School of Economics and Business Administration
Msc in Management Program

DISSEYATION THESIS

“THE EXPORT BARRIERS THAT HINDER THE EXPORT PERFORMANCE OF GREEK FIRMS NOWADAYS”

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ABSTRACT

The aim of this study is to examine the export barriers that impede the export performance of Greek firms nowadays, in an era of global recession.

Reviewing the literature and using expert opinions, a number of the most commonly cited barriers were selected for examination. A semi-structured questionnaire was developed and in depth personal interviews were undertaken with the export managers involved in the manufacturing and trading food industry. The respondents provided important information about the current situation of their companies and their predictions about the future of exports in Greece. Further on, these data were compared with latest data studies concerning the export barriers that have a greater impact on firms’ export performance.

The main findings regarding important factors that affect exporters were the following: 1. high transportation and insurance costs, 2. high competition in foreign markets, 3. foreign currency exchange fluctuations, 4. limited financial resources for development in foreign markets 5. difficulty in creating new products for international markets and 6. difficulty in matching competitors’ prices. This research adds to existing knowledge at the theoretical level by highlighting the most important barriers, while managerially, it will help Greek exporters to identify the obstacles that hinder their exporting activity in order to improve their position in the world map.
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1. INTRODUCTION

1.1 Context

Exporting is a strong minded business activity for the financial growth of a country which it significantly subscribes to employment, trade balance and higher standard of living (Khalil Al-Hyari, Ghazi Al-Weshah, Muhammed Alnsour, 2012). Exporting has been the most popular and fastest growing way of international market entry especially by small and medium sized firms, since it doesn’t need many resources and is associated with less risk in comparison to other ways of entry in foreign markets (Lee and Habte-Giorgis, 2004 cited in Jalali, 2012, p. 54). Furthermore, Hans, Gillespie and Gencturk (1994) cited in Morgan (1997) supported that the exporting activity is one of the main ways of international involvement for firms. Similarly, getting involved in foreign markets, firms can benefit from international competition and develop their positioning abroad, as a consequence to become stronger players in their domestic market (Anderson et al., 2004).

The key role of exporting has resulted in export performance attracting interest in many studies. Export performance is considered one of the key indicators of success of a firm’s operations (Sousa, Martinez-Lopez and Coelho, 2008; Wheeler, Ibeh and Dimitratos, 2008 cited in Jalali, 2012, p. 55). Improving export performance is critical for firms that look at global markets as a channel to guarantee growth and competitiveness (Matanda and Freeman, 2009 cited in Jalali, 2012, p. 54). Robert E. Morgan in his article, mentioned that many writers haven’t given attention to the economic reasons of bad performance but they preferred to investigate the reasons why many small and medium sized firms are not so successful abroad than domestically (Suntook,1978;Tessler,1979; Turnbull and Cunningham, 1981). With this study it is significant to better understand and identify the barriers that hinder the export performance of Greek firms nowadays since external trade can become a primary driver for the Greek economy and the motive for competitiveness improvement globally.

To achieve its objectives, this study introduces a theoretical literature review of export barriers and export performance especially based on studies published since 1960. This review which is the basis for my research framework based on a sample of six Greek food manufacturing and trading companies which export goods around the world. A qualitative research is used as a method to collect this sample of companies from the region of
Thessaloniki and Chalkidiki. The data are collected through in depth interviews, based on semi-structured questionnaires consisting of open-ended questions. At the next step, they are investigated through in depth analysis and a comparison of the results is made with the secondary data collected by the relative literature review.

The contribution of this study is quite interesting. The author has identified the most important barriers for Greek exporting food manufacturing and trading companies of small and medium size, derived from the fields of marketing, procedural and functional. The main barriers that the author has highlighted through literature review and investigation are: a. the high transportation and insurance costs, b. the high competition in international markets together, c. currency exchange fluctuations, d. limited working capital for financing exports, f. difficulty in developing new products for international markets together and g. the difficulty in offering competitive prices.

The work ends with recommendations to managers and policy makers and future guidelines for research to complete the results of the studies. Exports are stimuli of success for Greek businesses to develop, grow and increase profitability. Businessmen must take advantage of the Greek economic crisis and look abroad for opportunities because there are a lot. Wiebersheim-Paul et al. (1978) have stated that: “The stronger the firm’s motivation to grow, the greater will be the activity it generates, including search activity for new possibilities, in order to find means of fulfilling its growth ambitions. Such an approach is likely to cause it to consider the possibility of exporting as one growth strategy (p.50)”.

2. LITERATURE REVIEW

2.1 Classification of export barriers

This study is focused on the internal and external barriers that impede the performance of Greek exporters. Within the extent literature, barriers have been classified in two categories, the internal and the external. Their main difference is that the internal barriers come from the inside part of the company, they can be controlled and afforded more easily. External barriers are not controllable and they derive from the microeconomic environment. In the article of Leonidou (1994b) described barriers to exporting as attitudinal, structural, operational and related obstacles which impede or block firms to be developed or sustain export operations.
According to Leonidou (2004) the **internal barriers** are associated with organisational resources/capabilities of a firm and its approach to exports. There is a series of internal barriers as stated below.

- **Informational barriers** are related with the problems in identifying, choosing and communicating with foreign enterprises due to inefficient information.
- **Functional barriers** refer to inefficient functions of the company during exporting, such as in the human resources, production and finance sector.
- **Marketing barriers** refer to the company’s product development, pricing, distribution, logistics and promotional activities abroad.

However, Morgan (199) through Leonidou (1994b) proposed another four set of internal and external barriers that faces a company (internal-home, internal-foreign, external-home, external-foreign) against the home and international origin of problems. One of the main reasons for not exporting may due to the managerial decisions of a company to satisfy at first domestic demand. Apart from that, the ambitions of a firm to enter in a foreign market depend on many constraints such as insufficient production capabilities, lack of managerial time for exports, inadequate staff for exports (Morgan, 1997). Furthermore, internal foreign export barriers are again organisational and they influence the oriented export character of export business. The literature reveals more constraints such as logistics difficulties (Cheong and Chong, 1988; Kedia and Chhokar, 1986 cited in Leonidou, 2000, p. 123), high risks and costs (Dichtl et al., 1990, cited in Leonidou, 2000, p. 123), problem in payments and delays (Alexandrides, 1971 citied in Leonidou, 2000, p.123), difficulties in foreign market research (Barker and Kayank,1992; Barrett and Wilkinson,1985; Bilkey and Tesar, 1977; Hook and Czinkota,1988; Yaprak, 1985 cited in Leonidou, 2000, p. 123) are reasons which tackle firms to develop an export business plan.

**The external barriers** are related with the domestic and host environment within which the firm is activated.

- **Governmental barriers** are related with the inability of the domestic and foreign governments to support exporters.
- **Task barriers** are related with the diversity of consumers’ habits and attitudes which influence the exporting activity and the keen competition.
- **Environmental barriers** are related to the economic, political, legal, socio-cultural environment of the international markets in which the company is going to operate or already operates.

In contrast to internal barriers, Morgan (1997) as mentioned Leonidou (1994), continued with the external constraints which come from the external environment of a company but are limited to the domestic scope of geographic coverage. This type of external domestic barriers reflects to high financial costs to fund exports, excessive documentation requirements and procedural obstacles, limited government support, stimulus and promotion programs. In the meantime, the external foreign barriers are attributable to overseas based activities. More reasons for not exporting in this category are included: consumer preferences, unfamiliar business practices, lack of export distribution channels, tariff barriers and regulatory import controls by overseas governments, exchange rate fluctuations etc.

In this study there are 2 types of exporters: the *current exporters* who are firms with a small-medium size exporting activity that face a series of barriers during exporting and the *ex-exporters* who were used to export but the export barriers discouraged them to continue but they look at the future hoping for an opportunity.

A series of studies has been conducted on the involvement of small-medium sized companies in the international commerce as a result of the globalization of the markets. This study is inspired by Leonidas C. Leonidou’s research on 39 constraints that hinder small companies to be developed abroad based on a complete review of 32 studies conducted during the period 1960-2000.

His goals were a. to investigate the nature of the barriers and their relationship with the exporting activity of small sized business, b. to analyze the features and impact of the barriers on the export handling of small sized businesses and c. to get some results on export barriers for small businesses and give implications to the interested members. He classified the barriers in to categories: *internal* which have to do with the organisational part of the company towards export policy and *external* which come from the home and host environment of the company. Also he categorised the firms in 3 groups: a. non-exporters, non exporting companies who are not able to export but they have future potential to do it, b. current exporters are those companies with exporting activity who experience barriers during their daily involvement in foreign markets and c. ex-exporters including firms that stopped exporting because of a serious number of obstacles.
It is true that obstacles can be identified at any stage of export process and their nature may differ from stage to stage (Naidu and Rao 1993, Barrett and Wilkinson 1985, Vozikis and Mescon 1985, Bilkey and Tesar 1977 cited in Leonidou, 2000, p. 129). The obstacles are associated with the managerial policy, the organizational structure and the environmental conditions within the company (Barrett and Wilkinson, 1985 cited in Leonidou, 2000, p. 128). As a result, two firms of the same potential, would not perform at the same way and would perceive same barriers differently. Leonidou, Katsikeas and Piercy (1998) said that differences in the impact of export barriers may be an effect of managerial decisions concerning costs, profitability and growth perspectives of exporting.

Leonidas C. Leonidou (2000) continued saying that organisational factors are also responsible for the export barriers perceptions. For instance young and inexperienced firms are more vulnerable to export barriers rather than old and experienced firms in the global market. As a result, the companies of smaller size, with a small number of employees and lower indicator of sales turnover have to afford more barriers associated with limited resources, operating difficulties and commerce restrictions (Katsikeas and Morgan, 1994). According to Richard Kneller and Mauro Pisu (2006), the best predictor of whether a firm identifies a barrier as important, it usually depends on the years of export experience. They supported that as export experience rises, the trade costs fall. Also, firms who belong to different industries perceive differently the export barriers (Kedia and Chhokar 1986, Alexandrides 1971 cited in Leonidou 2000, p. 129). Very few studies researched the organisational barriers to exporting and from the limited number of cases examined, results are not satisfied and often contradictory.

Furthermore, the environmental factors can be a source of barriers in the domestic market such as government rules, logistics, infrastructural facilities or can be the outcome of international market changes such as economic, political and socio-cultural) within which a company operates.

The same author Leonidas C. Leonidou took place in another research in 2000 when he developed a framework to analyse and classify the export barriers that have a negative impact on the export performance of small/medium firms. He used a sample of 100 Cyprus based exporters and categorized the barriers in six groups: resource limitations, environmental factors, bureaucracy and legislation, government absence, foreign market penetration and operational problems and competitive pressures. The conclusion of the study was that the
intensive competitive environment and the inability to offer satisfactory prices were the basic obstacles to export activity. The selection of the country Cyprus wasn’t made incidentally but apart from being the home country of the principal investigator, it has similar characteristics with other developing countries such as inexperienced manufacturing sector, inadequate infrastructural and commerce conveniences, lack of government support, high influence of politic-economic factors and trade deficits (The World Bank (1998) cited in Leonidas C. Leonidou, 2000 p.p. 121-148).

Da Silva and Da Rocha (2001) studied as well 69 exporters from Brazil and noticed that lack of government incentives, strong foreign competition and exchange rates fluctuation could be the most influential barriers to export. Sonia Ortega (2003) worked on Spanish exporters and non exporters of small/medium size and supported that the shortage of financial resources, the high foreign competition and the absence of export experience are the main export barriers.

Increasingly, researchers wanted to go deeper into the subject, this time in Lebanon by Ahmed, Craig, Baalbaki and Hadadian (2004) who interviewed 61 exporters and non-exporters to identify the export barriers and they highlighted five factors: lack of government incentives, competition in overseas markets, marketing policy, high tariffs and shortage of working capital to finance exports. They repeated the same research in an advanced continent, Australia targeting to exporters and they found differences in these two studies because of the different economic situation of the two countries. It is important to mention that the macro level factors could improve or impede the exporting procedure.

Altinas, Tokol and Harcar (2007) observed the export barriers in Turkey. They selected 20 factors and classified them in 5 groups: diversity groups, procedural barriers, internal inefficiency barriers, competition barriers and government barriers. The outcome was that the procedural barriers had the greatest impact on the export performance of Turkish firms followed by the keen competition abroad. The study of Mavrogiannis, Bourlakis, Dowson and Ness referred to the export performance of Greek food and beverage companies. This study included a range of variables and trade barriers which are approved that they have a negative impact on the export performance and Greek firms should be ready to overcome these export problems. On the other hand, assessed that government’s role is really important to assist exporters to avoid these trade barriers by providing information about foreign markets and by educating managers to use the right marketing strategies.
If we consider that Greece is still a developing country such as Turkey and Lebanon, another study was made by Koksal and Kettaneh (2008) who worked on internal and external barriers. Their study showed that **tariff/non tariff barriers** imposed by the host countries affect negatively the export performance of firms based on sales numbers and market share.

The literature review revealed another study which examines the relationship between export barriers and the export performance of Greek firms targeting the Iranian market (S.H. JALALI (2012), South-Eastern Europe Journal of Economics 1, pp. 53-66). In this study 6 dimensions had a greater impact on export performance of Greek firms such as operational, environmental, financial, source, legal and logistic dimension. The results of this research showed that the most important dimension for Greek firms which makes them uncompetitive in the Iranian market is the **pricing strategy** they follow.

Nowadays, little research has been conducted regarding the export barriers that hinder the performance of Greek firms in a serious period of economic crisis. The present study is focused on companies with high reputation and brand loyalty in the Greek food market and moderate presence in foreign markets.

###  2.2 Greek economy towards export performance of Greek firms

Greece performs poorly because of the lack of sufficient variety and quality of goods along with weak differentiation. Although the export performance is not very impressive, Greek exporting companies still have some competitiveness in a number of industries and goods. Greece could perform better by developing non-price factors for increasing its export potential. Consequently, innovation, differentiation, quality increase and research and development are essential, especially in already more or less competitive Greek industries.

In order to investigate Greek export potential for economic growth, attention should be paid not only to the developing sectors but also to international demand for Greek products.

Small and medium sized companies obtain a significant position in the Greek manufacturing sector. According to recent data, the 99.5 percent of Greek companies are small companies and small/medium sized enterprises employ 64 percent of all employees in the sector, producing 27.7 percent of the gross product (Economic and Social Council of Greece (OKE), 2003, cited in Antonis Panagiotakopoulos, 2012, p. 33). Furthermore, this study revealed that Greek small firms continue to be competitive based on low prices, standard series of products, low-skill and low wage workforce. Competitiveness in Greek
industry is oriented by labour costs whereas other characteristics such as lead time, quality, reliability and flexibility are neglected. According to a recent research of ICAP (2006), in Greek industry unit labour costs have a higher rate increase than productivity fact that affected the competitive position of Greek firms.

The Greek Economy showed signs of recession in 2009 as a result of global financial crisis and in 2010 the recession has been intensified due to country’s fiscal imbalances. Despite the economic crisis, Greek exports of goods during 2011 showed a significant increase for the second consecutive year, reaching the 22.4 billion Euros, since in 2010 have reached the 16.2 billion Euros. This increase is a result of lower offered prices of goods, intermediate goods, lower cost production which made Greek products more competitive and also the penetration of Greek companies in foreign markets due to the recession in the domestic market.

According to the article of Minoas Koukouritakis from the University of Crete, “EU Accession Effects on export performance: The case of Greece” Greece is a small open economy with no market power around the world, which makes the country more price sensitive in foreign markets. Its production is concentrated in low technology and high competition sectors and the country faces a price elastic export demand. He considers that EU accession did not help the country to improve export performance instead it caused a small negative effect on Greek exports. This effect is indicated by the export penetration index which reached the 2.32% of the total Greek export volume and the 0.30% of the Greek GDP.

He believes that the main reason for the decrease of Greek export performance after the EU accession is that exporters didn’t use in a correct way the export subsidies that European Union shared for developing product differentiation or using new production techniques. These measures would assist the country to create a competitive advantage towards other competitive countries.

According to recent researches, imports to Greece at current prices in 2011 reached the 43.3 billion Euros whereas in 2010 the 47.7 billion Euros (see Table 1 in Appendix). As a consequence the increase of exports and the decrease of imports had as a consequence the reduction of trade deficit in Greece (www.investigreece.gov.gr).
Destination Countries (2011)

According to the Hellenic Statistical Authority (2012) exports to European Union reached 51% and imports 54% in 2011.

The main Export partners are listed below:

<table>
<thead>
<tr>
<th>Export Market share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Italy (9%)</td>
</tr>
<tr>
<td>Germany (8%)</td>
</tr>
<tr>
<td>Turkey (8%)</td>
</tr>
<tr>
<td>Cyprus (6%)</td>
</tr>
<tr>
<td>Bulgaria (6%)</td>
</tr>
<tr>
<td>USA (5%)</td>
</tr>
<tr>
<td>UK (4%)</td>
</tr>
<tr>
<td>France (3%)</td>
</tr>
<tr>
<td>Russia (2%)</td>
</tr>
<tr>
<td>Switzerland (1%)</td>
</tr>
</tbody>
</table>

Source: Hellenic Statistical Authority, 2012

Export profile of basic commodities

- Food and beverages
- Industrial products
- Petroleum products
- Chemical products

According to preliminary data of Bank of Greece, the total foreign trade (Imports + Exports) in Greece amounted to 65.723 million Euros in 2011. Although the export of goods is lower than the import of goods and the trade balance (Exports-Imports) presented decrease compared with previous years (15.26mil € in 2011 – 14.20mil € in 2010). Further on, exports presented an increase by 21.5% between the years 2010 and 2011 and a further increase by 9.8% from 2011 to 2012. On the other side, imports showed a slight increase from 2010 to 2011 by 2.7% and then from 2011 to 2012 a serious decrease of 9.3%. The trade deficit is balanced by services exports, shipping, tourism and financial services (www.investingreece.gov.gr).
Exports considered to be a possible solution of exit the economic crisis in Greece. The expectations are positive concerning exports which will probably continue to increase due to the raise of foreign demand and the improvement in competitiveness resulted by the drop in unit labour costs (Bank of Greece: Annual report-April 2011). This drop is facilitated by changes in the legal framework which made businesses more flexible and helped them to save job positions. According to the Annual report of Bank of Greece (2011) the international competitiveness of Greek products may be increased by the following factors:

a. Foreign direct investment which is associated with transfer of technology and higher productivity.
b. Better organisation of production and employment provided that the aforementioned legal framework concerning the labour costs will be put to use.
c. The implementation of specific measures voted by the Ministry of Regional Development and Competitiveness in December 2011.

3. METHODOLOGY

Design

The purpose of the above literature review is conducted was to identify the gaps in the literature so that research questions could be developed to draw key conclusions regarding the topic under examination and to enable future studies to be conducted. The purpose of this study was to identify the export barriers that affect the export performance of Greek companies nowadays. The specific aim was to investigate what those barriers are, how they influence the index of their sales, what the position of the company is in a global environment and what the predictions for the future of Greek exports in a firm and national level are.

Sample

A qualitative research technique was chosen using in-depth interviews based on a semi-structured questionnaire consisting of open-ended questions for a small number of respondents in order to identify their perspectives on the export barriers and their influence on the export performance of their firms.

There is a series of advantages and disadvantages that were taken in consideration when the author selected this type of research (Carolyn Boyce and Palena Neale, 2006).
• **Advantages**

**Depth:** An in-depth interview can bring in sight valuable information and enables the researcher to investigate in depth the subject.

**Disclosure:** Respondents are more cooperative and positive to give answers on a one-on-one basis.

**Quality of data:** Skilled interviewers can add or alter questions in face to face contact.

**Limited timelines:** Data can be collected faster than other research methods (ex. quantitative) within a few weeks.

• **Disadvantages**

**Analysis can be time consuming:** The data analysis is more complicated to get good results.

**Interviewing needs experience:** Interviewer must be well-trained, highly-skilled conducting this type of interview.

**Small sample:** Taking in consideration the length of each interview and the relative costs, the number of in-depth interviews for a research is small (there is no standard number but a total of 10-15 interviews would be adequate).

On the other side, a quantitative research is more precise and rigid because it is based on structured or close-ended questions but it is not as flexible as the qualitative research due to aforementioned reasons.

The research was conducted in the Northern part of Greece, between August and October 2012. The questionnaire was semi-structured and written in the English language, allowing the respondents to provide further comments and personal beliefs apart from the predetermined responds. It was distributed to ten small-medium size Greek manufacturing and trading companies which are specialized in the food industry and are based on the Municipality of Thessaloniki and Chalkidiki. The questionnaires were answered by the export managers/directors of each firm after explanation with regard to the study’s purpose, context and nature (see Table 2 in Appendix). Four out of ten firms denied to participate in the research claimed reasons such as lack of time, absence of manager, no will to share any kind of company’s data. The rest six participants accepted to participate in filling in the questionnaire and discuss a few points for further clarifications. The one out of the six
participants was non exporter and it was interesting to investigate the reasons that his company stopped exporting and how he imagines the future and the exporting activity of his company.

It was interesting to focus on this kind of companies due to the fact that the food sector in Greece is a promising sector for future growth and profitability internationally (N. Demiris, B. Giannoulidou, A. Kourbeli, F. Kouvara, F. Gallant, 2008).

The companies that were selected for this study produce dairy products (milk, yogurt, cheese ice cream, cream and butter), honey, vegetables, bread, flour, sesame and halva (see table 2 in Appendix). A great strength of these Greek products is their nutritional value closely related with the famous Greek diet (Demiris, Giannoulidou, Kourbeli, Kouvara, Gallant, 2004).

The Process

Data collection started when all the six participants agreed to participate in the research. The data were collected by semi-structured interviews using open-ended questions structured by the researcher and based on the literature. The interview started with general questions about the company, the export sales, how the deterioration of Greek economy influenced on it and then became more specific with a list of export barriers to be chosen and finally the predictions of the export managers about the future of exports in a firm and national level.

It was mentioned above that this study was inspired by the research of Leonidou (2004) who has analyzed 39 export barriers derived from a review of 32 empirical studies conducted on the same subject “The export barriers that hinder the export performance of firms”. Another recent research that it was found in the electronic lists and refers to the most cited export barriers as well is that of Jalali (2012) entitled “Export barriers and export performance: empirical evidence from the commercial relationship between Greece and Iran”. Also, Katsikeas and Morgan (1994) had made another research about the differences in perceptions of exporting problems based on firm size and export market experience.

Confidentiality and anonymity was assured by providing a written consent form with the questionnaire. A pilot study was carried out before the data collection. The first export manager that agreed to participate was interviewed as a pilot and his answers were not excluded from the research data, since no changes were necessary.
The next step followed by researcher was qualitative content analysis, a method used to analyze interviewees’ choices and form categories of barriers that hinder export performance (Flick, 2009, p.323). In the questionnaire the topics that have been answered are stated below:

Table 4. Internal & External Barriers

<table>
<thead>
<tr>
<th>INTERNAL BARRIERS</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limited information to locate/analyze markets</td>
<td>2</td>
</tr>
<tr>
<td>Problematic international market data</td>
<td>2</td>
</tr>
<tr>
<td>Difficulty in identifying foreign business opportunities</td>
<td>3</td>
</tr>
<tr>
<td>Inability to contact overseas customers</td>
<td></td>
</tr>
<tr>
<td>Lack of managerial time to deal with exports</td>
<td></td>
</tr>
<tr>
<td>Shortage of working capital for financing exports</td>
<td>5</td>
</tr>
<tr>
<td>Difficulty in developing new products for foreign markets</td>
<td>4</td>
</tr>
<tr>
<td>Difficulty in meeting export product quality/standards</td>
<td></td>
</tr>
<tr>
<td>Difficulty in meeting export packaging/labelling requirements</td>
<td>3</td>
</tr>
<tr>
<td>Difficulty in offering satisfactory prices to customers</td>
<td>4</td>
</tr>
<tr>
<td>Difficulty in matching competitors’ prices</td>
<td>4</td>
</tr>
<tr>
<td>Difficulty in granting credit facilities to foreign customers</td>
<td>2</td>
</tr>
<tr>
<td>Accessing export distribution channels</td>
<td></td>
</tr>
<tr>
<td>Difficulty in maintaining control over foreign middlemen</td>
<td>2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXTERNAL BARRIERS</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unfamiliar exporting procedures/paperwork</td>
<td></td>
</tr>
<tr>
<td>Slow collection of payments abroad</td>
<td></td>
</tr>
<tr>
<td>Lack of home government/assistance/incentives</td>
<td>3</td>
</tr>
<tr>
<td>Inadequate home rules and regulations</td>
<td>3</td>
</tr>
<tr>
<td>Government bureaucracy</td>
<td>3</td>
</tr>
<tr>
<td>Different foreign customer habits/attitudes</td>
<td>3</td>
</tr>
<tr>
<td>Keen competition in overseas markets</td>
<td>5</td>
</tr>
<tr>
<td>Poor/deteriorating economic conditions abroad</td>
<td>2</td>
</tr>
</tbody>
</table>
4. DATA ANALYSIS AND DISCUSSION

According to the table 3 (in Appendix), all the selected companies present a high reputation and brand loyalty in the food industry for a long time and it is worthy to investigate their position in the foreign markets. In this study, there are 5 exporters with percentage of export sales which is fluctuated from 5% to 50% and there is just one ex-exporter who is an interesting case to examine. It is notable that company A presents the highest rate of export sales reaching the half of its production.

Out of the questionnaire that included 23 internal barriers, the export managers/directors have chosen 16 and out of the list of 16 externals barriers, they have chosen 12. The results confirm that the type of barriers found to be significant and reviewed by a big number of authors. A total of 28 export barriers, were selected by the six firms within the research as important. According to the results of this research, the respondents encountered in total 8 external and 6 internal factors that hinder the efficiency and effectiveness of their Greek food industries (see Table 5 in Appendix). The most important barriers that Greek companies come across nowadays are: marketing, procedural, functional. The main six problems that were encountered in the survey are pointed out at first, in the field of marketing in three categories: logistics, product and price, secondly, in the procedural field with most important barrier the keen competition in overseas markets and thirdly in the functional field with most influenced barrier the lack of financial sources for further development (see Table 4 in Appendix).

More analytically, the primary most important barrier for the total of six participants to export is the marketing barrier concentrated on logistics procedure due to the reason that they pay much for transportation and insurance. This is more critical in those countries where there is high inter border distance, there are poor infrastructural facilities, and bad transportation network. As a consequence these costs increase product price and render them uncompetitive in foreign markets.
The **second important barrier** comes from the external procedural-task part selected by five out of six firms is the keen competition in foreign markets. Even if a firm may play an important role in the domestic market, it can easily lose this advantage and may afford high competition abroad. This is because international firms may have a better organizational structure, or they use better marketing techniques in order to be more flexible and competitive in the same competing markets. Panagiotakopoulos (2012) after his research suggested that small industrial enterprises need to adopt new production approaches in order to survive. He insisted that Greek competitiveness can not be based on cost minimization strategies because there are many low cost producers in developing countries who offer their products at low prices due to lower available labour. He continued saying that small firms should adopt a different business strategy, focusing on the production of highly specialized manufacturing products targeting in high value niche markets that will enable them to obtain a competitive advantage. In the case of Greece there is shortage of well educated workers. The majority of Greek organizations use unskilled employees (National Statistical Service of Greece (ESYE), 2005). Under these circumstances, the low skill strategy will not enhance the competitiveness of small manufacturing firms.

The **third most important barrier** derives again from the external procedural-economic environment that was selected by five companies is the foreign currency exchange risks. These are risks to international transactions arising from the fluctuation of exchange rates leading to the fluctuation of export prices abroad.

The **fourth most important barrier** is functional and refers to the limited financial resources of Greek companies in a period of economical crisis. According to a recent article written by Chrisa Liaggou in the newspaper “Kathimerini”, two out of five exporting companies face serious problem of liquidity even if exports have increased (9.8% last data August 2012). In the same time, one in seven exporting companies that were exporting in 2009 have shut down or stopped the exporting activity since the rhythm of establishment or internationalisation of new companies has reduced by 1/3 of 2011.

This finding confirms earlier research made by Greek International Business Association (SEVE) between its members, showed that in the beginning of economical crisis in 2009 there was a significant decline of exports and serious problem of liquidity for the 10.65% of export companies. The viability of export companies that employ almost 200.000 people is alarming. The 38.7% of Greek exporters have difficulties in liquidity, in finding financial
sources and they are planning cut of expenses. The corresponding percentage in 2011 was 25.2%, in 2010 was 7.3% and in 2009 was 10.65%.

Also, positive can be considered the fact that a significant number of new companies have been established with focus on exports for the last four years. In particular, for the shut down of a company, open three new exporting companies. The sectors that present the biggest pressure are: food, pharmacy and transports. Announcing the results of this research the Greek International Business Association (SEVE) referred as well, in cooperation with the Ministry of Development and Competitiveness that the majority of exporting companies in order to survive and develop their activities abroad they needed to be financed by loans of 500.000 to 1million Euros.

The fifth most important barrier that has been selected from five to six companies comes again from the internal part of the company focused on marketing sector. Companies revealed that they have difficulties in developing new products for international markets and as a consequence the lack of financial resources restricts their possibilities for development in other countries. The majority of Greek firms are small-medium sized firms with not well organized structure and of course the role marketing is usually absent. Marketing is necessary for many reasons; it can enhance the positioning of the company, its branding and can contribute to the development of the right product at the right price, at the right place, with the right promotion.

Further on, the sixth most important barrier is again a marketing barrier and it has to do with the difficulty in offering attractive prices to foreign customers because of the high unit costs due to small production, additional costs for modifying products, packaging or service costs, administrative costs, operational and transport expenses, taxes, tariffs and fees imposed in combination with the higher costs of marketing and distribution (Organisation for Economic co-operation and Development).

According to the article of 2nd October 2012 written by the author Dimitra Manifava, at the newspaper “Kathimerini”, Greece is included in the most expensive countries in the European Union. In extremely high levels remain the prices in a series of basic Greek products despite the shrinkage of available income and the reduced inquiry. A member of the Ministry of Development expressed his dissatisfaction and stated that “Greece is expensive. Things are worse than we were expecting to be. Prices have not changed as we were planning to do”. He was very worried about the conformation of prices in agricultural products the
next months as he predicted that production will be reduced. The statistical data of Eurostat revealed that Greece is one of the most expensive countries, more precisely in the dairy products which have presented in 2011 increase of prices by 31.5% in relation to the average of European Community while in 2012 has been recorded increase by 1.17%. This is a result of deficient production of milk and the higher prices of production. Also, there was further increase by 15.8% at the prices of basic category of food, bread and cereals. The main reasons of the rigidity of prices according to the Ministry of Development are the inelastic request, the high cost of transportation in combination with the high taxation. The Deputy of the Ministry of Development reading the statement of Greek International Business Association (SEVE) about difficulty in reducing prices was wondering “Have industries exhausted the possibilities of modernization of production methods in order to reduce costs? Why didn’t they look abroad and they stayed only in the domestic market of 10ml habitants?” He predicted that there are margins of price reductions.

5.1 Food industry in Greece: An overview

At a next step, the study also proceeded with secondary data analysis in order to further enhance the results obtained through the questionnaire. This study is focused on the food industry which is the most promising and high growth sector, reaching the 25% of total production of Greece together with the drink sector and its role is really important in the Greek economy (N. Demiris, B. Giannoulidou, A. Kourbeli, F. Kouvara, F. Gallant, 2008).

In the Newsletter of “Invest in Greece” (2009), food and beverage sector accounted for almost 20% of total export sales about 2 billion Euro and this kind of companies are the leading exporters in Greece. The major destinations are Italy (22.2%), Germany (17.6%), United Kingdom (8%), United States (5.4%) and Spain (4.6%). Greece is the bridge to the emerging markets of Southeast Europe and the Eastern Mediterranean. Greek food and beverage companies have established a large distribution channel in Southeast Europe which is an operating advantage in this area. The main exporting products are: fruits and vegetables, olive oil, dairy products, fresh seafood, canned fruits, olives, raisins, wine and tomato products.

the food and drink sector had an average rate increase of 7.9%. In 2002, Greece was in the second rank in the European Union (out of 15 countries) in terms of growth reaching the 3.3%.

Further development in the sector of Food and Beverage can come according to the newsletter “Invest in Greece” reporting a list of advantages for attracting foreign investments:

- Low operating costs
- Abundance of raw materials
- Penetration in emerging markets
- Mediterranean diet is widely recognised
- Highly experienced employees

According to the article of 2nd October 2012 at the newspaper “Kathimerini”, Greece being in recession for the last five years, remains one of the most expensive countries in the European Union in terms of prices (Eurostat). Actually, milk and dairy products reach the 31.5% higher than the EU average, with bread and cereals coming next with a 16% higher rate for buyers, which is the highest producer rate among the 17-nation bloc. The production of dairy products in Greece is a significant part of the food industry. The five main sectors of Greek dairy industry are: milk, yogurt, cheese, ice cream and butter. Despite the problems of the dairy industry, this sector shows great signs of improvement mainly because of the high nutritional value and the close relationship with the Greek diet. As a proof of this study, company D which is activated in the dairy industry supported that “export sales of the company have showed an increase”.

The second most promising sector of growth in the Greek economy and in society as well, is the category of fruits and vegetables since they also constitute a basic component in the Greek diet. Greek land is more appropriate in fruit and vegetable production compared with other E.U. countries because of the weather conditions. Greece is powerful in exports of its domestic production (about 80%) to the E.U. countries and the countries of East Europe. Vegetables have a small share in exports (8.6%) and this percentage is getting smaller in recent years. In this study, the company C which is one of the biggest food industries in Greece exports only the 5%-10% of its vegetable production and the export sales have remained stable with a slight decrease due to the deterioration of Greek economy. In the future many opportunities appear for the expansion of Greek fruit and vegetable production
and Greece should take advantage of the ongoing promotion of Greek products abroad and the tendency for request of Mediterranean diet to increase the cultivation and improve the product quality.

The food and drink industry is the largest manufacturing sector in European Union in terms of value added, turnover and unemployment. It is the second leading manufacturing sector in terms of number of companies in the European Union. This sector has showed stability during the recent economic recession. In the EU food companies have registered growth 1.3% during the Q1 2008 to Q3 2011 while the output of the EU manufacturing industry decreased by 7.9%. The top five sectors (bakery and farinaceous products, meat, dairy products, drinks and various food products such as chocolate, sugar, coffee and tea, represent 76% of the total number of employees and companies.

The food and drink industry reinforces the EU economy. Germany, Italy, UK and Spain remain the largest food and drink producers. The percentage of innovation in food companies varies according to Member State. To succeed innovation, food companies should take in consideration three objectives: a. increasing the quality, b. increasing range of products and services and c. expanding market shares. In 2010, the EU food and drink industry exported about 65.3 billion € of products. The value of the EU trade was increased by 15.6%. It was noticed higher growth rates for exports to emerging markets and slower demand of imports to Europe, whereas the EU export balance for food and drink reached about 10 billion in 2010.

5. CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusions

In the literature review there is a general consensus among other authors concerning the export barriers experienced by exporting enterprises. In general, several external, operational, internal and informational export barriers have been identified by export marketing researchers. The present study has identified many common barriers in comparison to other studies conducted in the past. The analysis has demonstrated that the majority of the participating Greek food manufacturing and trading companies face more internal than external barriers. The internal barriers are associated with marketing problems (logistics,
development of new products and pricing) and functional problems (shortage of working capital for financing). On the other side, the external barriers are associated with procedural problems (keen competition abroad, exchange rates fluctuation). Although, the impact of barriers depends on the managerial, organizational and environmental background of the firm as Leonidou (2004) revealed in his study. This study supported that Greek companies lack of organization and they are not eager to marketing techniques. If Greek companies had well organized departments of marketing they would be able to face differently the exporting problems in logistics, price, research and development sector and lack of promotion and increase their export performance. According to the recent and past studies the keen competition is among the most significant barriers. This finding confirms earlier research (e.g. Alexandrides (1971), Karafakioglou (1986), Cheong and Chong, 1988 cited in Leonidou, 2004). Furthermore, if someone considers Brazil and Greece as developing countries, according to the research conducted in Brazil by Da Silva and Da Rocha (2001), the exchange rate fluctuation, the lack of financial resources and the strong foreign competition are common export barriers for both countries.

Export managers/directors who took place at the interviews have left optimistic messages about the future of exports in Greece (see table 6 in Appendix). All of them believe that even if the economic conditions in Greece and the rates of development are worsening day by day, exports might become a primary focus but this could only be realised by Greek government’s support setting better rules of commerce and exposure of Greek products. Although, they complained about non-competitiveness of Greek products, lack of promotion abroad, high transportation and insurance costs, high labour costs and difficulty in matching competitive prices but they hope that exports will be increased in the near future both in a firms’ and national level.

The food industry is one of the most promising and developing sectors in Greece in terms of value and employment. It presents perspectives and signs of growth since exist many companies that present exporting activities. At the same time, they give emphasis on the production of quality products by enhancing methods of production, using new technologies in order to satisfy customers’ needs.

The Greek International Business Association (SEVE) makes efforts to consolidate, support and promote the professional, economic, social and ethnical interests of its members. It promotes Greek products in foreign markets, supports the development of international co-
operations, conducts market researches in foreign countries, collects information and statistical data in order to inform its members and implements European programmes.

Globalization in general and exporting in particular can improve a firm’s managerial skills and capabilities, contribute to the economic development of countries, improving productivity and increasing employment, facilitate the use of sources and make them more flexible for undertaking business risks (Rocha et al., 2009, Pinho and Martins, 2010, cited in Khalil Al Hyari, Ghazi Al-Weshah, Muhammed Alnsour, 2012, p. 190).

5.2 Limitations

The present study seems to have a number of limitations. The small number of participants, just six exporters out of ten, that took part in this research, provided just a snapshot of the problems faced by homogenous companies of food sector in foreign markets besides that, there were some common points of view about the present and the future of exports. Of course if the sample was bigger, the outcome of the study would be more complete and reliable identifying the real obstacles that exporters face and how they could perform better in the future. As well there are methodological limitations concerning the qualitative research, the sample used and the measurement issues. Another limitation comes from the bad economic conditions of Greece which deters companies to give information about their progress.

Furthermore, another limitation of this study is the specificity of food sector because Greek products have a short life and this creates a series of problems to the right positioning of Greek firms in foreign markets. The main problem is the conservation of products which has as a consequence the high cost of storage and of course the different eating habits around the world which render in difficulty the entry of Greek firms in new foreign markets.

Because of these limitations, further research and investigation must be done in the promising area of food industry in Greece and it might be interesting to examine how the exporting activity of this kind of companies evolve as time goes by. Further research should be done in other countries, developed and developing in order to judge the reliability of this study for food manufacturing export activity across countries.
5.3 Recommendations

Food and beverage industry should be focused on exports and precisely in the growth of production for this kind of companies and also the increase of competitiveness in international markets. According to more researches this sector is enough promising since exports account only 64% of imports. Furthermore, food and drink industry have to face some challenges which are stated below (N. Demiris, B. Giannoulidou, A. Kourbeli, F. Kouvara, F. Gallant, 2008):

- The demand of foreign markets for quality and safety. This can be achieved with investment in research and development as a consequence the increase of costs.
- The development of relationships between agricultural producers and retailers.
- The growth of business and the export procedures integration, incorporation and absorptions with the lowest cost.

Due to unfavourable economic conditions, many mergers are about to happen in the near future in order for companies to be able to reduce their production costs and increase market share as well as international development, through exports and production activity in foreign markets.

Export managers should take into consideration all these barriers and consider implementing a number of actions such as: 1. identify and afford any barriers that may hinder the exporting activity using internal data and marketing techniques, 2. List these barriers according to their impact on the setting export goals of the firm, 3. Diagnose the barriers and resolve the problems.

Policy makers should help firms in reducing the effect of these barriers since exports can increase foreign exchange reserves, can reduce unemployment and can improve the standards of living. This can be achieved: 1. offering educational programs to companies for the improvement of exporting skills 2. offering operational advantages by supplying firms with all the relative information for exporting abroad 3. Making promotion of firms by boosting their exports using special tools such as export subsidiaries, financial support and expert consultancy. Their policy action should include better labour market regulation and spend more money on innovation. Better labour market regulation can guide to increased skills development in small firms by diminishing staff turnover. Research and development can be increased and technology infrastructure can be enhanced in Greek small firms through
government funding. Therefore, it is critical the export marketing decision making not only in a firm’s level export growth and development but also in a country’s level improved financial situation.

All these implementations should have in mind the managerial, organizational and environmental form of small/medium sized Greek firms, as well as their volume of exports. Changes should be made in the external and internal environment of Greek companies in order to become more flexible and potential to improve their export performance and positioning in the world market.
LIST OF REFERENCES


Papalexio, C. (2009) Barriers to the export of Greek wine, *AUTH-Aristotle University of Thessaloniki, Faculty of Agriculture, Department of Agricultural Economics, Thessaloniki, Greece*.


APPENDIX

Table 1. MERCHANDISE TRADE BALANCE (preliminary data) (mil. euro)

<table>
<thead>
<tr>
<th></th>
<th>January-June</th>
<th></th>
<th></th>
<th>2012</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
<td>2011</td>
<td>%Change 11/10</td>
<td></td>
<td>%Change 12/11</td>
</tr>
<tr>
<td>I. Exports</td>
<td>7.793,1</td>
<td>9.466,9</td>
<td>21,5%</td>
<td>10.398,7</td>
<td>9,8%</td>
</tr>
<tr>
<td>II. Imports</td>
<td>23.059,2</td>
<td>23.675,8</td>
<td>2,7%</td>
<td>21.475,0</td>
<td>-9,3%</td>
</tr>
<tr>
<td>Trade balance (I - II)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>11.076,3</td>
<td></td>
</tr>
</tbody>
</table>

Source: Bank of Greece

Table 2. Participants’ profile

<table>
<thead>
<tr>
<th>Participant</th>
<th>Gender</th>
<th>Working position</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Female</td>
<td>Export Manager</td>
<td>Thessaloniki</td>
</tr>
<tr>
<td>B</td>
<td>Male</td>
<td>General Director</td>
<td>Thessaloniki</td>
</tr>
<tr>
<td>C</td>
<td>Male</td>
<td>Export Director</td>
<td>Thessaloniki</td>
</tr>
<tr>
<td>D</td>
<td>Male</td>
<td>Export Director</td>
<td>Thessaloniki</td>
</tr>
<tr>
<td>E</td>
<td>Male</td>
<td>Export Manager</td>
<td>Chalkidiki</td>
</tr>
<tr>
<td>F</td>
<td>Female</td>
<td>Export Manager</td>
<td>Thessaloniki</td>
</tr>
</tbody>
</table>
### Table 3. Company’s profile

<table>
<thead>
<tr>
<th>Company</th>
<th>Year of establishment</th>
<th>No. Employees</th>
<th>Annual Turnover</th>
<th>No of exporting years</th>
<th>export sales (%)</th>
<th>Production</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>1924</td>
<td>400</td>
<td>12ML €</td>
<td>30</td>
<td>≤50%</td>
<td>halva, sesame</td>
</tr>
<tr>
<td>B</td>
<td>1962</td>
<td>100</td>
<td>N/A</td>
<td>-</td>
<td>-</td>
<td>flour</td>
</tr>
<tr>
<td>C</td>
<td>1968</td>
<td>310</td>
<td>60ML €</td>
<td>10</td>
<td>5%-10%</td>
<td>vegetables</td>
</tr>
<tr>
<td>D</td>
<td>1950</td>
<td>1000</td>
<td>184ML €</td>
<td>29</td>
<td>10%-20%</td>
<td>dairy products</td>
</tr>
<tr>
<td>E</td>
<td>1952</td>
<td>23</td>
<td>5.5ML €</td>
<td>15</td>
<td>10%-20%</td>
<td>Honey</td>
</tr>
<tr>
<td>F</td>
<td>1991</td>
<td>150</td>
<td>18ML €</td>
<td>17</td>
<td>5%-10%</td>
<td>bread</td>
</tr>
</tbody>
</table>

### Table 4. Main barriers

<table>
<thead>
<tr>
<th>No</th>
<th>Main barriers</th>
<th>Class. of barrier</th>
<th>Feature of barrier</th>
<th>Votes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>High transportation and insurance costs</td>
<td>Internal</td>
<td>Marketing-logistics</td>
<td>6</td>
</tr>
<tr>
<td>2.</td>
<td>Keen competition in overseas markets</td>
<td>External</td>
<td>Procedural-task</td>
<td>5</td>
</tr>
<tr>
<td>3.</td>
<td>Foreign currency exchange risks</td>
<td>External</td>
<td>Procedural-economic</td>
<td>5</td>
</tr>
<tr>
<td>4.</td>
<td>Shortage of working capital for financing exports</td>
<td>Internal</td>
<td>Functional</td>
<td>5</td>
</tr>
<tr>
<td>5.</td>
<td>Difficulty in developing new products for foreign markets</td>
<td>Internal</td>
<td>Marketing-Product</td>
<td>4</td>
</tr>
<tr>
<td>6.</td>
<td>Difficulty in matching competitors’ prices</td>
<td>Internal</td>
<td>Marketing-Price</td>
<td>4</td>
</tr>
<tr>
<td>7.</td>
<td>Difficulty in identifying foreign business opportunities</td>
<td>Internal</td>
<td>Informational</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Difficulty in meeting export packaging/labelling requirements</td>
<td>Internal</td>
<td>Marketing-Product</td>
<td>3</td>
</tr>
<tr>
<td>---</td>
<td>---------------------------------------------------------------</td>
<td>---------------</td>
<td>----------------------</td>
<td>---</td>
</tr>
<tr>
<td>10.</td>
<td>Inadequate home rules and regulations</td>
<td>External</td>
<td>Procedural-Governmental</td>
<td>3</td>
</tr>
<tr>
<td>12.</td>
<td>Different foreign customer habits/attitudes</td>
<td>External</td>
<td>Procedural-Task</td>
<td>3</td>
</tr>
<tr>
<td>13.</td>
<td>High tariff and nontariff barriers</td>
<td>External</td>
<td>Procedural-Political/legal</td>
<td>3</td>
</tr>
</tbody>
</table>
### Table 3: Export changes in the world

**EXPORT RESEARCH CENTRE (KEEM)**

**GREEK EXPORTS BY COUNTRY AND REGION**

*January–June 2012*

*Preliminary Data*

(in mil Euro)

<table>
<thead>
<tr>
<th>Regions</th>
<th>Exports 2012</th>
<th>% Change 12/11</th>
<th>% Change 2012</th>
<th>% Structure 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL</td>
<td>8,209.0</td>
<td>7,807.4</td>
<td>4.3%</td>
<td>100.0%</td>
</tr>
<tr>
<td>1 OECD* (29 countries)</td>
<td>4,721.1</td>
<td>4,756.8</td>
<td>-0.8%</td>
<td>57.5%</td>
</tr>
<tr>
<td>2 E. U. (25)</td>
<td>4,269.0</td>
<td>4,506.7</td>
<td>-5.3%</td>
<td>52.0%</td>
</tr>
<tr>
<td>2.1 E. U. (15)</td>
<td>3,412.5</td>
<td>3,697.3</td>
<td>-5.4%</td>
<td>41.6%</td>
</tr>
<tr>
<td>France</td>
<td>361.1</td>
<td>327.8</td>
<td>-8.1%</td>
<td>3.7%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>217.5</td>
<td>223.2</td>
<td>-2.6%</td>
<td>2.6%</td>
</tr>
<tr>
<td>Germany</td>
<td>830.3</td>
<td>904.3</td>
<td>-7.8%</td>
<td>10.4%</td>
</tr>
<tr>
<td>Italy</td>
<td>914.8</td>
<td>1,016.5</td>
<td>-10.0%</td>
<td>11.1%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>389.1</td>
<td>389.7</td>
<td>-0.2%</td>
<td>4.7%</td>
</tr>
<tr>
<td>Ireland</td>
<td>9.6</td>
<td>10.8</td>
<td>-11.6%</td>
<td>0.1%</td>
</tr>
<tr>
<td>Denmark</td>
<td>86.3</td>
<td>63.8</td>
<td>-2.9%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Portugal</td>
<td>69.1</td>
<td>72.2</td>
<td>-3.8%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Spain</td>
<td>260.7</td>
<td>218.9</td>
<td>-16.3%</td>
<td>2.4%</td>
</tr>
<tr>
<td>Belgium</td>
<td>165.9</td>
<td>122.0</td>
<td>30.0%</td>
<td>2.0%</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>2.2</td>
<td>2.1</td>
<td>-4.7%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Sweden</td>
<td>69.1</td>
<td>67.7</td>
<td>2.1%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Finland</td>
<td>82.7</td>
<td>84.4</td>
<td>-2.1%</td>
<td>1.0%</td>
</tr>
<tr>
<td>Austria</td>
<td>70.9</td>
<td>93.8</td>
<td>-28.0%</td>
<td>0.9%</td>
</tr>
<tr>
<td>Non Specified Countries*</td>
<td>0.1</td>
<td>0.9</td>
<td>-87.7%</td>
<td>0.0%</td>
</tr>
<tr>
<td>2.2 NEW MEMBERS</td>
<td>856.6</td>
<td>890.4</td>
<td>-4.8%</td>
<td>10.4%</td>
</tr>
<tr>
<td>Malta</td>
<td>16.2</td>
<td>12.7</td>
<td>27.5%</td>
<td>0.2%</td>
</tr>
<tr>
<td>Estonia</td>
<td>3.8</td>
<td>3.4</td>
<td>11.9%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Latvia</td>
<td>3.7</td>
<td>3.5</td>
<td>6.4%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Lithuania</td>
<td>11.1</td>
<td>9.6</td>
<td>16.2%</td>
<td>0.1%</td>
</tr>
<tr>
<td>Poland</td>
<td>130.0</td>
<td>136.1</td>
<td>-4.5%</td>
<td>1.6%</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>65.0</td>
<td>65.5</td>
<td>-0.7%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Slovakia</td>
<td>30.8</td>
<td>36.8</td>
<td>-16.2%</td>
<td>0.4%</td>
</tr>
<tr>
<td>Hungary</td>
<td>47.3</td>
<td>57.7</td>
<td>-18.0%</td>
<td>0.6%</td>
</tr>
<tr>
<td>Slovenia</td>
<td>65.2</td>
<td>53.0</td>
<td>23.6%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Cyprus</td>
<td>483.5</td>
<td>521.3</td>
<td>-7.2%</td>
<td>5.9%</td>
</tr>
<tr>
<td>3 NORTH AMERICA</td>
<td>463.8</td>
<td>333.8</td>
<td>38.9%</td>
<td>5.6%</td>
</tr>
<tr>
<td>U.S.A.</td>
<td>375.8</td>
<td>252.6</td>
<td>48.7%</td>
<td>4.6%</td>
</tr>
<tr>
<td>Canada</td>
<td>40.1</td>
<td>50.4</td>
<td>-20.5%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Mexico</td>
<td>48.0</td>
<td>30.8</td>
<td>55.7%</td>
<td>0.6%</td>
</tr>
<tr>
<td>4 OTHER DEVELOPED COUNTRIES</td>
<td>86.0</td>
<td>61.7</td>
<td>39.4%</td>
<td>1.0%</td>
</tr>
<tr>
<td>Japan</td>
<td>28.5</td>
<td>17.4</td>
<td>62.6%</td>
<td>0.3%</td>
</tr>
<tr>
<td>Australia</td>
<td>53.3</td>
<td>38.1</td>
<td>39.9%</td>
<td>0.6%</td>
</tr>
<tr>
<td>N.Zealand</td>
<td>6.2</td>
<td>6.2</td>
<td>0.0%</td>
<td>0.1%</td>
</tr>
<tr>
<td>5 OTHER OECD COUNTRIES (except for S.Korea)</td>
<td>466.5</td>
<td>397.4</td>
<td>17.4%</td>
<td>5.7%</td>
</tr>
<tr>
<td>Iceland</td>
<td>0.8</td>
<td>0.4</td>
<td>70.4%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Norway</td>
<td>10.9</td>
<td>12.5</td>
<td>-13.1%</td>
<td>0.1%</td>
</tr>
<tr>
<td>Switzerland</td>
<td>72.2</td>
<td>66.1</td>
<td>9.3%</td>
<td>0.9%</td>
</tr>
<tr>
<td>Turkey</td>
<td>382.6</td>
<td>318.4</td>
<td>20.2%</td>
<td>4.7%</td>
</tr>
<tr>
<td>6 BALKAN COUNTRIES</td>
<td>1,259.9</td>
<td>1,306.7</td>
<td>-3.6%</td>
<td>15.5%</td>
</tr>
<tr>
<td>Romania</td>
<td>273.7</td>
<td>286.8</td>
<td>-4.6%</td>
<td>3.3%</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>520.6</td>
<td>557.7</td>
<td>6.7%</td>
<td>6.3%</td>
</tr>
<tr>
<td>Albania</td>
<td>183.1</td>
<td>169.5</td>
<td>7.4%</td>
<td>2.2%</td>
</tr>
<tr>
<td>Croatia</td>
<td>17.7</td>
<td>20.0</td>
<td>-11.4%</td>
<td>0.2%</td>
</tr>
<tr>
<td>Bosnia-Herzegovina</td>
<td>15.0</td>
<td>20.3</td>
<td>-20.5%</td>
<td>0.2%</td>
</tr>
<tr>
<td>Serbia-Montenegro-Kosovo</td>
<td>106.9</td>
<td>95.5</td>
<td>11.9%</td>
<td>1.3%</td>
</tr>
<tr>
<td>FYROM</td>
<td>144.9</td>
<td>142.9</td>
<td>1.4%</td>
<td>1.8%</td>
</tr>
</tbody>
</table>

*OECD Countries:
Austria, Belgium, Canada, Denmark, France, Germany, Iceland, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, United Kingdom, USA, Japan, Finland, Australia, New Zealand, Mexico, Czech Republic, Hungary, Poland, South Korea, Slovakia

*EU’s countries which have not notified by exporters

**Source:** Hellenic Statistical Authority (EL. STAT.) - Data processed by Export Research Centre (KEEM)
The export manager of Company A said that “Due to negative situation in the local market, companies need to set the exports as their primary focus”.

The Chair of Board of the ex-exporting company B stated that “Greek products are not competitive in foreign markets due to high costs and lack of government assistance. By the way, the company will make efforts to gain market share abroad because there are opportunities that should take into account seriously”.

The export director of company C believes in that “Exports will continue to increase due to the superiority of company’s products and the very good acceptance from the markets abroad. Also the decrease of internal demand will drive the company to invest more time and money to foreign markets”.

The export director of company D supported that “Export sales will be increased both in a firm and national level”.

The export manager of company E suggested that “Greek products should be more competitive in foreign markets and the Hellenic Ministry of foreign affairs should support and promote Greek products abroad in order to increase brand awareness and export sales rates”.

The export manager of company F believes in that “Export sales will have a stable to an increasing way in firms’ even in national level”.

Table 6. Respondents’ export predictions
Table 7. Questionnaire

International Hellenic University

Master of Science in Management

Student: Evangelia Goltsi

This survey is conducted as part of my dissertation entitled “Export barriers which hinder the export performance of Greek firms” for the Master of Science in Management of the International Hellenic University.

The aim of this survey is to study the obstacles and the difficulties that Greek exporters are faced with, as well as to identify the expected consequences on their export performance in a national and global environment.

Please take into consideration that all your answers will be confidential and will not be published in no shape or form and will not be used for any purpose other than this study.

Thank you in advance for your cooperation.
# QUESTIONNAIRE

## COMPANY INFORMATION

<table>
<thead>
<tr>
<th>RESPONDENT NAME</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>RESPONDENT JOB TITLE</td>
<td></td>
</tr>
<tr>
<td>COMPANY NAME</td>
<td></td>
</tr>
<tr>
<td>CITY</td>
<td></td>
</tr>
<tr>
<td>PHONE NUMBER</td>
<td></td>
</tr>
<tr>
<td>E-MAIL</td>
<td></td>
</tr>
</tbody>
</table>

## SECTION 1: About your company

Q1: What is the nature of your company?

- [ ] Manufacturing company
- [ ] Trading company
- [ ] Multinational company

Q2: How long has your company been in operation?

………………………………………………………………………………………………..

Q3: How many people, other than yourself, does your company employ?

………………………………………………………………………………………………..

Q4: What is the annual turnover of the company?

………………………………………………………………………………………………..

Q5: How many years has your company been exporting abroad?

………………………………………………………………………………………………..

Q6: How much is the percentage of export sales of your company?

- [ ] <5%
- [ ] 5% - 10%
Q7: Did the deterioration of Greek economy affect the sales of your company?

☐ The export sales remained stable.
☐ The export sales have decreased.
☐ The export sales have increased.

Section 2: Export barriers

Q8: Which are the main export barriers that hinder the export performance of your company? Please mention at least five (5) barriers.

1. ……………………………………………………………………………………………………………………………………………………
2. ……………………………………………………………………………………………………………………………………………………
3. ……………………………………………………………………………………………………………………………………………………
4. ……………………………………………………………………………………………………………………………………………………
5. ……………………………………………………………………………………………………………………………………………………

Q9: Please select more than one export barriers that affect the export performance of your company.

INTERNAL BARRIERS

A. INFORMATIONAL BARRIERS

☐ Limited information to locate/analyze markets
☐ Problematic international market data
☐ Identifying foreign business opportunities
☐ Inability to contact overseas customers

Which is the most important and how do you experience this barrier?

…………………………………………………………………………………………………………………………………………………………………...
B. FUNCTIONAL BARRIERS

☐ Lack of managerial time to deal with exports
☐ Inadequate/untrained personnel for exporting
☐ Lack of excess production capacity for exports
☐ Shortage of working capital to finance exports

Which is the most important and how do you experience this barrier?

…………………………………………………………………………………………………………………

…………………………………………………………………………………………………………………

C. MARKETING BARRIERS

PRODUCT

☐ Developing new products for foreign markets
☐ Adapting export product design/style
☐ Meeting export product quality/standards
☐ Meeting export packaging/labelling requirements
☐ Offering technical/after sales service

Which is the most important and how do you experience this barrier?

…………………………………………………………………………………………………………………

…………………………………………………………………………………………………………………

PRICE

☐ Offering satisfactory prices to customers
☐ Difficulty in matching competitors’ prices
☐ Granting credit facilities to foreign customers
Comment on your choice.

........................................................................................................................................
........................................................................................................................................

**DISTRIBUTION**

☐ Accessing export distribution channels
☐ Obtaining reliable foreign customers
☐ Maintaining control over foreign middlemen
☐ Difficulty in supplying inventory abroad

Comment on your choice.

........................................................................................................................................
........................................................................................................................................

**LOGISTICS**

☐ Unavailability of warehousing facilities abroad
☐ High transportation and insurance cost

Comment on your choice.

........................................................................................................................................
........................................................................................................................................

**PROMOTION**

☐ Adjusting export promotional activities

Do you spend money for promotional activities abroad? If yes, please explain what kind of activities.

........................................................................................................................................
EXTERNAL BARRIERS

A. PROCEDURAL BARRIERS

☐ Unfamiliar exporting procedures/paperwork
☐ Problematic communication with overseas customers
☐ Slow collection of payments abroad

Comment on your choice.

---------------------------------------------------------------

---------------------------------------------------------------

B. GOVERNMENTAL BARRIERS

☐ Lack of home government/assistance/incentives
☐ Inadequate home rules and regulations
☐ Government bureaucracy

Comment on your choice.

---------------------------------------------------------------

---------------------------------------------------------------

C. TASK BARRIERS

☐ Different foreign customer habits/attitudes
☐ Keen competition in overseas markets

Comment on your choice.

---------------------------------------------------------------

---------------------------------------------------------------
D. ENVIRONMENTAL BARRIERS

ECONOMIC

☐ Poor/deteriorating economic conditions abroad
☐ Foreign currency exchange risks

Comment on your choice.

__________________________________________________________

__________________________________________________________

POLITICAL/LEGAL

☐ Political instability in foreign markets
☐ Strict foreign rules and regulations
☐ High tariff and nontariff barriers

Comment on your choice.

__________________________________________________________

__________________________________________________________

SOCIOCULTURAL

☐ Unfamiliar foreign business practises
☐ Different socio-cultural aspects
☐ Verbal/nonverbal language differences

Comment on your choice.

__________________________________________________________

__________________________________________________________

Q10: What are your predictions about the future of exports in your firm level and in a national level?

__________________________________________________________

__________________________________________________________