



**Key Success Drivers of Service Exports:
The Role of Organisational Characteristics, Market
Characteristics and Governance Mechanisms**

Major thesis submitted in partial fulfilment of the requirements

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Statement of Declaration

This work contains no material which has been accepted for the award of any other degree or diploma in any university or other tertiary institution to Vinh Nhat Lu and, to the best of my knowledge and belief, contains no material previously published or written by another person, except where due reference has been made in the text. I give consent to this copy of my thesis, when deposited in the University Library, being made available for loan and photocopying, subject to the provisions of the Copyright Act 1968. I also give permission for the digital version of my thesis to be made available on the web, via the University's digital research repository, the Library catalogue, the Australasian Digital Theses Program (ADTP) and also through web search engines, unless permission has been granted by the University to restrict access for a period of time.

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Abstract

The global marketplace has become highly integrated, and global competition is increasingly intense and dynamic. To be successful in this competitive and hostile environment, international firms must be able to foster and maintain successful cross-border inter-firm relationships. At the same time, service exports have remarkably emerged as a crucial component of international trade, underpinning the future growth and prosperity of national economies worldwide. Yet scholars and business practitioners alike have recognised the significant paucity of research on the performance of service exporters. Similarly, despite the recent growth in research interests in international relationship marketing, theoretical development in this area has failed to keep pace with the increase in both volume and magnitude of inter-organisational transactions across national borders.

This study addressed the key research question of “What are the key factors driving the export performance of service firms?”, based on an integrated theoretical foundation comprising the resource-based view of the firm, transaction cost economics, and the relational exchange theory. The study took into account the potential role of: (1) organisational characteristics, (2) market characteristics, and (3) the governance mechanisms deployed by service firms in their management of cross-border relationships with their business clients.

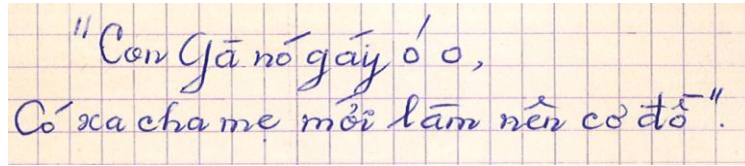
A multi-method research design was utilised for this research, including two main studies. An exploratory study was first conducted, involving 10 in-depth interviews with service exporters in South Australia. Drawing from the outcomes of the exploratory study and a review of the international services marketing and international relationship marketing literature, the researcher proposed a conceptual framework and a set of testable hypotheses. These hypotheses were then tested in the second research phase, in which the researcher

conducted a self-administered mail survey, utilising both postal and online means. An effective response rate of 32.77%, or 254 usable responses, allowed the researcher to further analyse the data using the principles of structural equation modelling in AMOS. Thereby, the researcher identified 17 pairs of significant relationships between the variables.

The research findings show that the performance of an export venture of a service firm is directly influenced by the size of the firm, their export experience, their managerial commitment, and the performance of the relationship with a major overseas client. Such relationship performance is determined by both contractual-based governance, including contractual complexity and contractual explicitness, and relational-based governance, a higher-order factor incorporating relationship trust, relationship commitment, information exchange, relationship flexibility and relationship harmony. In turn, these governance mechanisms are determined by various organisational and market characteristics. Whilst firm size, resource commitment, and assistance programs by home government influence the level of contractual complexity, contractual explicitness is determined by management commitment, competitive intensity, and the favourability of host government policies. Furthermore, relational-based governance is driven by the export experience of the firms, their managerial commitment, and the favourability of host government policies.

The study contributes to advancing the scant international services marketing literature and draws further research attention to the international relationship marketing paradigm. With regards to international business practice, the study provides service exporters with an understanding on the potential role of organisational characteristics and market characteristics in their exporting success. Finally, a successful management of cross-border relationship management and governance mechanisms will also lead them to superior export performance.

Acknowledgement



In 1989, a couple of secondary school teachers, who are to this day still residing in a remote village in the Mekong Delta, Southern Vietnam, sent their eldest son to the city centre, hoping he would have a better education, a better future. The teary boy was 7 years old. Some 20 years later, he is days from submitting his PhD dissertation... It has been a lot of hard work, self-discipline, dedication, and a very steep learning curve. I have been so fortunate...

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