

# THE IMPORTANCE OF RESOURCE-BASED VIEW IN EXPORT PERFORMANCE OF SMEs IN THAILAND

**Theingi**

Department of Marketing, ABAC School of Management,  
Assumption University

**Sharon Purchase, Ph.D.**

Information Management and Marketing, Business School,  
University of Western Australia

## Abstract

*This study focuses on the importance of manufacturing SMEs in the Thai export economy and develops propositions based on the Resource-Based View adapted from the Strategic Management literature. This study also highlights the important link between variety of firm resources and export performance.*

## Introduction

Advances in transportation, communication, and technologies have resulted in an increasing number of Small and Medium Enterprises (SMEs) pursuing opportunities in international markets (Knight 2000). As a result, SMEs have become critical players in national economies and world trade. Exporting is the most popular mode of international market entry for SMEs (Katsikeas et al. 1998; Leonidou et al. 2002a). However, little is known about how such firms operate and prosper under globalization (Acs 1999; Knight 2000).

SMEs are particularly important in contributing to exports of manufactured goods in Southeast Asia (Sawhney 1998). Among Southeast Asian nations, Thailand, known as the fifth tiger in Asia, is a country where export performance plays a crucial role in its economy, and hence this study focuses on export performance of manufacturing SMEs in Thailand.

Although there is a wealth of research in the area of export performance, the existence of major inconsistencies is often recognized by researchers (Cavusgil and Zou 1994; Katsikeas et al. 1998; Leonidou et al. 2002a). The typical problems are the multiplicity of determinants of export performance, the large number of different measures of export performance and the lack of a consistent theoretical framework (Zou and Stan 1998).

Many empirical studies have researched the determinants of export performance, such as firm characteristics, managers' characteristics, external

environments and marketing strategies. Despite the fact that the Resource-Based View (RBV) appears more frequently in strategic management literature, Peng's (2001a) study indicated a lack of RBV studies in export and international marketing disciplines (Srivastava et al. 2001). It is well-recognized that, firm resources, are crucial in influencing internationalization of SMEs (Jones 1999) and important determinants of export performance (Leonidou et al. 2002b; Zou and Stan 1998). However, most studies have looked at firm resources in general, and hence the effects of specific firm resources on export performance have not been investigated. Therefore, it is important to fill this gap by investigating the role and influence of firm resources on export performance in Thailand, highlighting the link between the resource-based view and export performance.

## Thailand: Export Economy

Thailand is an export-oriented country where exports account for around 47 % of the gross domestic product (GDP) (IMD 2000). Thailand had the 20<sup>th</sup> largest export market share in the world in 2000 and accounted for the 7<sup>th</sup> largest gains in market share during 1985-2000 (World Investment Report 2002). Thailand's present export structure reveals a greater diversity in terms of both products and markets than its main competitors (The National Identity Board 2000).

It is widely accepted that Thailand's economic recovery lies with strong export growth, and exports were among the key engines driving Thailand's economic