

The Investigation of the Impact of International Experience and Innovation Capability on the Success of Export Performance: A Case Study of Government Trading Corporation of Iran

¹Seyyed Kianoush Arian Rad, ²Roya Darabi and ³Mehdi Ebrahimi

¹Department of Management, Islamic Azad University, Science and Research Branch, Tehran, Iran

²Department of Accounting, Islamic Azad University, South Tehran Branch, Tehran Iran

³Department of Accounting, Islamic Azad University, Science and Research Branch, Tehran, Iran

Abstract: Exports is considered as one of the most important factors of development of countries, especially in the area of cereals and Iran can obtain great success in this area due to its existing potentials as well as the weaknesses of other Middle East countries for providing their required flour. The main objective of this research is the investigation of the impact of international experience and innovation capability on the success of export performance. The research method is descriptive-measurable and the research purpose is functional. The statistical community includes marketing managers of factories affiliated with cereal companies and companies doing trading services which were active in the area of flour production. The sample size was 206 people that the researcher has determined 136 people as the sample size by using Cochran's formula. To collect data in this research, standard questionnaire was used which the validity and reliability of research have also been approved. To analyze data, the researcher used Smart PLS 3 software. The results showed that international experience affects innovation capabilities and export performance. Similarly, innovation capability is an effective factor for strengthening the success of export performance.

Key words: International experience, innovation capability and success of export performance, sample, performance, Iran

INTRODUCTION

Achieving innovation capabilities and their increase is a subject that all firms, regardless of their size and field of activity, have recognized their importance. It matters highly especially in the firms producing cereals such as flour and the main purpose of their establishment is making commercial grounds for this industry and providing domestic and even international needs. In these kinds of companies, the sign of success in making commercial grounds for the achievements and survival in a market ever subject to technological changes is the innovations distinguishing the products as a scientific achievement and the products of other companies active in the market (Rauch *et al.*, 2009; Cano *et al.*, 2004; Kirca *et al.*, 2005). Survival and continuance of these organizations as well as their developments require proper understanding of environmental opportunities and changes in the Rules of the game; in order to find more chance for enjoyment from opportunities. It seems that using international experience is known as an important source for identifying opportunities. The companies

having high experiences, high capabilities in the field of market entry and those adopting strategy in international markets and other factors like these (Stoian *et al.*, 2011; Kaleka, 2012; Beleska-Spasova *et al.*, 2012). The appropriate recognition of necessity and orientation of change and using opportunity are very difficult tasks and they require the strategic development of the capacity of thought, the correct understanding of the concept of strategy and how it is made and exercised that this subject is not possible except adopting strategic orientation in all organizational dimensions and the strategic orientations of businesses have been introduced as the key sources of competition in the global markets (Cadogan *et al.*, 1999; Knight and Kim, 1997). Many studies have been conducted about the different dimensions of orientation of organizations which are based on the centrality of market orientation, entrepreneurship orientation and/or innovation orientation. For example, when the concept of market orientation was introduced, many studies proved its positive impact on business performance in the national or international dimensions (Cadogan *et al.*, 1999; Knight

and Kim, 1997). Some other studies show that adoption of other options of strategic orientation such as innovative and entrepreneurial orientation and orientation of international experience can affect the performance of businesses (Singh, 2008). However, the point highlighted more than before along with more complexity and more competition of the environment of business of organizations especially the firms related to cereals in the field of the exports of flour is the insufficient attention and/or the focus of these firms on international experiences especially in the countries having many cultural and legal difference with the country of origin. The firms often have different problems due to lack of using international experiences appropriately and due to their inattention to the international experiences and the orientation made in this field, they will be encountered with failure in the area of exports. It is here that the main issue of the present research is how the integrated model of strategic orientation will be formed in the firms monitored by the cereal office of the private sector and it is raised this question: Have the managers been empowered to identify the important factors in the strategic orientation by using the comprehensive view in order to improve innovation in the new services and products and achieve the competitive advantage in the international markets. Given the performance of the discussed active firms in the recent years in the area of exports, it can be concluded that the firm performance has not had any desirable situation in the inside and outside of the country. On the one hand, inattention to market orientations as well as international experiences and their characteristics and on the other hand, high bureaucracies in the organization and low speed of innovation are the reasons representing the lack of orientation of this firm in the international and domestic markets. While many firms having fewer backgrounds in terms of performance act better and more effective in the global markets and despite the incentives allocated by the public sector to support the flour exports, however, the firms producing flour have not achieved any success in the exports. Eventually, the main question is that how much orientation of international experience and innovation capabilities can be led to the change of export performance of factories producing flour?

Theoretical foundations

Export performance: It can be stated that many experts believe that export performance is equal to export success if the performance is in an optimal situation and the domestic firms producing flour have the export success. While the performance of the firms in the recent years that there were supportive laws of government for improving

the flour exports represent very weak performance showing failure of the firms in the area of entry to the Middle East and international markets. To organize the findings of previous studies, chart 1 focuses on the factors affecting the export success and improving the export performance (Sousa and Bradley, 2006; Singh, 2009). In this chart, two effective factors have been identified in improving the export performance:

- Domestic vs foreign
- Controllable vs uncontrollable

Classification of the factors determining the export performance into internal and external ones is theoretically justifiable. Because the internal factors have been established based on the theory of the justifiable sources and the external factors have been made on the basis of the theory of structure of industry (Yi *et al.*, 2013). The theory based on the sources of firm is conceptualized as a specific package from tangible and intangible sources (assets, competencies, processes, managerial features, information and knowledge) controllable by the firm and it enables the firm doing strategies in order to improve its efficacy and efficiency. The theory regards the factors determining the export performance and the firm strategy as the internal sources of organization. Conversely, the theory of structure of industry believes that the external factors determine strategy and performance (Ling-Yee and Ogunmokun, 2001). It states that the external environment imposes pressures on firm so the firm should offer an appropriate answer to these pressures. According to the theory of structure of industry, the external factors and the export strategy of firm are the factors determining the export performance. Studies often focused on controllable factors as the factors determining the export performance of firm. In contrast, studies exclusively focused on uncontrollable factors describe a determinism view about exports (Sousa and Bardley, 2006) (Table 1).

Criteria of measuring export performance: “Sales” are measured by criteria such as total volume of sales or intensity of exports. “Profits” are measured by total profit of exports and the relative criteria of profit are measured by the export profit divided by total profit or the export profit divided by the profit of internal market. When the criteria of “profit” or “sales” are static, the criterion of “growth” is measured coming back to the changes of sales or the export profit in a period of time. “Success” includes the criteria such as attitudes of managers about share of exports from the total profits of firm and how much acceptability and popularity managers have. “Satisfaction” refers to the general consent of

Table 1: Factors determining export performance (Sousa and Bardley, 2006)

External	Internal	Results
	Strategy of export marketing General export strategy; Using market researches; Product adaptation; Price adaptation; Promotion severity; Type of distribution channel; Managerial perceptions and desires; Export support and commitment; The perceived obstacles and advantages of exports	Controllable
Industry trait Intensity of technology of industry; Level of dynamism of industry	Management features International experience of industry; Experience and training of management	
Characteristics of external market Attraction of export market; Capability of competition of export market; Obstacles of export market	Characteristics and powers of firm Firm size; International power of firm; Firm life; Firm technology; Powers and capabilities of firm	Uncontrollable

managers about firm performance. "Attainment to the objective" is related to evaluation of managers in the comparison of performance with the objectives. Eventually, "mixed scales" include criteria based on the total points from the various criteria of performance. The exports sales, the export profit and the mixed scales are considered as the criteria of measuring performance used more than other criteria.

Organizational innovation: In competitive markets, the firms having high competitive capability have competitive advantage in the organizational sources and skills. One of these organizational skills used more in the present time is addressing the accurate analysis and investigation of competitive environment (Guan and Ma, 2003). For this reason, identifying development trends in the market are very important. By the primitive investigation of these trends, it can be clearly observed that development of innovation in the various scopes is increasing with high speed requiring awareness of firms so that their survival, development and improvement can be guaranteed (Hull and Covin, 2010). In fact, this level of awareness and the proper use from information have guaranteed the centrality of knowledge of firms in the long-run and they provide the establishment of export firms with high ability and competitive advantage. One of the results of the awareness is knowledge-based information using information and attainment to innovation and creativity in the firms. Innovation is one of the strategic orientation causing the long-run achievement of firms and by making creativity in the leadership of technology and developing new products, services and processes for supplying the needs of customers have the important impacts on the firm performance and survival (Alegre *et al.*, 2013). The different classifications have been offered fitting with the functions and levels under study. For example, innovation can be classified into "radical" and "growing" types. "Radical" innovation includes all changes by which a new knowledge is generated or it is used from the existing knowledge in new technologies shown as the new changes in the products, processes or organizational

structures. "Growing" innovation has been defined as fundamental changes in the product and/or in the existing structures. This concept also has the closed relationship with the continuous improvement, in other words, if the changes in the present situation are led to new function, it is called "Growing" innovation. So, if innovation has been made by strength of market, it is called as growing innovation and if it has been made by the pressure of technology, it is known as radical innovation. Many innovations available in the market are the growing innovative activities (Johannessen, 1999).

The main challenge in the area of innovation is that how it can be made. Knowledge and using information can be a fundamental factor in increasing the ability of innovation of firms. For example, in the export firms, the export knowledge provides this opportunity for them in order to use information for creating innovation and competitive advantage. Because innovation is considered as an important and crucial factor in the creation of value and sustainable competitive advantage for firms. The firms active in the markets and international export environments are encountered with uncertainties causing more attention to knowledge and information as key factors in the export behaviour of firms referred in the various studies. Similarly, willingness to acquire knowledge and new skills have very high importance for the exports and in many cases, there is a belief directly affecting the performance of export firms. Knowledge and information in the firms active in the exports act as major factors for making decision about entry and extension to these markets and in many cases, they are essential preconditions for the success and improvement of export performance.

Orientation of international experience: In the recent decades, concept of international experience has been considered as one of the most important variables in the arena of success and improvement of export performance (Johanson and Vahlne, 1997; Eriksson *et al.*, 1997) and it is known as one of the most important determinants in the organizational and strategic orientations

(Beleska-Spasova *et al.*, 2012; Stoian *et al.*, 2011). Orientation of international experience refers more to the historical events that the firms have been encountered with them in the area of exports while it acts as a fundamental source for the organizations similar to other capitals and it provides the necessary capabilities to acquire the competitive advantage for firms. Improvement of international experience reduces the level of mental distance in the area of exports and it clearly improves the export performance in the firms. Mental distance represents lack of knowledge and information that first of all, it increases reduction of certainty about foreign business and secondly, it increases the cost of matching. Therefore, businesses choose markets having the same economic, cultural and political system with their country. Emergence of global businesses makes new challenge for the traditional theories of internationalization (Knight and Kim, 2009); it reduces the impact of mental distance due to the recent improvements in the consultation services, information technology and the experienced international human resources. Choosing market and selecting the way of entry to it are considered as an unitary decision in the eclectic paradigm and it emphasizes on selecting the way of entry to the market because the informational need about the market is a determinant indicator in selecting the way of entry to the market and it is assumed that the business's decision about entry to the market is based on the cost information and its analysis and comparison between the objectives of business and cost of the way of entry to the market will be adopted (Weiss *et al.*, 2011). In the network approach, the relationship between business, customers and competitors affect the decision of selection. In the strategy approach, business of internationalization is affected by market features, sources of business and managerial philosophy and selection of market will be the result of evaluation of factors such as attraction of market, mental distance, availability and informal obstacles (May and O'Neill, 2008).

Literature review: In a research, Oura *et al.* (2016) investigated the impact of orientation of international experience and capability of innovation on the export performance. The results showed that there is a direct and positive impact between orientation of international experience and capability of innovation as well as orientation of international experience has the positive impact on the export performance. On the other hand, capability of innovation also has the positive and significant impact on the export performance. In a research, Leonidas C. Leonidou investigated the impact of the export strategies of business on the export

performance and acquiring the competitive advantage. The results showed that the export strategies (such as social responsibility, competitive strategies and strategies of entry to the market) affect the export performance of firms. Yaprak carried out a research entitled Market orientation, managerial perceptions and firm culture in a newly emerged market: Case study from Turkey. The results showed that the perceptions of market orientation which have been placed in the central firm with managerial levels and their implementation will make the difference. It also showed that contexts of organizational culture suggesting adaptation, integration, cooperation and feeling of belonging may be more effective for making higher levels of perceptions of market orientation in the managers of newly emerged markets. Gul and Yagci carried out a study entitled "Impacts of capabilities of marketing on the export performance by using resource-based perspective: Evaluation and investigation of manufacturing firms". The research generally suggests that the successful management of mechanisms of access to the market and information of competitors and using this information have the positive impacts on the export performance. In 2014, Chiang lee carried out a research entitled "The hidden organizational assets on the export performance of Taiwanese firms". The results showed that the hidden capital is an important and effective factor on the export performance.

In 1394, carried out a research entitled "The investigation of impact of strategic orientation on export performance". The research results showed that international orientation, technological orientation and market orientation affect the export success of market. On the other hand, control factors such as market growth, market size and power of supply also affect the export success of market. On the other hand, the researcher found out that the balanced role of diversity portfolio has been confirmed in the relationship between market orientation and the export success while the balanced role of market orientation has not been confirmed in the relationship between international orientation and the export success. In 1393, Shamsi and Lotfizadeh carried out a research entitled "The investigation of impact of innovation capabilities and marketing on the performance of small and medium firms". In the inferential data analysis, it was used from Kolmogorov-Smirnov test, Pearson correlation test and stepwise regression. To analyze variables (marketing, innovation, learning and uncertainty), 4 hypotheses were proposed that 3 hypotheses were confirmed and one hypothesis was rejected. The research results show that there is a significant relationship between innovation capabilities, marketing learning (training) and the performance of small

and medium firms. On the other hand, in the regression equation acquired in the study, three variables are effective. In carried out a research entitled “The export market orientation with innovation and performance of the export firms”. The results of data analysis show that all direct relationships between model variables such as the export market orientation, firm innovation and export performance are significant and the export market orientation and firm innovation improve the export performance. Other various researches have been carried out about the factors affecting export performance. In these researches, there were variables that according to the view of the researcher, they directly or indirectly affected export performance. The numbers of studied variables were partly extensive. The extension has also made the paradoxical conclusions, ambiguities and findings. Early researches of exports were mostly about recognition of exporters from non-exporters meaning that firm internationalization process was mostly intended. Then, the scholars investigated the external factors affecting export treatment such as proper incentives. In third stage, the scholars investigated factors concerned with firm treatment fitted with exports and its results. In fourth stage, the scholars studied factors affecting export performance or success. For example, Cascade offered a model and they investigated the impacts of three factors including firm concrete characteristics, variables related to export perception including “export size and experience, export motivation, export problems, competitive advantages and commitment to exports”, segregated section of exports, entry to foreign market and criteria of selection of customer, “the continuous visit from export market, planning and control of exports” on export performance in the European countries. White, Griffith and Ryans also analyzed a number of methods of measuring the export performance in the service sector. Wallace and Baker also offered a model for variables affecting the export performance in Australia. In this study, they divided variables into intangible (willingness, skilled and scientific) and tangible (distribution, product, interaction with customer, control and suppliers) variables. Tirkal and Ramazani investigated the impact of competencies (technological, market knowledge and export quality), marketing tendency, firm traits, strategy and environment on the firm export performance. In their model presented by them, firm traits affect export performance due to their impacts on strategy. Shoham and Krupp investigated the impact of mixed marketing variables (product, price, place, sales promotion and advancement) on export performance. In the same year, Zoe and Stan introduced 2×2 frameworks for classification

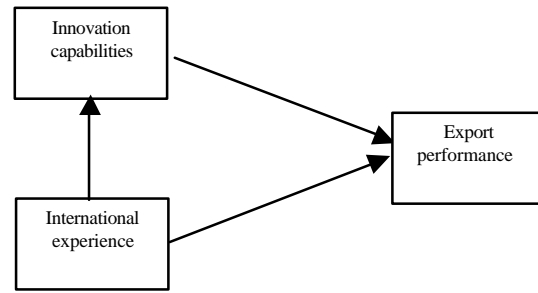


Fig. 1: The conceptual model of research

of the various factors affecting export performance by reviewing the previous studies. It effectively classifies the factors affecting export performance into two dimensions: controllable vs uncontrollable and intraorganization vs extra organization. Combination of these dimensions with each other makes four cells for classification of the factors affecting export performance.

In Dale (2000), Tamenguch and Paul Mayers investigated the impacts of factors including firm traits (firm size, the perceived entry range and years of firm employment in the business), firm competence (export experience) and export marketing strategies (focus on market vs diversity as well as being active vs being passive) on firm export performance. In the same year, Baldaef, Keransu and Wagner investigated the relationship between environmental features (social, cultural and political), firm traits (demographic and management motivations), business strategies (diversification or low cost) with export performance by offering a model. In 2002, by dividing the export firms into three groups: advocates, analysts and researchers (fans), Shoham, Adanglysta and Elbaum introduced the diverse variables in these firms affecting export performance. In their research, they concluded that in the analyst firms, there is a significant relationship between producing new goods, production management, market willingness and control strategies on the one hand and export performance on the other hand. In the same year, Rose and Shoham investigated the impact of enjoying firm from market willingness to profit and firm export sales. In 2002, by offering a model, Cassick, Paterson and Shoham introduced three variables including export attitude, export barriers and management support as the variables affecting export performance. Two first variables indirectly affected export performance by affecting management support in addition to the direct impact. In Fig. 1, the conceptual model of the present research has been presented as follows:

According to the conceptual model, the researcher has proposed the following hypotheses in this study:

Table 2: Structure of questionnaire

Variable	No. of questions	References of structure	Reliability (Primary cronbach's alpha)
Orientation of international experience	1-4(4 questions)	Aura	0.869
Innovation capability	5-10(6 questions)		0.913
Export performance	11-18(8 questions)		0.945

- H₁: International experience affects innovation capabilities
- H₂: Innovation capabilities affect export performance
- H₃: International experience affects export performance

MATERIALS AND METHODS

In terms of orientation, the present research is an evaluative research and it is a measurable research in terms of research strategy intending to test hypotheses and it uses the questionnaire for this purpose.

In the present research, structural equation modeling with partial least squares approach was used to test the hypotheses and for this purpose, SPSS and Smart PLS softwares were used. The present research was conducted among marketing managers of factories of cereal firms and trading services active in the area of flour production. Given the sample size of statistical community which was equal to 206 people, the sample size acquired was 136 people by using Cochran's formula. The way of sampling in the present research is simple random due to the fact that there is more similarity between the members of statistical community and research sample by selecting simple random sampling. To collect the required data, standard questionnaire was used that it was confirmed by elite of exports and marketing. For acquiring information about questionnaire, structure of questionnaire and its references have been presented in Table 2.

RESULTS AND DISCUSSION

Descriptive statistics: In this study, the researcher has presented the demographic features as follows: Table 3 and Fig. 1 show gender composition (frequency) of sample members. As it is observed in Table 3, men have allocated 82.3% from sample to themselves while 17.7% belongs to women.

Age description of the members of sample: Table 4 shows frequency composition of the members of sample based on age.

Table 4 shows that the maximum and minimum sample size respectively belongs to 35-45 years (55.8%) and

Table 3: Gender composition of sample members

Gender	Men	Women	Total
Frequency	112	24	136
Percent	82.3	17.7	100

Table 4: The frequency composition of the members of sample based on age

Age	Under 25 year	25-35 year	35-45 year	over 45 year	Total
Frequency	0	34	76	26	136
Percent	0	25	55.8	19.2	100

Table 5: The frequency composition of the members of sample based on education

Level of education	Two-year diploma course to below	BA	MA and higher degree	PhD	Total
Frequency	0	105	26	5	136
Percent	0	77.2	19.1	3.7	100

Table 6: The frequency composition of the members of sample based on the career experience

Variables	Career experience				Total
	Under 7 year	8-15 year	16-21 year	Over 21 year	
Frequency	15	69	39	13	136
Percent	11.03	50.7	28.7	9.57	100

under 25 years with zero partnership. Age groups of 25-35 years and over 45 years have also allocated 25 and 19.2 to themselves respectively.

Description of the members of sample based on level of education: Table 5 shows the frequency composition of the members of sample based on level of education.

As it is observed in Table 5, the people having BA to higher degrees have the highest range of contribution equals to 105 people (77.2%) and then the people having MA have the range of contribution equals to 26 people (19.1%) and eventually, the people having Ph.D have the range of contribution equals to 5 people (3.7%) showing that they have lower contribution in the research.

Description of the members of sample based on the professional background: Table 6 shows the frequency composition of the members of sample based on the professional background.

Table 6 shows that the people having higher career experience (8-15 years) have the highest sample size (50.7%) and the people having career experience over 21 years have allocated the lowest sample size (9.57%) to themselves. The people having career experience of 16-21 years as well as those having career experience of <7 years have 28.7 and 11.03% range of contribution in the research.

Inferential statistics: To test the research hypotheses, it was used from structural equation modeling with partial least squares approach. However, before the model is interpreted, first of all the model should be confirmed in three sections: measurement model, structural model and general model in order to be trusted to the results and in fact, the reliability and validity of model should be proved. For this purpose, Cronbach's alpha, composite reliability and convergent validity have been used in the study of measurement model presented in Table 7.

The results presented in Table 7 indicate that the validity and reliability of measurement model are in the optimal position. Because the range of factor loadings for any question were not <0.4 and the least range was equal to 0.597 in the dimension of export performance. On the other hand, t-value statistic was also not <1.96 and the least range was concerned with one of the questions of innovation capabilities equal to 13,587. On the other hand, with respect to Cronbach's alpha, all dimensions were >0.7, composite reliability was >0.6 and convergent validity was >0.5 representing that validity and reliability of measurement model are confirmed.

After the measurement model was confirmed, we should refer to the reliance capability of structural model which two indicators (R^2 and Q^2) were used and they were presented in Table 8.

And eventually, it has been referred to the general fitness of model used from GOF indicator in the models based on the least partial squares which it should be >0.3 and based on the following formula, it has been calculated for the model as follows and it indicates that the general model is appropriate:

$$GOF = \sqrt{\text{Communalities} \times R^2} = 0.560$$

After the fitness of model was confirmed, the model of structural equations is presented in three levels which it has been made by Smart PLS software and the research hypotheses are investigated.

As it is observed in Fig. 2 and 3, the significance coefficients, the reported statistic is t-value that it can be said that if the statistic is >1.96, the hypothesis is confirmed and in the partial least squares model, the reported numbers indicate the path coefficient

Table 7: Reliability and validity of the measurement model

Variables	Factor loadings	t-value statistic	Cronbach's alpha	Composite reliability	Convergent validity
International experience	0.763-0.851	26.971-50.253	0.839	0.892	0.657
Innovation capabilities	0.678-0.819	13.587-37.713	0.864	0.899	0.597
Export Performance	0.597-0.840	14.064-39.756	0.914	0.931	0.629

Table 8: Fitness of structural model

Variable	$Q^2 > 0/15$	$R^2 > 0/25$
Innovation capabilities	0.365	0.646
Export performance	0.597	0.956

Table 9: Investigation of main hypothesis

Hypothesis	Variable				
	Independent	Dependent	Path coefficient	t-statistic	Result
1	International experience	Innovation capabilities	0.804	33.383	Confirmed
2	International experience	Export Performance	0.821	38.980	Confirmed
3	Innovation capabilities	Export Performance	0.187	8.186	Confirmed

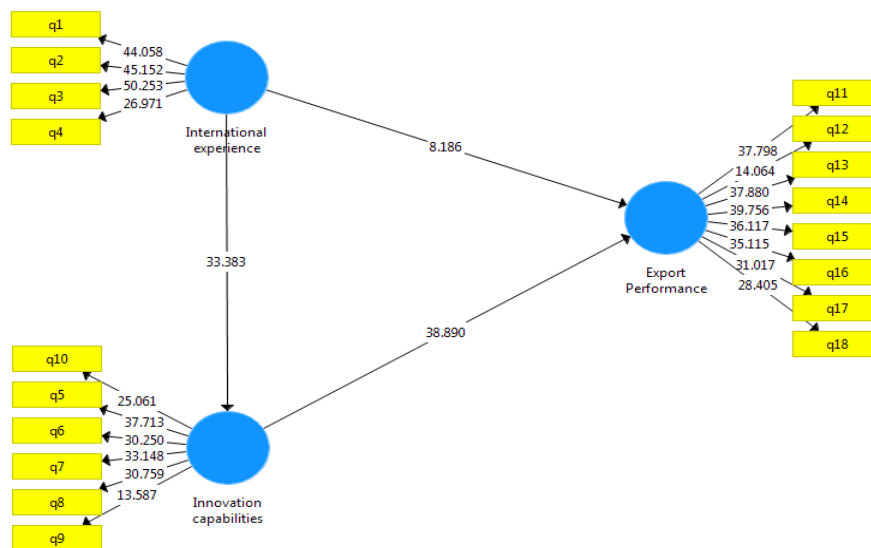


Fig. 2: Partial least squares model in the significance coefficients

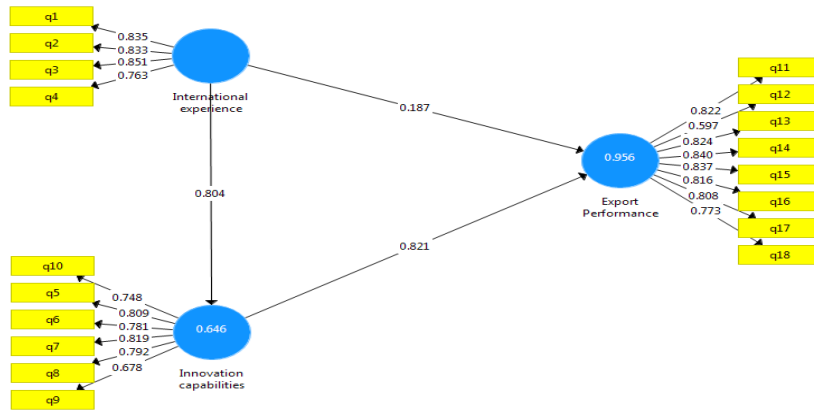


Fig. 3: Partial least squares model in the standard coefficients

representing the impacts of variables on each other. In the form of a table, the researcher has investigated the main hypotheses.

CONCLUSION

Export performance is the result of organizational operation including domestic and foreign achievements and goals of firm. In fact, organizational operation has been determined for achieving organizational objectives in which development, product and market development are considered and they acquire profits for firm. In fact, the range of success of a firm in the exports can be evaluated with its export performance. To evaluate export performance, there are three various financial, non-financial and combined criteria. In fact, criteria such as sales, profit and growth are known as financial criteria for investigating firm export performance while criteria such as satisfaction and achievement to goals are considered as non-financial criteria. And in fact, when the people try to use two sections from these criteria in order to evaluate the export performance, it can be stated that it has been used from combined criteria for evaluation. To achieve the optimal export performance in the international markets, the researcher tried to investigate the factors different from those of other researches including the role of international experiences and innovation capabilities. Due to mental distances between the country of origin and the country of destination, unfamiliarity with the rules of country of destination, field of activity and top quality products, many firms are not able to compete and so they will fail while the successful export firms can acquire the appropriate experiences from the activities in the country of destination from the beginning of activity and they can implement entry to the

market by analyzing the target market. On the other hand, with respect to success of target markets, offering new products can be an appropriate ground for the success. Given high power of cereal and commercial corporations in producing the domestic flour and considering ideal opportunities for the exports of products in the neighboring countries, the firms producing flour could not act as far as it is possible. One of the most important reasons is the lack of sufficient experience of these firms in the entry to the international market. Based on the results, the international experience is a factor affecting innovation capabilities because t statistic equals to 33.383 in this hypothesis which is 1.96 higher than absolute value and on the other hand, the intensity of impact is also 0.804 in this hypothesis representing the direct and positive impact of international experience on the innovation capabilities and on the other hand, given the results, the international experience is also an important and effective factor on the export success because t statistic equals to 38.980 in this hypothesis and β or the path coefficient equals to 0.821 representing the direct and positive impact and finally, the results showed that the innovation capabilities are also an important and effective factor on the firm export performance because t statistic equals to 8.186 and the path coefficient also equals to 0.187 representing the direct and positive impact. Given the results, for improving the export performance of firms exporting cereal in the area of flour production, it is recommended that first of all, the firms should identify the export environment and complete perception of rules and trading custom of destination and after identification of these important subjects, they should try to have the export products having higher advantages and innovation such as the exports of enriched flour for increasing exports to the neighboring countries.

REFERENCES

- Alegre, J., K. Sengupta and R. Lapiedra, 2013. Knowledge management and innovation performance in a high-tech SMEs industry. *Int. Small Bus. J.*, 31: 454-470.
- Beleska-Spasova, E., K.W. Glaister and C. Stride, 2012. Resource determinants of strategy and performance: The case of British exporters. *J. World Bus.*, 47: 635-647.
- Cadogan, J.W., A. Diamantopoulos and C.P. De Mortanges, 1999. A measure of export market orientation: Scale development and cross-cultural validation. *J. Int. Bus. Stud.*, 30: 689-707.
- Cano, C.R., F.A. Carrillat and F. Jaramillo, 2004. A meta-analysis of the relationship between market orientation and business performance: Evidence from five continents. *Int. J. Res. Market.*, 21: 179-200.
- Eriksson, K., J. Johanson, A. Majkgard and D.D. Sharma, 1997. Experiential knowledge and costs in the internationalization process. *J. Int. Bus. Stud.*, 28: 337-360.
- Guan, J. and N. Ma, 2003. Innovative capability and export performance of Chinese firms. *Technovation*, 23: 737-747.
- Hull, C.E. and J.G. Covin, 2010. Learning capability, technological parity and innovation mode use. *J. Prod. Innov. Manage.*, 27: 97-114.
- Johanson, J. and J.E. Vahlne, 1977. The internationalization process of the firm-a model of knowledge development and increasing foreign market commitments. *J. Int. Bus. Stud.*, 8: 23-32.
- Kaleka, A., 2012. Studying resource and capability effects on export venture performance. *J. World Bus.*, 47: 93-105.
- Kirca, A.H., S. Jayachandran and W.O. Bearden, 2005. Market orientation: A meta-analytic review and assessment of its antecedents and impact on performance. *J. Market.*, 69: 24-41.
- Knight, G.A. and D. Kim, 2009. International business competence and the contemporary firm. *J. Int. Bus. Stud.*, 40: 255-273.
- Ling-Yee, L. and G.O. Ogunmoku, 2001. Effect of export financing resources and supply-chain skills on export competitive advantages: Implications for superior export performance. *J. World Bus.*, 36: 260-279.
- May, C. and C. O'Neill, 2008. South African exporter performance: New research into firm-specific and market characteristics. *South Afr. J. Econ. Manage. Sci.*, 11: 98-111.
- Oura, M.M., S.N. Zilber and E.L. Lopes, 2016. Innovation capacity, international experience and export performance of SMEs in Brazil. *Int. Bus. Rev.*, 25: 921-932.
- Rauch, A., J. Wiklund, G.T. Lumpkin and M. Frese, 2009. Entrepreneurial orientation and business performance: An assessment of past research and suggestions for the future. *Entrepreneurship Theory Pract.*, 33: 761-787.
- Singh, D.A., 2009. Export performance of emerging market firms. *Int. Bus. Rev.*, 18: 321-330.
- Sousa, C.M. and F. Bradley, 2006. Cultural distance and psychic distance: Two peas in a pod? *J. Int. Market.*, 14: 49-70.
- Stoian, M.C., A. Rialp and J. Rialp, 2011. Export performance under the microscope: A glance through Spanish lenses. *Int. Bus. Rev.*, 20: 117-135.
- Weiss, V.V.G., M.S.E. Lo'pez and L.H.B. Medina, 2011. [The impact of governmental export promotion on firm export performance]. *Academia*, 47: 1-17.
- Yi, J., C. Wang and M. Kafouros, 2013. The effects of innovative capabilities on exporting: Do institutional forces matter? *Int. Bus. Rev.*, 22: 392-406.