



The Investigation of Competitive Strategic Orientations of Export Companies in Suzhou City, China

Xu Xiwen¹, Pongsisi Kamkankaew², Phithagorn Thanitbenjasith³, and Wei Yu-Chen⁴

¹⁻³ Faculty of Business Administration, North-Chiang Mai University, Thailand

⁴ Innovation Collage, North-Chiang Mai University, Thailand

¹ E-mail: g622301013@northcm.ac.th, ORCID: <https://orcid.org/0009-0008-3038-2480>

² Corresponding E-mail: Kpongsiri85@gmail.com, ORCID: <https://orcid.org/0000-0002-5885-4805>

³ E-mail: phithagorn.ncu@gmail.com, ORCID: <https://orcid.org/0000-0002-8967-8285>

⁴ E-mail: yw42907@gmail.com, ORCID: <https://orcid.org/0009-0001-7914-7683>

Received 19/06/2023

Revised 24/06/2023

Accepted 01/07/2023

Abstract

Background and Aim: Exporting has different productivity effects on Chinese firms depending on their competitive strategic orientations. This research aims to investigate the opinion level of competitive strategic orientations of export companies in Suzhou City, China, and to study the guidelines of competitive strategic orientations of export companies in Suzhou City, China.

Materials and Methods: The quantitative research approach is going to be followed for this paper's investigation. 109 enterprises in Suzhou City that are involved in exporting will make up the entire sample size for the research. To collect information for this inquiry, a questionnaire was used as the primary tool of data collection. To do data analysis and determine the data that was given, statistical characteristics such as the mean and standard deviation were utilized.

Results: The study examines export enterprises in Suzhou, China, and finds moderate degrees of technology, learning, and market orientations. The aim is to improve these companies' competitive strategic orientations. Market orientation focuses on customer requirements, while competitive orientation fulfills competitors' dormant requirements. A learning orientation fosters a culture of learning, expansion, and innovation, with core values of commitment, open-mindedness, and shared goals.

Conclusion: The study analyzes Suzhou export enterprises' technology, learning, and market orientations, aiming to enhance competitive strategic orientations, customer requirements, and innovation through a learning culture. Suzhou City export companies should differentiate, educate employees, reduce costs, and implement quality manufacturing. Prioritize technological, product, process, and communication innovation, while focusing on long-term future growth and market-demanding strategies.

Keywords: Competitive Strategy; Strategic Orientations; Export Companies

Introduction

The productivity effects of exporting on Chinese firms (Feng, 2023), finding that it has different effects for firms with different competitive strategic orientations statuses (Xia & Xu, 2023). Exporting has large and lasting effects for firms with export competitive strategic orientations, while little effects for those without (Yu & Meng, 2023). The effect increases with the number of years of competitive strategic orientation investment. Empirical studies (Cheng, et al, 2023; Xia & Xu, 2023; Yu & Meng, 2023) have shown mixed evidence for the learning by exporting hypothesis, suggesting the importance of econometric techniques and factors affecting the productivity effect of exporting. It highlights the importance of a firm's absorptive capacity, developed through competitive strategic orientations, in learning by exporting (Roberts, 2023). Intentional and persistent competitive strategic orientations before export increase a firm's ability to value, assimilate, and exploit external knowledge, enhancing learning efficiency when exposed to foreign advanced technologies and managerial experience. Chinese Exports Report (2022) shows that firms in Suzhou City with competitive strategic orientations experience higher productivity gains after exporting, with immediate gains of around 8% and 32%.

Competitive strategic orientations are crucial for firms to build absorptive capacity (Gatignon & Xuereb, 1997; Kamkankaew et al., 2022), enabling higher productivity gains from exporting (Deshpandé, Grinstein & Ofek, 2012). This is due to their ability to identify valuable technological developments in foreign markets and be more efficient learners of advanced technologies (Zheng Zhou, Yim & Tse, 2005). Firms with more knowledge stock in a field are better equipped to catch up with technological developments and learn more efficiently (Acquaah, 2007). Strategic orientation is a concept that guides a firm's activities and creates behaviors for continuous superior performance



(Pehrsson, 2020). It can be seen as an adaptive mechanism or an organization's culture guiding interactions with customers and competitors (Mahmoud, 2016). Some scholars (Mazzarolo, Mainardes & Montemor, 2021; Abdulrab et al., 2022; Ed-Dafali et al., 2023) view it as a sub-dimension of the culture construct, providing values and beliefs that influence strategy-making activities. Strategic orientations enable the generation and dissemination of information (Zheng Zhou, Yim & Tse, 2005), which is transformed into knowledge, and are associated with learning and innovation capabilities.

In light of the aforementioned information, the researcher is interested in examining both the competitive strategy orientations of export enterprises in Suzhou City, China, and their level of opinion towards them, as well as their guiding principles. The findings of this study will aid in the refinement and optimization of operational processes. Despite the forthcoming operational approach.

Research Objective

1. To investigate the opinion level of competitive strategic orientations of export companies in Suzhou City, China.
2. To study the guidelines of competitive strategic orientations of export companies in Suzhou City, China.

Conceptual Framework

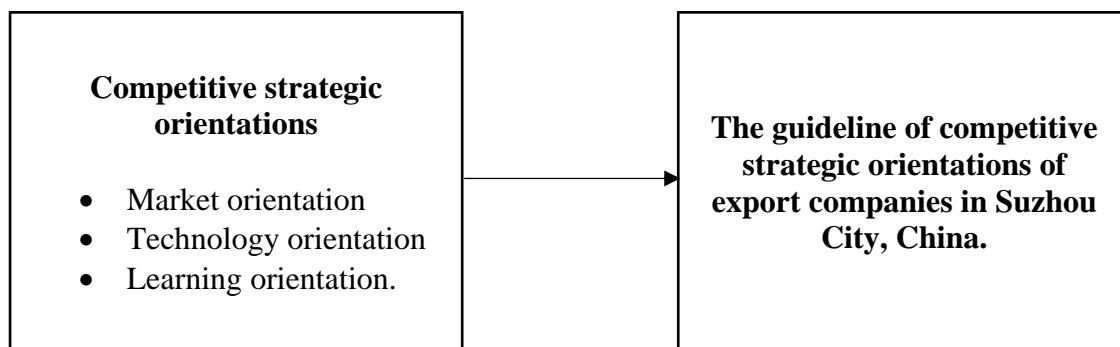


Figure 1 The conceptual framework of this study

Research Methodology

Population and Sample Size

In Suzhou City, the number of exporting firms is 854 firms (Chinese Exports Report, 2022). To determine the sample size of this study, the number 266 firms were identified. The sample size was calculated based on Yamane (1973). As a result, the total sample size for the research will be 266 exporting firms. These will represent the total population. The researcher used an original paper and an online questionnaire to facilitate a sampling approach that has been located in Suzhou city.

Research Tools

The questionnaire was used as a tool to collect data in this study and the researcher constructed a questionnaire from the related concept and theory, academic research journals related to studied variables innovation management and business strategy which are shown in Table 1.

Table 1 Research variables and measurements

Research variables	Source	Number of Items
Market orientation	Zheng Zhou, Yim & Tse (2005)	5
Technology Orientation	Pehrsson (2020)	5
Learning orientation.	Abdulrab et al (2022)	5

The questionnaire was developed based on three variables. The measure items are close-ended response questions about the opinion level of market orientation, technology orientation, and learning orientation.



For measurement of the opinion level of market orientation, technology orientation, and learning orientation., the interval scale was used a five-point Likert Scale to measure the level of agreement. The five-point Likert scale was ranked below (Likert, 1932):

- 5 = the highest level of perception
- 4 = the high level of perception
- 3 = the moderate perception
- 2 = the low level of perception
- 1 = the lowest perception

The width of the class interval was defined by utilizing the formula as follows (Sauro & Lewis, 2011):

4.21-5.00	=	The respondent's acceptance of all variable factors is the highest level of perception
3.41-4.20	=	The respondent's acceptance of all variable factors is a high level of perception
2.61-3.40	=	The respondent's acceptance of all variable factors is a moderate perception
1.81-2.60	=	The respondent acceptance of all variable factors is the low level of perception
1.00-1.80	=	The respondent's acceptance of all variable factors is the lowest perception

Cronbach's alpha coefficient was used to do statistical analysis to find the reliability of each variable factor from 30 pilot respondents. The value of Cronbach's alpha must be between $0 \leq \alpha \leq 1$, the higher value means higher reliability and is closely related to the section. Based on the above, Cronbach's alpha (α) of each factor in this research was from 0.755 to 0.910 for 30 pilot test results. Therefore, the reliability of all the indices in the pilot test and the full-scale survey was conducted and was good. Cronbach alpha (α) of all the variables passed the benchmark of 0.65 (Craig & Moores, 2006).

Data Collection: The primary data was obtained through direct collection from the participants. The selected research tool was the questionnaire. Before selecting a research, topic and constructing survey questions, the researcher conducted an extensive review of numerous articles, documents, and publications. Between January and June of 2022, a survey was conducted among exporting firms located in Suzhou City. A total of 266 questionnaires were distributed and collected for data analysis. It is important to acknowledge that out of the total number of questionnaires, only 109 were deemed valid. The data collected from the administered surveys were entered into analytical software for further processing and analysis. Following this, computations were executed, the information was scrutinized, and the results were condensed. In this particular case, the secondary data was easily accessible. The research team conducted a thorough literature review by consulting a variety of sources, including academic journals, textbooks, company profiles, paperwork, websites, and other pertinent documents.

Data Analysis: The completed questionnaire served as the basis for arriving at the weight determined based on the predetermined requirements. Using a statistics tool, the information was saved to a file. In the identical approach as in to present the first research objective, the calculation of the mean and standard deviation was utilized to investigate the owner exporting firms located in Suzhou city, in the questionnaires. To present the second research objective, the findings of the first objective research will be categorized, and descriptive statistics will be utilized in the process of generating descriptions for the guidelines of competitive strategic orientations of export companies in Suzhou City, China.

Statistics Used in Data Analysis: The statistical values such as percentage, frequency, mean, and standard deviation were used for data analysis, to define the information that was presented in the form of a descriptive table. These statistical values were utilized as part of the statistics that were employed in the study of the data.



Result

The first research objective of the study is to investigate the opinion level of competitive strategic orientations of export companies in Suzhou City, China. This section covers the opinion level of competitive strategic orientations of export companies in Suzhou City, China which are market orientation, technology orientation, and learning orientation.

Table 2 the overall level of agreement with this study

N = 109

Variables	Mean	S.D.	Meaning
Market orientation	2.65	1.05	moderate
Technology Orientation	2.86	0.98	moderate
Learning orientation	2.75	0.92	moderate
Total	2.75	0.98	moderate

As table 2 provides the opinion level of competitive strategic orientations of export companies in Suzhou City, China which are market orientation, technology orientation, and learning orientation. The results indicated that all of the variables had a moderate level (mean score = 2.75, S.D. = 0.98), especially technology orientation (mean score = 2.86, S.D. = 0.98), learning orientation (mean score = 2.75, S.D. = 0.92) and market orientation (mean score = 2.65, S.D. = 1.05) accordingly.

The second research objective of the study is to study the guidelines of competitive strategic orientations of export companies in Suzhou City, China. This section covers the guidelines of competitive strategic orientations of export companies in Suzhou City, China which is based on the result of the previous section as the details are:

To make the better to improve the market orientation of export companies in Suzhou City, China, has gained importance in recent years due to the competitive global markets. Market orientation can be classified into two streams: behavioral and cultural. Market orientation is an organization's effort to generate market information related to customer needs, disseminate it, and respond to it through effective strategies. Market orientation is the organizational culture that creates necessary behaviors for superior value for buyers and continuous performance. Understanding customer wants is central to understanding market orientation, and stakeholders shape customer needs and expectations. Researchers have used various variables to define market orientation, including intelligence generation, intelligence dissemination, and responsiveness. The concept of total market orientation includes responsive and proactive market orientation. Proactive market orientation requires firms to focus on understanding and satisfying customers' latent needs, as expressed needs are easily identified by competitors. Proactive market orientation requires superior skills and processes that are subtle and difficult to understand, making it difficult for competitors to copy. Customer orientation and competitor orientation are crucial aspects of a firm's strategy. Customer orientation involves understanding target customers and their needs, enabling firms to generate superior value for them. A customer-oriented firm can maintain close relationships with customers and obtain fast feedback, enhancing commitment and loyalty. Competitor orientation focuses on understanding the strengths and weaknesses of competitors, enabling firms to develop differentiated products, services, or marketing approaches. Inter-functional coordination involves coordinating resources to generate superior value for customers, involving human and capital resources. Proactive market orientation involves learning about customer needs and stimulating the development and implementation of novel ideas. Overall, market orientation yields greater benefits when firms fully integrate these dimensions, as they are rare and costly to duplicate. Technology orientation, another strategic orientation dimension, is another frequently studied dimension.

To improve the better to improve technology orientation of export companies in Suzhou City, China, the rapid advancement of technologies and shortening product life cycles have led to firms enhancing their technological expertise to remain competitive. Technology orientation, a philosophy of "technological push," refers to how a firm coordinates its structure, system, and resources with



technology. It involves a firm's strong determination to use sophisticated technologies, develop new products, integrate them into business operations, and proactively develop new technologies. Technology-oriented firms excel in technical proficiency, invest in R&D, and employ the latest technologies. They employ highly qualified employees, create an organizational culture that supports learning and creativity, and encourage creativity and invention among employees. Technology orientation also supports openness to ideas that apply state-of-the-art technologies, enabling firms to develop innovative solutions and differentiated products.

To improve the better to improve learning orientation of export companies in Suzhou City, China, Rapid market and customer preferences necessitate firms to learn new knowledge to meet evolving demands. As technology advances and competition intensifies, learning organizations are essential for firms to adapt quickly to changes. Organizational learning involves developing new insights that affect behavior, leading to enhanced firm performance. It involves acquiring, distributing, integrating, and creating information among members. However, assessing organizational learning is challenging due to the lack of quantitative measures. Distinguishing between learning organization, organizational learning, and learning orientation is crucial for firms to effectively adapt to changes in the business environment. Learning orientation is a crucial aspect of organizational learning, affecting a firm's propensity to generate and apply new knowledge. It influences proactive learning and adaptability, leading to a culture of knowledge questioning and a direct impact on higher-order learning. Organizational learning can be categorized into adaptive and generative learning. Adaptive learning involves discarding outdated methods and replacing them with new, radical approaches. Generative learning encourages employees to question organizational norms and think out of the box, while adaptive learning facilitates incremental innovation. Three core values that reflect learning orientation include a commitment to learning, open-mindedness, and shared vision. Commitment to learning fosters a learning climate, encouraging organizational growth and survival. Open-mindedness is essential for unlearning and adapting to dynamic markets. A shared vision emphasizes learning and focuses on implementing new knowledge, leading to organizational strength and core competence development. This shared vision coordinates the focus of various departments, enhancing the quality of learning.

In conclusion, this study aims to improve the competitive strategic orientations of export companies in Suzhou City, China. Market orientation is crucial for export companies to generate market information related to customer needs, disseminate it, and respond to it through effective strategies. It can be classified into two streams: behavioral and cultural. Market orientation involves understanding customer needs and expectations, while competitive orientation focuses on understanding and satisfying competitors' latent needs. Technology orientation is another strategic orientation dimension that is often studied. As technology advances and product life cycles shorten, firms must enhance their technological expertise to remain competitive. Technology-oriented firms excel in technical proficiency, invest in R&D, and employ the latest technologies. They also foster an organizational culture that supports learning and creativity, encouraging creativity and invention among employees. Learning orientation is essential for export companies to adapt quickly to changes in the business environment. It involves developing new insights that affect behavior, leading to enhanced firm performance. Organizational learning can be categorized into adaptive and generative learning. Core values reflecting learning orientation include a commitment to learning, open-mindedness, and shared vision. These values foster a learning climate, encourage organizational growth and survival, and foster a culture of knowledge questioning and innovation.

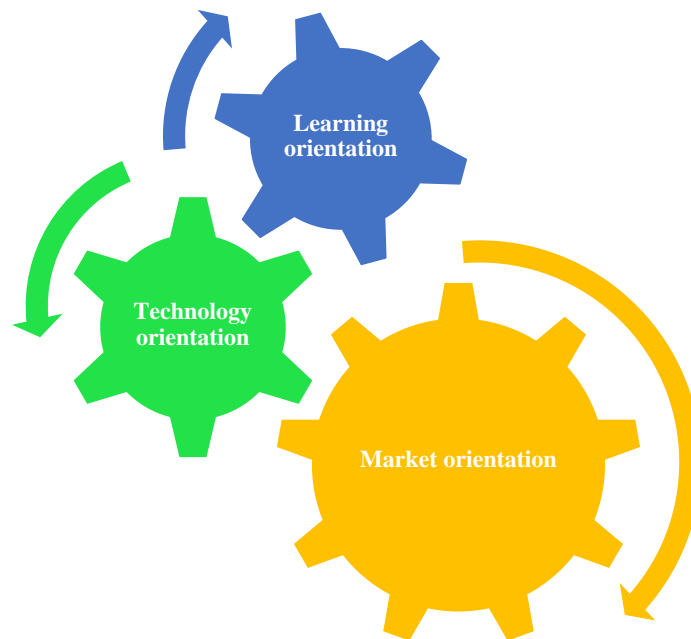


Figure 2 The guideline of competitive strategic orientations of export companies in Suzhou City, China

Conclusion

The study examines the competitive strategic orientations of export companies in Suzhou City, China, revealing moderate levels of technology, learning, and market orientations. This study aims to enhance export companies' competitive strategic orientations in Suzhou City, China. Market orientation is crucial for understanding customer needs and expectations, while competitive orientation focuses on satisfying competitors' latent needs. Technology orientation is essential for firms to stay competitive, fostering an organizational culture that supports learning and creativity. Learning orientation involves adapting quickly to changes in the business environment, fostering a learning climate, growth, and innovation. Core values of learning orientation include commitment, open-mindedness, and shared vision.

Discussion

To explain the findings of the first research aim, it should be noted that the research contributed to the study of Mazzarolo, Mainardes & and Montemor (2021), which integrated unidimensional and multidimensional factors to offer an all-encompassing perspective on innovation capabilities and company performance. The model incorporates multidimensional characteristics, allowing for the evaluation of individual influences on other constructs. These multidimensional structures include intellectual capital, market orientation, learning orientation, and innovation capability, among others. This strategy is in line with the theory, and it produces superior outcomes when tested in practice. Through the utilization of Reflective-Formative Type II model formulation, this study contributes to a greater understanding of formative hierarchical component models. It prevents misspecification, prevents biased outcomes, and answers the argument made by Zheng Zhou, Yim & and Tse (2005) that reflecting higher-order constructions is meaningless and misleading. In their work on hierarchical component models, Ed-Dafali et al (2023) emphasized the repeated-indicator technique as a means of improving the accuracy and reliability of higher-order construct scores.

To begin with the outcome of the second research aim, it should be noted that the research lent support to the study conducted by Acquaah (2007), which emphasized the significance of human capital in intellectual capital because it is the component of intellectual capital that carries the most weight. For an organization to be able to innovate more effectively, it is essential to have individuals who are gifted and possess high-quality, creative, and bright skills. These professionals help businesses provide one-



of-a-kind benefits to customers, provide solutions to challenges faced by consumers, and introduce innovative technologies. A company's performance can also be improved by the qualities of its human capital through cutting expenses, encouraging growth in sales, and retaining valuable expertise. Small and medium-sized enterprises (SMEs) in the field of information and communications technology (ICT) in Malaysia should invest in outstanding human resources to beat their competitors in terms of their innovation capability and firm performance. The importance of social capital in increasing one's capacity for invention was brought to light in a study conducted by Abdulrab et al. (2022). The relationship between social capital and intellectual capital has been shown to have a beneficial direct effect on a company's capacity for innovation as well as its overall performance. Strong social capital in Malaysian small and medium-sized information and communications technology companies encourages employees to work together on problem-solving and share their knowledge. This, in turn, contributes to the fundamental basis of the skill to innovate.

Recommendation

Managerial Recommendations

Export companies in Suzhou City should differentiate themselves, educate employees on service principles, focus on cost reduction strategies, and implement quality and efficient manufacturing. Prioritize technological innovation, product and process innovation, and communication through advertising and public relations. In finance, focus on innovative performance, customer service, and export procedures. Continuously innovate and develop the industry by focusing on the long-term future and planning market-demanding business development strategies.

Further research Recommendations

Investigate the relationship between other business groups' competitive advantage and performance to develop an effective organization for managing and achieving goals. Expand research studies to include various industries and types for a comprehensive understanding of operations' success. Address difficulties and obstacles to identifying weaknesses, strengths, and challenges, and improve. Compare exports between China and Thailand to guide entrepreneurs interested in both markets.

References

- Abdulrab, M., Alwaheeb, M.A., Al, M.Y.H.S., Alshammari, N.G.M., Balhareth, H., Soltane, H.B., & Saleem, I. (2022). Effect of entrepreneurial orientation and strategic orientations on the financial and non-financial performance of small and medium enterprises in Saudi Arabia. *Journal of Public Affairs* (14723891), 22(2), 1–11.
- Acquaah, M. (2007). Managerial social capital, strategic orientation, and organizational performance in an emerging economy. *Strategic Management Journal* (John Wiley & Sons, Inc.) - 1980 to 2009, 28(12), 1235–1255.
- Cheng, J., Yu, Z., Mukhopadhyaya, P., & Yang, Y. (2023). The Global Financial Crisis and China's Export in Belt and Road Countries: An Analysis Using Product-Level Data. *Emerging Markets Finance & Trade*, 1–16.
- Chinese Exports Report. (2022). *China Economic Review*. Com, 1.
- Craig, J., & Dibrell, C. (2006). The Natural Environment, Innovation, and Firm Performance: A Comparative Study. *Family Business Review*, 19(4), 275–288.
- Deshpandé, R., Grinstein, A., & Ofek, E. (2012). Strategic orientations in a competitive context: The role of strategic orientation differentiation. *Marketing Letters, Springer*, 23(3), 629–643, DOI: 10.1007/s11002-012-9167-4.
- Ed-Dafali, S., Al-Azad, M.S., Mohiuddin, M., & Reza, M.N.H. (2023). Strategic orientations, organizational ambidexterity, and sustainable competitive advantage: Mediating role of industry 4.0 readiness in emerging markets. *Journal of Cleaner Production*, 401, N.PAG.
- Feng, H. (2023). Research on the Development Strategy of Private Education Group from the Dynamic Capability Perspective Case Study of Advantage Group. *International Journal of Sociologies and Anthropologies Science Reviews*, 3(3), 37–48.



- Gatignon, H., & Xuereb, J.-M. (1997). Strategic Orientation of the Firm and New Product Performance. *Journal of Marketing Research (JMR)*, 34(1), 77–90.
- Kamkankaew, P., Phattarowas, V., Khumwongpin, S., Limpiaongkhanan, P., & Sribenjachot, S. (2022). Increasing Competitive Environment Dynamics and the Need for Hyper-Competition for Businesses. *International Journal of Sociologies and Anthropologies Science Reviews*, 2(5), 9–20
- Likert, R. (1932). A technique for measurement of attitudes. *Archives of Psychology*, 140, 5-55.
- Mahmoud, M. A. (2016). Sustainable market orientation: a competitive strategic tool in an emerging economy context. *Journal of Strategic Marketing*, 24(7), 635–654.
- Mazzarolo, A.H., Mainardes, E.W., & Montemor, D.S. (2021). Effects of internal marketing on strategic orientations in the banking sector. *International Journal of Bank Marketing*, 39(5), 810–833.
- Pehrsson, T. (2020). Do types of strategic orientations make a difference? A study of MNCs' performance in foreign markets. *European Business Review*, 32(1), 26–45.
- Roberts, G. (2023). *China mulls export ban for rare earth magnet technology*. Aroq - Just-Auto.Com (Global News), N.PAG.
- Sauro, J., & Lewis, J. R. (2011). When designing usability questionnaires, does it hurt to be positive? *Conference on Human Factors in Computing Systems - Proceedings*, 2215–2223.
- Xia, J., & Xu, H. (2023). The Impact of Country Image on Firms' Exports: Evidence from China. *Emerging Markets Finance & Trade*, 59(7), 2102–2117.
- Yamane, T. (1973). *Statistics: An Introductory Analysis*. 3rd Edition, Harper and Row, New York.
- Yu, J., & Meng, S. (2023). Survive and Thrive: The Duration of Cultural Goods Exports from China. *Emerging Markets Finance & Trade*, 59(7), 2025–2037.
- Zheng Zhou, K., Yim, C.K., & Tse, D.K. (2005). The Effects of Strategic Orientations on Technology- and Market-Based Breakthrough Innovations. *Journal of Marketing*, 69(2), 42–60.