into the EU, increasing cultural distance. At the same time exporters had indicated a growing realisation of their Africanness, in addition to their continued expectations of historic links to the UK. The current cultural distance is therefore greater than exporters might have anticipated and importers no longer look to colonies as a priority. These circumstances indicate a requirement for sensitivity and adaptation from the exporters who are seen in the literature as responsible for success of relationships (Biong and Selnes, 1995).

This concludes summarisation of the importer interviews analysis. In Chapter Four Part Three questionnaire responses are evaluated. In Chapter Part Four the totality of data from secondary sources and fieldwork is synthesised to produce the Alpha model. This is refined in Chapter Five to create the Beta model, followed in Chapter Six by presentation of conclusions, recommendations and scenarios for improvement.



**CHAPTER FOUR**

**PART THREE**

**UK FOOTWEAR**

**IMPORTER**

**QUESTIONNAIRE**

**ANALYSIS**

## **CHAPTER FOUR PART THREE - ANALYSIS OF UK FOOTWEAR IMPORTER QUESTIONNAIRE**

### **4.3 Analysis Of UK Footwear Importer Questionnaire**

#### **4.3.1 Introduction**

Although qualitative methods were dominant in the study a quantitative element was seen as giving support to the study in terms of seeking commonalities across the survey population. The UK footwear importer questionnaire, Appendix VII, was informed by data from Zimbabwean exporter interviews. Details of development are given in Chapter Three. This Chapter is structured in accordance with the three phases of analysis. Part one provides insights from analysis of the demographic section, part two the intra-subsection correlations and part three the inter-subsection correlations. In part one question numbers are indicated as (Q) and in part two and three the Likert type statements are indicated as (S).

#### **4.3.2 Analysis of Questionnaire Part One - Demographic Information**

Part One of the Questionnaire focused on demographics, gathering data at the individual level. This area was not addressed in depth during interviews. A general picture of participants was assembled from responses to questions 1 to 31 of Part One. This is exemplified in Table 4.3.1.

All respondents were male (Q1) with an age distribution (Q2) approximately one-third less than forty years and two-thirds over forty years. Examination of data showed that older respondents had longer service (Q7) and commensurate time in post (Q6), suggesting greater experience. They were not necessarily better qualified (Q3) or members of professional bodies (Q4). Examples of professional membership identified include ACCA, CIMA, FCA, ACFI and M Inst M which may result from continuing professional development.

**Table 4.3.1 Examples of Age, Qualification and Service**

Case ID	Age	Education	Professional Body	Service	In Post	Position
2	30-34	'A' Level	ACCA	3	3	Financial Director
5	35-39	'O' Level	Nil	13	5	Merchandising Director
10	50+	Masters	FCA	25	-	Joint Managing Director

The majority of respondents claimed no knowledge of foreign languages (Q5) and among those who did only European languages were offered. This suggests interactions with Third World businessmen were conducted in English. A number of the interviewees, 38.5%, had worked overseas (Q8) for periods of up to one year (Q9) in Spain, Portugal, Italy or India, all established footwear manufacturing countries (10). With one exception overseas service was as expatriates (Q11). This is also indicative of professional development and, potentially, experience of foreign cultures.

The general conclusion is that holders of the import buyer role do not necessarily seek the position as a career choice. It may be part of a portfolio position or may have been 'grafted on' as a result of role evolution. This does not preclude an element of specialisation over time although that cannot be proven empirically.

#### 4.3.3 Analysis of Questionnaire Part One - Company Information

Respondents were also asked in Part One for Company information beginning with an indication of annual turnover (Q12). Four bands were offered plus a 'Decline' option. No responses were received for Band 1. Results are shown



**Table 4.3.2 Importing Firms Annual Turnover**

<b>Band</b>	<b>Responses</b>	<b>Percentage</b>	<b>Cumulative</b>
1. <£1M	0	0%	0%
2. £1M - £5M	4	30.77%	30.77%
3. £5M - £10M	1	7.69%	38.46%
4. £10M +	5	38.46%	76.92%
DECLINE	3	23.08%	100.00%
TOTAL	13	100.00%	

at Table 4.3.2 which indicates an income distribution split between band 2 and band 4. Band 3 attracted least responses, tentatively indicating a split distribution between larger and smaller firms. Three import buyers declined to answer the question. Synthesis of these results with data regarding that 90.9% of firms interviewed achieved 60% or more of their turnover from percentage of turnover and staff involved with importing (Q13, Q14) shows importing. This indicates the exposure of interviewees to international trade.

The proportion of importing related staff varied considerably (Q14). In some cases there was a relationship between salary and profit (15), though several respondents declined to answer. All firms dealt directly with retailers and other supply chain members (Q17) and preferred long term relationships with suppliers (Q18). The type of footwear imported was also investigated (Q19). Responses showed that importers generally handled a mixed range of footwear. No importation of trainers or uppers was reported. This was unexpected since based on the Zimbabwean interviews an occurrence of upper importing had been expected.

Details of sourcing were sought (Q20, Q21) and responses indicated Asia, at 84.6% of imports, was the leading supply region with South East Asia and the

European Union equal second (61.5%). Latin America was a source for 30.8% of respondents with Africa noted by 7.6% of respondents, or one firm. The case noting Africa as a purchasing region did not regularly deal there and trading experience precluded further business. Source countries included Vietnam, Indonesia, Brazil and India. North America was not mentioned at all. It was found that although 92.3% of companies placed regular orders (Q27) with Third World suppliers, some 69.2% had no policy in sourcing imports (Q24). Of those that did (30.8%) only 7.6% identified preferred (Q25), mainly current, countries. Policies specified good quality, pricing, exclusion of child labour and service reliability.

The current level of trade with Third World manufacturers, compared to five years ago (Q22) was the same or lower for 75.0% of firms; growth of trade had occurred for 25.0% of firms. The comparative figure for ten years ago (Q23) was the same or lower for 58.3% of firms; growth of trade had occurred for 41.7% of firms. When linked to issues of relationship longevity the breakthrough opportunities for potential new suppliers (Q29) appear slight. This observation is supported by the unanimous positive response to the question *“does your company prefer long-term relationships with suppliers?”* (Q18). An ambiguous situation is created since the potential for a new Third World supplier offering either the same or better quality at the same price also produced a positive result. Almost two thirds (62.5%) would accept, creating a potential paradox. The conclusion drawn is that switching behaviour among buyers may perhaps be less difficult to achieve than initially suspected for marginal products, compared to main lines. Option D could not be used in the analysis as despite pilot testing the question was mis-worded and answers were unreliable.

The following analysis arises from the business experiences of importers (Q28). Aspects listed are drawn from the literature and informed by Zimbabwean manufacturer interviews, they are not mutually exclusive. Responses are listed in Table 4.3.3. Lack of information, which had been experienced by 61.5% of respondents, may mean failure to notify acceptance of an order, changed patterns or materials, delayed deliveries.



Communications such as slow reactions and language had created difficulties for approximately half (46.2%) of all buyers interviewed.

According to the literature Third World companies are said to fare badly on pricing. Responses showed that 76.9% of respondents deemed goods were not unrealistically priced. This conflicts with one importer who, during interview did note pricing as an issue. The buyer was contracted to a branded

**Table 4.3.3 Importer Trading Experiences**

<b>Aspect of Importer Experience</b>	<b>Percentage Not Experienced</b>	<b>Percentage Had Experienced</b>
Lack of information	38.50	61.50
Difficult communications	53.80	46.20
Long lead times	38.50	61.50
Unfashionable products	76.90	23.10
Slow reactions	53.80	46.20
Language difficulties	53.80	46.20
Unrealistic pricing	76.90	23.10
Experienced overpricing	76.90	23.10
Poor materials	15.40	84.60
Poor workmanship	23.10	76.90
Unreliable deliveries	15.40	84.60
Late deliveries	0.0	100.00
Non-spec deliveries	46.20	53.80
Non-delivery	61.50	38.50
Obstructive govt (UK)	100.00	0.0
Obstructive govt (foreign)	92.30	7.70
Obstructive bureaucracy	84.60	15.40
Corruption	76.90	23.10



house and the requirement for high quality at a specific price point may have been a particular issue. Overall this finding disconfirmed one aspect of the orthodox price, quality, delivery triangle and suggests a further factor affects negotiations. Conversely, 84.6% of respondents reported experiencing difficulties with regard to materials and 76.9% noted that poor workmanship had been experienced, issues related to quality and supporting the literature. All importers had experience of late deliveries and unreliability was reported by 84.6% of importers. Complete failure to deliver was noted by 38.5% of importers. In addition and possibly compounding these negatives, 53.8% of respondents recorded receiving deliveries which were different in some way from the product specification given at time of ordering. It was noted from responses that corruption, which may have been expected to feature prominently, was not widely experienced in comparison to other business factors. Corruption was reported by 23.1% of respondents and while this cannot be attributed to any particular source it is still cause for concern. Arguably the high percentage may serve to reinforce stereotypes.

These results provide empirical evidence of Third World manufacturers' performance from the importers' perspective. This has not previously been available for UK importer - African exporter situations.

Reflection on the content of Table 4.3.3 revealed that the issues initially detailed in the table might usefully be drawn together according to a number of over-arching themes. These were reliability, quality, information and efficiency, see Table 4.3.4, themes which may be implicated in the image of Third World footwear exporters constructed by importers.

When questioned about risk (Q30) importers were found to be highly risk averse. Minimum risk was accepted by 46.1% of importers, slight risk by 30.7% and some risk by 23.0% of importers. This suggests that when a business relationship has been established potential new exporter partners will have difficulty winning business (Q18, Q29). This is compounded by the responses regarding leadership in world trade (Q31). These clearly showed importers perceive the EU as leaders (90.9%), although Asia was the largest

**Table 4.3.4 Key Themes Emerging From Importer Issues**

Reliability	Unreliable deliveries Late deliveries Non-spec deliveries	100.0% 53.8% 53.8%
Quality	Poor materials Poor workmanship	84.6% 76.9%
Information	Lack of information	61.5%
Efficiency	Long lead times	61.6%

source area (Q20, Q21). North America and the Pacific Rim countries followed. Countries of the Third World were overwhelmingly positioned last in the hierarchy as may be expected, reflecting the interview data.

#### 4.3.4 Summary of Questionnaire Part One

In general, the majority of these firms' incomes derived from footwear importing, suggesting sound knowledge and awareness of issues involved. Asia was the lead source while Africa was little known. Regular business was placed with Third World countries, though the majority had no formal policy on sourcing. For those firms who did, stipulations included good quality, pricing, reliability and the exclusion of child labour. According to questionnaire responses there were breakthrough opportunities available on the basis of lower price rather than service. This conflicts with a desire for long term relationships which was also indicated.

A range of trade issues identified from the literature and Zimbabwean interviews were considered by importers. The most salient concern, noted by all respondents, was late deliveries. Table 4.3.4 clearly revealed reliability,



quality, information and efficiency as key themes in importers assessment of exporter performance and therefore image.

In the next section analysis continues with consideration of Part Two of the questionnaire, responses to the Likert type scaled items.

#### 4.3.5 Analysis of Questionnaire Part Two - Intra-Subsection Correlations: Political, Commercial, Image and Perceptions of the Third World and Image of Third World Businessmen

##### 4.3.5.1 Introduction

Correlation intrinsically poses the question why would people who think 'that' also think 'that', i.e. what is the basis of this co-relationship? Statements are indicated by, for example (S11). No assertion of causality in the correlation is made based on either strength of correlation or proportion of variance explained by Coefficient of Determination ( $r^2$ ). A caveat is also applied regarding the potential veracity of responses in terms of respondent image management. Where possible results have been assessed against interview data and are found to be acceptable.

Discussions focus on intra subsection and inter subsection correlations. There were no correlations in the Commercial subsection. Subsection tables show coefficients resulting from the calculation of Pearson's  $r$  for the Likert type scaled items at Part Two of the questionnaire. This is a commonly used index of bivariate relationships (Corston and Colman, 2003). Coefficients are taken to be measures of association only (Robbins & Daneman, 2002). There are a number of views on levels of correlation strength. For Cohen (1988) high correlation strengths began at the 0.50 correlation level. An earlier and widely quoted alternative view is given by Franzblau (1958) who suggested 0.80 indicated a high degree of correlation. The key point here is not predictive value, but usability. On reflection and acknowledging the small sample size, it was decided to follow the criteria suggested by Franzblau (1958). An acceptance level of 0.80 was set which offered enhanced confidence in the



correlations identified. See Appendix XII for an example of frequency distributions and Appendix XIII for descriptive statistics.

#### 4.3.5.2 Analysis of Questionnaire Part Two - Political Aspects

An attempt was made here to access respondents' perceptions of the political context in Third World countries. Resultant correlations are shown at Table 4.3.5.

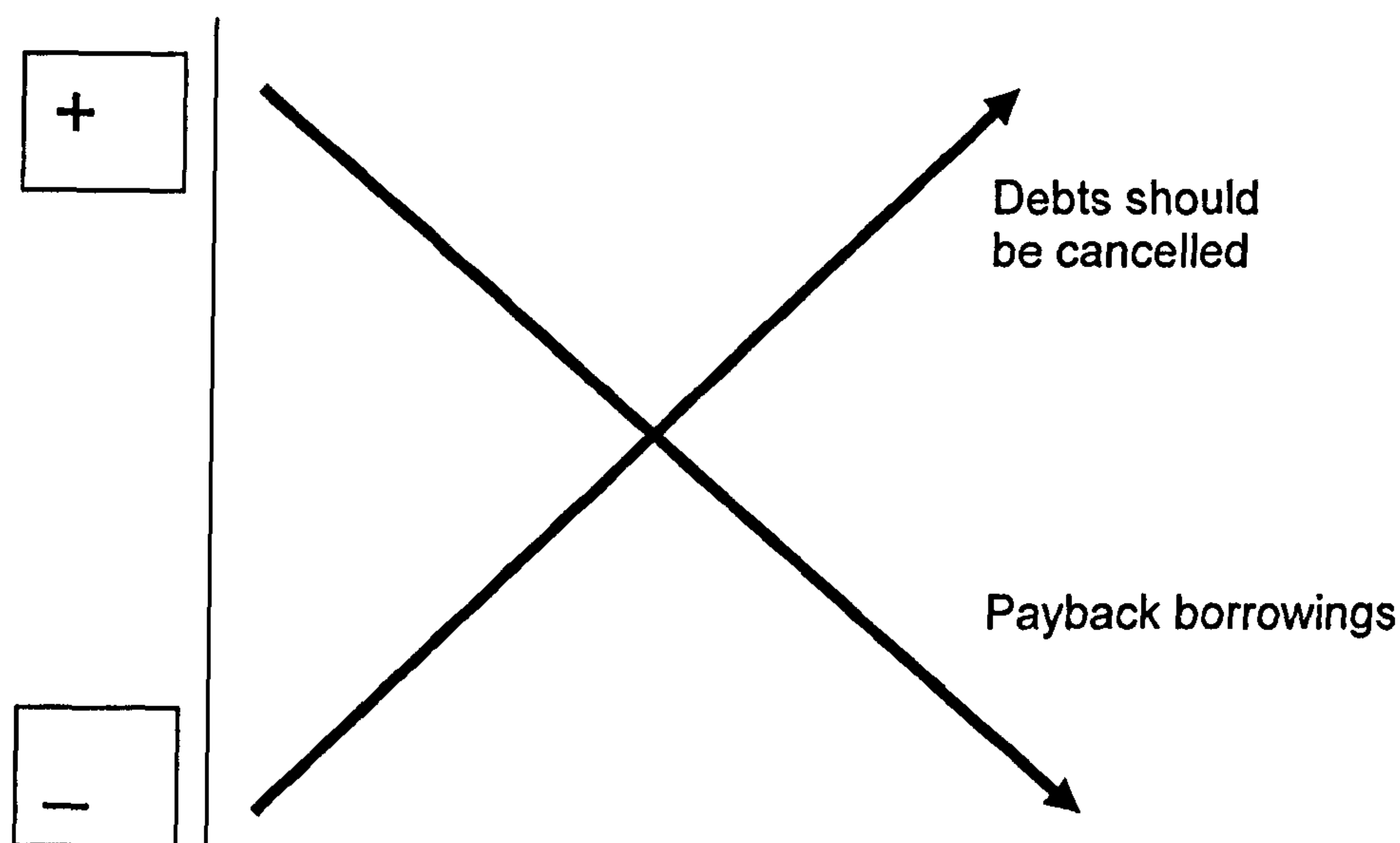
**Table 4.3.5 Likert Scaled Item Correlations - Political Aspects**

Correlations In Political Aspects				
Number	Correlated Statements		Correlation Strength	Shared Variance ( $r^2$ )
1	Third World countries should pay back borrowings (S10)	Third World countries debts should be cancelled (S9)	-0.84**	71%
2	Higher echelons of some Third World country governments suffer from political corruption, this is their biggest problem (S11)	Third World countries have fared badly since independence (S1)	0.85**	72%
3	Higher echelons of some Third World country governments suffer from political corruption, this is their biggest problem (S11)	Third World countries fared better when ruled by a colonial regime (S2)	0.81**	66%
* Correlation is significant at the 0.05 level (2-tailed).				
** Correlation is significant at the 0.01 level (2-tailed).				

The first pair of statements concern alternative perceptions on Third World debt (S10, S9). This has been an issue of importance for some years and formed the focus of attention at the 2005 G8 Summit in Gleneagles (World Bank, 2006).

The correlation exhibits a very marked negative relationship, shown at Figure 4.3.1. The frequency distribution shows that 66.7% of respondents agreed indebted countries debts should be cancelled and 58.3 % did not believe that developing country borrowings should be repaid. It may have been expected that commercially driven buyers would respond differently.

**Figure 4.3.1 Example Of Negative Correlation Between Variables**



According to the World Bank a majority of the world's most indebted countries are in Africa and the

*"Multilateral Debt Relief Initiative (MDRI), which will cancel the International Development Association (IDA) debt of some of the world's poorest countries, will take effect on July 1, 2006".*

(World Bank, 2006).

The fundamental issue here is one of intermingling social and economic strands. One position, not adopted by respondents, propounds the argument that LDCs borrowed on commercial terms and must therefore repay loans.

The alternative, adopted, position argues that individual citizens of these countries were not beneficiaries of loans and should not incur harm as a result of enforced repayment. The case for non-cancellation additionally recognises that in some cases funds ostensibly provided for such uses as infrastructure development have been diverted. It also continues to be argued that much of the lending by western financial institutions was unwise and that cancellation of debt would enable cessation of high levels of debt service. This denudes social programmes, for example absorbing income from exported cash crops that otherwise would be consumed domestically (CAFOD, 2006). Acceptance of the debt cancellation position clearly indicates sympathy for developing countries.

In the second correlation the inference taken is that importers see a strong relationship between post independence national performance (S1) and political corruption (S11). The statement regarding high level political corruption appears in two correlations within this subsection indicating that it is an important factor in respondents' assessments of Third World countries. Importers were almost unanimous in agreement (91.7% agreed) that high level political corruption is Third World countries biggest problem (S11). This perhaps also suggests that respondents do not view the activity and ethics of LDC businessmen as a major constraint on their country's growth. In addition and by implication, Third World businessmen may be perceived to some extent as a positive factor in development.

The notion that LDCs 'fared badly since independence' (S1) was agreed by 66.7% of respondents. Admitting the presence of corruption within LDC governments may lead to possible short term disadvantage, but possibly in the longer term will be beneficial (Gertner and Kotler, 2004). Ayittey (2001) argued that concealment of such issues allows them to continue and undermines attempts at development. As in the previous correlation



responses indicate sympathy towards LDCs at the emotional level. This may not necessarily extend to exporting firms at the rational, professional level. More importantly the correlation indicates a pre-existing negative image that incorporates lack of development and corruption in the LDC economies. One result of this may be a personal-professional decision making dichotomy for importers.

The third correlation builds upon previous discussion. Results showed that 75% of respondents agreed that developing countries fared better when ruled as a colonial regime (S2). This indicates cohesiveness in respondent views so far as LDCs basic problems are concerned, but possibly also an element of ethnocentricity. For the ex-colonies colonial linkages may reinforce potentially Eurocentric tendencies, examples of this being the Francophone and Anglophone trading regions of Africa (Freidberg, 2003). From interview it became apparent that Zimbabwe was recognised as the former Rhodesia by a majority of importers; media coverage of recent events may also have a bearing on responses.

#### 4.3.5.3 Analysis of Questionnaire Part Two - Images and Perceptions of the Third World

There was one correlation in this subsection, detailed at Table 4.3.6. The questionnaire statements (S32, S33) presented to respondents portrayed a strongly negative image of Third World countries. Terms related to hunger appear in both parts of the pairing, particularly relating to children. Respondents could have been expected to agree with such images. Similar images will be recognised in relation to wide media coverage of natural and man made disasters, most notably in the recent Live 8 event. Children and their mothers feature strongly in news coverage of natural disasters such as drought or epidemic and also in conflict situations, arguably in continuous promotion of the image.

**Table 4.3.6 Likert Scaled Item Correlations - Images And Perceptions Of The Third World**

<b>Correlations In Images And Perceptions Of The Third World</b>				
<b>Number</b>	<b>Correlated Statements</b>		<b>Correlation Strength</b>	<b>Shared Variance (r<sup>2</sup>)</b>
1	The image of Third World countries is one of starving children (S33)	The image of Third World countries is one of drought, starvation and disease (S32)	0.82**	67%
* Correlation is significant at the 0.05 level (2-tailed). ** Correlation is significant at the 0.01 level (2-tailed).				

Unexpectedly the commonly propounded perceptions of the Third World as suffering environmental and human originated calamity were rejected by respondents. It had been anticipated that, if a negative image existed for importers, such images would constitute an important element. Their absence suggests importers either do not hold such a negative image of developing countries, or there is a further dimension to image in their relationship with Third World exporters. In the latter case an opportunity is presented for exporters to favourably influence any negative image. Equally important is the opportunity to reinforce importer's apparent tendency towards positive views of Third World countries.

#### 4.3.5.4 Analysis of Questionnaire Part Two - Image and Perceptions of Third World Businessmen

The table shows four correlated pairs computed with a 99% confidence level, but it is acknowledged that this is in the context of a small sample. Five statements comprise the total correlation set.

Both statements in the first correlation relate to exporter performance. Statement (S44) regarding reliability as long term suppliers drew an ambivalent response with 50% agreeing and 50% disagreeing. Statement (S41) describing Third World businessmen as 'Efficient in business' was rejected by 58.3% of respondents.

**Table 4.3.7 Likert Scaled Item Correlations – Image And Perceptions Of Third World Businessmen**

<b>Correlations In Image And Perceptions Of Third World Businessmen</b>				
<b>Number</b>	<b>Correlated Statements</b>		<b>Correlation Strength</b>	<b>Shared Variance (r<sup>2</sup>)</b>
1	Reliable as a long term supplier (S44)	Efficient in business (S41)	0.84**	71%
2	Professional in general business matters (S47)	Efficient in business (S41)	0.88**	77%
3	Professional in general business matters (S47)	Reliable as a long term supplier (S44)	0.87*	76%
4	Good understanding of social conversation (S59)	Good marketers (S54)	0.84**	71%
* Correlation is significant at the 0.05 level (2-tailed). ** Correlation is significant at the 0.01 level (2-tailed).				

As a result of selling styles, colours and designs to retailers down stream, importer credibility within the wider industry becomes dependent upon the reliability of exporters. The implication from this is that exporter efficiency and reliability become key issues, switching costs are high and therefore short-term transactionalism is not acceptable. According to interview data some importing firms do not have the time or staff resources to search the market for new or more reliable suppliers. These factors will also constrain resource



investment for building a working relationship that encompasses trust, development of quality products and acceptable pricing.

Relationships are built overtime and therefore the long term aspect of supply is important. From data supplied in the questionnaire demographics section respondents could be seen as SMEs (EUROPA, 2003). For SMEs security and reliability of supply are critical items. The nature of inter-SME business is the development of relationships between company personnel, the human capital of firms (Iacobucci and Ostrom, 1996). These may enable business to function better than could be expected since inferred flexibility is seen as an advantage. This may contribute significantly towards building and sustaining stability of long term supply. The reward for this from the exporters' view could be a continued income stream enabling investment in plant or equipment which itself will enhance capacity and maintenance of supply, offering the opportunity to improve performance and therefore image. This is an important consideration in a market in which the onus may be on performance by the exporter to ensure longevity of the relationship. For the importer flexibility may mean response to difficult situations with short deadlines, again leading to confidence building, deepening of trust and continuing business.

The second correlation suggests a focus from the importers perspective on specific aspects of Third World businessmen's performance. The apparent lack of efficiency identified by questionnaire responses appears detrimental to the image of exporters.

'Efficient in business' (S41) was rejected by 58% of importers as a quality displayed by the exporters and has been discussed previously in relation to reliability. Professional in general business matters (S47), 75% agreement, potentially suggests possession of management skill, training and qualifications. Experience and wide knowledge at both industry and procedural levels are perhaps more significant to importers, drawing approval. Professionalism has additional connotations of high business standards, such as those required for good standing in the business community, or by bodies administering the professions. Conversely the term 'efficient' arguably projects

an alternative image of quick reactions and minimal resource wastage. The aim in business may be to become efficient and cut costs in order to survive. This is not necessarily professionalism.

The third and penultimate correlation was strongly positive, suggesting the importance of both reliability (S44) and professionalism (S47) aspects. Taking a broad view, as professionalism increases so does the perceived reliability of the party concerned.

There was ambiguity in the distribution of responses regarding reliability as a long term supplier. While 16.7% 'agreed' a further 33.3% of respondents adopt a 'tend to agree' position. Overall 50% of importers perceived the exporters as reliable in the long term. Conversely the remaining 50% of importers adopted an identical distribution of negative responses; these respondents perceive the exporters as unreliable long term suppliers. With a large proportion of ambivalent responses it is not possible to reach a conclusion.

The implications of professionalism were discussed in the previous correlation. While it is not known what particular areas were considered by respondents in reaching their decisions, we may usefully speculate that these included both administrative and manufacturing processes. Responses infer that these were generally found to be acceptable.

The fourth and last correlation, though positive, featured two rejected statements (S54, S59). This suggests a negative view of Third World businessmen's ability. The frequency distribution shows 66.7% of respondents do not agree that exporters have an ability to engage in good social conversation and 75% disagreed with the description of Third World businessmen as good marketers. The perceived absence of these qualities may be important in terms of importers image of exporters.

Importers perception that exporters lack social skills suggests an inability to converse without overtly pressurising on sales related issues. This may result



from under-developed managerial and marketing skills (Zeffane and Rugimbana, 1995; Malhotra, 1988; Kaynak, 1982) which potentially inhibit the formation of non-work related links, important components in the development of trust. In addition the view of exporters as possessing poor marketing skills infers that exporters continue to emphasise price negotiation rather than relationship formation. Such knowledge is acquired through experience and growing understanding of importers, their perspective, attitudes and needs.

Overall, while sympathetic to developing countries, importers apparently do not regard Third World Businessmen, in general, very highly in terms of performance. What may be perceived as basic business qualities, such as reliability, efficiency and marketing skills, are seen as lacking. The exception to this being professionalism which is a nebulous quality capable of various interpretations. The correlation as a whole suggests difficulties arising from cross-cultural misunderstandings (Behrman, 1995) and price led strategy (Dominguez and Sequira, 1991).

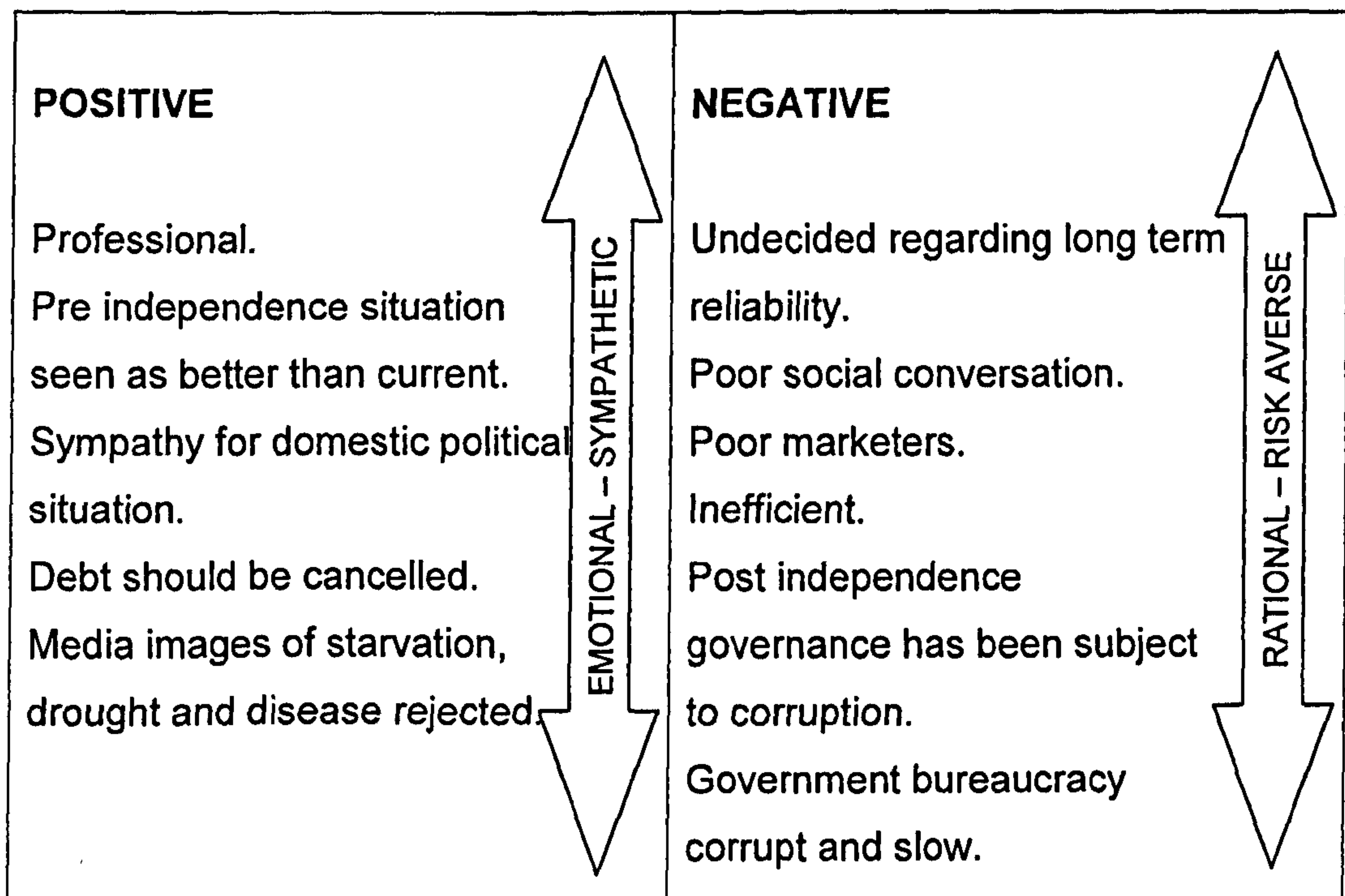
#### 4.3.6 Summary of Questionnaire Analysis - Part Two

Overall the correlations identified portray an ambiguous image. Salient features of the analysis are shown in Figure 4.3.2.

A general theme which emerges from consideration of the correlations between Political aspects was that at the individual level importers appeared sympathetic towards the domestic situation in developing countries. In terms of importers emotional responses the correlations constituted a potential positive relationship. On the rational level a key factor in this was an apparent requirement to balance pre and post independence situations. Failings, highlighted as corruption and mismanagement within the LDC governance system, were acknowledged and clearly ascribed to politicians. This was attributed to political and bureaucratic corruption, seen as their biggest problem and potentially having an impact upon supplier appraisal (Liang and Parkhe, 1997). Respondents were sympathetic towards developing countries debt situation suggesting personal connection with social conditions in the



**Figure 4.3.2 Salient Features Of Intra Section Correlation Analysis**



LDCs. Overall this subsection of the questionnaire appeared to represent a positive view of the Third World.

Contrary to expectations issues related to Image And Perception Of The Third World such as high population growth, aids and conflict did not feature in correlations. Taken together these issues arguably form a substantial proportion of media output (Baron, 2003) perceived by importers as negative and a major creative force in Third World country images. Positively written correlated statements concerning famine and drought were disagreed. This argues for an independent outlook on the part of importers and emphasises the individuality of importers personal images of developing countries, as noted in the interview analysis. Overall, based on responses, importers hold a positive, yet realistic, image of the Third world.

In the final subsection of the questionnaire matters pertaining to Image Of Third World Businessmen were directly addressed. Respondents' images appear a combination of positive and negative aspects which err on the side

of caution. Reliability as long term supplier was undecided and exporters were perceived as inefficient and lacking in marketing skills. Professionalism was agreed, while an ability to hold good social conversation was not. This presents a negative image of Third World businessmen.

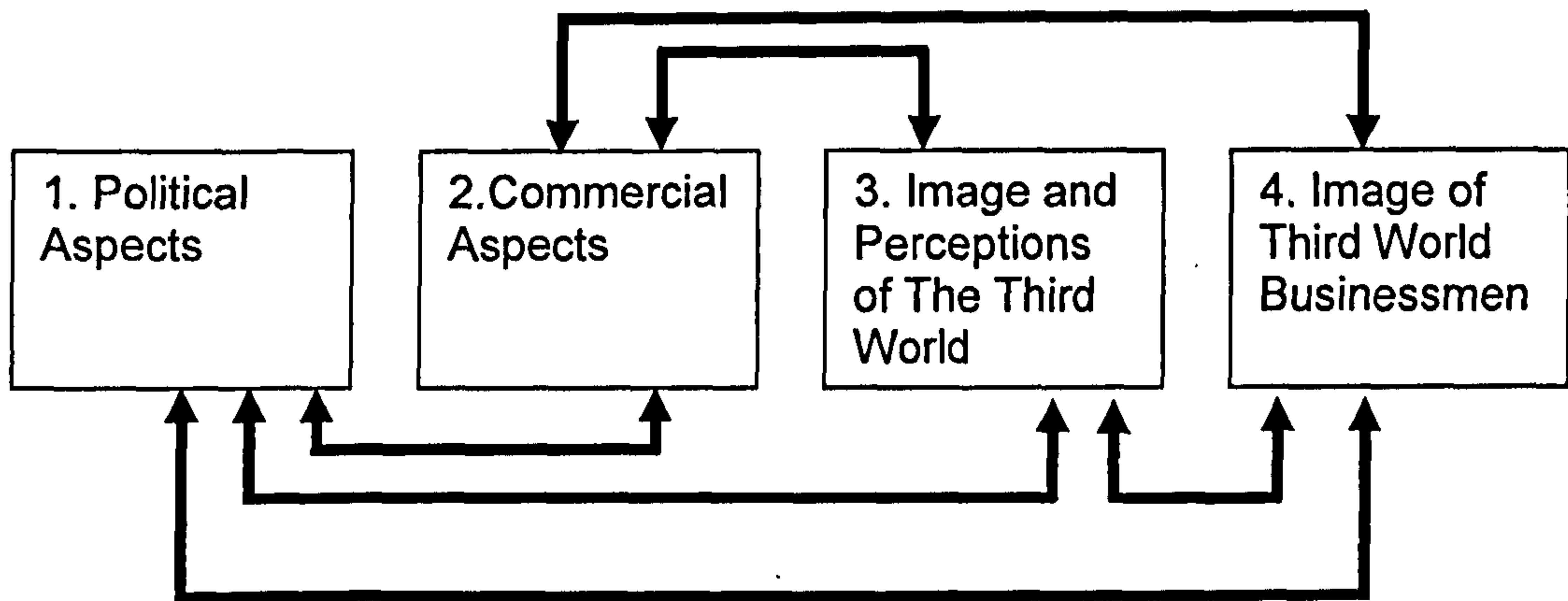
Overall the analysis suggests a correlation between individual's personal and professional views, or emotional and rational perceptions. From an individual standpoint a positive view is presented. There is sympathy for alleviation of debt, the possibly retarded state of national development and subjection of the population to high level political corruption. Developing countries are not viewed strictly according to media imagery. In business terms the perception is more negative, demonstrated by disagreement on efficiency and equivocation regarding long term reliability. Possession of good marketing skills and good social conversation were rejected. Exporters were, in some sense, seen as professional.

Ultimately importers responses argue a need for reassurance on performance, resulting from risk aversion (Gilmore *et al.* 2004). This assessment would respond to a rationalist, commercial perspective and tends towards the negative. The commercial traits sought in exporters are those that may be commonly expected in business partners and are therefore unsurprising in nature. In the absence of conclusive proof of soundness in business based attributes the importers may possibly seek similar reassurance from interpersonal factors.

#### 4.3.7 Analysis of Inter-Subsection Correlations: Political, Commercial, Image and Perceptions of the Third World and Image of Third World Businessmen

In addition to the correlations derived between intra-section questionnaire statements, two correlations were identified between statements in the separate questionnaire sections. The method used in construction of these inter-section correlations is shown at Figure 4.3.3.

**Figure 4.3.3 Schematic of Inter Subsection Correlations**



**4.3.8 Political and Commercial Aspects**

There is one correlation, Table 4.3.8 between Political and Commercial sections of the importer questionnaire.

**Table 4.3.8 Correlation In Political Aspects And Commercial Aspects**

No.	Political Aspects	Commercial Aspects	Correlation Strength	Shared Variance (r <sup>2</sup> )
1	Third World countries have fared badly since independence (S1)	The Third World, in general, is technologically poor and out of date (S16)	0.82**	67%
* Correlation is significant at the 0.05 level (2-tailed). ** Correlation is significant at the 0.01 level (2-tailed).				

This correlation introduces technology to the analysis and suggests a rational assessment. As noted earlier the statement 'fared badly since independence' (S1) was agreed by 66.7% of importers, while 'poor technology' (S16) was agreed by 58% of importers.

The correlation between post independence performance, taken as meaning economic performance and deterioration in Third World technological



capability suggests countries such as Zimbabwe may have previously been considered technologically capable. They are now unlikely to be considered as product sources and exporters would therefore need to prove capability beyond requirements imposed on countries which have a current positive technological image (Amine *et al.* 2005a,b). A perceived lack of high level manufacturing capability in developing countries had been identified from the literature (Kinra, 2006; Nargundkar and Bajaj, 2002; Chao, 1989; Khanna, 1986), however, when viewed in combination with the partner in this correlation an opportunity for greater clarity of understanding is presented.

#### 4.3.9 Political Aspects and Image of Third World Businessmen

There is one correlation in this group, see Table 4.3.9.

**Table 4.3.9 Correlations In Political Aspects and Image of Third World Businessmen**

No.	Political Aspects	Image of Third World Businessmen	Correlation Strength	Shared Variance (r <sup>2</sup> )
1	Third World Govt bureaucracy can be corrupt, slow and complex (S12)	Trustworthy in agreement (S42)	0.90**	81%
* Correlation is significant at the 0.05 level (2-tailed). ** Correlation is significant at the 0.01 level (2-tailed).				

This correlation highlights the role of two further elements, government bureaucracy (S12) and trust (S42), in international business. These have not been correlated in the previous sections.

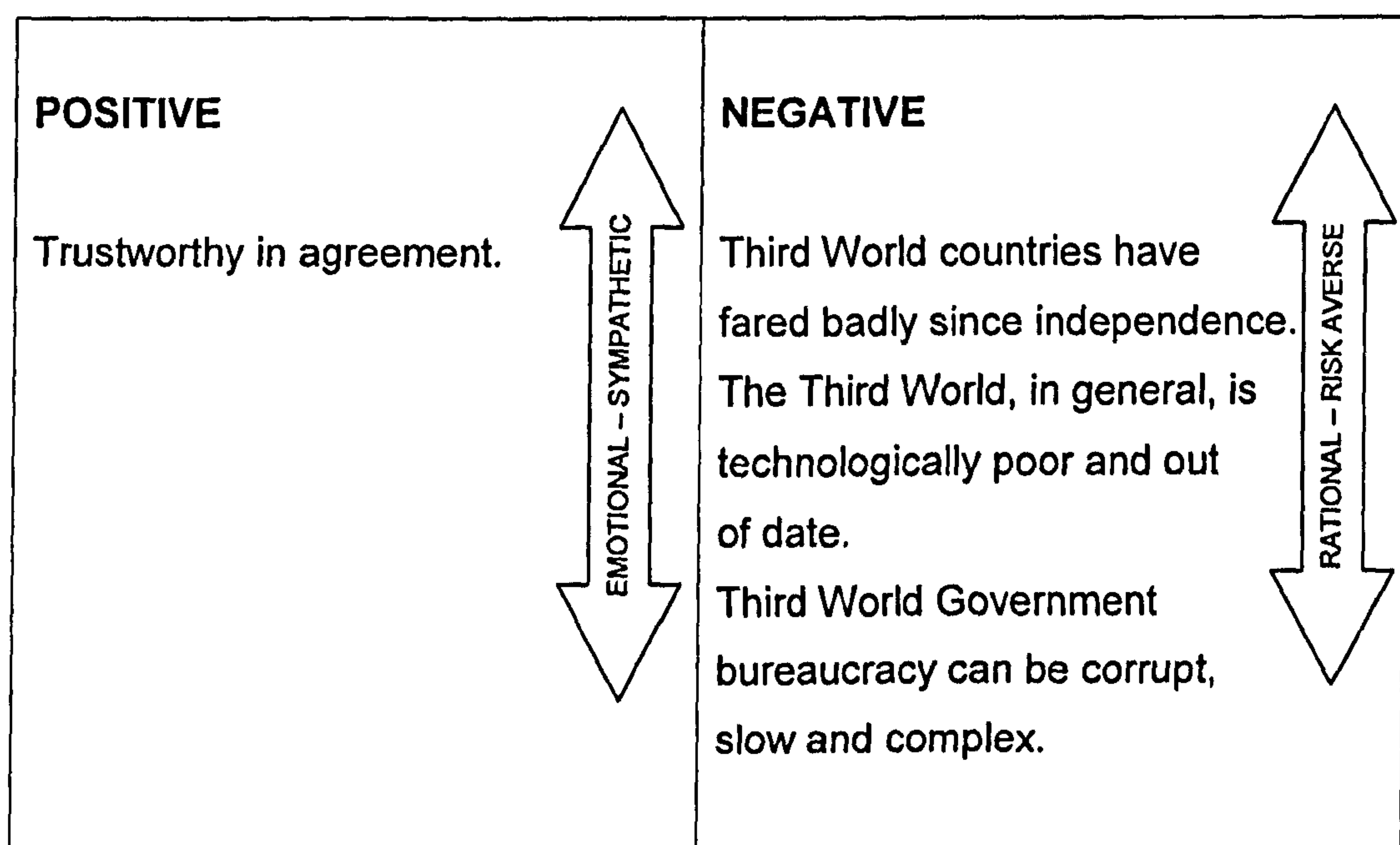
Government shortcomings are conflated with trust in business relations and therefore implicitly related to the business environment. One interpretation of

this is that contractual arrangements between importers and exporters may be subject to constraints imposed by government officials. In view of importers risk aversion, noted at section 4.3.3, initiating business with firms based in countries perceived to have this type of government bureaucracy would be unlikely. This imposes a further barrier to trade. Conversely Third World businessmen were seen as trustworthy by respondents, 58.3% agreed, adding an additional dimension to the image. Overall the correlation is viewed as evidence of a negative image of developing countries at the national, but not individual level.

#### 4.3.10 Summary Of Importer Questionnaire Analysis – Inter Subsection Correlations

This analysis of inter-subsection correlations introduced several new factors seen as important in image construction, see Figure 4.3.4.

**Figure 4.3.4 Salient Features Of Inter Subsection Correlation Analysis**



Importers related poor national post independence performance with technological impoverishment (Yotopoulos, 2006; Pedersen, 1999). This

could be interpreted as suggesting lack of investment due to an unstable business environment (Ayittey, 2001), an argument potentially supported by the second correlation. Here corruption and poor performance in government bureaucracy are contrasted with businessmen's trustworthiness. The higher level negative factors are therefore confounded at the individual level. In aggregate the correlations reflect a negative image of developing countries.

In section 4.3.6 a summary of the intra-subsection analysis was given and section 4.3.10 has summarised the inter-subsection analysis, these have supported and underpinned the interview analysis. This concludes analysis of the questionnaire and in Chapter Four, Part Four, the Alpha Model, produced from integration of qualitative and quantitative analysis is presented.



# **CHAPTER FOUR PART FOUR**

## **DEVELOPMENT AND PRESENTATION OF THE ALPHA MODEL**

## **CHAPTER FOUR PART FOUR**

### **PRESENTATION AND DISCUSSION OF THE ALPHA MODEL**

#### **4.4 Construction Of The Model**

##### **4.4.1 Integration Of Primary And Secondary Data**

This part of Chapter Four synthesises the results of fieldwork with insights arising from the literature review in Chapter Two. Integration of these primary and secondary research elements produced synergies leading to construction of an Alpha model. Development of the Alpha model is discussed in terms of a number of themes and sub-themes, informed by the conceptual framework shown at Figure 2.6, which emerged during the developmental process, these include the marginalised situation of Africa, internationalisation, exporter isolation, value and price, attitudes and positions, exporter-importer relationships, deficiency in marketing sophistication, quality, cultural perspectives and issues in the business environment. Labels and other features of the model are derived from discussion. The discussion is then summarised.

##### **4.4.2 Development Of The Alpha Model**

Negative Image has been empirically demonstrated to exist for this sample of Zimbabwean exporters and UK importers. The phenomenon was seen to operate as a barrier to trade for exporters and a decision mediating variable for importers. This was comprehensible to exporters who were able to offer what they perceived as a rationale. Unlike the Negative Image concept, which is wholly negative, stereotypes operate in a positive or negative manner (Cinnirella, 1997).

Reflecting on the interaction of image, level of development and propensity to purchase allowed construction of an initial conceptual model that addressed the relationship. Figure 4.4.1 shows a proposed negative correlation between

level of development, seen as a proxy for intention to purchase and intensity of Negative Image. The figure shows that as a country's level of development rises so does the associated propensity to purchase goods from that country.

**Figure 4.4.1 The Relationship Between Negative Image, Level Of Development And Propensity To Purchase**

Based on: Dakin. J., (2001), Negative Image, Industrialising Countries and The Development of International Trade – A Working Paper, *Proceedings of The International Academy of African Business and Development Conference*, 4<sup>th</sup>-7<sup>th</sup> April 2001, pp254-262.

Countries with low levels of development attract a highly Negative Image and reduced propensity to purchase. This is an inverse relationship to the Negative Image of the country concerned. It may be seen from this that



products from LDC nations are disadvantaged in competition with those from MDC nations. Intermediaries holding a negative image of LDCs may reject products offered by LDC exporters, effectively excluding them from markets. To overcome this rejection price cuts may be required on already competitive pricing (Speece and Nguyen, 2005) risking losses on exports. Negative Image therefore assists in the creation of a double wall of market resistance (Khanna, 1986), combining tariff and non-tariff barriers with the attitudes of intermediaries, such as footwear importers, with those of consumers. In combination these factors may result in depressed manufacturing employment levels and, potentially, national development. This conceptualisation has not previously been highlighted in the COO literature where stereotyping has been accepted as the over-riding concept. Stereotyping does not reflect the reality of the LDC situation where low levels of development are seen to attract a Negative Image deriving, for example, from expectations of poor performance and low quality. This insight offers a contribution to knowledge, providing an extension of existing COO theory in relation to LDC-MDC business interactions. The current research extends theory developed by a range of authors including Papadopoulos and Heslop (2002), Khachaturian and Morganosky (1990), Chao (1989) and Kim and Chung (1997).

➤ Marginalised Africa

The theoretical model at Figure 4.4.1, in conjunction with the initial framework identified from literature review and inductive analysis of empirical evidence, enabled an initial or Alpha model to be developed. The developed model is shown at Figure 4.4.2, page 240. The process began with reflection during the fieldwork in Zimbabwe, producing the insight that no substantial group of importers had registered Africa as a source, either continentally or in terms of individual countries. The product life cycle (Wells, 1968) argues that production will follow lowest costs. Interview evidence suggested this had occurred in the shoe industry generally, but not in the case of Africa. The importers African image was one of poverty, lack of skills, poor transport and out dated industrial infrastructure. Exporters and importers also recognised

lack of stability in the African business environment as a major contributor to the Negative Image. Importers had little or no general knowledge of manufacturing in Africa and Zimbabwe itself was not individually attractive due to an image of instability and under investment. Importers also expressed a general concern for social justice as part of their image of developing countries. These perceptions were acknowledged by exporters and importers to affect commercial decisions. As a result Africa and in particular Zimbabwe, while part of the international business environment, are essentially marginalised and separated from the main stream of international trade (Nkomo, 2006; Andreasson, 2005). Importers had also noted a proliferation of developing country sources, such as India, Pakistan and Vietnam which Zimbabwean exporters saw as a problem. In addition Zimbabwe was not known as a manufacturing base by importers and exporters, being risk averse (Gilmore, 2004), were reluctant to trade with Zimbabwe or other developing countries on that basis, essentially a decision based on Negative Image. Having noted the personal-professional dichotomy of importers this may also be seen as adherence to the subjective norm (Ajzen, 2002) potentially providing a new perspective on buyer-seller behaviour.

In the model Africa is represented by a bordered icon symbolising isolation, while the UK market is shown unbordered signifying integration to world markets. This joint insight from UK importers and Zimbabwean exporters regarding the African situation has not previously been highlighted in the COO literature. As an under-represented area of research this is argued to represent a contribution to knowledge.

#### ➤ Internationalisation

Internationalisation is shown in the model by an arrow head indicating movement out of the home market into a space shared with importers. Within the literature African LDCs are atypical. In business terms they are deemed geographically remote by importers. South East Asian countries and China, because of business dealings, perhaps appeared psychically closer. Exporters' attempts at regional and international development have occurred



simultaneously which does not fit with any of the established models. Interview evidence showed elements of the Behavioural Models and the Commonwealth Effect (Lundan and Jones, 2001), while one firm had been launched as an International New Venture (Oviatt and McDougall, 2005a,b).

The psychic distance concept has been accepted as encouraging movement into what are perceived by exporters as related markets (Clark *et al.* 1997), but the concept has been questioned recently (Stottinger and Schlegelmilch, 1998; O'Grady and Lane, 1996) in view of increasing globalisation and the possibility of disconfirmed expectations (Fenwick *et al.* 2003) as noted in the literature review. The work of these authors does not appear to have allowed for differing conceptualisations of the phenomenon in relation to the colonial metropole-ex-colony situation. In this study Zimbabwean exporters had found that UK importers did not reciprocate the empathy which had been expected. This may be explained through importers wider worldview, since the UK is not marginalised in terms of world trade and there is a different relationship between the UK and ex-colonies in general. This incrementally extends theory in terms of the psychic distance concept.

The resistance noted by exporters, together with importers perspectives on the Zimbabwean domestic situation indicates that importers do not conceptualise psychic distance according to colonial ties. There is therefore no reciprocal understanding of the concept. Interview evidence also suggests the Commonwealth effect ceases to operate from a UK importer's perspective when the foreign domestic business environment is perceived as not conducive to establishment of importer-exporter business relationships. The Commonwealth Effect (Lundan and Jones, 2001) which utilises the psychic distance concept, is therefore also called into question as an explanatory tool for the internationalisation of ex-colonies. This may arise not as a result of psychic distance, but more prosaically through the metropolitan orientation of transport and infrastructure links. This provides a new perspective on these theories and is tentatively seen to support the claim for a contribution to knowledge.



## ➤ Exporter Isolation

Exporter development at the international level may take place as relationships with importing firms are established and deepen, suggesting a possible learning approach (Dakin and Ryan, 2001; Autio *et al.* 2002). Exporters perceived that importers thought themselves superior, inferring a junior partner position to the exporters. Networking and international contacts also benefit exporting activity (Harris and Wheeler, 2005), but there was little evidence of this occurring. Uncertainty in the home and international environment was a retarding factor, confirming the literature (Mayerhofer, 2004; Clark *et al.* 1997). Exporters saw government handling of the Zimbabwean economy as a factor in the negativity of their country's image and acknowledged the potentially important role of media in importers perceptions. Ultimately exporters operate at arms length from UK importers which is reflected in the Alpha model by use of an elliptical shape.

Examination of the theoretical and empirical evidence shows that exporters and importers occupy separate business spaces, rather than a shared space (Hedaa, 1993) and the model explicitly indicates this. Exporters and importers to some extent perceive themselves as dichotomous entities in terms of risk and mistrust, rather than cooperative parties in interactions which are at the centre of the model. The questionnaire clearly showed that importers were risk averse and during interview exporters recounted negative stories concerning the UK market that were circulating within the Zimbabwean industry. Interview data shows exporters were negative about success in the UK market, this supports importers belief that they were perceived negatively.

A feature here is the unexpected significance attached by exporters to transport economics, which itself is directly linked to potential for performance failure, again affecting image. Transport related issues affect all exporters, but appear to exacerbate delivery and reliability problems for sporadic exporters (Kaleka and Katsikeas, 1995; Nargundkar and Bajaj, 2002). Late deliveries were a commonly reported problem. This results from difficulties in LDC business management that are only experienced second-hand by importers in

terms of delayed or damaged shipments. Exporters' failure to provide expected service levels, for example incongruity between goods ordered and delivered, undercuts any trust or credibility that may have been established. The establishment of business relationships and possibility of subsequent customer retention are also potentially eliminated (Morgan and Hunt, 1994). In addition the Negative Image of Third World manufactured goods exporters is reinforced. This possibly reinforces the isolation and marginalised condition of African firms.

➤ Value and Price

The concept of value, perceived by exporters as uniqueness, was important for exporters. They believed that product pricing should be seen in terms of value (Speece and Nguyen, 2005) based on componentry and construction rather than price point. This was an erroneous position from the perspective of the importers who perceived price points as an indicator of market segments and saleability, irrespective of value. This highlights a conceptual mismatch between exporters and importers. In addition LDC product was perceived as low quality in comparison to European product, therefore lower prices were expected. A similar situation was described by an exporter regarding one international organisation. The expectation reinforced exporters' negative attitude towards importers' price consciousness, creating the requirement to distinguish Local Price and Market Price in the model. The UK market was seen by exporters as 'difficult' compared with the success which had been experienced regionally. Expectations of reciprocity in terms of perceived colonial linkages were disconfirmed.

According to interview evidence exporters had not realised the real needs of importers (Piercy *et al.* 1998, 1997) and continued to focus on price (Morgan and Katsikeas, 1997a; Morgan, 1997; Leonidou, 1995; Das, 1994) whereas this was a single component in the negotiation. New product development and quality were other key issues (Katsikeas *et al.* 1997). As one importer remarked, he survived on ideas. Exporters also related price to their own domestic market and perceived a loss of margin overseas (Soderbom and



Teal, 2001). This was exemplified during Zimbabwean interviews by an exporter who commented on the narrowness of margins. The result of this, for importers and exporters, is an image focused on the negative aspect of transaction negotiations rather than positives of relationship building and a contribution to Negative Image.

➤ Attitudes and Positions

Importers noted practices such as sub-contracting, rescheduling and misuse of bespoke materials which are self destructive, causing importers to view product quality negatively and reject consignments. This acts reciprocally upon exporters negative perceptions of importers. The downstream effect is both that retailers are denied saleable product and importers' reputation for reliability is damaged. Importers also face the threat of legal action by retailers. A further counterproductive effect is increased importer risk aversion and reinforcement of importer loyalty towards current business partners. A constituent in this was that exporters and importers do not perceive each as equals, this creates asymmetry in the potential relationship (Wish, 1976; Krapfel *et al.* 1991). Differences in levels of skills and international experience exacerbate the incompatibility (Zeffane and Rugimbana, 1995; Malhotra, 1988; Kaynak, 1982). Importers indicated these types of practice were acceptable to some exporters, suggesting adoption of a short-term expediency attitude rather than focusing on long-term relationship building.

The role of customers (Keegan & Schlegelmilch, 2001) in terms of pressure group effects was a feature not directly experienced by exporters. Importers had become aware of retailers increasing concerns with ethical and moral issues, reflecting both the growth of consumers involvement with ethical and moral purchasing criteria and the advocacy role adopted by media (Baron, 2003). For exporters, the concerns of pressure groups are remote and only examined second-hand through the activities of importers. For importers lobby group influences are felt directly through retailer feedback and indirectly in media coverage of events domestically and in developing countries. Importers were exposed to these movements as part of a global purchasing



environment from which the Zimbabwean exporters were relatively marginalised. As a result of these concerns importers were unwilling to engage with exporters whose historical business and manufacturing practices had been overtaken by changing business imperatives. Evolving consumer perceptions of ethical and moral standards, as they impacted on importers, therefore isolated some exporters. Pressure group activities, reflecting perceived poor practices in LDCs, therefore form a component of LDCs Negative Image and are incorporated with the Business Environment label.

Consumers' perceptions of products and services historically featured widely in the COO literature, beginning with the seminal paper by Schooler (1965) and continuing through to current work, for example Kinra (2006), Wang and Heitmeyer (2006), Hamzaoui and Merunka (2006), Balestrini and Gamble (2006). To date little work has incorporated any appreciation of their combined effects through the activities or influence of pressure groups. Consumer group influence was to some extent disparaged by Zimbabwean exporters, but seen as a more powerful motivation in decision making from the importer perspective. Although they were not directly affected consumers motivation towards ethical purchasing was transmitted through retailers and noted in the media. The role of media has not been emphasised within the COO literature to date and therefore this insight is tentatively seen as an extension of theory.

Pressure group concerns noted by importers included forced and child labour, ethical treatment of animals and working conditions in general. These considerations were reflected in the Negative Image held by this sample of importers and have not previously featured in COO literature. This was an unexpected finding and an aspect of international trade not generally conflated with the COO literature. Theory is therefore argued to be extended in this area, constituting a contribution to knowledge.

#### ➤ Exporter – Importer relationships

Despite exporters' transactional approach and emphasis on margins, paradoxically, exporters and importers appeared willing to enter into long-term

business relationships. These unstable entities (Blois, 1997) are viewed differently by buyer and seller (Perrien & Ricard, 1995; Anderson & Narus, 1984), but can be managed (Biong and Selnes, 1995) with responsibility attributed mainly to the seller. This would seem to disadvantage the exporters, who from interview appear to have little or no experience of customer relationship management (Mutoti, 1997; Foroma, 1999; Voordijk, 1999) and in general did not maintain basic relationship interactions (Jancic and Zabkar, 2002). Exporters and importers perceived each other as opportunistic which (Nielson, 1998) importers believed was a result of exporters' desire either to win orders or to satisfy importers' requirements. Conversely, exporters perceived importers, in some cases, as 'chancers'. This impacts upon relationship quality and contributes to both parties Negative Image of the other. Exporters' failure to achieve general contract parameters also serves to reinforce importers' Negative Image and undercuts any credibility that may have been established. Overall there is a lack of intimacy in the transactional approach which does not support export success factors (Darling and Seristo, 2004; Bradshaw and Burrige, 2001; Holzmuller and Stottinger, 1996) identified in the initial framework, Figure 2.6. Accordingly the elliptical shape was again seen as appropriate. Twin hemispheres labelled Exporter and Importer are utilised in order to suggest differences in attitudes and positions.

This discussion, based on empirical fieldwork brings a new perspective to seller performance in LDC - MDC relationships. This has not previously been highlighted in the COO literature where tactics for handling COO and market access have been the focus. In this perspective a longer term orientation is called for the focuses on the Negative Image of developing countries and is therefore tentatively seen as a contribution to knowledge.

#### ➤ Deficiency In Marketing Sophistication

Importers saw little formal market research or strategy from exporters. Both parties acknowledged a deficiency in marketing sophistication as a contributor to LDC negative image and this is reflected in the Alpha model. Exporters had operated in a relatively closed domestic business environment and from



interview regional exporting were indicated to be relatively less sophisticated than global markets. As an avenue to upgrade skills this may therefore have been less advantageous than initially expected. This supports the discussion on exporter isolation. At the European level many more competitors exist than in domestic markets creating intensity of competition (Kaleka and Katsikeas, 1995). One importer exemplified this lack of international experience by referring to exporters responding to incorrectly perceived buying signals. Several contributory elements have been identified including lack of skills in relationship formation, development of interpersonal skills and input to negotiations. These may be related to differences in management styles and, by extension, difficulties in establishing working relationships across-cultures where distance, adaptation and sensitivity are required (Aviel 1990).

Amine and Chao (2005a,b) offered the concept of uphill and downhill marketing, which emphasised the role of media. The downhill concept can be applied in terms of Zimbabwean exports to some African regional markets, but interview data indicates that the uphill concept would apply in terms of exporting to South African markets where consumers were said to be more sophisticated. According to importer interview data a similar situation would apply in terms of domestically designed Zimbabwean footwear exports into European markets. This concept is utilised cautiously here and has not been utilised in COO research previously, potentially representing an extension of theory and contribution to knowledge.

#### ➤ Quality

Quality is a key issue (Ambler and Styles, 2000) for both parties and is also perceived to be a mediating variable in decision making. From the importers' perspective, noting that European footwear is a high-quality benchmark (Heslop and Wall, 1985), the LDC manufacturers' quality is perceived as lower. For exporters and importers technology was a key component in manufacturing quality, COO generally (Usunier, 2006) and fundamental to the negative image of LDCs (Khanna, 1986). The lack of high quality finish was related by exporters and importers to low investment, poor materials and



inadequate production machinery. Manufacturing facilities are encompassed by the quality construct of LDCs negative image. For the exporters high risk investment, low staff training and outmoded production machinery were the causes, arising from domestic environmental factors (Brautigam *et al.* 2002; Ayittey, 2001). The domestic environment therefore directly affects overall product quality and is shown in the model as a contributor to Negative Image.

Finesse in design and construction of the finished product are further aspects of quality and have been shown to be important features of goods marketed on appearance and price (Ahmed *et al.* 1994). Importers appeared to make parallel judgements on price and style. The hierarchy of manufacturing countries (Papadopoulos and Heslop, 2002; Manrai *et al.* 1998) described by importers focused on product quality and importers considered LDCs inferior producers by comparison to Europeans. Importers agreed that design and execution were a weakness for many LDC manufacturers and concurred that exporters would find assistance useful in production of the required quality. Conversely some exporters believed home market goods achieve acceptable quality for European markets, conflicting with the literature regarding larger African markets (De Wet *et al.* 2001; Okechuku and Onyemah, 2000). A discrepancy therefore exists. This is not perceived as a question of quality per se, but of quality as a construct, particularly with regard to the concept of 'value' mentioned in exporter interviews, i.e., 'full leather', indicated a particular meaning for some exporters; this did not have the same importance for importers and would appear to suggest that there is no construct equivalence between LDC – MDC exporters. This is possibly a contributory factor in the creation of mutually negative images as, for example, reflected in differing interpretations of the importer product sampling procedure. The difference between domestic LDC and UK market quality requirements is acknowledged as a constituent of quality in the Alpha model.

#### ➤ Cultural Perspectives

While exporters accepted that the colonial link was now diminished in character there was still strong evidence that a European orientation

persisted. This was seen to reduce the need for cultural adaptation and sensitivity (Trang *et al.* 2003, 2004; Pornpitakpan, 1998). A lesser, but clearly still important, emphasis on regional assimilation and Africanness was also evidenced by exporters. The exporters' historical perspective and current outlook suggest cultural plurality. In this sense some exporters may see themselves as bi-cultural (Chang, 2001). A potentially ethnocentric sympathy was extended by importers on the basis of the acknowledged link, but this did not appear to have an appreciable positive effect on decision-making, giving rise to exporters' disconfirmed expectations. This was unlike the accepted influence of negative images identified from interview. Exporters were perceived as outgroup members (Fant, 1997) by importers who argued that they would form an impression of the individual exporter and determine business potential from that (Simintiras and Thomas, 1998). Reputation (Heffernan, 2004), mental models (Schumacher and Czerwinski, 1992) and symmetry of status (Stangor and Schaller, 1996) are important here. Observation and business culture literature suggest Zimbabwean manufacturing operates within a high power distance and UK management arguably operates with a relatively low power distance which potentially obviates closeness and may create difficulties in interactions (Remland, 2000; Williams *et al.* 1998). Although communication is in a common language, understanding may be different (Bradley, 1995). Under these circumstances culture may create a barrier to transactions (Aviel, 1990). For these reasons culture is acknowledged as important in image formation, offering potential for misunderstandings and conflict across-cultures, leading to creation or reinforcement of LDC Negative Image. Cultural labels are therefore incorporated to the model.

#### ➤ Issues In The Business Environment

Primary and secondary research showed the Zimbabwean domestic business environment to be turbulent. Conditions had deteriorated over the research period, as shown in section 4.1.10, Appraisal Of The Current Situation In Zimbabwe. These conditions appear to transmit through the media into the consciousness of MDC importers. By contrast such issues as hyperinflation



and the kinds of political uncertainty experienced in Zimbabwe did not arise as problems for the importers.

The interactions of business associations, parastatals, state and outside organisations are an integral part of a functioning business environment (Brautigam *et al.* 2002). These provide the factors conducive to growth of profitable business, particularly sympathetic government and trust between government and business. Exporters and importers recognised a lack of such elements within some developing country economies as a further component in LDC negative image and this perception is incorporated to the model. Although Anholt (2003) has strongly suggested developing countries may benefit from nation branding there would seem little opportunity for use of this concept until basic issues have been addressed (Fan 2006; Gertner and Kotler, 2004; Gilmore, 2002). This does, however, introduce a perspective that has not been highlighted in the COO literature previously in relation to LDC – MDC situation.

Exporters perceived importers generally as unwilling to risk new suppliers, but some individuals were seen as more open to new opportunities. One reason given by importers was that exporters over promised and under delivered, being unaware of the long term repercussions. Similarly some importers were personally sympathetic towards exporters, but risk averse professionally. Importers judged individual LDC businessmen on their own merits, despite negative overall country views. In the model importers professional aspect towards exporters and the purchasing of products is shown, however, beneath this a personal sympathy is evident that tends towards the exporters' position. This ambivalence reveals a personal-professional tension that appears to be resolved by subsuming personal preference to professional, rational decision-making (Liang and Parkhe, 1997). This brings the work of Ajzen (1991, 2002) into buyer-seller relationships in the LDC – MDC situation and therefore potentially extends the theory of planned behaviour into a new context.



#### 4.4.3 Summary – Presentation Of The Alpha Model

The Alpha model summarises the contribution to knowledge which has been made through the previous discussion and analysis in Chapter Four. Entrepreneurs continue to be drawn to the UK market and this research has demonstrated the reality of Negative Image for LDC exporters and MDC importers operating within that market. Negative Image is more than a stereotype since stereotypes can be positive or negative, while the particular phenomenon considered is perceived as uniquely negative by both parties. This insight potentially extends COO theory.

It was shown empirically that the actions of exporters are a major contributory factor. This has not hitherto been emphasised in the COO literature. Although Negative Image arises from media portrayals of individual developing countries, in addition and perhaps more importantly, there is input from the underpinning image of continental Africa. This is tempered by individual importers' own conceptualisations. A further element was the media and experiential contribution made to a country's image by the LDCs in general.

Zimbabwean exporters anticipated the effect of Negative Image would be alleviated by historical linkages. This was not the case, linkages appeared ephemeral to importers. The effects were believed by exporters to directly impact importers' expectations of performance negatively across a range of factors including price, quality and delivery. This was shown to be correct. Importers also viewed exporters' manufacturing capacity, marketing and social skills similarly. Professionalism was an exception. Exporters' negative image of MDCs specifically addressed the buying process, including rejection of consignments, sampling, alteration of requirements and general unwillingness to initiate business.

Key factors for importers were performance related issues, but other increasingly important factors included pressure group concerns such as ethical trading, human rights, animal welfare and the environment. These constructs were confirmed empirically and may present a personal-



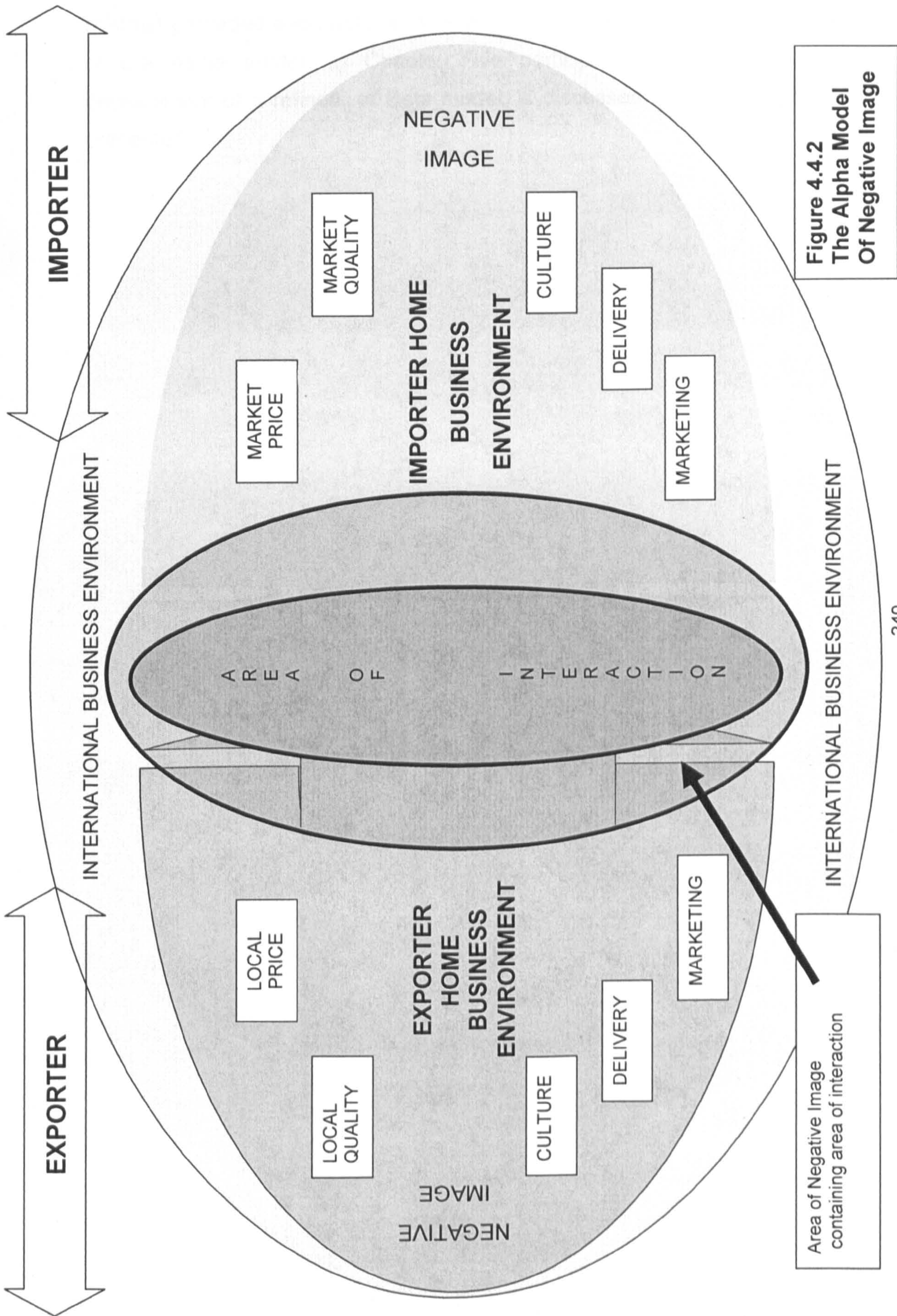


Figure 4.4.2  
The Alpha Model  
Of Negative Image



professional dichotomy for importers. Evidence suggested that a degree of mistrust pervaded even long term relationships. This concludes presentation of the Alpha model. In Chapter Five participant feedback leading to development of a refined, or Beta model, is discussed and the Beta model presented.



# **CHAPTER FIVE**

## **PRESENTATION AND DISCUSSION OF THE BETA MODEL**

# **CHAPTER FIVE PRESENTATION AND DISCUSSION OF THE BETA MODEL**

## **5.1 Introduction**

In this research attention has focused on the postulated phenomenon of Negative Image of developing country exporters. This was investigated through interviews with footwear manufacturers in Zimbabwe, the exemplar country and with UK footwear importers, supported in the UK by questionnaire. Subsequent to inductive analysis the empirical data was integrated with literature sources and an Alpha model was produced and presented in Chapter Four, Part Four. Exporters and importers were then invited to give feedback on this model, see Appendix XIV and Appendix XV. The twin purposes being to confirm content of the model and determine any requirement for revisions, leading to a refined or Beta model.

To clearly give the exporter and importer perspectives discussion of participant feedback leading to development of the Beta model is structured in two parts. In the next section an indication of the level of feedback received is given followed by the exporter feedback. This considers matters of model accuracy followed by key issues and critical factors, a brief summary is then given. The same process is followed for importer feedback. And the refined or Beta model is then presented. The chapter concludes with discussion of the contribution to knowledge made by this research.

## **5.2 Level of Feedback Received**

Three responses were received from exporters, representing a 33% response rate. In the case of importers two firms had closed down, several interviewees had been replaced and one interviewee was not able to respond for personal reasons. Subsequent to protracted email and telephone follow-up two

responses were received, representing 16.6% of importers. Although two further importers had agreed to provide feedback none was ultimately forthcoming. With this in mind the data has been interpreted cautiously.

### **5.3 Exporter Feedback**

#### **5.3.1 Model Accuracy**

The logic underpinning a requirement for feedback was to inform exporters of importer perspectives and reach an accommodation or meeting of minds. Two exporters gave feedback by telephone and one by email contact. Telephone response had been anticipated and was accommodated, a list of key points having been prepared in advance. Notes were made of the conversation and fed back to the exporters by email and fax for confirmation. Minor textual changes were made by one exporter, though from the comments that were received the model is agreed to be accurate.

Question: "Are the findings an accurate reflection of the situation?"

Exporter One

Answer: *"A very realistic assessment of the situation."*

Exporter Two

Answer: *"The report was an accurate assessment."*

Exporter Three

Answer: *"All the points are valid."*

Extracted from exporter feedback received April 2005. Based on these comments the model is an accurate reflection of exporters' experience.



### 5.3.2 Key Issues

Key issues arising from interview that had been incorporated into the Alpha Model were then put to the exporters for comment. Confirmed notes from telephone conversations with the non-niche exporters are shown below.

#### ➤ Home Business Environment

Issue: Instability of the exporter home environment causes worries for importers.

#### Exporter One

Answer: Understandable – no foreign exchange; cannot import raw materials or new machines. Cannot commit to orders that might be placed.

#### Exporter Two

Answer: Understandable – but actually the environment is not bad. Forex is the difficulty. Cannot upgrade to new machines except on rolling programme.

These comments underscore the need for export orders and emphasised manufacturers' reliance on imported leathers for manufacture of export quality products. The importance of foreign exchange had been intimated in exporter interviews, but not fully appreciated and the point had become detached from concerns regarding the business environment in Zimbabwe. In addition the comment suggests that potential unsolicited orders might be refused, or if accepted, treated unenthusiastically. This suggestion of enforced inactivity has not been a feature of the literature to date and may tentatively be seen as representing an extension of theory.

Replacement of manufacturing machinery is also seen to be hampered by lack of foreign exchange. It is implicit to the suggested programme that only individual machines would be considered for replacement, therefore at any one

time the majority of plant would be of an older generation. This supports the importers' negative view regarding Third World technology generally and in particular of footwear exporters' technological capacity.

### ➤ Quality

Question: Quality is an issue between domestic and export perspectives

#### Exporter One

Answer: Quality issue is agreed, a problem. Cannot improve until raw materials are available from outside Zimbabwe to match international material requirements. Home based leather is in short supply and not up to standards required. Need to import leathers and add value through manufacturing for re-export.

Different perceptions of quality because Zimbabwean manufacturers lack exposure to international market. Lack development in design and technology, basically fifteen years behind market designs and manufacturing techniques.

#### Exporter Two

Answer: Quality issue agreed. Dumping of substandard shoes domestically and sending better quality overseas. Chinese immigrants moving in and setting up firms, but making plastic so not major competition. Quality can be made in Zimbabwe.

The comment from Exporter Two that quality could be met clearly does not accord with the first noted exporter or the data provided in section 4.1.10 Appraisal Of The Current Situation. It does, however, support comments made by importers regarding the poor quality of domestic Zimbabwean leathers. This supports both the model and reported disagreement between exporters on home and export quality standards. Importer assertion that some exporters have been disingenuous regarding the ability to complete orders to specification

and therefore lack credibility is also supported. This simultaneously contributes to the construction of a negative image.

It would be difficult to follow through on the added-value concept in view of technology issues. In addition, while there has been a trade in Zimbabwean 'wet blue' hides these have not generally been utilised in the shoe trade. The tanning process has itself been the subject of an UNCTAD sponsored project which recommended "*the upgrading of technology and quality of products*" (Zimtrade, 2001, p10). Raw material therefore affects image through finished product quality.

Comments on quality also raise the issue of design. From importer interviews it was noted that designs should be market specific, but some exporters believed their own interpretations of market requirements were acceptable. This feedback supports the importer view and again questions exporter market awareness. Lack of finesse in design and manufacturing techniques would contribute to importers' Negative Image of Third World footwear manufacturers' product. The Alpha model is confirmed.

#### ➤ Price

**Issue:** Goods are priced higher than competitors when related to GDS experience and companies in India and China.

#### Exporter One

**Answer:** Agreed that goods are expensive, this is due to economic conditions. Especially so in real terms compared to historical prices, results from economy driven inefficiencies in manufacturing and lack of capitalisation.

#### Exporter Two

**Answer:** Agreed goods are expensive, due to economic conditions and, for example, labelling requirements, an addition to manufactured costs.



GDS attendance was nine or ten years ago so pricing has changed with influence of \$Z valuation.

Feedback from exporters on pricing acknowledges that Zimbabwean footwear is expensive relative to other Third World suppliers. This conflicts with one exporter who remarked upon poor margins during interview. For other exporters lack of volume, obviating economies of scale, was perceived as a weakness of the Zimbabwean footwear manufacturing industry. A further reason for high pricing was argued to be low output per hour, due to labour skill and technology issues, compared to other higher volume manufacturers such as China and India. The Zimbabwean business environment also contributes to this through high inflation rates and currency problems. The comment regarding labelling supports Usunier (2006) who saw this as detrimental to developing country export prospects generally. Pricing is therefore confirmed as a justified component of the Alpha model.

#### General Reliability and Business Efficiency

Issue: Unreliability in terms of deliveries, slow bureaucracy and perceived inefficiency creates lack of trust.

#### Exporter One

Answer: Delivery issues result from materials supply problems. These cause delays locally so have knock-on effect.

Bureaucracy exists especially in comparison to exports from the Far East. Zimbabwean firms not used to dealing with First World companies and need to open up to international conditions e.g. adherence to deadlines.

#### Exporter Two

Answer: Delivery issues result from materials supply problems. These cause delays locally so have effect on deliveries. Manufacturing plant currently running under capacity, able to make 1100 to 1200

pairs per day, but now only 300 to 400 per day so export orders could be met. Trainee Manager from UK or guidance would be welcome to ensure compliance with requirements.

Both exporters agreed that there were issues around delivery and argued that these were related to supply chain problems. Export quality leather and trim are imported from developed countries and UK supplied trim featured in one exporter interview. Supporting interviews with shipping agents confirmed potential problems with customs bureaucracy, tending to support the exporter case.

Bureaucracy within the firm was also seen as a problem as exporters were inexperienced regarding the speed of response required in international markets. This was related to Far East operations and implied that Zimbabwean firms perceived themselves as having slower systems and possibly also remaining somewhat parochial in outlook. The model is therefore confirmed in these areas.

#### **5.4 Exporters' Critical Factors**

Exporters were then asked to state what, from their perspective, would be the critical factor or factors. Two responses were received to this question and are shown verbatim.

Issue: If there was one key issue that could be improved to help exporting, what would it be?

Exporter One

Answer: *"The establishment of genuine democracy, or at the very least, a local currency that is allowed to float freely against foreign currencies."*

Exporter Two

Answer: *“Sufficient foreign currency to import the right quality of raw materials to be able to produce export standard footwear.”*

The comment from Exporter One relates directly to both exporters' and importers' Negative Image of Zimbabwe. The comment regarding lack of democracy can be seen in terms of the importers propensity to purchase and also creation of an enabling environment for business development. This assumes resolution of exchange rate issues and relates to perception of country freedom, supporting Wang and Lamb (1983). Instability in the environment is one potential cause of a country's negative image. Accordingly the model component is seen as confirmed.

## **5.5 Summary of Exporter Feedback**

In general the feedback obtained from Zimbabwean exporters came through telephone conversations. Topics included the major areas identified from primary research as constituting importers' Negative Image of LDC exporters. Exporters commented positively on the accuracy of the model and in their comments also accepted and demonstrated understanding for the Negative Images held by importers. Feedback provided shows the Alpha Model is substantiated in its content and there were no suggested amendments to the model from exporters.

One key issue was a dearth of foreign exchange in Zimbabwe. This had unappreciated effects on the business environment and manufacturing process beyond the initially identified provision of chemicals and trim. This may be seen as a cycle of cumulative causation.

Reduced exports accrue lower levels of foreign exchange which affords decreasing levels of manufacturing investment. One result of this is to produce products of lower quality and therefore fewer export orders are obtained, which in turn reduces the level of foreign exchange available. The re-emergence of



this subsidiary factor in image is noted and can be accommodated within the Home Business environment.

## **5.6 Importer Feedback**

### **5.6.1 Model Accuracy**

Feedback was sought from all importer interviewees. Three agreed and two ultimately responded as discussed below.

Particular attention was afforded to the need for additions to, or deletions from the model. No changes were requested by importers therefore it is concluded that the model is satisfactory. Verbatim responses have been cut and pasted from importer emails and are italicised below.

Question: Overall how well does the model relate to your experience?

Importer One

Answer: *“Very well.”*

Importer Two

Answer: *“With my dealings with India and China, good.”*

These comments show that the model relates well to importers' experience and is therefore acceptable.

### **5.6.2 Key Issues**

A further question asked importers about the nature of key issues in importing.

Question: If you were asked to nominate one aspect from the model as critical to exporters' success in trying to establish trading relations with UK importers what, if anything, would it be?

Importer One

Answer: *“The need to get the product quality acceptable to the importer before any progress can be made.”*

Importer Two

Answer: *“Quality of merchandise and delivery, price is a problem but can be worked on.”*

The first comment deals directly with an issue raised in discussion of the exporter interviews. This concerns the mixed perception of domestic footwear quality among manufacturers in Zimbabwe. Importer feedback clearly suggests the quality standard is unrelated to exporter perceptions. It is perceived to be dictated by the importers themselves, based on personal benchmarks derived from high street requirements. In addition any product changes requested in order to meet that level are necessary and not a method of rejecting product indirectly. This reinforces earlier interview data and suggests differentiation in the model between local and export quality is substantiated. In addition, exporters' perceptions regarding 'rejection by amendment' are shown to be erroneous. This comment equally shows that transaction based approaches to importers will not be successful in the long term due to the lack of importer specific knowledge that this implies.

The second response conflates quality, delivery and price, confirming the product characteristics are perceived as inseparable; indeed as we have seen the issues of merchandise quality and price are synonymous. Price was not generally perceived to be a problem. Table 4.3.3 showed importers found products were priced reasonably, therefore this importer may be in a particularly price conscious market sector. Quality and price are represented in the model for both exporters and importers, therefore no change is necessary.

## **5.7 Importer Critical Factors**

A further question invited initiatives from interviewees.

Question: Are there any other comments you would like to make?

Answer: *"The exporter must always bear in mind that they have to supply what the importer wants, not necessarily what they would like to supply. If they don't someone else will!"*

Answer: *"My only concern would be the domestic conditions concerning this part of the world and whether it would impede delivery of goods to the agreed sample and price."*

The content and tone of these remarks indicates their criticality to the importers. The first comment suggests that product design, as with quality, should be coincident with importer requirements and, therefore, the needs of high street retailers who are the penultimate customers. These respond to pressure groups and are aware that exhibition designs are ephemeral, seasonal, creations that are in production and following trends rather than leading them. The assertion by some exporters that they were not lagging on design therefore conflicts with the general acceptance of the need for cooperation on design and range development. This emerged from the analysis as an objective for both parties, however the exporters' current transactional approach precludes such relations.

The second comment addresses two concerns. First is the ability of exporters to meet targets in the light of domestic conditions in Zimbabwe and illustrates importer knowledge of the situation there. This is a fundamentally important issue in terms of Negative Image of developing countries. Until there is visible improvement importers are likely to be reluctant to do even theoretical business, which tends to negate national level image management. The second point concerns materials and equipment. These issues have been identified by importers as basic to improving exporter performance and image. Exporter feedback showed that under prevailing conditions they could not commit to unsolicited export business, therefore reinforcing the Negative Image held by importers. Exporters are essentially restricted to domestic and regional markets, gaining little international experience or foreign exchange that would lead to purchase of export quality materials and equipment.



The Home Business Environment is shown as a component of the Beta model and therefore these concerns are addressed. The comments also serve to highlight the fundamental nature of the Negative Image that pervades even theoretical deliberations regarding business with developing countries, seen here in the example of Zimbabwe.

Overall the model satisfied importers' requirements. This is seen in relation to their experience of dealing with LDC footwear exporters and suggests no amendments are required.

### **5.8 Summary of Importer Feedback**

Feedback from the two responding participants indicates that the model may tentatively be regarded as accurate in terms of their experience. This is acknowledged to be limited feedback. Factors which arose during the interview were again reiterated suggesting that content was appropriate. It was notable that neither participant referred to African again suggesting marginalisation of the continent.

The orthodox factors of price, quality and delivery featured in the feedback. In addition the importance of design and style was suggested, together with concerns regarding the impact of issues in the domestic business environment on business transactions. We therefore see the effect of Negative Image indicated at this conceptual level, potentially suggesting a requirement for refinement of the Alpha model.

### **5.9 Summary of Feedback on the Alpha Model**

Interviewees were recontacted to request comments and criticisms on the accuracy and validity of the Alpha model. Feedback provides confirmation of model accuracy regarding the situation as experienced by the interviewees.

Exporters identified that shortage of foreign exchange was a more important constraint on purchases of foreign hides and ancillary goods for the export manufacturing process than had been realised. This reduced export earnings and further investment in technology, constraining quality. Each of these factors had a negative effect on the images of exported product.

For the importers quality and reliability of performance from exporters were seen as key issues. Design was acknowledged as an issue that could be resolved if exporters would be guided according to importers' market knowledge and not their own desires or manufacturing preferences. This supports the Country of Design concept within the literature. It was also noted from importer responses that Negative Image of LDC exporters was implicitly influential in consideration of business transactions before contact inception.

It was concluded from analysis that the Alpha model identified appropriate dimensions regarding the phenomenon of Negative Image, however, further insights were drawn out from feedback regarding issues related to the home business environment, quality, price and general reliability and business efficiency. These have been incorporated into the Beta model.

This concludes the review of feedback from exporters and importers, in the next section the refined or Beta model is presented.

## **5.10 Presentation of The Beta Model**

### **5.10.1 Key Differences Between The Alpha And Beta Models**

The refined or Beta model is presented at Figure 5.1. This model is proposed based on further analysis, reflection and integration of participant feedback. Attempts to obtain feedback from participants occurred concurrently with continuous personal reflection on the model. Three key differences between the Alpha and Beta models are evident.



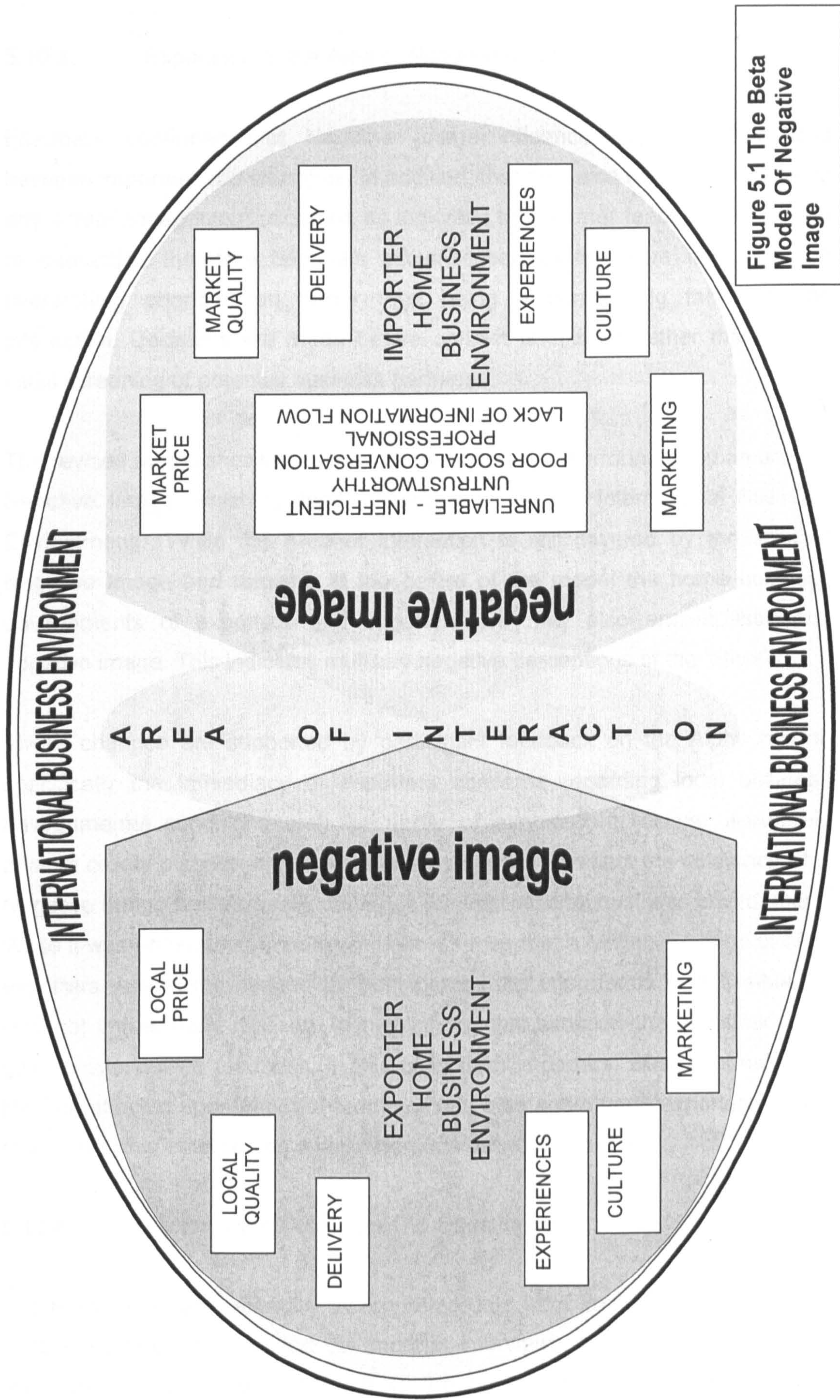


Figure 5.1 The Beta Model Of Negative Image



### 5.10.3 Expansion of the Area of Negative Image

Feedback confirmed that Negative Image influence physical interactions between importers and exporters, in addition, that they also have effects prior to any actual engagement occurring as indicated by importer feedback. The Area of Interaction therefore becomes circumscribed by Negative Image as an overarching phenomenon rather than being a contributing factor to the interaction. Decisions are made before contact is initiated rather than during initial screening of potential business partners.

The revised model shows the Area of Interaction now surrounded by an area of Negative Image, which is itself encompassed by the International Business Environment. While the Area of Interaction is still covered by the area of Negative Image and remains at the centre of the model the home business environments of exporters and importers are now also encompassed by negative image. This indicates mutually negative perceptions of the 'other'.

These changes are supported by participant feedback on the Alpha model, specifically the immediacy of importers concerns regarding local business environmental conditions and the ability of exporters to deliver accurately against orders placed. Importers concerns appear to reflect the existence of a Negative Image that generally pervades the international business environment. While it was understood from the interview series that a Negative Image of LDC exporters was acknowledged by both parties the importance of this situation was not immediately realised. In highlighting this situation the significance of gaining interviewee feedback, in this case from importers, was demonstrated. Having reflected upon importer feedback and also again upon exporters earlier comments, this emerged as a key difference between models.

### 5.10.4 Factors Identified From The Questionnaire

The Beta model also explicitly incorporates data from analysis of the importer questionnaire used to support UK importer interviews. Results were previously seen as providing implicit support to the model and encompassed by the

Negative Image icon, but are now isolated to reflect importers specific concerns. The key areas of concern including reliability, quality, efficiency and information flow. See Table 4.3.4. The terms identify key perceptions of LDC exporters from the importers perspective. Their inclusion is a major difference to the Alpha model. The factors indicate a need for countervailing demonstrations of positive performance, requiring long term relationships. From importer feedback it can clearly be seen that a transactional approach is insufficient in winning orders.

Importers are positioned to receive information and market signals in the form of trend information from retailers. This should inform their purchasing and range building rather than working to exporters' perceptions. An outside-in perspective on strategy is suggested as opposed to the current inside-out view. In attempting this strategic realignment a cultural change would be needed within the business, allowing organisational learning and accompanying information flow and autonomy to arise. Implicit to this change is a revision to the corporate structure.

## **5.11 Potential Priority Factors**

We can identify the following three areas as key factors in the Negative Image of LDC exporters and relationships with MDC importers:

### **5.11.1 Meeting Market Requirements**

The performance indicators of price, quality and delivery are key factors in transactions. It is not possible to clearly distinguish between market quality and market price as they interrelate and are regarded as synonymous. From feedback on the Alpha model it would appear that if market driven designs and quality are attained then price becomes negotiable. A precursor to any involvement of importers with exporters appears to be improvement to the developing country home business environment.



### 5.11.2 Relationship Building

Exporters are currently operating a transaction based approach to the UK and European markets. Change is required to a relationship building approach that will allow business to be transacted between the parties, or initiate more open communications, pending this there appears no possibility of change in the characterisations of LDC exporters. The interpretation placed on relationships by one exporter acknowledged importers prior bad experiences and suggested that these were something to be overcome. The initiation of ongoing contacts requires a fundamental change in the exporter mindset away from individual transactions and towards a relationship building approach to the MDC markets. Given the current economic and financial situation in the Zimbabwean home business environment this is unlikely to occur over the short to medium term.

### 5.11.3 Improvement In Marketing Skills

Exporters, importers and supporting interviewees all noted the lack of exporter marketing skills. In combination the lack of both marketing skills and market knowledge form a substantial handicap. This can only be overcome through education and exposure to the MDC markets since currently held domestic market knowledge is inapplicable at the international level.

## 5.12 Contribution To Knowledge

Despite limitations, acknowledged at section 3.17, the study has increased our overall understanding of the COO effect. The key contribution remains achievement of the study aim which was to formalise the nature of a postulated Negative Image of developing country manufactured goods exporters. The contribution can be seen in four main areas:

- ❖ Formalisation of the Negative Image Phenomenon

Formalisation of the Negative Image phenomenon, perceived as establishing



construct equivalence between Zimbabwean exporters and UK importers and identifying the constructs and components of the postulated Negative Image, has been achieved, which potentially establishes a new area of study within COO. Various writers in the COO and place branding literature (Khanna, 1986; Chao, 1989; Liang and Parkhe, 1997; Kotler, 2000; Nargundkar and Bajaj, 2002; Anholt, 2000) have used the term negative image in describing perceptions of countries. This has been counterpoised with the descriptor positive image in the context of stereotyping (Fant, 1997). This study has shown that Negative Image is different to stereotyping specifically in terms of the directional effect, where stereotyping is bi-directional and Negative Image is consistently negative. This study is therefore unique in identifying Negative Image as a phenomenon affecting market entry and potential trading relationships in the generally little researched developed-developing country context, notably the UK-Zimbabwe.

In addition the study was centred on business-to-business relationships across-cultures. Two contributory factors are involved with Negative Image that have not previously been highlighted in the COO literature. These are the important influence of media and lesser, but potentially growing, influence of consumer organisations. These are discussed in more detail later. In addition products and services have been central to previous COO based studies whereas this study raises the suggestion that a market entry perspective has value. The concept has been tentatively modelled, though it is recognised that the model is capable of further development by other researchers and this is encouraged.

#### ❖ Influence of Other Developing Country Exporters Historical Performance

It was established from empirical work in the study that Negative Image is greatly influenced by historical performance of other developing country exporters. Many studies carried out in the COO field have focussed on the effects of image in relation to products and services beginning with the seminal paper by Schooler (1965) and continuing to the present day (Gaedeke, 1973; Nooh and Powers, 1999; Okechuku and Onyemah, 2000; Ahmed and d'Astous, 2004; Balestrini and Gamble, 2006). These have investigated consumer and

business buyers' perceptions of different countries offerings in isolation from the images and performance of other countries. In this study it was found that the Negative Image of one country is influenced by the perceived or actual performance of exporters from another country. This affects the image of individual countries detrimentally, similar to but different from the halo effect identified by Han and Terpstra (1990). A context is engendered in which exporters are perceived by importers as operating identically despite individual capability, manufacturing skills or state of national development. Individual potential exporters, therefore, find it difficult to persuade importers of their uniqueness in the face of this wider Negative Image. The affect has been implicitly identified by, for example Nargundkar and Bajaj (2002) and Khanna (1986) but not extended to the wider perspective. This study recognises that Zimbabwean exporters, as a group, are to some degree responsible for their mutual predicament and, reciprocally, the generation and reinforcement of other developing country exporters Negative Image. This aspect of the COO effect has not previously been identified.

#### ❖ The Influence of Media

The influence of media in terms of images, reports and advocacy (Baron, 2003) has not previously been emphasised within the COO literature. According to the theory of media coverage and treatment, shown as Figure 2.5, selective coverage in line with criteria articulated in the theory may disadvantage developing country imagery. Occasional COO related papers have considered the effect of events in certain countries, for example Viosca, Bergiel and Balsmeier (2004), on country and African continental brand equity in relation to Nigeria. Other sources have also acknowledged the long term impact of media events (VSO 2002b). This approach has not been generally considered by established writers such as Usunier (2006), Papadopolous and Heslop (2002), Chao (1989), Ghauri and Cateora (2006) or in emergent work by, for example, Fan (2006). Empirical evidence from the study supports this suggested new perspective. In addition the advocacy role that is in some instances enacted by the media could possibly be used to the advantage of developing countries. By promoting positive images, based on an improving reality (Fan, 2006) their



exporters may be able take advantage of positive, rather than suffer, negative effects (Amine and Chao 2005a). This would further strengthen the emerging linkages seen in this study between COO and place branding and may potentially be a fruitful avenue for further research.

#### ❖ Zimbabwean Exporters Negative Image of UK Importers

This study began by investigating exporter-importer relationships across-cultures and between developing (Zimbabwe) and developed (UK) countries. According to some writers (Ibeh, 2003; Geyskens *et al.* 1998; Leonidou and Kaleka, 1998), most research into importer-exporter relationships has examined the developed country importers perspective and studies about countries in sub-Saharan Africa are notably absent from the literature. Studies to date have therefore not fully addressed issues related to the exporters' view of importers. It was unexpectedly found from the study that a Negative Image of UK importers was held by Zimbabwean exporters. This context and finding potentially represents a different perspective on COO.

Interview evidence indicates that exporters had attempted market entry anticipating symmetrical relationships. Leonidou and Kaleka (1998) found exporters tend to allow importers to control the importer-exporter relationship, characterised as equal-unequal or dominant-submissive (Wish, 1976). Interview evidence indicates that Zimbabwean exporters were averse to this, possibly as a result of having experienced a relatively closed and high power distance culture (Hickson and Pugh 2001). Adoption of a transactional approach with no closeness or support Ostrom (1996) may also be unhelpful. The UK is reported as having a relatively more informal UK style (ul-Haq, 2000) and myths and stories regarding supposed exporters poor experiences with the UK market were reported to be circulating in the Zimbabwean footwear industry. Investigation of the evidence presented here may offer the opportunity for further research.

Further specific insights are briefly outlined below.



#### ❖ Inclusion of Consumer and Ethical Influence On COO

Based on empirical evidence this study has highlighted the influence of consumer ethical trading concerns in terms of the COO effect. Importer and exporter interview data indicates increasing concerns to avoid the possibility of being seen as an unethical trader. This area of literature has not previously been linked with COO.

#### ❖ Perspective On Psychic Distance

Empirical work enabled the derivation of a different perspective on the psychic distance effect (Johansson and Vahlne, 1977; 2003). This possibly arises due to weakening UK importer linkages to ex-colonies, produced by perceived reorientation of the UK towards the EU and supported by increasing globalisation of footwear purchasing. Reduced influence of the concept was not reciprocated in terms of the continued expectations of Zimbabwean exporters who appear to continue to believe there is a natural and close link.

#### ❖ Clarified The Linkage Between COO And Place Branding Literature

A link has tentatively been established in this study between COO and the emerging field of place or nation branding. While COO has a well established theoretical corpus, place or nation branding, as yet is relatively embryonic. The field's journal only beginning publication from November 2004. The two areas have not previously been linked in a study and this may present further opportunities for use of a new, combined, perspective on COO and place branding.

### **5.13 Summary - Presentation of The Beta Model**

This chapter has discussed the process of development of the Beta model which incorporated participant feedback and personal reflection on the existing Alpha model. Key differences between the previous Alpha model and refined

Beta model were noted. The particular contribution to knowledge perceived as arising from this study was also discussed. Throughout the thesis attention has been drawn to other areas tentatively seen as potentially extending theory or offering a contribution to knowledge. Those highlighted above are considered the most significant. In Chapter Six Conclusions, Recommendations and Scenarios For Improvement of LDC manufactured goods exporters' image are offered. The final chapter of the thesis also deals with the wider implications of the current research and discusses limitations of the research. In addition suggestions for further research are proposed.

# **CHAPTER SIX**

## **SUMMARY**

## **CONCLUSIONS AND RECOMMENDATIONS**



## **CHAPTER SIX CONCLUSIONS AND RECOMMENDATIONS**

### **6.1 Introduction**

This thesis has investigated the previously postulated phenomenon of Negative Image of Third World manufactured goods exporters from a Critical Realist perspective in the African-UK context. The study focused on interaction between UK importing firms and Zimbabwean shoe manufacturing companies, taken as an exemplar industry. The study was based in the international business literature, specifically having a theoretical corpus in COO. Mixed qualitative and quantitative methods were used in order to access UK and Zimbabwean research participants' perceptions of the phenomenon. The methodology was operationalised in terms of semi-structured elite interviews with Zimbabwean shoe exporters and support organisations. Similar interviews were carried out with UK importers, where a questionnaire was also utilised to access common dimensions across the population. Inductive data analysis enabled development of a conceptual model that is tentatively seen as transferable between similar situations. The chapter is structured as follows.

Initially the Aims and Objectives of the research are restated and together with the supplementary questions, are answered. Next, questions arising from review of the literature are addressed and following this three scenarios for improvement of image are given. In the subsequent section conclusions, recommendations and the contribution to knowledge are discussed. In the penultimate sections a short reflection on the research process is given, limitations of the research and opportunities for further research are addressed. Finally a brief summary is given.

### **6.2 Discussion Of Aims and Objectives Of The Research**

In order to provide orientation the original Aims and Objectives of the research are restated then discussed in turn.

The Aim of the research was:

To empirically investigate and formalise the nature of a postulated Negative Image of Less Developed Country (LDC) export manufacturers and determine possible scenarios for amelioration of negative effects.

The specific Objectives of the research were:

1. To critically review the literature and theoretical concepts to identify the components and constructs of Negative Image and its resultant effect on the buyer-seller relationship in an international context.

The intention of Objective One could not be wholly satisfied from the literature sources and the addition of empirical evidence was necessary. A wide ranging review of COO studies was carried out including key works by Gaedeke (1973), Khanna (1986), Chao (1989), Wang and Lamb (1983), Nargundkar and Bajaj (2002) and Usunier (2006) among others. The review also incorporated linkages to the associated field of Country Branding and here a number of studies by writers such as Anholt (1998, 2003, 2005), Papadopolous and Heslop (2002) and Fan (2006) were considered. The review showed that established work emphasised developed countries, their consumers and products; little work related to developing countries. Although the term 'negative image' had been used this was in connection with alternative perspectives on countries generally and not in the precise sense intended in this study. Negative Image is defined here as a prior perspective on developing countries and their exporters that is wholly negative and which pervades potential and actual interactions. The effect produced is to unreasonably prejudice potential purchasers against products offered by those firms in favour of products produced by firms in developed countries. This differentiates Negative Image from COO and stereotyping where the perspectives may be positive or negative. Theory is seen as extended in this context.



As the content of existing literature proved insufficient to identify the constructs and components of Negative Image it was necessary to incorporate empirical data. Key factors comprising Negative Image identified from the literature review and fieldwork carried out for this study include: importers' experiences and stories, importers' assessments of developing countries domestic business, civil and political environments, anticipations of exporters' potential business performance including reliability, efficiency, professionalism and social skills, the influence of subjective norms within the importing firm, anticipations of product related factors including price, quality and delivery. This formulation has not previously been made in terms of developed country buyer-developing country seller relations, extending theory in this area.

2. Taking the example of the Zimbabwean leather footwear manufacturing sector and Zimbabwean exporters, to investigate the image of LDC exporters from a UK importer perspective with a view to identifying any Negative Image.

Objective Two has been satisfied. A number of related aspects were found to result from the fieldwork with UK importers and Zimbabwean exporters.

- It was found that a Negative Image of developing country exporters was held by UK importers, satisfying Objective Two. This comprised the factors identified at (1) above. With regard to Zimbabwe, the exemplar country, there was no individual or continental recognition as a footwear manufacturing base.
- In addition to the Negative Image held by the importers it was found that a personal-professional dichotomy potentially existed in terms of decision making. Being risk averse, importers' personal sympathy appeared subsumed to the requirements of commerce and the firms' subjective norm.



- It was also found that developing country exporters held a Negative Image of UK importers. This was an unexpected finding as no reference to exporters' perceptions of importers was found in the COO literature. This is perceived as a contribution to theory.

The content, though not investigated in depth, appeared to comprise experiences, perceptions and stories of both importers and the UK market.

3. Based on the findings at (1) and (2) above to assess potential for development of scenarios which may be useful in amelioration of any Negative Image in an importer/exporter scenario.

Objective Three has been satisfied. Based on fieldwork, three scenarios have been constructed that will potentially provide assistance if implemented. These address the governmental, company and individual exporter levels. According to Nargundkar and Bajaj (2002) this is necessary to ensure uniformity of promoted images.

### **6.3 Supplementary Questions**

The supplementary research questions associated with this study were:

- ❖ Does Negative Image exist in this context and if so, what are the components contributing to this image?

This question has been answered at (1) and (2) above. Negative Image has been shown to exist in the original research context and also from the exporter perspective.

- ❖ If Negative Image exists, what effect does this have on trading relations between Zimbabwe and the UK?

The effect of Negative Image is to create situations where decisions regarding suppliers' capabilities and products are made before contacts are initiated. These anticipated and actual interactions take place in the context of mistrust and alienation from potential partners. Decisions made under these circumstances are acknowledged by importers to be detrimental to developing country exporters.

A hierarchy of supply countries exists. Developed countries take primary position; newly industrialised countries occupy the secondary position, followed by developing countries. Within this a subset of developing countries is evident with India and China the leading countries, African countries are not recognised as manufacturing sources.

- ❖ What reconciliation of views, or potential accommodation, can be reached between exporters and importers on the facets of image?

A meeting of minds has been achieved between exporters and importers with reciprocal understanding of the potential partners' views. Exporters in particular accepted the importers' views and were able to rationalise them.

One key feature was an inability to invest in manufacturing technology, restricting performance and improvements in quality. A perceived lack of marketing skills was also important. This was seen to result in part from the restricted world view of some exporters. Both sides acknowledge a desire for long term business relationships and the need to cooperate in product development.

- ❖ From the foregoing, what scenarios for improvement can be suggested and can this analytical framework be transferred to other situations?

Building on the literature review and fieldwork an Alpha model was tentatively developed. The subsequent refined or Beta model incorporates participant feedback and further insights from continuing reflection. This is not perceived to be generalisable, but is considered to have some potential for transferability to other similar situations.

#### **6.4 Answers To Research Questions Arising From The Literature**

Questions arising from the literature review, section 2.14, are now answered.

1. To what extent has enforced isolationism affected the Zimbabwean worldview?

According to Zimbabwean interview evidence there is a tendency for some exporters to think parochially, described as *“a world that exists between the Limpopo and the Zambezi”* (Firm EM). The majority of manufacturers were outward oriented, addressing matters related to regional markets and at least one individual showed an indication of an ‘equidistant’ perspective (Ohmae, 1999). Several had attempted entry to the UK market and appeared inclined to do so in the future. It was clear from interview that a self-reliant nature had been inculcated, initiating change in the previously colonial export orientation of Zimbabwean firms in the study.

2. What is the impact of potential differences in African and European management styles as a possible source of inter-cultural misunderstanding?

The literature review revealed previous research had shown significant differences in the cultural dimensions of UK and Africa (Hofstede 2001). The UK was perceived as being individualistic and low power distance, while Africa was perceived to be collectivistic and high power



distance, African firms appearing more hierarchical and autocratic (Hickson and Pugh, 2001). This tended to be confirmed from fieldwork and suggested that, although not seen in reality between MDC buyer and LDC suppliers, potential for cross-cultural misunderstanding exists (Korac-Kakabadse *et al.* 2001; Herbig, 1997). Such a situation may arise where cross-cultural equivalence of meaning does not occur during interaction between participants, potentially also due to asymmetry in status (Stangor and Schaller, 1996). It was noted during interviews that exporters had not always identified or met actual decision makers and that this was a source of frustration. Market research improvements are therefore needed.

3. How can the potential effects on business interaction be ameliorated?

Deleterious effects on relationships can arise from cross-cultural misunderstandings. It is therefore necessary to consider the usefulness of the current export methodology adopted by exporters. This appears to consist of basic cold calling or prospecting and attempts to arrange sales appointments with little or no research or groundwork in advance of the meeting (Hakanson and Snehota, 1989).

It would be advantageous for exporters embedded in differing, culturally based management styles to adopt techniques aimed at reducing cultural distance and increasing cultural sensitivity (Trang *et al.* 2003, 2004). As decision makers they should also undertake preparatory research to identify and approach decision makers of the buying firm (Stangor and Schaller, 1996). In this regard cross-cultural sales training (Herbig, 1997) and continuing personal contacts aimed at importer education would also be useful.

4. How ambivalent are MDC importers towards investment in ventures with potential new LDC based suppliers and could this lead to the revision of mental models?

The thrust of this question is identification of basic importer risk assessment of LDC suppliers from a long-term business relationship perspective. Importers were cautious about opening themselves up to new suppliers based on what they saw as bad experiences in the past. This created a tendency to 'stick with what you have got' and a risk averse mentality (Gilmore *et al.* 2004).

To create the situation where switching behaviour would be considered exporters would need to be familiar to the importer and have made a positive impression over time through action knowingly undertaken without the aim of winning an order. The potential for revision of current negative mental models may then in some sense be fulfilled. It is suggested in the literature that mental models (Senge, 1990) are long lived and input is selectively discriminated to accord with or reinforce existing models, therefore considerable effort will be needed to assist importers to overcome their Negative Image.

5. Can the presence of stereotyping be confirmed in MDC - LDC business interactions and what is the stereotype content in terms of negative image?

It has been demonstrated from primary research that stereotyping in business relations is supported both for exporters and importers. This obscures the potential for formation of new buyer-supplier dyads and restricts opportunities for growth among potential new LDC export manufacturers. Importers' stereotypes tend to confirm the Eurocentric tendency expected from the literature. Stereotypes are different from Negative Image as discussed at 6.1 above.

6. What is the imperative that motivates LDC manufacturers to risk exporting?



For the manufacturers interviewed there were two main drivers (Ibeh 2003). These were increasing competition in the home market from other LDCs, notably the influx of cheap Chinese footwear. In addition there was a need for foreign exchange that would enable purchase of better quality components and materials needed for export products. In addition the manufacturers saw the opportunity to grasp larger profits than would be available in the home market. The Zimbabwean market was price conscious and of limited size, with a reported penchant for imported European footwear.

7. What are the constructs and components of negative image and is it the case, as may be deduced from the literature, that COO, stereotyping and negative image are interlinked?

The existence of Third World exporters' Negative Image has been demonstrated and shown to be acknowledged as an additional market entry barrier. Components of Negative Image were identified at 6.1.

While Negative Image is, by its nature, unidirectional both COO (Ghauri and Cateora, 2006) and stereotyping (Osland and Bird, 2000; Soeters and van Twyver, 1997) are multidirectional. Some elements of Negative Image, stereotyping and COO are common. Both COO and stereotyping are influenced by level of development, both address the positive aspect of developed countries and negative aspects of developing countries. Ultimately both are used in the formation of purchasing decisions in consumer or business-to-business related areas. Conversely Negative Image, while addressing developing country source issues does not relate to developed country images, rather it focuses on the image debilitating aspect of economic and social conditions in Third World countries. This negativity is then transferred into the business arena, therefore an interlinking is established.

8. If this is the case does this latter phenomenon subsume the others?



As established above COO, stereotyping and Negative Image are interlinked. It has been argued that the issue of directionality ensures that Negative Image cannot subsume COO and stereotyping. COO and stereotyping generally refer to developed countries. Both offer positive and negative images of products or countries. Negative Image is wholly negative and therefore detrimental to developing countries and their products or services.

9. What are the actual, as opposed to theoretical, circumstances surrounding development of business relationships across-cultures?

This research investigated country image through conceptualisations of country and not products. According to importer interview the Negative Image of Third World manufactured goods exporters effects decisions on buyer selection prior to any physical interaction. This extends current buyer behaviour theory and creates a theoretical contribution from the research.

10. Is learning occurring in relation to LDC exporting firms and if firms are not learning, to what extent is this ostensibly due to capture by past experience?

For small firms learning results from various sources, including success and failure. It can therefore be expected that learning should take place under the circumstances described in the research. This may not be the case for all firms, some appear to have withdrawn from the potential exporting (Welch and Wiedersheim-Paul, 1980) of footwear, while others continue to see exporting as a path forward into the future and are enthusiastic to continue. These entrepreneurial owners/managers described experiences of both failure and success. They appeared to have used these in shaping future marketing strategies. One firm, for example, used regional markets as a tool for learning and gaining experience before attempting to enter the UK

market (Dunphy *et al.* 1997). On this basis it is argued that learning had occurred in some cases and that for the majority the outlook was optimistic. In the situation described it is possible to say that exporters, or potential exporters, viewed the experiences as a learning curve and in general were not captured by previous failures.

Others exporter interviewees were more negative. One firm in particular articulated the view that until technology improved and was used to increase overall quality levels there was no prospect of exporting success (Darling and Seristo, 2004).

11. Will it be possible from the literature review and fieldwork to formalise the phenomenon of Negative Image?

The literature review indicated areas that may have been implicated in the construction of Negative Image and contributed to the development of interview topics and questions in the UK importer questionnaire. It was found that the COO literature predominantly focused on the western, developed country case. Since this research utilised a developing country exemplar, Zimbabwe, the literature was only partially useful. A significant contribution was therefore made by empirical research.

This concludes resolution of the research questions. Three scenarios for improvement in the image of Less Developed Country manufactured goods exporters image are now presented.

## **6.5 Scenarios for Improvement of The Exporter Situation**

### **6.5.1 Introduction**

This research began with the aim to empirically investigate and formalise the nature of a postulated Negative Image of LDC manufactured goods exporters.



This has been achieved. Within the same overall aim was the subsidiary aim to construct scenarios for improvement of exporters' image and presented below are three brief scenarios based on the current research. These offer suggestions for improvements at the government level, at the business level and at the level of the individual businessman. The scenarios adopt slightly different emphases, although each is aimed at improving the business environment, leading to potential change in Negative Image.

#### 6.5.2 Scenario One – Improvement At Government Level

The first scenario proposes changes from the government that can be initiated and driven by policy and the manipulation of factors directly within the government's control. If adopted these changes would lead to an improvement in the Negative Image of Zimbabwe as an individual country and to some extent contribute to change in the overall perception of LDCs.

It has been demonstrated within this research that businesses based in developing countries suffer a Negative Image that is in part generic and also the result of the domestic environmental conditions within which they operate. The management of this business environment originates at the macro level with the state through the instruments of government. Government is able to control many of the factors affecting business such as import tariff regimes, interest rates and levels of bureaucracy. It is also possible for government to create and implement national policy that would provide an atmosphere conducive to the development of new enterprises. This may in addition encourage future investment by established firms who are willing to take investment risks in order to expand or update current capacity or capabilities. The stakeholders in such policy initiatives would necessarily be the state and business together with private individuals, both as investors and employees, banks and other finance providing institutions, business relationship partners at home and overseas and ultimately the consumer when purchasing firms' products.



### 6.5.3 Scenario Two – Improvement At Firm Level

In the second instance an alternative perspective is taken, focusing on the changes that may be initiated by firms themselves. While government has a leading role to play by creating conducive conditions for business it must be the responsibility of firms wishing to export to promote themselves in the best way possible. This may be individually or as a group, for example as in Zimbabwean horticulture or Cape Fruit in South Africa, both of which are successful.

Given current economic and political circumstances in Zimbabwe it is unlikely that the first scenario would be fulfilled in its entirety or even in part. In the event that the state does not fulfil such requirements, or is unwilling or unable for financial or ideological reasons to fulfil them, then the private sector must begin to organise so that it can further the ends of capitalist enterprise from its own resources.

It has been shown that until relatively recently, for example by the establishment of LIZ, links between firms had been closer than those of late. Assuming that the state does not provide a wholly conducive enterprise policy supported by adequate enabling legislation then the individual enterprises must create or recreate associations and institutions that will enable dialogue with the state to promote enterprise friendly policies. Such opportunities have been shown to be lacking, particularly in Sub Saharan Africa (Pedersen and McCormick 1999). Requirements should include export enabling tax or tariff regimes, easier access to finance at advantageous rates so that long-term planning and investment becomes not only possible without excessive risk but positively encouraged and financial assistance towards upgrading of plant, machinery and workers' skills. There is also a need for greater government realism on import tariffs and taxes for plant, machinery and materials required for the production of export goods and finally assistance in outward trade promotion schemes and activities.

Marketing opportunities do exist based on the African continental image. In this research the niche marketer traded on an African safari related image similar to that employed by Rogue Footwear of South Africa. A more recent example is the possibly born global MBT trainer shoe, ostensibly based on Masai Barefoot Technology and marketed by a Swiss firm (MBT 2005).

#### 6.5.4 Scenario Three – Improvement At Individual Level

The third scenario proposes methods to create improvement in Negative Image that will benefit the businessmen individually. In so doing an overall improvement in Third World image will also be created. Here we address issues at the micro level, individual businessmen, who initially need to understand that breaking into an overseas market is not quick, easy or cheap. At the fundamental level the firm and the individual need to be determined on a course of action that will require long term commitment in finance and management time.

An initial step would be to develop a generic strategy based on lowest cost production, differentiation, or focus that will create a sustainable competitive advantage and market position. This should enable the firm to become recognisable to an importer. When considering visiting the target market it is not acceptable to simply cold call. The salesman should identify prospects in advance based on market research, product and the chosen strategy. It is perfectly feasible to initiate contacts and develop relationships over an extended period from overseas by use of a simple database. An important point here is that the individual should not expect success overnight.

At the level of the individual businessman it is possible to work on aspects that will create improvements to Negative Image. This research has identified efficiency, reliability, information, quality and social conversation as important. Third World businessmen are currently seen as professional. In all contacts it is important to recognise that for importers the individual becomes the firm and therefore should present the best image. Accordingly it is necessary to



show that despite inevitable difficulties and potential rejections the exporting firm is committed to the market for the long term.

Part of this relationship development should involve working with the importers to improve product quality and develop styles and ranges that according to their perspective are needed in the market. Subcontracting has been shown not to be an alternative for meeting orders, therefore sample quality must be production quality. As suggested in the importer feedback, importers know their market better than exporters and are therefore the final arbiters of product saleability. This again will ensure that the individual becomes identified with particular products and ranges and develops a reputation for close cooperation.

As part of this suggested process of image improvement individuals should begin to feed information about the firm and Zimbabwe to contacts as a form of exporter education, continuing an established informal approach. Pressure group or lobby group activity should be acknowledged as a growing influence on importers and actions to meet any influence taken and notified to importers as part of importers' education. This positive news would contribute to improvement in Negative Image and counter 'disaster journalism'.

Individuals should also develop market knowledge regarding the particular market or markets that are targeted and attempt to gain entry to the market networks or instigate construction of their own. This information should then be disseminated within the firm so that organisational learning occurs in concert with individual efforts to acquire formal marketing education. If the group approach is adopted then information transfer is required for similar learning to take place.

These initiatives will bring a focus on improvements to the interpersonal skills used in sales meetings and especially product demonstrations. As part of the negotiation exporters will need to understand that in some instances it may be better to sacrifice short term gain for longer term developments. This would win approval for honesty rather than reinforce Negative Image.



### 6.5.5 Scenarios Summary

The factors described above all arise from the primary or secondary research and ultimately comprise the Beta model, incorporating revisions according to interviewee feedback. Based on the analysis provided in Chapter Four and Scenarios For Improvement suggested at 6.3 they appear transferable to other similar situations, meeting Objective Three, section 1.5, of Chapter One.

Recognising that importers are time constrained and exclusively interested in what will sell is fundamental to each of the scenarios above. Research has shown that product design, finish and price, together with the ability of exporters to be efficient and reliable over the long term, are factors in improving negative image. If implemented the scenarios suggested above would be beneficial to both private and public sectors from income and employment viewpoints given that private enterprise and, in particular, small firms create the largest proportion of employment opportunities in most economies. Taking such steps would potentially promote enterprise and simultaneously provide a positive message regarding security of the business environment. Through networking and media the business friendly outlook of the state could become known, leading to potential for increased foreign direct investment.

## 6.6 Conclusions and Recommendations

The conclusions and recommendations arising from this research are now presented, beginning with the conclusions.

### 6.6.1 Conclusions

#### 6.6.1.1 Negative Image and LDC Exporters

Evidence presented in this thesis demonstrates that for Zimbabwean exporters the Negative Image of Third World countries and manufacturers

based in them is acknowledged by exporters and importers. This acts both indirectly as a background against which interactions take place and also directly as an additional barrier to be overcome. LDC manufacturers are therefore immediately disadvantaged by having to combat an image that portrays them as inefficient, unreliable, and lacking in marketing skills. They are perceived to be manufacturers of footwear in which quality and designs do not meet importers' requirements. The research also showed that UK importers have some sympathy with exporters in view of conditions in the domestic business environment. Unexpectedly it was found that exporters hold a Negative Image of their UK counterparts.

#### 6.6.1.2 Media Input

Throughout this thesis the media's role in promoting negative images of LDCs has been acknowledged. The conclusion drawn, based on the evidence of this research, is that Third World images are primarily media driven and exist in conjunction with the personal images and mental models of individuals.

It is apparent that until domestic conditions improve it is unlikely there will be an upgrading of image. Two programmes have offered opportunities for LDCs generally and Africa in particular: an image improvement initiative from the UN (UNSI, 1997) and the Africa Recovery Programme which considered Africa's image as part of the discussion on overall recovery (Lone, 1998). While these initiatives are laudable they have not addressed the fundamental issue of image in terms of effects on trade that has been the focus of this research.

#### 6.6.1.3 Scenarios For Improvement

The situation described above would appear to support the proposed scenarios for improvement that have been presented, focused on individual country's governments, firms or associations of firms within them and individuals. Ultimately the individual is best placed to affect the importer or potential business partners with whom they have relations. The scenarios are based upon components of the Beta model, which is therefore argued to be



capable of adaptation to other similar situations, achieving Objective Three of the research.

Within the global market place many goods and services are exchanged, footwear is a component of this trade. Viewing the footwear trade in terms of marketability has shown that a hierarchy exists with developed countries at the top, Italy and Spain followed by Portugal, then developing countries. The developing countries themselves are then ordered, with India and China taking precedence over countries such as Brazil, Taiwan and Vietnam among others. Within this hierarchy there has been virtually no mention of Sub Saharan African countries. Indeed Africa as a whole was infrequently mentioned during interviews and then only due to probing. We may conclude that as a result of having a Negative Image Africa is invisible to the general buyer confronted by footwear sourcing problems. In addition the importer seeking low priced footwear as range fillers would be drawn to established sources in the countries mentioned, notably India and China, for leather and synthetic respectively.

As a country with a national herd and expertise in leather footwear manufacturing this situation presents an opportunity for Zimbabwe, provided that action is taken to improve the current image. Interview evidence suggests that at a personal level there are positives in place, though these are currently over-ridden by professional imperatives.

#### 6.6.1.4 Balancing Importer – Exporter Expectations

Importers and exporters operate in separate environments. While this is obviously true physically, the evidence presented suggests that for importers there is a much larger world view encompassing multiple sources and purchasing opportunities at the global level. Here competition, product quality, design and pricing are distinctly different from some of the Zimbabwean exporters' limited perceptions. The disparity sets up a potential mismatch between expectations of the importer and anticipations of the exporter and appears to have created a Negative Image of importers for the exporters. In



some sense this corresponds to the developing country Negative Image. Particular aspects identified include issues related to delivery, opportunism, inequality in negotiation, design and pricing.

#### 6.6.1.5 Global Market Knowledge

The issues of quality and price are seen to be synonymous. Some exporters place great emphasis on what was referred to as 'full leather' suggesting particular inherent value. This does not accord with the importers global perspective which offers many sources able to supply similar products at attractive prices. Material quality also impinges on this issue in terms of the aesthetic aspect. Some products seen as acceptable in the Zimbabwean or non-European market would be rejected by UK importers. The conclusion drawn is that quality and price are both subject to a dual nature at domestic and international levels.

Price is a leading negotiation variable for both exporters and importers. For exporters entering the UK market a lower price is likely in comparison to the domestic market which again brings conflict with expectations. For importers price is a measure of quality against price points set by the market and therefore does not allow the flexibility perhaps expected by exporters. Issues of manufacturing source do not impinge on this situation to the extent which may have been expected. While price was expected to be lower than developed country manufacturers this was justified by importers in terms of design, quality and materials, rather than being due to developing country origin. This accords with a number of exporters' views on the same factors.

### 6.7 Key Issues

Key issues for importers are quality, price and delivery, which can be summarised as performance. This combination hinges on the reliability and efficiency of exporters, perceived as lacking by exporters, therefore contributing to the Negative Image phenomenon. Until exporters can visibly

improve on performance in these aspects the current image will continue with each successive failure reinforcing and deepening the negativity. Every available opportunity to counter this image must be taken, including seemingly minor issues such as the return of phone calls, emails or other forms of information flow that would reinforce the importers' positive perception of exporters' professionalism. The provision of information appears important to importers and should be treated with urgency in order to generate positive experiences.

For exporters the key issue is performance at the individual level where the individual is the firm, therefore interpersonal skills of firms' contacts are important in establishing credibility. To enable better performance in this area a more informal style will need to be adopted when dealing with Europeans that may conflict with the current cultural stance. Management in Europe adopts a low power distance, informal style and consequently cross-cultural negotiations should reflect this. For the exporter trying to access the UK market cultural sensitivity and adaptation become prerequisites. Important in this will be the ability to read both verbal and non-verbal languages where miscommunication may be likely since positions may not necessarily be symmetrical. According to importers, in contemporary European markets a 'buyers' situation prevails. The development of more sophisticated marketing and interpersonal or social conversational skills may present difficulties for exporters previously exposed to a more formal, hierarchical sellers' marketplace. Exporters marketing skills therefore need to be expanded to compensate for more sophisticated buying situations and requirements for product/firm differentiation.

In this research long term business relationships have been sought by both buyer and seller, importer and exporter. Building relationships requires an emphasis on customer relationship management rather than the current transactional approach which emphasises short term profits. There is a requirement for networking, customer follow-up and contact maintenance as methods of image improvement and relationship building. Evidence shows that when personal contacts are established then differentiation between the



personal and general tends to occur. This may be assisted in some instances by historical linkages though this should not be over-emphasised in view of the globalisation of supply chains. For importers the global nature of purchasing serves to emphasise the easy availability of similar products. This ensures that competition remains to their advantage, while at the same time they remain loyal to established suppliers. These are perceived to be firms that have proved to be competitively priced, reliable, quality producers over the long term. Such relationships will prove difficult to disrupt therefore potential exporters must major on soft factors, service, rather than price.

## **6.8 Recommendations**

The following recommendations are designed to promote improvement in the current Negative Image of Third World manufactured goods exporters.

While manufacturers have attempted to enter the UK market the approach adopted suggests lack of research and strategic thinking beyond simple short term transactions. Establishment of a customer relationship management perspective, or customer oriented perspective, is needed if a long term presence is sought. To assist in this, skills improvement support is needed from government, parastatals and outside organisations such as UNIDO.

It was noted from importer interviews and questionnaire responses that there is an apparent sympathy for the exporters at a personal, though not professional level. By developing greater interpersonal skills exporters may be able to use this as a foundation for relationship formation. It is also useful to note that the Zimbabwean exporters are predominantly of European extraction, this may be significant and act as a stimulant in view of the 'people like us approach'. For exporters, the formal hierarchical manner may not be open enough for importers to think "*can I do business with this guy?*" (Firm IL) making it difficult to promote longevity in any relationship.



Continuing the theme of relationship management it was noted that no formalised method of customer contact, updating or information dissemination such as that available through basic database marketing appeared to be in place. This argues the case for marketing education which would assist in creating exporter credibility and a less negative image on that business parameter.

The role of export promotion bodies e.g. Zimtrade is important. Here attention should be paid to the efforts, for example, of Indian and Spanish government representatives in the UK. These appear to participate actively in promotion, contacts having been recalled by importers. Interview with Zimbabwean High Commission staff does not suggest comparative activity from that source, although appreciation of exporters' lack of marketing skill was apparent.

## **6.9 Contribution To Knowledge**

This study investigated COO effect an established area of literature within the international business field. Throughout the thesis a number of areas have been identified where a potential contribution to knowledge has been identified. Section 5.12 articulated those in detail and key points at the theoretical and practical levels are now reiterated.

### **6.9.1 Theoretical Contribution**

- **The Formalisation of Negative Image**

The primary concern of this research was the formalisation of Negative Image as an extant phenomenon that adversely affects the image of Third World manufactured goods' exporters. The concepts and constructs of negative image have been partially formalised from the theoretical perspective, however, they could not be wholly satisfied from the literature sources and the addition of empirical evidence was necessary. The main research aim has been achieved, creating a theoretical contribution to knowledge.

The study also identified a possible dichotomy between personal and professional perspectives of the importers, arguing that despite personal inclinations the import buyer may be constrained by a subjective norm to make decisions in favour of particular suppliers. This potentially extends application of theory into the COO area.

- Influence of Other Developing Country Exporters Historical Performance

COO studies to date have considered countries individually in terms of the COO effect on their products or services. In this study it was found that the historical performance of other developing country exporters was taken into consideration when assessing potential new suppliers. This had not been emphasised previously in the literature and presents a contribution to knowledge.

- Zimbabwean Exporters Negative Image of UK Importers

During the pilot study for this research it was noted that exporters' experiences in the UK market had created an image of UK importers that was in part negative. As the research progressed it later became apparent, despite their desire to enter the UK market, that this was in fact a Negative Image of the type recognised in importers. This was an unexpected development, that has not been identified previously in the COO literature and represent a contribution to knowledge.

- Potential Media Contribution To Image Improvement

The media is perceived to play a publicising role in relation to negative events related to the developing countries. There was no mention during interviews of positive media portrayals of developing country news. This is acknowledged to be important in terms of Negative Image by both importers and exporters.



During the review of literature in the COO area it was noted that little emphasis had previously been placed on this important area. Consideration of media's role in the current study creates a different perspective on the literature potentially extending COO theory.

- **Consumer Pressure Group Influence on Image**

Interview evidence indicated that both exporters and importers were aware of the increasing influence on purchasing patterns of consumer pressure groups. These were identified from the Zimbabwean exporters perspective as related to wild life conservation and human rights issues. Similarly, in the view of UK importers, forced and child labour, together with animal welfare, were specific concerns. Pressures arising from these concerns did not reach the exporters directly, but were reflected in importers' criteria regarding the acceptability of manufacturing practices. For the importers, the main conduits were retailers and media. These ethical purchasing issues have not been highlighted in the COO literature previously and present a potential opportunity for the extension of theory.

- **Psychic Distance**

According to evolutionary and behavioural internationalisation theory exports will initially be made to psychically close countries. It was found from the field work that Zimbabwean exporters and UK importers did not have the same appreciation of historic linkages, seen here as a proxy for psychic distance. For the Zimbabweans this was a matter of some importance; in the case of UK importers no emphasis was attached. This situation presents a different perspective on the phenomenon and tentatively extends theory in this area.

- **Developing Country Perspective**

It has been shown that a significant proportion of COO research has proceeded from the developed country perspective, contrary to this research,



which from the outset adopted an approach focused on issues connected to developing countries. In view of this it is argued that a contribution to knowledge arises from utilisation of this different perspective to inform investigation of UK importers perceptions of the developing country exporters.

- Clarification of The Linkage Between COO and Nation Branding

To date the COO and nation branding literatures have been generally separate in terms of academic work. The relatively small literature in the emerging nation branding field has supplemented the COO literature in this study and in addition clarified the link between the fields. This has created a possibly new and interesting perspective.

#### 6.9.2 Practical Contribution

- Scenarios For Improvement of Image

This study also makes a contribution when viewed practically. The role of developing countries in international trade is limited and that of manufactured goods exporters even more so. Three scenarios for improvement of image have been offered in section 6.5 and these may assist in improving the position of developing countries and their exporters if acted upon.

- Potential Media Contribution To Image Improvement

Media input to image has been considered from the theoretical perspective, but is also potentially important from the practical point of view. The contribution available from media was referred to by both importers and exporters but has not been highlighted previously in the COO literature. Media may be important in providing a foundation for initiatives targeted at improvements of importer perceptions as noted in the scenarios for improvement.

- **Combination of Research Areas**

A further uniqueness of this study was the approach which combined diverse research areas. Literature from COO, place branding, media, stereotyping, cognitive science and social psychology, among others, was drawn upon to illuminate diverse perspectives on the Negative image phenomenon. In addition, the investigation of Negative Image was carried out in the business-to-business arena which for African countries is an under researched area. The firms and participants were actively engaged in international trade and represented developed and developing countries. The majority of COO studies have been concerned with effects between developed countries in the consumer marketing area, focusing on developed country products or services. The research also investigated across cultures and between high and low power distance dimensions. Although not unique, this study is one of very few to adopt such an approach.

### **6.9.3 Implications Of The Research**

There are seen to be three main implications arising from the current research. These are briefly stated below.

#### **6.9.3.1. Negative Image Improvement - Individuals And Firms**

Scenarios For Improvement were offered as part of this thesis to assist in creation of the conditions necessary for improvement of Third World businessmen's Negative Image. While it is accepted that these will need adaptation to individual situations it is hoped that the suggestions made may provide a foundation for future actions by firms and individual businessmen encountering similar circumstances to those faced by Zimbabweans attempting to export into the UK. If the suggestions referred to are adopted then it may be possible for better customer relations, in this study those with importers, to be established. By implication this should lead to improved opportunities for trade between importers and exporters.

### 6.9.3.2 Negative Image Improvement - Government Level

Improvement at the government level may arise following action that would allow a more stable business environment to develop. For businesses operating in that environment it is possible for the level of trade and investment to increase creating more employment and better job security. The underlying implication is that government would first need to establish communication and begin working with business to define basic requirements.

### 6.9.3.3 Wider Implications

The Scenarios For Improvement offer suggestions aimed at creating a more positive image for Third World manufactured goods exporters. This type of firm is not restricted to a particular industry or country. Adaptations of the scenarios may therefore be applicable in other similar situations which is not seen as generalisation rather as transfer of the framework in applicable circumstances.

## 6.10 Reflections On The Research Process

### ➤ Personal Development

Initial reflection on the research process suggests that personal development, implicitly a learning process, has taken place over time. I believe this derives from several sources: immersion in the research process, supervisor, peer and particularly, family support. Support was particularly important given a lack of previous academic foundation in the discipline or experience of working at post graduate level. Inevitably a major adjustment was required to meet increased expectations and the higher standards required, which I believe has taken my work to a different level.

An important aspect of professional growth has been the development of a different perception regarding academic rigour, together with a sharpened



critical faculty and deeper understanding of the research process (Jankiewicz undated; Straker and Hall, 1999). Implicit to this has been a realisation of the personal organisation and family commitment required (Onofrey and Day, 2004) together with an acknowledgement of the importance personally placed on successful completion of the research. During the project it inevitably became necessary to apportion priorities between achievement and earnings. This led, in view of the long research period to a flawed analysis of my ability to fulfil my academic duties and complete the study. The result was distraction from the research. Ultimately, however, my real goals were re-established and priorities re-ordered in favour of completion.

#### ➤ Reflection On The Zimbabwean Context

The research project was originally conceived at a time when economic and political conditions in Zimbabwe were, or appeared from the UK, to be stable. This assessment followed a period of economic growth beginning with the declaration of UDI and running through to 1996 as shown in Figure 6.1 below. A field exploration in June 1998 suggested that general conditions remained stable and the project viable. Although there were indications that this would not continue indefinitely and some deterioration was anticipated, the intensity of the current recession could not have been foreseen. The present situation is described in depth at section 4.1.13 Appraisal of The Current Situation In Zimbabwe.

It is argued that the political and economic factors referred to do not undermine the basic validity of the study. On the contrary, a case may be made that the current circumstances have created somewhat advantageous conditions for the study. These include a raised national profile and potential for sympathy towards Zimbabweans as potential exporters, based on deteriorating national conditions. The contention is, therefore, that a strengthened case for acceptability of the study as a point of departure for other researchers in the same or similar fields exists. An example here may be the experiences of businessmen from a more successful exporting country such as India.

## Figure 6.1 Real GDP Growth In Zimbabwe 1995 – 2002

Source: OECD Report Zimbabwe, dated 10th January 2002, Figure 1, p305  
downloaded 3<sup>rd</sup> January 2005 from:  
<http://www.oecd.org/dataoecd/49/22/1826764.pdf>

### ➤ Data Collection

Reflections on the Zimbabwean and UK data collection and analysis procedures suggest that, under the circumstances encountered, the maximum available data was collected from those willing to participate. It remains to be seen if other researchers may be more persuasive in their efforts to create larger sample sizes. Upon reflection the decision to increase this study's sample size by incorporating importers experiences with exporters from other nations than Zimbabwe was correct and substantiates data from the Zimbabwean exporters.

Analytical methods employed could perhaps have differed. For example use of NUDIST/NVIVO or Max QDA for qualitative data may have offered benefits

in isolating particular areas affecting the Negative Image of Zimbabwean exporters. Despite this the analysis and results of the study are seen as correct even though limited participant feedback was received. Studies by other researchers may provide independent verification of the results.

## **6.11 Limitations of the Research**

The limitations were two fold. Firstly, the limited number of importers that were interviewed in the UK, despite major efforts to the contrary; secondly, the lack of access to negotiations between buyer and supplier.

### **6.11.1 Limited Number Of Importers Participating In The Research.**

While every effort was made to increase the number of firms engaging in the research it was not possible to do so despite strenuous efforts. A large number of firms, apparently importing footwear had ceased trading, changed industrial sectors or activity. This severely reduced the sample size. While this did not invalidate the results it may have strengthened the analysis if more interview data had been available.

### **6.11.2 Lack Of Access To Negotiation Between Buyer And Supplier.**

It was not anticipated that real time access to negotiations would be possible. The potential for discussion and interview with current import partners was foreseen, ultimately this was not possible due to the lack of Zimbabwean manufacturers' current trading relationships. Follow up on the only recent partnership revealed the UK firm had closed down. This created a situation where interviews were restricted to issues of a generic nature. In addition investigation could not be continued with the 'other' participants to gain an alternative interpretation. The ability to triangulate data was available and confirmed the veracity of response.



## **6.12 Suggestions For Further Research**

Several areas of opportunity for further research have been identified. These are now discussed.

### **6.12.1 Detailing Negative Image Components**

This study has determined the concepts and constructs of developing country Negative Image from a sample of UK importers, but has not identified the actual proportions of those in the total Negative Image. This could be useful in detailed planning of formal programmes for improvement. Such an opportunity is inherently linked to the identification of proportions of personal experiences and media related material in the generality of personal images. By investigating these questions it may be possible to suggest ways in which effective marketing programmes, focused on positive image development, could be designed for exporting firms faced with a Negative Image held by developed country businessmen.

### **6.12.2 Developed Country Negative Image**

During the interviews with Zimbabwean manufacturers a degree of suspicion became apparent, it was also found that Negative Image was being held by them in respect of their potential import partners in the UK. This was revealed to arise in part from the actions of what were termed 'opportunists' or 'chancers' who appeared to pose as volume buyers with the intention of buying product at a low price. The promise of further volume orders in the future was used as enticement.

The research opportunity presented here would allow investigation of this developed country Negative Image from the exporters' perspective, which it is believed has not been previously undertaken. The main emphasis within the literature has been on developing country image as a component of COO effects. The study would therefore present a potentially unique opportunity of working in the business-to-business area, across cultures and between

developed and developing countries. Basically the study would be the converse of that reported in the current thesis.

#### **6.12.3 Developing Exporters and Beginning Exporters**

Throughout the UK based interview series constant reference was made to the role played in shoe export markets by Indian and Chinese manufacturers. It would be useful to carry out a study tracing the evolution of Indian leather footwear exports. This could possibly be used as a guide for the future development of footwear exports from Zimbabwe or other developing countries in a similar position.

#### **6.12.4 Development of Marketing Skills**

Exporter marketing is an area that appears to need urgent attention. It would be useful to ascertain the accuracy of the importers' view that exporters lack marketing skills. If this could be achieved then a programme of skill development could be devised linked to organisational learning through internal dissemination and external mentoring. This may be possible in conjunction with current University of Derby activity in Zimbabwe and other African countries.

### **6.13 Summary of The Research**

This research has investigated a previously suspected phenomenon, Negative Image, in a buyer-seller context, across cultures and between developed and developing countries. The study arose from an interest in development issues where, over time, it had become apparent that orthodox prescriptions for growth in the developing economies were insufficient. This was seen particularly in the marginalised countries of southern Africa.

Based on empirical work the study has shown that, for this particular sample of importers and exporters, the suspected phenomenon of Negative Image is

an acknowledged reality and forms an intangible barrier to trade. The components and constructs of Negative Image have been identified in the form of a model, seen as potentially transferable where similar situations exist and suggestions have been made for improvement in developing countries image. Utilising predominantly qualitative methods the study has extended COO theory, provided new perspectives and highlighted new areas, therefore creating a contribution to knowledge. These insights have been made available to a wider community and academic publications are anticipated.

The study will also contribute practically. If adopted, the suggestions made may assist creation of LDC-MDC business relationships in the absence of unseen antagonists, potentially leading to wider benefits.



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**APPENDIX I**

**Expanded Responses to Marshall and Rossman (1995)**

## APPENDIX I

### Marshall and Rossman (1995, p146-148)

#### Twenty Questions To Judge The Goodness of Qualitative Research

Marshall and Rossman (1995) devised twenty criteria for "*judging the goodness of qualitative studies*" (p146). Detailed answers supporting the notion of goodness in this research are given below. In order to respond adequately the larger issues have been deconstructed.

**1. 'The method is explicated in detail so the reader can judge whether it was adequate and makes sense. An articulate rationale for the use of qualitative research is given so that sceptics will accept the approach. The methods for attaining entry and managing role, data collection, recording, analysis, ethics and exit are discussed. There is an auditability trail – a running record of procedures – and there is description of how the site and sample were selected. Data collection and analysis procedures are public not magical.'**

#### Detailed explication of method

The methodology for the study is set out in detail in Chapter Three, Methodology. This includes justification for utilisation of both qualitative and quantitative methods in the research by reference to Jick (1983), Flick (1992).

#### Methods For Attaining Entry

See Methodology, Chapter Three

Entry was approached in two separate ways coincident with the location of interviews. First, in Zimbabwe the Leather Institute of Zimbabwe (LIZ) acted as an initial conduit for dissemination of information to their members to publicise the pilot interviews for purposes of checking basic viability of the



study. The original link to LIZ was created through the University of Derby collaborative partnership in Zimbabwe, giving substance and local influence to the enquiry. From this position it was possible to make personal contact and negotiate introductory meetings for the purpose of testing viability. An essentially similar procedure for gaining entry was used in the main Zimbabwean interviews during the subsequent field trip.

Second, in the UK, entry to potentially participating individuals was gained through telephone calls made to their firms. The major problem here was locating suitable participants; initially, finding no firms dealing with Zimbabwe and subsequently the small number of firms importing leather footwear. The detailed arrangements were then negotiated, including justifying and substantiating the purpose for the interview. This included confirming status and appropriateness of the participant. A history of gaining entry to firms as a sales person was perceived to be a potential strength for the researcher.

### Managing The Role

Participation in the diploma stage of MSc Research Methods had given insight to the requirements of field research and gave some academic support to the previous employment history. There was no other study at Masters level and I have struggled at some stages to make the major adjustment from Degree to PhD level.

One result of participating in the course was realising the importance of acquiring knowledge about leather processing, shoe manufacturing and the footwear industry in general beyond what otherwise might have been gained. Visits were arranged to a tannery and shoe factory. This enabled increased credibility in the researcher role during interviews in terms of language and mutual understanding of processes, seen as pre-understanding (Gummesson 2000).

While engaged on the research project separate roles of full time sessional lecturer and international project coordinator were being undertaken. The

particular project on which I was engaged required working six days each week, over three semesters each year. The Faculty Research Manager appreciated project pressures and a period of suspension was implemented for research students involved with the project. Two subsequently withdrew from research completely.

The roles created considerable conflict in prioritising the needs of employment, research and family. The need to earn a living ensured that until recently the research for this PhD thesis became a secondary issue. In fact there has been no point in the entire research period where other than a part-time mode of working could be employed. This continues to date.

### Data Collection and Recording

A full set of participating exporter and importer interview tape recordings has been retained. A full set of participating supporting and ancillary organisations from UK and Zimbabwe participant interview recordings has also been retained.

Interview transcripts have been produced. These were initially hand written and then typed up, but later audio typed and verified. It was found that the former process was too laborious and time consuming given full time work commitments. Notes from interviews have been retained to support transcripts and photographs from some site visits have also been kept. Ancillary documents including company documentation and range leaflets are also retained. In addition a brief report was prepared in while still in Zimbabwe following the initial field work.

### Data analysis

Self-reflective and continuous data analysis began while in the field. Two methods of analysis were attempted. It was originally envisaged that NUDIST would be used and a training course was attended in an attempt to acquire requisite skills in use of the system. Ultimately the system was not used, this



was for two reasons. One was the loss of skill during the intervening period between commencement of data gathering and analysis of the full data set. The second and more important reason was that to utilise NUDIST, NVIVO or other system of computer based textual analysis on such a small data set would be too time consuming given the constraints of full time teaching and project management roles that included frequent overseas visits. The analysis was therefore undertaken manually which gave the added benefit of bringing me closer to the data.

The method of qualitative analysis ultimately used was a combination of Burnard (1991) and the qualitative analysis process reported by Patton (2002), Silverman (2001) and Miles and Huberman (1994). Pope (2000) was also consulted. As part of this analysis interview recordings revisited and repeatedly replayed both during daily commuting and at other times. This enabled further immersion in the raw data and continued reflection on phrasing, intonation and content.

The literature review allowed construction of a conceptual framework for field work. This may be seen as creating pre-understanding or pre-figuring of the field. In terms of topic areas some questions were grounded in the literature, while others were self originated as opportunity arose to explore new or unexpected areas. An example of this would be the surprise emphasis placed on physical transport difficulties by the Zimbabwean exporters. Importers were equally clear regarding transport, but emphasised the sea borne container aspect, rather than air freight.

When interview transcription had taken place each was inspected to identify key words and themes. These related to the literature and therefore at this stage although inductive, analysis displayed a high level of instrumentation. Questions were input to Excel spreadsheets and answers were aligned with them across the range of participants. During this process I was conscious of the literature review and though participants answers were fitted to 'bins' (Patton 2002) this was done without forcing data into 'pigeon holes'. The process represented development of themes and sub-themes within the data



set. As the analysis progressed it was found that insufficient immersion in the data was occurring and the methodology was discontinued.

By adopting suggestions from Bryman and Bell (2003), Burnard (1991), Patton (2002) and Miles and Huberman (1995) it was found that increasing closeness was afforded to the richness of the data. This had begun in-field and continued, emphasising the role of the human instrument in inductive analysis. By constant re-reading of the transcripts and playback of interviews (e.g. during commuting) immersion became possible. As a result conscious and possibly unconscious, analysis took place leading to synthesis of the data. This perhaps echoes Matsoukis' five stage model of inductive analysis (Matsoukis 1990).

## Ethics

A professional approach was adopted based on the researcher's previous employment and linked into an appropriate form of ethical behaviour. Knowledge of participant identity has been restricted to Supervisors and Examiners. A discussion of ethical action in this research is given in Chapter Three - Methodology.

## Exit

Participants in the Zimbabwean pilot interviews, essentially conversations, were advised that they were taking part in a pilot exercise for a potential future research project. They were thanked for their participation and that constituted closure for that element of the study. All participants in the main research were advised at the outset that data collected would feed into an overall research project including the UK and post interview, given the opportunity to be kept informed of the final outcome. Most did not take advantage of this offer, again constituting closure. On return to the UK formal letters were sent thanking participants for joining the research project and offering further information or feedback on results. This constituted final closure for most participants. The LIZ formally took up the offer and agreed to act later as

disseminator of results among the membership. The opportunity to discuss tentative results was offered to all participants. Certain Zimbabwean participants accepted the offer and feedback from these interactions was translated into input to the Beta model. Final closure for these individuals came with discussion of their feedback.

For UK participants the opportunity also existed to request data on the research outcomes. This point was seen as an exit for those not requesting information. All participants were recontacted to discuss results and model development. As in Zimbabwe, feedback of results took place as part of the Beta model formation process and represented closure for that group. Information regarding research output will be sent to all those UK importers requesting information regarding results of the research.

**2. “Assumptions are stated. Biases are expressed, and the researcher does a kind of self-analysis for personal biases and a framework analysis for theoretical bias”.**

Potential for personal bias has been overtly acknowledged at Chapter One section 1.4 in the Brief Personal Statement. Industrial and commercial experience intimated the difficulties that LDC exporters might face and this, together with my overseas project management experience and Degree course had, in part, influenced the final topic choice. As a result of self-analysis I was able to recognise the nature and potential for bias, for example excessive empathising with Zimbabwean exporters, arising from these influences and guard against danger of their undue effects in my work. Peer assessment helped in this. Discussion throughout the thesis portrays alternative views on various situations, for example the sampling process and Chapter Five explicitly criticises the exporter’s transactional approach to MDC markets.

The research topic was originally generated as the result of undertaking a consultancy assignment in Kuwait during 1978. I worked there for six months and gradually became aware that, literally, at one end of a street there were



children with no shoes and at the other were extravagantly wealthy people. This observation stimulated my interest in what I came to know as development issues and led directly to my Degree course. Following graduation I worked for some time as UK national organiser on an international micro-credit campaign designed to benefit Third World countries. This expressed my bias towards working in development, a focus that has continued through into my PhD research.

A number of authors have been consulted regarding bias in theoretical frameworks. These include Lincoln (2002), Lincoln and Guba (1985), Mantzoukas (2005) and Malterud (2001).

### **3. “The research guards against value judgements in data collection and in analysis.”**

Inspection of my text by different observers will necessarily lead to diverse interpretations. These are based on personal values and the judgements made which are based on these values. My own values are, in general, those of a white, middle-aged, middle class individual, employed in the atypical university role of IDL Coordinator and shaped by participation in my own particular life experiences e.g. working in Kuwait and running my own firm.

Decisions made regarding processes of data collection and analysis have been explicitly described in detail and overtly made. An example of this was the discussion of rationale for extension of the UK sampling frame from Zimbabwe only to all LDC import sources. There was still no incorporation of non-white or women buyers to the sample of interviewees.

### **4. “There is abundant evidence from raw data to demonstrate the connection between the presented findings and the real world, and the data are presented in readable, accessible form, perhaps aided by graphics, models, charts and figures”.**

A multiplicity of interview extracts has been used in the thesis. Through this



means the reader may clearly differentiate between what the participants perceived as fact based evidence and author interpretation.

Tentative models have been used as a means of visually expressing ideas arising from the researcher's interpretation of data. Participants' comments on the researcher's descriptions suggestion coincidence to real world experiences.

**5. "The research questions are stated and the study answers those questions and generates further questions".**

The research focus was consistent throughout the period of study, though research questions varied as the literature review and data analysis progressed. The questions arose as a result of the literature review which is itself derived from a need to locate the study in a specific theoretical corpus identified as country-of-origin. The research questions are answered within the research context, limitations specified and further questions, in the form of suggested future work in this area, are generated in the concluding chapter.

**6. "The relationship between this study and previous studies is explicit. Definitions of phenomena are provided, with reference to previously identified phenomena, but it is clear that the research goes beyond previously established frameworks - challenging old ways of thinking".**

The literature review undertaken as part of this research explicitly identifies and establishes linkages between country-of-origin affect and Negative Image, the subject of this study and in so doing extends current theory. The empirical data resulting from field work enables construction of a tentative model that builds upon the linkages and also assists in the extension of theory into a new area that had not previously been explored. As such, at this early exploratory stage where the phenomenon has only been tentatively confirmed by this study, it is not yet possible to provide a definition of the new phenomena.

The literature does however provide for definition of existing terms generated from the predominantly positivist literature. The current study, having adopted a mixed (qualitative dominant – quantitative supporting) approach provides deeper understanding. In addition the innovative application of work by Ajzen (1991, 2002) contributes a fresh perspective to existing literature in the area and has been discussed as a collaborative research paper with a colleague from another Faculty.

**7. “The study is reported in a manner that is accessible to other researchers, practitioners and policymakers. It makes adequate translation of findings so that others will be able to use the findings in a timely way”.**

This PhD thesis represents finalised research output and as such is regarded as completed work. Discussions on the content have taken place with colleagues in other institutions, for example Leonidou Leonidas, University of Cyprus, regarding future collaboration. The study provides a framework and scenarios that are potentially transferable to other similar locations. This does not imply generalisability.

**8. “Evidence is presented showing that the researcher was tolerant of ambiguity, searched for alternative explanations, checked out negative instances, and used a variety of methods to check the findings (i.e. triangulation).”**

A realist philosophical stance researcher has been adopted where multiple perspectives are acknowledged in regard to any situation, therefore ambiguity will also exist. In order to accommodate this, initial indications were resisted and saturation of answers sought as evidenced by use of multiple methods. Reference to ancillary and supporting interviews highlights the use of triangulation. Cross checking of participants interview responses between participants could also be seen as an example.



**9. “The report acknowledges the limitations of generalisability while assisting the readers in seeing the transferability of findings.”**

Working substantially within the qualitative arena necessarily imposes limits to generalisability and this has been overtly acknowledged on several occasions within the thesis. By reading the research reported here it will be possible from the discussion of conclusions and accompanying recommendations to determine under what situation these may be transferable. In particular, benefit may accrue to exporters considering trade with MDC based importers. This process will be assisted by the description of research context and limitations that have been provided.

**10. “It is clear that there was a phase of ‘first days in the field’ in which a problem focus was generated from observation, not from library research. In other words, it is a study that is an exploration, not merely a study to find contextual data to verify old theories.”**

When the idea for the study was initially conceived library research showed that little work had been done from the developing country perspective or across cultures. This suggested an exploratory study. Subsequently a self funded pilot survey was carried out in Zimbabwe during 1998 to test the feasibility of the study. Several manufacturers together with the trade promotion body Zimtrade were approached to try and determine the usefulness of a study into Negative Image from the Zimbabwean perspective. Initial discussions were encouraging. A brief informal report to the Derbyshire Business School was prepared recommending that a wider research should be undertaken. This procedure clearly establishes a first days in the field period.

**11. “Observations are made (or sampled) of a full range of activities over a full cycle of activities.”**

This question is not applicable in the current research although it may be



argued that in a sense, having interviewed exporters and importers, a full range of activities has been sampled.

**12. “Data are preserved and are available for re-analysis”.**

This requirement has been met and answered as part of question one.

**13. “Methods are devised for checking data quality (e.g. informants’ knowledgeability, ulterior motives and truthfulness and for guarding against ethnocentric explanations”.)**

Informants’ knowledgeability was accepted on the basis that participants were owners or managers of leading firms in Zimbabwe and had been recommended by the Leather Institute of Zimbabwe. It became apparent from comments during some interviews that rivalry existed between certain firms and that one in particular was perhaps jealously regarded as the industry leader in Zimbabwe. Cross-checking answers between participants, including the UK, showed that in general answers were truthful, though perhaps subject to exaggeration or bias in one instance. Answers from this source were therefore treated with caution.

**14. “In-field work analysis is documented.”**

Continuous reflection on the content of interviews and development of questions occurred from an early stage. One leading example of this is the brief report that was prepared to initially substantiate the study. This was written in Zimbabwe and summarises early in-field work analysis. Three conference papers have been derived from the research and the RD7 procedure gave colleagues access to fieldwork data as the research progressed, allowing peer review. The research has benefited from these and other external perspectives. A paper based in the research is planned in conjunction with the Director of Studies for the spring.

**15. “Meaning is elicited from cross-cultural perspectives.”**

The current study is across-cultures rather than cross-cultural. Interviews to establish construct equivalence between exporters and importers were undertaken. These showed agreement in understanding of the concept to be investigated.

**16. “The researcher is careful about sensitivity of those being researched – ethical standards maintained.”**

It quickly became apparent in the Zimbabwean interviews that discussion of different periods presented challenges. Conversations regarding issues related to the colonial era were open, essentially perceived as historical. Discussion of the current business and political environment was acceptable, if sometimes guarded and formed the basis of the study. Sensitive probing was sometimes required to elicit data in certain areas. An example of this concerns the political background to the demise of one large firm that was subsequently taken into Black Zimbabwean ownership.

The period of UDI was a virtually closed subject. Discussion of events during this time was strictly curtailed in order not to provoke memories of events that were clearly still sensitive. During one social interlude the comment “*we don’t discuss that in here*” (Firm EH) was made by an exporter regarding the UDI period.

For the UK importers there were no such dilemmas. Overall, appropriate ethical standards were maintained in the study and are more fully described at section 3.4 of the Methodology.

**17. “People in the research benefit in some way, ranging from getting a free meal to an hour of sympathetic listening to being empowered to throw off their chains.”**

A potential general benefit for both groups of participants was seen to be



greater understanding between potential trading partners, or as a minimum, better opportunities for useful initial dialogue. One explicit aim of the study was to create scenarios that might lead to improvement of developing countries Negative Image. In doing so greater opportunities for developing country trade may be expected thereby potentially creating increased employment possibilities. An additional benefit arising from image improvement may be more apparent equality in relationships from the exporters perspective.

The Individual participants, especially in Zimbabwe, appeared interested in the research on the basis of potential personal benefits. Some were pleased to have someone listen to their perspective on problems with UK importers. One particular exporter wanted to express his feelings of injustice about personal circumstances.

From the UK perspective importers envisaged an increased exporter understanding of UK market requirements. This would allow greater choice in suppliers arising from better quality products and increased competitiveness of developing country exporters.

On the negative side it may have been anticipated that exporters could have reacted adversely to feedback on importers views. This did not happen. In fact exporters appeared to welcome importers honesty, possibly considering that the opinions, especially regarding the business environment, showed consideration of their circumstances.

**18. "Data collection strategies are the most adequate and efficient available. There is evidence that the researcher is a finely tuned research instrument, whose personal talents, experiential biases and insights are used consciously. The researcher is careful to be self analytical and recognise when he or she is getting subjective or going native."**

During the course of my career I have undertaken many roles that dealt with



differing requirements for data collection. These ranged from collecting data in the course of specialist sales interviews to staff counselling in management. Each requires a different, but in some senses, fundamentally similar approach in terms of identifying the key issues. To do this, reflection on the options available and selection of the most appropriate is necessary. The same approach has been applied in the current research. As the interviews progressed, it was possible to reflect on the course of events and questions to see where a different path or question might have been chosen and try to apply that knowledge in the next interview. Empathy with the Zimbabwean exporters could easily have overflowed into bias, but awareness of this possibility allowed me, in conjunction with use of triangulation and peer assessment, to generally pre-empt subjective judgements. This was assisted in some circumstances by a contrasting perspective on events.

**19. “The study is tied into ‘the big picture’. The researcher looks holistically at the setting to try to understand linkages among systems”.**

This has been demonstrated with regard to two areas: firstly, by reference to economic development theories in Chapter One which showed western expectations had not been met. Secondly, in Chapter Two, the discussion of developments in COO examined possible linkage into nation branding.

**20. “The researcher traces the historical context to understand how institutions and roles have evolved”.**

This has been demonstrated in Chapter One.

**APPENDIX II**  
**Example of Inductive Analysis**  
**of LDC Image Category**

## APPENDIX II

### Interview Analysis

An example of a worked on transcript is given in this Appendix. This is annotated with marginal notes and key words, or labels, which are perceived as implicit codes and therefore provide coding of the interview. Among the specific key words and phrases shown are transport, communication, cheap labour, import regulations, market entry and business environment.

Analysis began with the report compiled following pilot field work in Zimbabwe. As part of the later process reference was made to the conceptual framework, constructed as a result of reviewing the literature, others were self generated. Analytic categories from which themes were anticipated to arise in the analysis are shown below. The research design was of an exploratory nature which called for an inductive approach to analysis which allowed emergence of connections and patterns across themes in the exporter and importer data. Initial coding, however, was influenced by the a-priori literature review.

The same procedure was followed for importers and exporters. Transcripts were examined for occurrences of key words or phrases. Labels acting as implicit preliminary or pre-codes were manually applied to the transcripts which were also annotated with elucidatory comments and questions as shown in the extract. Each transcript was scanned in its entirety for all categories and answers to research questions. Not all categories were useful. Two original categories, footwear range and shoe construction, that had been anticipated as useful were eliminated from the analysis. Coding was initially descriptive and then interpretive, causal links were not actively sought. Subsequently the transcripts were reread, increasing immersion, then cut up into segments containing the same or similar themes. Other themes were derived from later interviews as the study progressed.

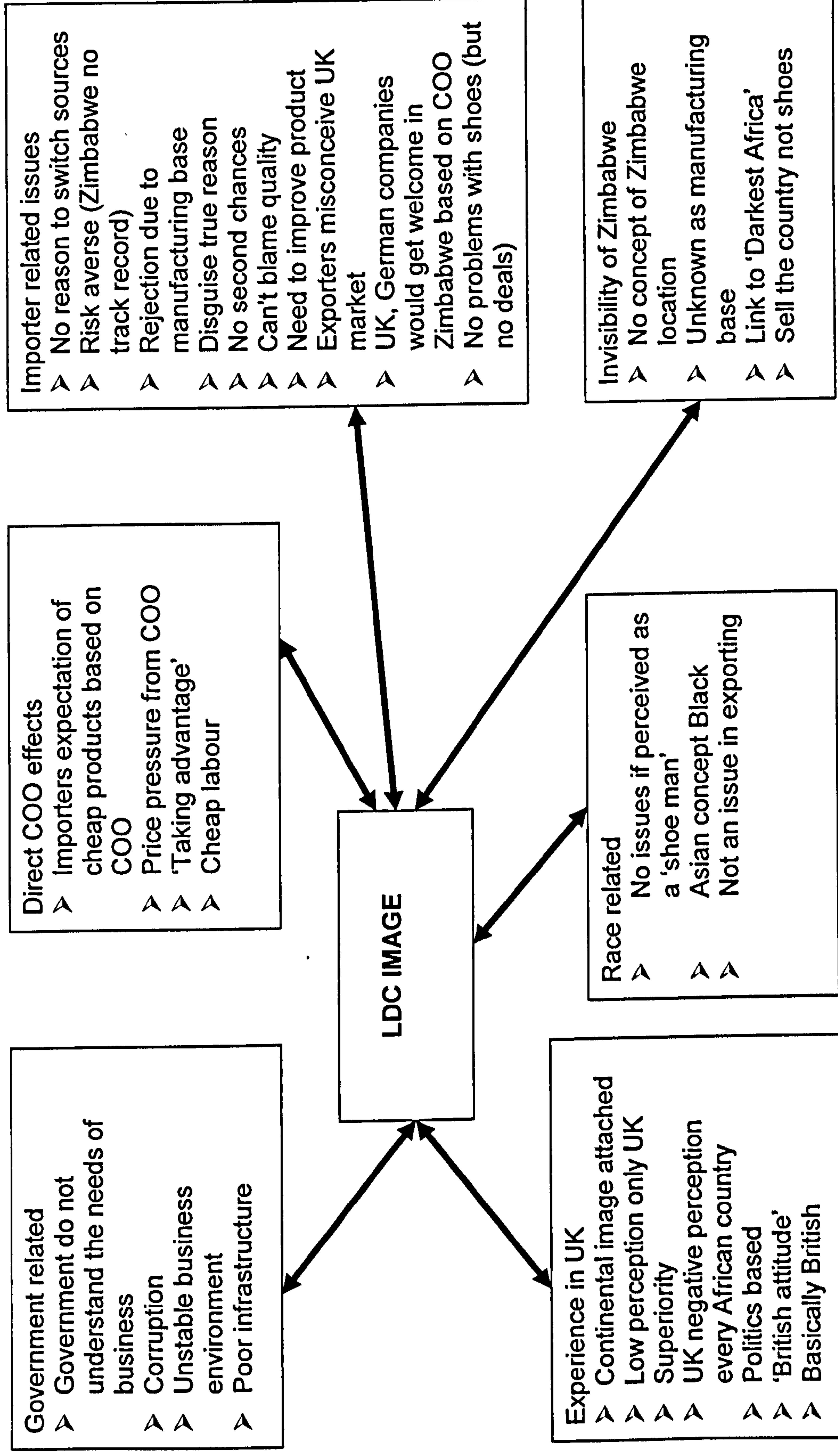
As new themes emerged further reflection showed a need for expansion of some themes and in addition some original themes were changed to more



accurately reflect content. The divided segments were then read and reread to identify sub-themes, these were grouped as shown. Particular quotations were identified to represent the themes and allow the participant to speak. Context was retained by line numbering which allowed back-tracking and colour coding of transcripts enabled identification of extracts to particular participants.

The analysis process identified multiple themes and sub-themes against each of the main categories identified in the data collection, which influenced the original interview process. This process was repeated for all interviews and led to another stage of data reduction which attempted to reduce and re-categorise further. This is more clearly described in the development of the Alpha model in Chapter 4.4.

## Appendix II Example Of Sub Themes Arising From Analysis Of LDC Image Theme



**APPENDIX III**  
**Examples of Interview Questions**



## APPENDIX III

These questions represent 'Grand Tour' type, probing and verification questions generally used during interviews with exporters and importers. An example from an ancillary organisation interview is also given.

### 1. Examples of Exporter Questions

How did you go about it in the beginning?

Could you talk to me about your experiences of that?

What, if I can just follow that (your) thought on, what would happen if akin to horticulture, or flowers, there was an organisation on the marketing side?

What sort of angle would people, you mentioned (approaching) Marks & Spencers, what sort of angle would they take?

I would like to try to explore a little bit how the business relationship developed and whether or not it was one sided and they thought they had a relationship or not?

Do you have any plans to get back into it or has that experience soured things?

One of the things you said there almost immediately was that there is a certain perception of Africa, what do you think that is in Europe?

So what kind of conversation went on with the buyers when they came onto your stand?

If you were going to embark on a programme to try and change that perception, what sort of angles, or strategies, would you think would be reasonable?

If you did have the, an order, or the business in Europe, how do you think that business would work?

What other kinds of obstacles are there in terms of documentation?

So what experience have you had in the UK markets?

You said you've seen what happens there, you've got experience of it?

What sort of strategy would you adopt?

How did you make the initial contact?

Can I ask you why you would not go for the European market? Is it because of the competition, or because of how you view the European market?

How would you describe the attitude of people that you met there?

How much success did you think you would have with (Names Firm) in the UK?

How long did that operation run?

What is your perception of the UK market?

Do you think there is any difference in attitude, or approach, to you as a person because you are not a black Zimbabwean as opposed to a black Zimbabwean?

Well basically what's your experience of exporting to the UK and if you can describe perhaps some of the problems that you've had, the impressions that you get of UK importers, maybe what they think of exporting manufactured goods from Africa, from Zimbabwe?

To what extent do you think it would help if you could say, well, we sell our products already into this market and this one and this one, if there were markets, say, North America or... Australia, would the fact that you sold successfully into them help you into Europe?

I was going to come on to that, to ask you if you...(indistinct)....or what thoughts you had, what opinion you had, about promoting Zimbabwe footwear as a group into let's say the UK market?

When you spoke to these people on the phone what sort of impression did you think they had?

You say that you'd got an acceptable quality and proved that, how did you prove it?

How did you start trying to export into Europe?

Local shoe shops at home have got Romanian, Hungarian, Macedonian coming in and its plainly saying in them 'made in' those countries, not Portugal or Italy. Some of the sports shoes in the UK, as you well know, come from Korea or Columbia, places like that. How is it do you think, they can do it and Zimbabwe hasn't achieved it yet?

Presumably when you take them into the European market, to the UK, to the German people that you dealt with previously, they would still have the perceptions which they had. So how do you see those perceptions being changed?

Can I just go back to the export involvement that you had. When you were dealing with the people in the UK, how did you, how did you perceive them, what was the business relationship like?



Going back to what you were saying about the way that the price was knocked down because of the perception of the African manufacturer, did you find in your visit to the UK that that attitude or perception of the African manufacturer was there as well?

If you were going to embark on a programme to try and change that perception what sort of angles, or strategies, would you think would be reasonable?

If you have, you're going to, market your goods into the UK and you've said that your experience to date shows you that there is a perception within the purchasing organisations of UK companies of Zimbabwe being in Africa and Africa not having a good reputation as a manufacturing area, how do you then get over that, what methods would you use? Could you see a way of changing people's perceptions?

So what experience have you had in the UK markets? You said you've seen what happens there, you've got experience of it?

What sort of strategy would you adopt?

Have you thought about the impact on the UK market, perhaps not impact, the presence of a Zimbabwean company in the UK shoe market, in terms of the reception you would get from potential buyers at the other end?

Well basically what's your experience of exporting to the UK and if you can describe perhaps some of the problems that you've had, the impressions that you get of UK importers, maybe what they think of exporting manufactured goods from Africa, from Zimbabwe.

(Regarding exporting) How did you go about it in the beginning?

What did you think of the buyers' attitude towards your product at those fairs?

I was going to come on to that to ask you if you....or what thoughts you had, what opinion you had, about promoting Zimbabwe footwear as a group into let's say the UK market rather than going as...(individual firms)?

---

## 2. Examples of Importer Questions

What was your perception of India before you started to deal with them?

Have you any ideas about shoe manufacturing in Africa or Zimbabwe; did you know that they did?

If you were approached by a company from there... sort of an enquiry came over the telephone, or a letter dropped on your desk from x, y, z company in Zimbabwe saying that they manufactured shoes and they were... you know, perhaps to try and promote some business, what sort of ideas would that letter give you?

What sort of things would you want to know about them before you started to do business?

If they came here how much influence would it have that they were from Africa or specifically, from Zimbabwe, I mean what sort of ideas do you have about Africa or Zimbabwe?

What sort of experiences have you had with the product from... from India?

What do you think would happen with the retail if you did say, you know, totally honestly, these shoes are from India, these shoes are from Lithuania and these shoes are from Portugal, these shoes are from Spain, these are Italian, these are English, what would the retailer's reaction be?

How would you describe one of those exporters' perceptions of the UK market? What do they think they are dealing with? Or trying to deal with?

What would you say then, is the general image of Third World country manufacturers?

What I'd like to begin with is asking you a little bit about (Names Firm) and how they developed in the footwear market?

You said that you dealt with, I think, Vietnam and Thailand. What was your experience with those?

Do you think that the bureaucracy and the reputation of countries has anything to do with people in the UK wanting to buy from them, or actually going ahead and doing it?

What sort of an image do you have of Africa, just as a continent?

Given that you've got the impression of Africa that it's not somewhere you would want to go; business-wise you don't need to deal with it because you can get your... your supplies from other countries, if you were contacted by someone from Zimbabwe or Ethiopia let's say, somewhere that you haven't dealt with before, what would your reaction be?

How would you view the fact that they were African?

I think from memory you said on the telephone that you actually deal with countries outside of Europe. Can you tell me how that trade came about, and maybe a little bit about (Names Firm) as a company?

How do you go about sourcing footwear from outside of Europe, say if you were looking to place an order for footwear, how would you decide between a company in say Columbia and India or Vietnam?



Is there a general picture that people have, do you think, of suppliers from developing countries? Or perhaps what is your perception of developing countries and suppliers of footwear?

If companies from developing countries want to break into the trade, if they were to decide to set out and do it there seems to be two routes, either they take you to their country and say, come and see what we can do, or they could... like I did, ring up and make an appointment, call and see you. Which is going to be the most....(effective)?

So what did you think of them before you went there, what was your image?

What persuaded you to start in the Philippines? That's something you were saying, we are just starting there, now why did you switch to them?

So how do they do business then, or how do you know about them?

Is there anything that you think that we haven't touched on when we are talking about trade between developing countries and companies like yours?

---

### **Examples From Ancillary Organisation -Horticulture**

Yes, how the industry has grown from what it was, because it must have been very small I suppose?

How did it develop, because it obviously wasn't just exactly what was wanted immediately?

How did the marketing side take off?

---

**APPENDIX IV**  
**Example of Colour Coding of Importer Interviews**

## APPENDIX IV

### TRANSCRIPT COLOUR CODING IMPORTERS

JOHN DOE, GUISEPPE POLONI	FIRM E
GRAHAM HAIG, JOHN E ROBINSON	FIRM F
GLEN AFTON, BEAVER FOOTWEAR	FIRM G
NIGEL WILCOX, GOLIATH FOOTWEAR	FIRM H
JOHN KELLAS-KELLY, PENTLAND GROUP	FIRM I
RODNEY SIMPSON, GUISEPPE POLONI	FIRM J
DAVID WEST, JEFFERY WEST	FIRM K
PETER GARDINER, GROUP FIVE SHOES	FIRM L
DOUG JEFFCOTT, BREVITT-RIEKER	FIRM M
PHIL FORTUNE, KENYONS FOOTWEAR	FIRM N
MATTHEW DAVIES, DAVISON SHOES	FIRM O
DEREK MOORE, THE SHOE COMPANY	FIRM P

These firms are referred to in the text as e.g. IL.



**APPENDIX V**  
**Telephone Screening Script**

## **APPENDIX V**

### **TELEPHONE SCREENING SCRIPT**

**John Dakin - University of Derby - 01332 59 1475**

1. Good morning this is John Dakin I am a researcher at the University of Derby looking into problems experienced by footwear importers dealing with Third World companies.
2. I am contacting footwear companies to arrange confidential interviews

Could you tell me if your company imports footwear at all?

IF NO – THANK YOU AND GOODBYE

3. IF YES.

Can you tell me what countries you import from

- a. IF EUROPE ETC THEN -- GOODBYE
- b. IF INDIA, CHINA, TAIWAN, BRAZIL ETC PROCEED

4. India, China etc

What kind of footwear do you import – ideally leather.

- a. IF LEATHER PROCEED
- b. IF LEATHER UPPERS PROCEED (Ladies/Gents/Children's)
- c. IF TRAINERS, WELLIES, SLIPPERS, ETC STOP - GOODBYE

5. You are the kind of company we are looking for.  
Could you tell me who I should discuss importing or problems relating to imports with in your company?

(E.G Problems: late delivery, quality, materials. specification changes)

6. Could I arrange a short confidential interview with XXXX for Monday of next week? It will take approximately 1 hour?

- OR
7. Could I call XXXXXXXX to discuss the possibility of an interview?

**APPENDIX VI**  
**Extract From Interview Contact Database**



**APPENDIX VI EXTRACT FROM INTERVIEW DATABASE**

Activity	Contact Result	ID	Location of Firm	Contact Name	Phone Number	Position	Company Name	Address 1	Address 2	Address 3	Address 4	Address 5	Fax	
Not Known	Not Importers	77	Midlands		01933 312280	This and other information was gained from the telephone canvassing for interview appointments	Actionwear	1 Hamblin Ct	Rushden	Northants	NN100RU			
Not Known		9	London Area		?		Adam & Harvey Group plc	Standard House	15-16 Bonhill Stereet	London		EC2P 2EA		
Not Known		76	London Area		0181 524 1018		Adler F & Sons	Unit 5 Chingford Industrial Centre/Hall Lane	London	E48DJ				
Not Known	Gone Away	78	Midlands		01604 494262		Airwair (UK) Ltd	13 Gate Lodge Clo/Round Spinney Ind Est	Northampton	NN38RX				
Not Known		79	London Area		0171 706 1036		Alfa Marketing Co. (UK) Ltd	The Craven Suite	38 Craven Hill Gardens	London		W23EA		
Not Known		10	London Area		?		AMSUA (UK) Ltd	Unit 7	Central House	59-63 Whitechapel High Street		London	E1 7PE	
Not Known		80	London Area		0181 780 0883/2706		Andiama International Ltd	44 Lower Richmond Road	London	SW151JP				
Not Known	Not Interested	81	Midlands		01933 410606		Apex Supplies	Crown Park	Northampton Road	Rushden		Northants	NN106AR	
Not Known	Gone Away	82	West Country		01594 580211		Ara Gallus	Unit 16	The Marina Harbour Road	Lydney		Glos	GL154ET	
Not Known	warehouse only	83	North West		01254 505900		Asco General Supplies Ltd	Scotland Bank	Blackburn	Lancashire		BB24NF		
Not Known		84	London Area		0181 883 8727		Ashville Enterprises Ltd	126a-126b High Road	London	N29ED				
Not Known		24	N Ireland		?		Balmer & Co.Ltd		1a Lower Windsor Avenue	Lisburn Road		Belfast	BT9 7ED	
Not Known	Recontact	87	Midlands	Chris Palmer	01226 297314		Director	Bansley Footwear Distributor Ltd	High Street	Off Sackville St	Barnsley	S. Yorks	S702DE	
Not Known		85	London Area		0181 442 0590			Barker Sarah Shoes Ltd	Unit 3b King Street Mews	King Street	London	N28DY		
Not Known	Recontact	86	Midlands		0116 288 4002			Barley Shoe Co. Ltd	Constitutional Hall	Cross St	Wigston	Leics	LE182HE	
Importer LDC	Interview	161	Midlands	Glen Afton	01455 611 455		Financial Director	Beaver Safety	Beaver House	Fleming Road	Harrowbrook Ind Estate	Hinckley		



**APPENDIX VII**  
**Importer Questionnaire**

# APPENDIX VII SURVEY OF IMPORTER BUSINESS RELATIONSHIPS WITH THIRD WORLD SUPPLIERS

To indicate your choice please tick in the adjacent box Example:

or circle choice as appropriate

Example: 1..  2 ..3...4...5...6

## PART ONE

### GENERAL DEMOGRAPHIC DETAIL

1. Please indicate your gender

M  F

2. Please indicate your age group:

20-24  25-29  30-34  35-39  40-49  50+

3. Please indicate your highest educational qualification:

None  GCSE  O Level  A Level  First Degree  Masters

4. Are you a member of any professional bodies?

Y  N

If Yes, please name

them.....

5. a) Do you have knowledge of languages other than English?

Y  N

IF NO GO TO: Q6

b) Please state language One.....

c) At what level: Conversational  Business  Fluent

d) Please state language Two.....

e) At what level: Conversational  Business  Fluent

6. How long have you been with the company?

Years  Mths

7. How long in this post?

Years  Mths

Please give your title.....

8. Have you ever worked abroad?

Y  N

IF NO GO TO: Q12



9. For how long did you work abroad?

Years  Mths

10. Where have you worked abroad?

a) Please state country One..... From  To

b) Please state country Two..... From  To

c) Please state country Three..... From  To

11. While working abroad where you:

a) Employed by a UK based company (expatriate)?

Y  N

b) Employed by a locally based company?

Y  N

### SOME QUESTIONS ABOUT YOUR COMPANY

12. A number of annual turnover bands are shown below. Please indicate by *ticking* which band contains your Company's annual turnover. If you do not wish to answer please tick Decline.

£0.5M-£1M 1	£1M-£5M 2	£5M-£10M 3	£10M PLUS 4	DECLINE 5
----------------	--------------	---------------	----------------	--------------

13. What percentage of your Company's turnover is based on importing?

*Please insert a percentage figure in the box.*

14. What percentage of staff work on importing associated tasks?

*Please insert a percentage figure in the box*

15. Is there any relationship between your total salary and profit performance of imported goods?

Y  N

If yes – please describe the relationship. For example purchasing targets and savings, complaint level, profit share.

.....  
.....  
.....

16. Does your Company deal directly with retailers?

Y  N

17. Does your Company sell on to other supply chain distributors?

Y  N

18. Does your Company prefer long term relationships with suppliers?

Y  N

19. What product ranges do you import?

Ladies  Mens  Comfort  Childrens  Trainers  Uppers   
Boots  Fashion  Other.....

20. From what regions do you buy now?

Latin America (for example Colombia, Brazil) 1  2   
Asia (for example India, Pakistan) 3  4   
South East Asia (for example Taiwan, Indonesia, China) 5  6   
Africa (for example Zimbabwe, Mauritius)  
North America (excluding Mexico)  
European Union

21. From which particular non European Union countries do you buy?

(Please state: eg Vietnam)

.....  
.....

22. Compared to 5 years ago, how many Third World countries do you trade with?

More  The Same  Less

23. Compared to 10 years ago, how many Third World countries do you trade with ?

More  The Same  Less

24. Does your Company have a policy on sourcing of imports?

Y  N

IF NO GO TO: Q 27

Could you please describe the policy

.....  
.....

25. Does the policy describe any preferred countries or regions?

Y  N

Please specify .....

26. Please say why these are preferred

.....  
.....  
.....

27. Do you currently place regular business with Third World suppliers? Y  N

28. Have you experienced any of the following in business with Third World companies?

Please tick as applicable

- |                         |                          |                     |                          |                          |                          |
|-------------------------|--------------------------|---------------------|--------------------------|--------------------------|--------------------------|
| Unreliable deliveries   | <input type="checkbox"/> | Poor materials      | <input type="checkbox"/> | Poor workmanship         | <input type="checkbox"/> |
| Late deliveries         | <input type="checkbox"/> | Lack of information | <input type="checkbox"/> | Difficult communications | <input type="checkbox"/> |
| Non spec deliveries     | <input type="checkbox"/> | Long lead times     | <input type="checkbox"/> | Unfashionable products   | <input type="checkbox"/> |
| Non delivery            | <input type="checkbox"/> | Slow reactions      | <input type="checkbox"/> | Language difficulties    | <input type="checkbox"/> |
| Unrealistic pricing     | <input type="checkbox"/> | Overpricing         | <input type="checkbox"/> | Obstructive govt (UK)    | <input type="checkbox"/> |
| Obstructive bureaucracy | <input type="checkbox"/> | Corruption          | <input type="checkbox"/> | Obstructive " (foreign)  | <input type="checkbox"/> |

29. Would a potential new Third World supplier be considered for a current high margin range of footwear if they could show:

- |                                 |                            |                            |
|---------------------------------|----------------------------|----------------------------|
| a) lower price, same quality?   | Y <input type="checkbox"/> | N <input type="checkbox"/> |
| b) lower price, better quality? | Y <input type="checkbox"/> | N <input type="checkbox"/> |
| c) same price, same quality?    | Y <input type="checkbox"/> | N <input type="checkbox"/> |
| d) same price, better quality?  | Y <input type="checkbox"/> | N <input type="checkbox"/> |

If none of the above please say

why.....  
 .....  
 .....  
 .....

30. Assuming that international trade can never be risk free, would you please indicate, in a scale of 1-6 where 1 is minimum risk and 6 is maximum risk, your assessment of the degree of risk which your Company is willing to accept.

Example: 1. **2** .....3.....4.....5.....6

The Company

The Company

Accepts minimum risk  
 risk

Accepts maximum

1.....2.....3.....4.....5..... 6



31. Some world regions may be seen as leaders in trade. Please indicate on a scale of 1-6 where 1 is strong agreement and 6 is strong disagreement, your level of agreement or disagreement with the following statements:

Example: 1 (2) 3.....4.....5.....6

a) North American countries are leaders in international commerce

Agree 1.....2.....3.....4.....5.....6 Disagree

b) European countries are leaders in international commerce

Agree 1.....2.....3.....4.....5.....6 Disagree

c) Pacific Rim countries are leaders in international commerce

Agree 1.....2.....3.....4.....5.....6 Disagree

d) Third World countries are leaders in international commerce

Agree 1.....2.....3.....4.....5.....6 Disagree

**THANKYOU FOR COMPLETING THIS PART OF THE QUESTIONNAIRE.**

**NOW PLEASE MOVE ON TO PART TWO.**

THE FINAL PART OF THIS QUESTIONNAIRE REQUIRES YOU ONLY TO CIRCLE YOUR SELECTION WITH YOUR IMMEDIATE RESPONSE.

PLEASE COMPLETE THIS PART OF THE QUESTIONNAIRE AS QUICKLY AS POSSIBLE

## PART TWO

### COMMERCE, BUSINESS RELATIONS AND PERCEPTIONS OF THIRD WORLD COUNTRIES

The following statements, covering a range of topics, are commonly used in reference to *Third World businesses and countries*. Please indicate, on a scale of 1-6 where 1 is strongly agree and 6 is strongly disagree, your level of agreement or disagreement with them.

Example: 1.  2  3.....4.....5.....6

#### POLITICAL ASPECTS

- |   |                                  |
|---|----------------------------------|
| 1. Third World countries have fared badly since independence  | 1.....2.....3.....4.....5.....6  |
| 2. Third World countries fared better when ruled by a colonial regime   | 1.....2.....3.....4.....5.....6  |
| 3. Third World countries development has suffered when countries have been governed as dictatorships                        | 1.... .2.....3.....4.....5.....6 |
| 4. Third World countries, in general, are trying develop and modern   | 1.....2.....3.....4.....5.....6  |
| 5. Ex-British colonies have a right to expect help from the UK.   | 1.....2.....3.....4.....5.....6  |
| 6. Third World countries wanted independence and must take the consequences   | 1.....2.....3.....4.....5.....6  |
| 7. Third World countries, in general, are dependent on aid from the more developed countries                                | 1.....2.....3.....4.....5.....6  |
| 8. Aid to Third World countries generally disappears before reaching the intended beneficiaries                             | 1.....2.....3.....4.....5.....6  |
| 9. Third World countries debts should be cancelled.   | 1.....2.....3.....4.....5.....6  |
| 10. Indebted Third World countries should pay back borrowings   | 1.....2.....3.....4.....5.....6  |
| 11. Higher echelons of some Third World country governments suffer from political corruption, this is their biggest problem | 1.....2.....3.....4.....5.....6  |
| 12. Third World government's bureaucracy can be corrupt, slow and complex   | 1.....2.....3.....4.....5.....6  |
| 13. Given current political and economic circumstances Third World countries are incapable of modernising                   | 1.....2.....3.....4.....5.....6  |

#### COMMERCIAL ASPECTS

- |  |                                 |
|--|---------------------------------|
| 14. Third World countries work to lower business standards than Europe                       | 1.....2.....3.....4.....5.....6 |
| 15. Third World businesses are adaptable and quickly learn New Technologies given the chance | 1.....2.....3.....4.....5.....6 |

16. The Third World, in general, is technologically poor and out of date 1.....2.....3.....4.....5.....6
17. Third World countries, in general, produce poor quality manufactured goods 1.....2.....3.....4.....5.....6
18. In some instances Third World businesses are led by corrupt businessmen 1.....2.....3.....4.....5.....6
19. Third World business transactions suffer slow, complex bureaucracy 1.....2.....3.....4.....5.....6

## **IMAGES AND PERCEPTIONS OF THE THIRD WORLD**

1 IS STRONGLY AGREE AND 6 IS STRONGLY DISAGREE

20. Third World countries excessively high rate of rate of population growth is their biggest problem. 1.....2.....3.....4.....5.....6
21. Aids in Third World countries is their biggest problem 1.....2.....3.....4.....5.....6
22. Third World countries, in general are poor and lack business capital for modernisation by themselves. 1.....2.....3.....4.....5.....6
23. Third World countries, in general are backward and so produce mainly agricultural commodities. 1.....2.....3.....4.....5.....6
24. Third World countries, in general, are all the same. 1.....2.....3.....4.....5.....6
25. Third World countries are far off and should not concern us 1.....2.....3.....4.....5.....6
26. The Third World to me is generally a blank space on the map 1.....2.....3.....4.....5.....6
27. The Third World to me is just images on TV screens 1.....2.....3.....4.....5.....6
28. In general all people in Third World countries are poorly educated 1.....2.....3.....4.....5.....6
29. Third World countries have no real image for me. 1.....2.....3.....4.....5.....6
30. Third World countries suffer from a bad image 1.....2.....3.....4.....5.....6
31. Third World countries imagery is one of violence and mass death 1.....2.....3.....4.....5.....6
32. The image of Third World countries is one of drought, starvation and disease 1.....2.....3.....4.....5.....6
33. The image of Third World countries is one of starving children 1.....2.....3.....4.....5.....6
34. People in Third World countries badly mistreat each other 1.....2.....3.....4.....5.....6
35. People in Third World countries dislike us, so why should we bother about them? 1.....2.....3.....4.....5.....6
36. News about Third World countries is only ever bad news 1.....2.....3.....4.....5.....6
37. Third World country images are made by the press and TV 1.....2.....3.....4.....5.....6
38. Third World country images come from people's imagination 1.....2.....3.....4.....5.....6
39. People rely on friends for ideas about Third World countries 1.....2.....3.....4.....5.....6
40. People tend to agree with friends' views on Third World countries 1.....2.....3.....4.....5.....6



## IMAGE OF THIRD WORLD BUSINESSMEN

1 IS STRONGLY AGREE AND 6 IS STRONGLY DISAGREE

- |     |   |                                 |
|-----|---|---------------------------------|
| 41. | efficient in business                     | 1.....2.....3.....4.....5.....6 |
| 42. | trustworthy in agreement                  | 1.....2.....3.....4.....5.....6 |
| 43. | opportunistic at my expense               | 1.....2.....3.....4.....5.....6 |
| 44. | reliable as a long term supplier          | 1.....2.....3.....4.....5.....6 |
| 45. | honest in transactions                    | 1.....2.....3.....4.....5.....6 |
| 46. | pleasant socially                         | 1.....2.....3.....4.....5.....6 |
| 47. | professional in general business matters  | 1.....2.....3.....4.....5.....6 |
| 48. | skilled negotiators                       | 1.....2.....3.....4.....5.....6 |
| 49. | poor communicators                        | 1.....2.....3.....4.....5.....6 |
| 50. | unimaginative                             | 1.....2.....3.....4.....5.....6 |
| 51. | aggressive                                | 1.....2.....3.....4.....5.....6 |
| 52. | unfriendly                                | 1.....2.....3.....4.....5.....6 |
| 53. | ill-mannered                              | 1.....2.....3.....4.....5.....6 |
| 54. | good marketers                            | 1.....2.....3.....4.....5.....6 |
| 55. | persistent                                | 1.....2.....3.....4.....5.....6 |
| 56. | reliable in performance of agreements     | 1.....2.....3.....4.....5.....6 |
| 57. | risky business partners                   | 1.....2.....3.....4.....5.....6 |
| 58. | unfamiliar personal appearance            | 1.....2.....3.....4.....5.....6 |
| 59. | good understanding of social conversation | 1.....2.....3.....4.....5.....6 |
| 60. | good understanding of business language   | 1.....2.....3.....4.....5.....6 |

**THANK YOU FOR TAKING THE TIME TO COMPLETE THIS QUESTIONNAIRE.**

**PLEASE REST ASSURED YOUR RESPONSES WILL REMAIN CONFIDENTIAL.**

**IF YOU WOULD LIKE FEEDBACK ON THE RESULTS OF THIS RESEARCH,  
PLEASE TICK ONE LAST BOX.**

**APPENDIX VIII**  
**SPSS Codebook**

## PART ONE - GENERAL DEMOGRAPHIC DETAIL

Variable	SPSS Variable Name	Coding Instructions
Identification number	CaselD	Number assigned to questionnaire
Question 1 Gender of respondent	gender	Female = 1 Male = 2
Question 2 Respondent age group	age	20-24 =1 25-29 =2 30-34 =3 35-39 =4 40-49 =5 50+ =6
Question 3 Highest educational qualifications	edqual	None =0 GCSE =1 O Level =2 A Level =3 1 <sup>st</sup> Deg =4 Masters =5
Question 4 Membership of Professional bodies	member	Yes =1 No =0
Question 5a Knowledge of foreign language	forlang	Yes =1 No =0
Question 5b State language one	no code - list languages	
Question 5c Level of skill language one	forlang1	conversational =1 business =2 fluent =3
Question 5d State language two	no code - list languages	
Question 5e Level of skill language two	forlang2	conversational=1 business =2 fluent =3
Question 6 Length of service with company	service	length of service, years



Question 7 Length of service In post State title	inpost  no code - list	time in post, years
Question 8 Has respondent worked abroad	abroad1	Yes=1 No =0
Question 9 How long respondent worked abroad	longabrd	time spent abroad, years
Question 10 Where worked abroad	no code - list	
Question 10a State country one	no code - list	time abroad, years
Question 10b State country two	no code - list	time abroad, years
Question 10c State country three	no code - list	time abroad, years
Question 11a Employed as expatriate	empexpat	Yes=1 No =0
Question 11b Employed locally	emplocal	Yes=1 No =0

*SOME QUESTIONS ABOUT YOUR COMPANY*

<b>Variable</b>	<b>SPSS Variable Name</b>	<b>Coding Instructions</b>
Question 12 Firms annual turnover	turnover	£0.5M-£1m =1 £1M-£5M =2 £5M-£10M =3 £10M PLUS=4 DECLINE =5
Question 13 Percentage t/o based on exporting	expercen	Enter number from box
Question 14 Percentage staff on export related tasks	expstaff	Enter number from box
Question 15 relation respondents salary and import profits	salary	Yes=1 No =0 Decline - leave blank
Please describe relationship	no code - list	

Question 16 Dealings with retailers	retail	Yes=1 No =0	
Question 17 Deal with other supply chain distributors	supply	Yes=1 No =0	
Question 18 Long term relationships with suppliers	relation	Yes=1 No =0	
Question 19 Product ranges imported	ranges1 ranges2 ranges3 ranges4 ranges5 ranges6 ranges7 ranges8 ranges9	Ladies Mens Comfort Childrens Trainers Uppers Boots Fashion Other	Yes =1 No=0 Yes =1 No=0 Yes =1 No=0 Yes =1 No=0 Yes =1 No=0 Yes =1 No=0 Yes =1 No=0 Yes =1 No=0 Yes =1 No=0
Question 20 Regions buying from	region1 region2 region3 region4 region5 region6	Latin America Asia South East Asia Africa North America European Union	Yes =1 No=0 Yes =1 No=0 Yes =1 No=0 Yes =1 No=0 Yes =1 No=0 Yes =1 No=0
Question 21 From what particular non-EU	no code - list		
Question 22 Current trade compared to 5 years ago	trade1	More=2 Same=1 Less=0	
Question 23 Current trade compared to 10 years ago	trade2	More =2 Same=1 Less =0	
Question 24 Policy on sourcing imports	policy	Yes=1 No =0	
Describe the policy	no code - list		
Question 25 Preferred countries	prefer	Yes=1 No =0	
Question 26 Please say why	no code - list		
Question 27 Placing regular business	regulbiz	Yes=1 No =0	

**Question 28**

<b>Experiences</b>	<b>aspect1</b>	<b>Unreliable deliveries</b>	<b>Yes =1 No=0</b>
	<b>aspect2</b>	<b>Poor materials</b>	<b>Yes =1 No=0</b>
	<b>aspect3</b>	<b>Poor workmanship</b>	<b>Yes =1 No=0</b>
	<b>aspect 4</b>	<b>Late deliveries</b>	<b>Yes =1 No=0</b>
	<b>aspect 5</b>	<b>Lack of information</b>	<b>Yes =1 No=0</b>
	<b>aspect 6</b>	<b>Difficult communications</b>	<b>Yes =1 No=0</b>
	<b>aspect 7</b>	<b>Non spec deliveries</b>	<b>Yes =1 No=0</b>
	<b>aspect 8</b>	<b>Long lead times</b>	<b>Yes =1 No=0</b>
	<b>aspect 9</b>	<b>Unfashionable products</b>	<b>Yes =1 No=0</b>
	<b>aspect 10</b>	<b>Non-delivery</b>	<b>Yes =1 No=0</b>
	<b>aspect 11</b>	<b>Slow reactions</b>	<b>Yes =1 No=0</b>
	<b>aspect 12</b>	<b>Language difficulties</b>	<b>Yes =1 No=0</b>
	<b>aspect 13</b>	<b>Unrealistic pricing</b>	<b>Yes =1 No=0</b>
	<b>aspect 14</b>	<b>Overpricing</b>	<b>Yes =1 No=0</b>
	<b>aspect 15</b>	<b>Obstructive govt UK</b>	<b>Yes =1 No=0</b>
	<b>aspect 16</b>	<b>Obstructive bureaucracy</b>	<b>Yes =1 No=0</b>
	<b>aspect 17</b>	<b>Corruption</b>	<b>Yes =1 No=0</b>
	<b>aspect 18</b>	<b>Obstructive govt (foreign_</b>	<b>Yes =1 No=0</b>

**Question 29**

**Potential new 3W supplier**      **see individuals below**

**Question 29a**

**Same price lower quality**      **new3w1**      **Yes=1**  
**No =0**

**Question 29b**

**Lower price better quality**      **new3w2**      **Yes=1**  
**No =0**

**Question 29c**

**Same price better quality**      **new3w3**      **Yes=1**  
**No =0**

**Question 29d**

**Same price higher quality**      **new3w4**      **Yes=1**  
**No =0**

**If none say why**      **no code - list**

**Question30**

**Acceptance of risk**      **accprisk**      **Enter the number circled from 1**  
**(Min risk) to 6 (Max risk)**

**Question 31**

**Leaders in trade**      **leader1**      **Enter the number circled from 1**  
**(strongly agree) to 6 (strongly disagree)**

**leader2**      **Enter the number circled from 1**  
**(strongly agree) to 6 (strongly disagree)**

**leader3**      **Enter the number circled from 1**  
**(strongly agree) to 6 (strongly disagree)**

**leader4**      **Enter the number circled from 1**



(strongly agree) to 6 (strongly disagree)

## **PART TWO COMMERCE, BUSINESS RELATIONS AND PERCEPTIONS OF THIRD WORLD COUNTRIES**

### **POLITICAL ASPECTS**

<b>Variable</b>	<b>SPSS Variable Name</b>	<b>Coding Instructions</b>
Question 1 Fared badly since Independence	faredbad	Enter the number circled from 1 (strongly agree) to 6 (strongly disagree)
Question 2 Ruled as colonies	colony	Enter the number circled from 1 (strongly agree) to 6 (strongly disagree)
Question 3 Governed as dictatorships	dictator	Enter the number circled from 1 (strongly agree) to 6 (strongly disagree)
Question 4 Develop and modernise	trymoder	Enter the number circled from 1 (strongly agree) to 6 (strongly disagree)
Question 5 Right to help	excolony	Enter the number circled from 1 (strongly agree) to 6 (strongly disagree)
Question 6 Wanted independence	consquen	Enter the number circled from 1 (strongly agree) to 6 (strongly disagree)
Question 7 Dependent on aid	depndaid	Enter the number circled from 1 (strongly agree) to 6 (strongly disagree)
Question 8 Aid disappears	dispraid	Enter the number circled from 1 (strongly agree) to 6 (strongly disagree)
Question 9 Cancellation of debt	cncldebt	Enter the number circled from 1 (strongly agree) to 6 (strongly disagree)
Question 10 Payback borrowings	payback	Enter the number circled from 1 (strongly agree) to 6 (strongly disagree)
Question 11 Political corruption	poltical	Enter the number circled from 1 (strongly agree) to 6 (strongly disagree)
Question 12 Corrupt, slow bureaucracy	bureau	Enter the number circled from 1 (strongly agree) to 6 (strongly disagree)
Question 13		

Incapable of modernisation      incapmod      Enter the number circled from 1  
(strongly agree) to 6 (strongly disagree)

## **COMMERCIAL ASPECTS**

Question 14  
Lower business standards EU      stdsEU      Enter the number circled from 1  
(strongly agree) to 6 (strongly disagree)

Question 15  
3W adaptable & quick learners      quicklnr      Enter the number circled from 1  
(strongly agree) to 6 (strongly disagree)

Question 16  
3W tech poor and outdated      poortech      Enter the number circled from 1  
(strongly agree) to 6 (strongly disagree)

Question 17  
Poor quality manufacturers      poormanf      Enter the number circled from 1  
(strongly agree) to 6 (strongly disagree)

Question 18  
Corrupt business leaders      corptbiz      Enter the number circled from 1  
(strongly agree) to 6 (strongly disagree)

Question 19  
Complex, slow business      slowbiz      Enter the number circled from 1  
(strongly agree) to 6 (strongly disagree)

## **IMAGES AND PERCEPTIONS OF THE THIRD WORLD**

Question 20  
High population growth      highpop      Enter the number circled from 1  
(strongly agree) to 6 (strongly disagree)

Question 21  
Aids is 3W biggest problem      aids3W      Enter the number circled from 1  
(strongly agree) to 6 (strongly disagree)

Question 22  
Lack business capital      nocapitl      Enter the number circled from 1  
(strongly agree) to 6 (strongly disagree)

Question 23  
Mainly agriculture prods      agriprod      Enter the number circled from 1  
(strongly agree) to 6 (strongly disagree)

Question 24  
3W countries all same      same3W      Enter the number circled from 1  
(strongly agree) to 6 (strongly disagree)

Question 25  
Far off so no concern      faroff      Enter the number circled from 1  
(strongly agree) to 6 (strongly disagree)

Question 26  
3W a blank space on maps      blankmap      Enter the number circled from 1

(strongly agree) to 6 (strongly disagree)

Question 27 Images on the TV	tvscreen	Enter the number circled from 1 (strongly agree) to 6 (strongly disagree)
Question 28 Poorly educated people	pooreduc	Enter the number circled from 1 (strongly agree) to 6 (strongly disagree)
Question 29 No real image	noimage	Enter the number circled from 1 (strongly agree) to 6 (strongly disagree)
Question 30 3W suffer bad image	badimage	Enter the number circled from 1 (strongly agree) to 6 (strongly disagree)
Question 31 Image is violence and death	violence	Enter the number circled from 1 (strongly agree) to 6 (strongly disagree)
Question 32 Image is drought, starvation	nowater	Enter the number circled from 1 (strongly agree) to 6 (strongly disagree)
Question 33 3W image is starving children	nofood	Enter the number circled from 1 (strongly agree) to 6 (strongly disagree)
Question 34 3W people mistreat each other	mistreat	Enter the number circled from 1 (strongly agree) to 6 (strongly disagree)
Question 35 3W people dislike us	dislikus	Enter the number circled from 1 (strongly agree) to 6 (strongly disagree)
Question 36 3W only bad news	badnews	Enter the number circled from 1 (strongly agree) to 6 (strongly disagree)
Question 37 3W images made by media	media	Enter the number circled from 1 (strongly agree) to 6 (strongly disagree)
Question 38 3W images from imagination	imagine	Enter the number circled from 1 (strongly agree) to 6 (strongly disagree)
Question 39 People rely on friends ideas	friends	Enter the number circled from 1 (strongly agree) to 6 (strongly disagree)
Question 40 People agree with friends	agrfrnds	Enter the number circled from 1 (strongly agree) to 6 (strongly disagree)



## IMAGE OF THIRD WORLD BUSINESSMEN

Question 41 Efficient	efficient	Enter the number circled from 1 (strongly agree) to 6 (strongly disagree)
Question 42 Trustworthy	trust	Enter the number circled from 1 (strongly agree) to 6 (strongly disagree)
Question 43 Opportunistic	opportst	Enter the number circled from 1 (strongly agree) to 6 (strongly disagree)
Question 44 Reliable	reliable	Enter the number circled from 1 (strongly agree) to 6 (strongly disagree)
Question 45 Honest	honest	Enter the number circled from 1 (strongly agree) to 6 (strongly disagree)
Question 46 Pleasant socially	social	Enter the number circled from 1 (strongly agree) to 6 (strongly disagree)
Question 47 Professional in business	profesnl	Enter the number circled from 1 (strongly agree) to 6 (strongly disagree)
Question 48 Skilled negotiators	skilled	Enter the number circled from 1 (strongly agree) to 6 (strongly disagree)
Question 49 Poor communicators	porcomms	Enter the number circled from 1 (strongly agree) to 6 (strongly disagree)
Question 50 Unimaginative	unimagin	Enter the number circled from 1 (strongly agree) to 6 (strongly disagree)
Question 51 Aggressive	aggressiv	Enter the number circled from 1 (strongly agree) to 6 (strongly disagree)
Question 52 Unfriendly	unfrendl	Enter the number circled from 1 (strongly agree) to 6 (strongly disagree)
Question 53 Ill-mannered	illmanrd	Enter the number circled from 1 (strongly agree) to 6 (strongly disagree)
Question 54 Good marketers	goodmrkt	Enter the number circled from 1 (strongly agree) to 6 (strongly disagree)

Question 55 Persistent	persistnt	Enter the number circled from 1 (strongly agree) to 6 (strongly disagree)
Question 56 Reliable performance	reliperf	Enter the number circled from 1 (strongly agree) to 6 (strongly disagree)
Question 57 Risky business partners	riskybiz	Enter the number circled from 1 (strongly agree) to 6 (strongly disagree)
Question 58 Unfamiliar appearance	unfamlr	Enter the number circled from 1 (strongly agree) to 6 (strongly disagree)
Question 59 Good social conversation	gdconver	Enter the number circled from 1 (strongly agree) to 6 (strongly disagree)
Question 60 Good business language	gdbizlan	Enter the number circled from 1 (strongly agree) to 6 (strongly disagree)
Question 61 Feedback required - please feedback	Ticked =1 Not ticked=0	

**APPENDIX IX**  
**Zimbabwean Exporter Background Information**



## **APPENDIX IX**

### **List of Zimbabwean Exporter Interviews**

1.	Mr. Carlos Costa Managing Director	Superior Shoe Co.	8.4.99
2.	Ms. Nella da Costa Sales Director	Superior Shoe Co.	12.4.99
3.	Mr. Umesh Ratanje Managing Director	R.K. Footwear	9.4.99
4.	Mr. Naran Managing Director	Conte Footwear	9.4.99
5.	Mr. Parmar General Manager	Conte Footwear	9.4.99
6.	Mr. Mark Keyling Director	Keylings Safety Footwear	8.4.99
7.	Mr. John Rice Director	Courtney Boot Co.	16.4.99
8.	Mr. Dos Santos Managing Director	Dos Santos Shoe Co.	12.4.99
9.	Mr. Feigenbaum Managing Director	Salelane Enterprises	14.4.99
10.	Mr. Colin Pedlar General Manager	Midiron (Pvt) Ltd.	14.4.99
11.	Mr. Les Thompson Sales Manager	Midiron (Pvt) Ltd.	14.4.99
12.	Mrs. Moira Thompson Director	Sunsand (Pvt) Ltd.	15.4.99
13.	Mr. R. Terblanche Owner	Ederey Shoes	15.4.99
14.	Mr. Simpson Director	Footwear & Rubber Ltd.	15.4.99
15.	Mr. Futter Director	Footwear & Rubber Ltd.	15.4.99

## **General Exporter Profile**

Shoe firms in Zimbabwe have clearly followed separate development trajectories based on a spirit of entrepreneurship. Not all owners had experience of shoe manufacturing, or even any background in the shoe industry to call upon, other firms did have owners who were previously associated with one of the larger organisations and subsequently established their own companies. One firm had imported manufacturing capacity from an overseas base and, like one of the other participants, is resident in an Export Processing Zone (EPZ) a further point of differentiation. All of the firms manufacture predominantly for the local market, an exception to this being those in the EPZ where 80% of production is required to be exported (EPZA 2005). Firms are geographically spread between the two main centres of population, Bulawayo and Harare, though mainly around Harare.

Industry output is estimated at around seven to eight thousand pairs a day, mostly accounted for by the participants. Part of the industry's output is leather, exported at various stages of the tanning process known as crust, wet blue and finished leather. According to one source 50% of wet blue leather is exported to Italy, suggesting acceptable quality at that stage of processing and a large proportion of the remainder is processed to completion as finished leather for shoes. Product ranges for two firms with tanning facilities also included luggage, leather jackets, 'smalls' such as briefcases and wallets plus exotic hides.

## **Exporter Footwear Range**

For the majority of manufacturers, footwear ranges extended to men's, women's, and children's footwear. Others were more diversified and one firm made golf shoes, cricket boots and running spikes. A further profitable line for one manufacturer was military footwear.

Footwear designs, as well as coming from fairs and exhibitions, were also derived from magazines and television. It was said that the southern Africa



region was almost two seasons behind the UK so trends could be monitored and successful designs produced for local markets. South Africa was noted as the leading fashion market while Zimbabwe was seen as very conservative.

For the niche marketing company product range was restricted to items associated with the 'bush' lifestyle, footwear manufactured in game hide. The designs had been developed by the owner together with input from Spanish sources and then 'Africanised'. Ancillaries other than footwear had been added to the product range over time. For both firms handling game and exotic hides a Convention on International Trade in Endangered Species (CITES) certificate or Trophy Dealers certificate was required.

### **Exporter Development**

When asked about export development interviewees appeared to be seeking long term stability. Underpinning this desire was the need to earn foreign currency, an enabling element in the purchase of imported materials, which allows access to earnings from more affluent overseas markets. A further driver in the movement towards exporting was the reported influx of cheap Chinese footwear similar to the South African situation noted earlier.

Fundamental to the manufacturing firms is their workforce, which appears to have a reputation for stability, low staff turnover and good labour relations. Although this offers a positive starting point the interviewees more immediate concerns centred on the Zimbabwean economic situation which constrained investment. An example of support was the Leather Institute of Zimbabwe (LIZ), which had modern equipment though now lacked fully trained staff with the expertise necessary to operate properly. Such a situation was seen as a constraint on the industry's development. Other firms had utilised the services of development organisations such as the Shoe and Allied Trades Research Association (SATRA) but because of expense they were reluctant to continue. This caused difficulties because *"Their advice, their publications etc is good, there's no doubt about it, but can we justify the cost of that?"* (Firm EE).



The interviewee suggested that under prevailing economic strictures the company was *"cutting out everything"* (Firm EE) which hampered future improvement and expansion. When asked if the development of business as a group would be possible it was considered to be a feasible route, though as noted earlier the firms were fully independent and competitive in the home market. The necessity was seen on the basis that one firm alone was unlikely to be strong enough or able to provide the production volume necessary to feed the UK market. It was suggested that as firms have different strengths they may manufacture different products so that conflict could be reduced. Technical assistance however was the key issue to improving quality, efficiency and output.

For one firm investment in manufacturing technology had been made in the early 1990s and required updating, but current capital cost was prohibitive and payback extended because of low volumes. This was contrasted with a high volume situation where payback periods could be relatively short, perhaps three years. At the same time exporters in other countries were known to receive technical support from clients.

**APPENDIX X**  
**List of Zimbabwean Ancillary Organisation Interviews**

## **APPENDIX X**

### **List of Zimbabwean Ancillary Organisation Interviews**

1.	Mr. F. Chawasarira	CEO Zimtrade	20.4.99
2.	Mr. R. O'Shaughnessy	UNIDO (retired)	16.4.99
3.	Mr. Trust Shuro	CEO Leather Institute of Zimbabwe	16.4.99
4.	Mr. David High	Customs Services (Pvt)	16.4.99
5.	Ms. Paula Bortolan	Cargo Services (Pvt)	16.4.99
6.	Mr. Jerry Bulling	Cargo Marketing (Pvt)	16.4.99
7.	Mr. Tendai Kuzvidza Leather & Shoes Advisor	Zimtrade	20.4.99
8.	Mr Calisto Karimanzera Horticulture & Flower Advisor	Zimtrade	20.4.99
9.	Mr. Johannes Brand	Horticulture	
10.	Mr. S. Vadoros	Wing Flora (Flowers)	8.4.99
11.	Mr. Joe Foroma Commercial Attache	Zimbabwe High Commission	12.10.99



**APPENDIX XI**  
**UK Importer Background Information**

## APPENDIX XI

### LIST OF UK IMPORTER INTERVIEWS

1.	Mr. Rodney Simpson Buyer	Guiseppe Poloni Ltd.	9.3.2000
2.	Mr. John Doe Partner	Guiseppe Poloni Ltd.	9.3.2000
3.	Mr. John Kellas-Kelly Marketing Director	Pentland Group Ltd.	9.3.2000
4.	Mr. David West Director	Jeffery West Shoes Ltd.	20.9.1999
5.	Mr. Derek Moore Director	The Shoe Company	3.3.2000
6.	Mr. Matthew Davies Buyer	Davison Shoe Ltd.	23.9.1999
7.	Mr. Graham Haig Director	John E. Robinson (Liverpool) Ltd.	24.2.2000
8.	Mr. Glenn Afton Accountant	Beaver Safety Footwear Ltd.	3.9.1999
9.	Mr. Nigel Wilcox Raw Materials Manager	Goliath Safety Footwear	9.1.2002
10.	Mr. Peter Gardiner Director	Group Five Shoes Ltd.	31.10.1999
11.	Mr. Doug Jeffcott Technical Support Manager	Brevitt-Rieker Ltd.	17.10.2001
12.	Mr. Phil Fortune Director	Kenyons Footwear Ltd.	5.12.2001

## **Importer Details**

Interviews were carried out with personnel from a range of companies and no single pattern of establishment could be discerned. Three contrasting examples of development are given below. These are a long established importing company, a manufacturing company and a management buy-out.

### **1. The Importing Company**

One of the longer serving interviewees had initially worked with BATA, a global footwear organisation having facilities in very many countries. He then moved to an importing company which

*“happened to be dealing with the Far East and again, as a generalisation shoe import had come from the Far East”.*

(Firm IE).

The firm had traded with other areas as the trade sources migrated to follow manufacturing. Africa had not been seen as a source since it was not a traditional footwear exporter within the trade.

### **2. The Manufacturing Company**

An alternative form was traditional manufacturing company that had become an importing firm. One interviewee described his company as *“a typical example of a manufacturing company of over 100 years standing”* (Firm IH).

This company had reduced from a large workforce producing in the UK to a position where

*“probably two thirds and increasing, is now a sourced complete product and it’s all been market driven, price driven, you know “.*

(Firm IH).



The firm has closed down since the date of interview.

### 3. The Management Buy-Out

A further pattern of development was shown by an importing company that had originally been part of a manufacturing group. The group comprised a number of factories reflecting the national manufacturing centres in Northampton, Leicester, Norwich and areas in Lancashire. According to this interviewee *"we weren't even considering imports"* (Firm IH) until BSC began the trade and *"brought the price point down"* (Firm IH). This was seen to reduce the competitiveness of UK manufacturing and the group was dismembered over time, presenting the opportunity for a management buy-out.

Market structure was not an issue identified as important either from the literature review or in the exporter interviews. The significance attached by importers was therefore surprising. Importers saw that market structure had changed radically over a short period resulting from demise of the British Shoe Corporation (BSC) which had been a dominant force for some considerable time. One interviewee thought there were more non-specialist retailers handling clothing and footwear, increasing competition between buyers and therefore driving down exporter margins. This perception is exemplified by the remark that

*"There's far more stores around that wants to supply everything, whether it's footwear, clothing, whatever".*

(Firm II).

A fear was expressed that reconcentration would occur with

*"the bigger more powerful buyers, people like Matalan, Peacocks, coming along and like ASDA".*

(Firm II).

It was also suggested that this process might result in the loss of a current high street name *“somebody else is going to go one way or another in the next year or so”* (Firm II).

The multiple stores bought for themselves and formed part of the importers customer base. Examples given by the more open interviewees included Mothercare, Tesco and Poundstretcher. Importers did not commonly share sourcing information among themselves and especially with exporters in view of possible direct approaches being made. Exporters would achieve little market knowledge, supporting the work of Kaleka (1997) and Katsikeas and Piercy (1991).

Changes in market structure and in the buying process had been followed through with commensurate evolution in the importing firms. It would appear that importing companies operated either as primary importers e.g. buying from Hong Kong, or secondary importers who obtained product from the primary importers. BSC, although a very large organisation, was not solely a primary importer, but operated in both forms. The effect of this was that when BSC ran into difficulties so did some of the primary importers with which the corporation had been dealing. The reason advanced by importers for this form of trading by BSC was a perceived desire to have an intermediary able to handle any issues arising from importing. Subsequently some of the secondary importers, who may have acted as wholesalers, evolved into primary companies. This may to some degree explain the current dearth of such businesses. A further factor may be the shrinkage in UK domestic manufacturing. It is also noteworthy that when attempting feedback of the Beta model for evaluation by importers three firms had ceased trading, illustrating the volatility of the sector.

### **Footwear Range**

All importing companies handled ladies and gentlemen's footwear and several firms imported children's shoes, the remainder were distributors of High Street fashion footwear, some seen as specific to certain age groups e.g. 18-25 high



fashion market. One importer who described his imports as *“anything we can buy and sell, basically”* (Firm IF) best illustrates the width of shoe importer range.

Particularly important to interviewees in terms of range building and importing generally was quality of product. This was often referred to and together with price and delivery, may be seen as key issues. The ranges needed to be market specific and the ‘look’ of the shoe, or finesse in design, played a large part in the decision to purchase a single shoe style or range. Where these aspects were lacking

*“more often than not I suppose it’s because the infrastructure is not there for the componentry... the leathers... so that they are not quite the same, they are copies which haven’t got that same handle and flare that the original has”.* (Firm II).

Most importers handled a range of Goodyear Welted shoes, sourced either from domestic UK production or overseas, notably India, which was recognized for the quality of this particular product. Differing views on Chinese output were apparent. Some interviewees suggested small amounts of leather and predominantly synthetic production, other interviewees suggested the reverse. This was perhaps due to deficiencies in market knowledge.

So far as the general competitiveness and quality of Indian and Chinese product was concerned alternative views were given, individuals having apparently different perceptions of quality (Garvin 1987) and design. It is acknowledged that all respondents were professional buyers and the trade was seen as a ‘buyers’ market’. Ultimately, however, the perception of product competitiveness and therefore potentially an element of the exporters image may rest on the interplay of importer and exporter negotiating skills.

For importers leather footwear is more desirable than synthetic since *“there’s a lot more money in ‘selling-on’ a pair of £10 shoes than in £1 shoes”* (Firm IL). Margins differ widely between UK and imported leather shoes of the same



type, which assists in creating conditions conducive to importing and therefore an incentive for exporters. One importer's range contained product from a mixture of countries, confirming the supremacy of traditional importing sources:

*"...main line range which is all made in the UK, all leather lined, all like high quality, calf leathers, and that sort of... that's Goodyear welted so that's... retails at £150. Then we've got another range called Black Lining which we bring in from Spain which is slightly better quality than what we bring in from Lithuania in regards to leather specs and things like that and that sort of retails about £95 and then we've got what we bring in from Lithuania, which is like £65. So we've got sort of three different sort of ranges."*

(Firm IK).

Companies evaluated themselves on the customer value they believed was delivered by their products. This was illustrated by comments concerning price and brand where the competitor was seen to obtain a premium price for an equal quality shoe resulting from possession of a strong brand name. In general brands did not form a key area of LDC manufacturer image. Some firms imported unbranded shoes for what was described as 'bottom end' market segments while others handled products targeted at a variety of price points. Range building could also be wholly import based or a mixture of UK and imported product, again dependent upon price points. Sources were chosen according to capability.



**APPENDIX XII**  
**Example of Frequency Distribution**



**APPENDIX XII EXAMPLE OF QUESTIONNAIRE FREQUENCY DISTRIBUTION**

		<b>Notes</b>
<b>Output Created</b>		23-JAN-2005 13:21:11
<b>Comments</b>		
<b>Input</b>	<b>Data</b>	C:\Documents and Settings\John Dakin\Desktop\DRAFT THREE 12 JAN 05\Correlations\Data jan 05 (verified).sav
	<b>Filter</b>	<none>
	<b>Weight</b>	<none>
	<b>Split File</b>	<none>
	<b>N of Rows in Working Data File</b>	13
<b>Missing Value Handling</b>	<b>Definition of Missing</b>	User-defined missing values are treated as missing.
	<b>Cases Used</b>	Statistics are based on all cases with valid data.
<b>Syntax</b>	<p>FREQUENCIES VARIABLES =  faredbad colony dictator trymoder excolony  consquen depndaid  dispraid cncldebt payback politics bureau  incapmod stdseu quicklnr poortech  poormanf corptbiz slowbiz highpop aids3w  nocapitl agriprod same3w faroff  blankmap tvscreen pooreduc noimage  badimage violence nowater nofood mistreat  dislikus badnews media imagine friends  agrfrnds efficient trust oportst  reliable honest social profesnl skilled  porcomms unimagin agresiv unfrendl  illmnrnd goodmktr persisnt reliperf riskybiz  unfamilr gdconver gdbizlan  /ORDER= ANALYSIS .</p>	
<b>Resources</b>	<b>Elapsed Time</b>	0:00:00.02
	<b>Total Values Allowed</b>	149796

## Frequency Tables

**3W countries have fared badly since Independence**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	2	15.4	16.7	16.7
	Agree	2	15.4	16.7	33.3
	Tend to agree	4	30.8	33.3	66.7
	Tend to disagree	3	23.1	25.0	91.7
	Disagree	1	7.7	8.3	100.0
	Total		12	92.3	100.0
Missing	999	1	7.7		
Total		13	100.0		

**3W countries fared better as colonies**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	1	7.7	8.3	8.3
	Agree	2	15.4	16.7	25.0
	Tend to agree	6	46.2	50.0	75.0
	Tend to disagree	2	15.4	16.7	91.7
	Disagree	1	7.7	8.3	100.0
	Total		12	92.3	100.0
Missing	999	1	7.7		
Total		13	100.0		

**3W countries suffered under dictatorships**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	4	30.8	33.3	33.3
	Agree	3	23.1	25.0	58.3
	Tend to agree	3	23.1	25.0	83.3
	Tend to disagree	1	7.7	8.3	91.7
	Strongly disagree	1	7.7	8.3	100.0
	Total		12	92.3	100.0
Missing	999	1	7.7		
Total		13	100.0		

**APPENDIX XIII**  
**Descriptive Statistics**



## APPENDIX XIII

### DESCRIPTIVE STATISTICS

SPSS VARIABLE	Number		Mean	Standard Error of Mean	Std Dev	Var'nce	Skew	Stand Error of Skewn's	Kurt	Standard Error of Kurtosis	Range	Min	Max
	Valid	Missing											
3W countries have fared badly since independence	12	1	2.92	.358	1.240	1.538	-.158	.637	-.611	1.232	4	1	5
3W countries fared better as colonies	12	1	3.00	.302	1.044	1.091	.000	.637	.733	1.232	4	1	5
3W countries suffered under dictatorships	12	1	2.42	.434	1.505	2.265	1.248	.637	1.731	1.232	5	1	6
3W countries are trying to develop and modernise	12	1	2.42	.260	.900	.811	-.152	.637	-.427	1.232	3	1	4
Ex-British colonies have a right to expect UK help	12	1	2.92	.514	1.782	3.174	.728	.637	-.497	1.232	5	1	6
3w should accept consequences of seeking independence	12	1	3.67	.497	1.723	2.970	-.019	.637	-.623	1.232	5	1	6
3W countries are aid dependent	11	2	2.27	.237	.786	.618	-.574	.661	-.967	1.279	2	1	3
Aid disappears in 3W countries	12	1	2.25	.179	.622	.386	-.170	.637	-.091	1.232	2	1	3
3W debt should be cancelled	12	1	2.83	.423	1.467	2.152	.134	.637	-.1220	1.232	4	1	5
3W countries should payback borrowings	12	1	4.08	.379	1.311	1.720	.110	.637	-.1185	1.232	4	2	6
Biggest problem is high level political corruption	12	1	2.25	.279	.965	.932	.136	.637	-.770	1.232	3	1	4
Bureaucracy can be corrupt, slow, complex	12	1	1.92	.229	.793	.629	.161	.637	-.1261	1.232	2	1	3
Currently incapable of modernising	12	1	4.17	.366	1.267	1.606	-.048	.637	-.879	1.232	4	2	6

Work to lower standards than EU countries	12	1	3.08	.452	1.564	2.447	.350	.637	-618	1.232	5	1	6
Adaptable and learn new tech quickly	12	1	2.75	.351	1.215	1.477	.205	.637	-406	1.232	4	1	5
Technically poor and out of date	12	1	3.08	.288	.996	.992	-.854	.637	-.014	1.232	3	1	4
Produce poor manf goods	12	1	3.50	.289	1.000	1.000	.000	.637	-.764	1.232	3	2	5
Businesses may have corrupt leaders	12	1	2.50	.289	1.000	1.000	.000	.637	-.764	1.232	3	1	4
Businesses have slow, complex bureaucracy	11	2	3.00	.302	1.000	1.000	-.733	.661	-.133	1.279	3	1	4
Popl growth is biggest problem	12	1	2.83	.441	1.528	2.333	.150	.637	-1.57	1.232	4	1	5
Aids is biggest problem	12	1	4.33	.333	1.155	1.333	-.787	.637	-.055	1.232	4	2	6
Lack business capital to modernise	12	1	2.17	.297	1.030	1.061	.211	.637	-1.14	1.232	3	1	4
Mainly produce agricultural commodities	12	1	3.58	.288	.996	.992	-.274	.637	-.654	1.232	3	2	5
3W countries generally all the same	12	1	5.17	.271	.937	.879	-1.17	.637	1.334	1.232	3	3	6
Far off and shouldn't concern us	12	1	5.33	.333	1.155	1.333	-1.63	.637	1.364	1.232	3	3	6
Blank space on maps	12	1	5.92	.083	.289	.083	-3.46	.637	12.00	1.232	1	5	6
Images on TV screens	12	1	5.75	.179	.622	.386	-2.55	.637	6.242	1.232	2	4	6
People generally poorly educated	12	1	4.42	.379	1.311	1.720	-.363	.637	-.759	1.232	4	2	6
No real image for me	12	1	4.83	.241	.835	.697	-.771	.637	1.148	1.232	3	3	6
Suffer a bad image	12	1	2.08	.288	.996	.992	.470	.637	-.654	1.232	3	1	4
Image is violence and mass death	12	1	4.58	.452	1.564	2.447	-1.21	.637	1.067	1.232	5	1	6
Image is drought, starvation, disease	12	1	4.08	.358	1.240	1.538	.158	.637	-.611	1.232	4	2	6
Image is starving children	12	1	3.92	.468	1.621	2.629	-.148	.637	-.707	1.232	5	1	6
Badly mistreat each other	12	1	4.08	.398	1.379	1.902	.323	.637	-1.17	1.232	4	2	6
Dislike us so why should we bother	12	1	5.25	.305	1.055	1.114	-1.14	.637	.126	1.232	3	3	6
Only ever bad news	12	1	4.08	.379	1.311	1.720	-.471	.637	-.972	1.232	4	2	6
Media makes 3W image	12	1	2.00	.213	.739	.545	.000	.637	-.856	1.232	2	1	3



Images are from people's imaginations	12	1	3.33	.396	1.371	1.879	.038	.637	-1.047	1.232	4	1	5
Images come from friends	12	1	4.17	.423	1.467	2.152	-.757	.637	.414	1.232	5	1	6
Agree with peers on images	12	1	3.75	.392	1.357	1.841	.278	.637	-1.442	1.232	4	2	6
Efficient in business	12	1	3.50	.314	1.087	1.182	-.255	.637	-1.128	1.232	3	2	5
Trustworthy in agreements	12	1	3.50	.314	1.087	1.182	.255	.637	-1.128	1.232	3	2	5
Opportunistic	12	1	3.58	.358	1.240	1.538	-.056	.637	-1.677	1.232	3	2	5
Reliable long terms suppliers	12	1	3.50	.289	1.000	1.000	.000	.637	-.764	1.232	3	2	5
Honest	12	1	3.17	.207	.718	.515	-.262	.637	-.685	1.232	2	2	4
Socially pleasant	12	1	2.17	.207	.718	.515	-.262	.637	-.685	1.232	2	1	3
Professional in business	12	1	3.00	.302	1.044	1.091	.000	.637	.733	1.232	4	1	5
Skilled negotiators	12	1	2.58	.288	.996	.992	-.274	.637	-.654	1.232	3	1	4
Poor communicators	12	1	3.00	.275	.953	.909	.755	.637	.161	1.232	3	2	5
Unimaginative	12	1	4.08	.313	1.084	1.174	-.192	.637	.219	1.232	4	2	6
Aggressive	12	1	3.92	.379	1.311	1.720	-.110	.637	-1.185	1.232	4	2	6
Unfriendly	12	1	5.00	.174	.603	.364	.000	.637	.733	1.232	2	4	6
Ill-mannered	12	1	4.75	.305	1.055	1.114	-1.636	.637	3.938	1.232	4	2	6
Good marketers	12	1	4.08	.417	1.443	2.083	-1.043	.637	.600	1.232	5	1	6
Persistent	12	1	2.42	.336	1.165	1.356	-.174	.637	-1.523	1.232	3	1	4
Reliable	12	1	3.58	.229	.793	.629	-.325	.637	.333	1.232	3	2	5
Risky partners	12	1	3.00	.275	.953	.909	.000	.637	-2.127	1.232	2	2	4
Have unfamiliar appearance	12	1	4.33	.256	.888	.788	.139	.637	-.254	1.232	3	3	6
Good social conversation	12	1	3.58	.379	1.311	1.720	-.797	.637	-.333	1.232	4	1	5
Good business language	12	1	3.17	.271	.937	.879	.412	.637	-.298	1.232	3	2	5



**APPENDIX XIV**  
**Exporter Feedback**

## APPENDIX XIV

### Exporter Feedback

Standard fax sent to follow up on telephone conversation regarding outcome of the research, requesting confirmation of feedback. In the following pages questions asked and participants responses are shown. These informed revisions to the Beta model.

To : Mr [REDACTED]

Address : [REDACTED]  
[REDACTED]  
Harare

Date : 14<sup>th</sup> April 2005

**Subject: Feedback On Research Interview**

Dear Mr [REDACTED],

Thank you very much for taking my telephone call this morning. I attach to this fax the notes from our conversation and would be grateful if you could confirm to me that they are an accurate record.

I would appreciate it if you could pass on to me any other thoughts or comments that you may have regarding the research and footwear exporting in general.

Thank you again,

John Dakin

## Telephone Feedback

From [REDACTED]  
[REDACTED]

14<sup>th</sup> April 2005

1.

Q: Instability of the exporter home environment causes worries for importers.

A: Understandable – but actually the environment is not bad. Forex is the difficulty. Cannot upgrade to new machines except on rolling programme.

2.

Q: Quality is an issues between domestic and export perspectives

A: Quality issue is agreed, dumping of substandard shoes domestically and sending better quality overseas. Chinese immigrants moving in and setting up firms, but making plastic so not major competition.

Quality can be made in Zimbabwean

3.

Q: Unreliability in terms of deliveries, slow bureaucracy and perceived inefficiency creates lack of trust.

A: Delivery issues result from materials supply problems. These cause delays locally so have effect on deliveries. Manufacturing plant running under capacity currently, able to make 1100 to 1200 pairs per day but now only 300 to 400 per day so export orders could be met.

Trainee Manager from UK or guidance would be welcome to ensure compliance with requirements.

4.

Q: Exporters encountered appear to display good level of professionalism

A: Accepted

5.

Q: Good business language

A: Accepted as given, English is common language.



6.

Q: Goods are priced higher than competitors when related to GDS experience and companies in India and China.

A: Agreed goods are expensive, due to economic conditions and, for example, Labelling requirements, an addition to manufactured costs.

GDS attendance was nine or ten years ago so pricing has changed with influence of \$Z valuation.

7.

Q: Designs not following market trends

A: Agreed but importers should stipulate their requirements e.g. samples, photographs. Product samples can then be airfreighted to UK.

'It is no good Zimbabwe trying to predict three months ahead'.

8.

Q: Appear to lack marketing skills and adopt transaction rather than relationship building approach.

A: Agreed.

Manufacturers lack marketing skills but cannot afford to employ specialists; cost and increased administration aspects of problem need to be considered. Have no contact list since interest with Clarks some ten years ago when the firm was very keen to try and build a relationship.

China will eventually become expensive as labour costs rise and then people will begin to look at Africa.

9.

Q: There is personal level empathy for exporters and some appreciation of problems, however, still need to make rational business decisions.

A: Understood.

10.

Q: Again, on a personal level, exporters were found to be social and pleasant.

A: Accepted.

11.

**Q: Importers do not agree with the media images displays of conditions in developing countries. Have their own ideas based on experience, visits and contacts.**

**A: Accepted. Media display the worst aspects and not everything is like that.**

## **Summary**

**Mr [REDACTED] found that –**

- **The report was an accurate assessment**
- **If export orders came in they could be met due to under capacity**
- **Conditions will change over time and business will improve**

## **Telephone Feedback**

**From** [REDACTED]  
[REDACTED]

**14<sup>th</sup> April 2005**

**1.**

**Q: Instability of the exporter home environment causes worries for importers.**

**A: Understandable – no forex. Cannot import raw materials or new machines. Cannot commit to orders that might be placed**

**2.**

**Q: Quality is an issues between domestic and export perspectives**

**A: Quality issue is agreed, a problem. Cannot improve until raw materials are available from outside Zimbabwe to match international material requirements. Home based is leather in short supply and not up to standards required.**

**Need to import leathers and add value through manufacturing for re-export.**

**Different perceptions of quality because Zimbabwean manufacturers lack exposure to international market. Lack development in design and technology, basically fifteen years behind market designs and manufacturing techniques.**

**3.**

**Q: Unreliability in terms of deliveries, slow bureaucracy and perceived inefficiency creates lack of trust.**

**A: Delivery issues result from materials supply problems. These cause delays locally so have knock-on effect.**

**Bureaucracy exists especially in comparison to exports from the Far East. Zimbabwean firms not used to dealing with First World companies and need to open up to international conditions e.g. adherence to deadlines.**

**4.**

**Q: Exporters encountered appear to display good level of professionalism**

**A: Accepted**

**5.**

**Q: Good business language**



**A: Accepted as given**

**6.**

**Q: Goods are priced higher than competitors when related to GDS experience and companies in India and China.**

**A: Agreed goods are expensive, due to economic conditions. Especially so in real terms compared to historical prices, due to inefficiencies in manufacturing, lack of capitalisation, as a result of the economic situation and technically uncompetitive for same reason.**

**7.**

**Q: Designs not following market trends**

**A: Agreed and based on lack of exposure to latest designs. Before manufacturers can export anywhere there is a need to update infrastructure and become market driven; not make to manufacturing capability but to market needs.**

**8.**

**Q: Appear to lack marketing skills and adopt transaction rather than relationship building approach.**

**A: Agreed. Have no appreciation of requirements of international marketing. Lack exposure to the global scene, such as requirements to meet deadlines, communication, quality standards and pricing levels.**

**Appreciate need to build relationships but first thing is to get needed infrastructure in place before anything else, such as improving manufactured quality. May then be able to honour obligations.**

**9.**

**Q: There is personal level empathy for exporters and some appreciation of problems, however, still need to make rational business decisions.**

**A: Understood. Export regionally first to gain experience and technological capability. Compared to China and Pacific Rim countries Zimbabwean manufacturers are very far behind. So, appreciate sympathy but understand rationality of decisions - 'this is business'.**

**10.**

**Q: Importers do not agree with the media images displays of conditions in developing countries. Have their own ideas based on experience, visits and contacts.**

A: Accepted. May be a place to work from.

## Summary

Mr [REDACTED] found that –

- Found report to be 'a very realistic assessment of the situation'.
- Current situation in Zimbabwe is far more difficult than at the time of interview.
- In the right environment there is still an ability to do business in export markets.
- Niche and regional markets are available. For example, specialities such as beadwork scandals and tourist type products
- There is currently no volume exporting.

**APPENDIX XV**  
**Importer Feedback Request**



## **APPENDIX XV**

### **EMAILED LETTER REQUESTING IMPORTER FEEDBACK AND QUESTIONS**

Dear Mr. ...

Some time ago you participated in a series of interviews with footwear importers. This was part of a research project designed to identify some of the problems experienced by importers dealing with developing country footwear exporters. The main focus of the research was the phenomenon referred to as 'negative image' and how that might affect the export achievements of developing country manufacturers.

Since then work has continued on the project. As a result a model of interactions between importers and exporters has been developed. This is shown on the attached page with an explanation. It would be very much appreciated if you could make an appraisal of the model and answer three questions as fully as possible. These concern the components contained in the model, how well the model fits your experience and any general comments. If there are any queries I trust that I may discuss them with you by telephone.

A separate email with the questions has been sent for ease of reply. Simply click on 'reply' and then click on 'include original message' and type in your responses below each question.

Please feedback your comments to me at the University by return of email. Your opinions are very important at this advanced stage. Finally, let me assure you once again that confidentiality will be maintained.

Yours sincerely

John Dakin

## **IMPORTER INTERVIEWEE FEEDBACK QUESTIONS**

The questions contained in the email shown below were sent to interviewees following an initial telephone call explaining the current position and asking for agreement to further participation. Feedback received is shown at section 5.6.

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Model Feedback Questions

17<sup>th</sup> May 2004

To send your reply: please click on 'reply' then if necessary click on 'include original message' and then type your response below the questions. The page should expand as necessary. Finally click on 'send'.

Thank you once again for your time and interest in this project

John Dakin

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Question 1.

- (a) From reading the description and looking at the model of importer-exporter interactions what, if any, extra factors should be included?
- (b) What factors, if any, could be removed?
- (c) In your opinion how could the model be simplified?
- (d) If you were asked to nominate one aspect from the model as critical to exporters success in trying to establish trading relations with UK importers what, if anything, would it be?

Question 2.

- (a) Overall how well does the model relate to your experience?
- (b) Are there any changes you would like to suggest?

Question 3. Are there any other comments you would like to make?