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EXPORT MARKETING DEVELOPMENT PROGRAM SELECTION

by

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A Dissertation submitted to the Faculty of  
Old Dominion University in Partial Fulfillment of the  
Requirements for the Degree of

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OLD DOMINION UNIVERSITY

December, 1993

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## Abstract

### EXPORT MARKETING DEVELOPMENT PROGRAM SELECTION

Albert P. Bianchi, Jr.

Old Dominion University, 1993

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The purpose of this study was to determine if there is an arrangement of export development programs which could be utilized by state agencies to best serve the economic and social policy goals of states.

Quantitative and qualitative techniques were employed in conducting this research. Descriptive information was gathered from surveys of state export development agencies. A Delphi methodology was used to gain consensus from public managers about program goals and program effectiveness.

The research demonstrates that there are primary goals which states pursue, such as employment generation and providing exporter assistance, for which certain export promotion activities are considered more likely to achieve results. The research also illustrates the range of strategy and program alternatives available, suggesting utility for planning and program selection by public managers.

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## DEDICATION

To my father, who always encouraged me to do my best

## ACKNOWLEDGEMENT

All students should be as fortunate as I was to have had a dissertation committee that contributed to the completion of his research by freely offering their time, expertise, and guidance. Dr. Pindur, Dr. Chadwin, and Dr. Stanton are three individuals who will never be forgotten.

## TABLE OF CONTENTS

	Page
LIST OF TABLES . . . . .	viii
LIST OF FIGURES . . . . .	ix
 Chapter	
1. INTRODUCTION	
Introduction . . . . .	1
The Urban Environment. . . . .	3
Approach to the Area of Study. . . . .	9
Assumptions. . . . .	10
Limitations. . . . .	11
Definition of Terms . . . . .	12
Summary. . . . .	15
 2. REVIEW OF LITERATURE	
Theoretical Framework. . . . .	18
Marketing. . . . .	18
Economics. . . . .	22
Public Administration, Politics, and Power. . . . .	28
Public Administration . . . . .	28
Politics and Power. . . . .	32
Organizational Design. . . . .	37
Economic Development . . . . .	41
Export Marketing . . . . .	49
Summary. . . . .	54
 3. RESEARCH DESIGN	
Research Goals . . . . .	58
Organizational Plan. . . . .	59
Categorical Data - Program Inventory . . . . .	60
Survey Technique - The Delphi Method . . . . .	61
Appropriateness of Technique to this Research. . . . .	64
Method of Survey Data Collection . . . . .	67
Application of Technique and Instrument Design . . . . .	68
Summary. . . . .	72
 4. ANALYSIS OF DATA	
Quantitative Findings. . . . .	73
Program Inventory . . . . .	73
Program Utilization . . . . .	73
Range and Distribution of Programs . . . . .	86
Emphasis on Export Promotion. . . . .	91
Regional Patterns of Program Activity . . . . .	96
Patterns of Program Alternatives. . . . .	101
Universe of Export Promotion Programs . . . . .	104

Qualitative Findings . . . . .	107
Introduction. . . . .	107
Program Goals . . . . .	107
Program Selection . . . . .	107
Conclusion of the Delphi Exercise . . . . .	111
Design of Export Marketing Program. . . . .	114
Practitioners' Remarks. . . . .	114
Evaluation . . . . .	119
Summary. . . . .	121
5. SUMMARY	
Introduction . . . . .	125
The Problem. . . . .	125
The Literature . . . . .	125
Methodology. . . . .	127
Operation of Export Marketing Agencies . . . . .	128
Recommendations for Further Inquiry. . . . .	132
BIBLIOGRAPHY . . . . .	134
APPENDICES	
A. Respondents List . . . . .	143
B. Questionnaire One. . . . .	147
C. Cover Letter for Questionnaire One . . . . .	148
D. Questionnaire Two. . . . .	149
E. Cover Letter for Questionnaire Two . . . . .	150
F. Results Feedback Letter. . . . .	151



## LIST OF TABLES

TABLE	Page
1. State Programs and Services . . . . .	74
2. Summary of Export Marketing Programs. . . . .	80
3. Distribution of State Foreign Offices . . . . .	82
4. Categories of Export Programs by Budget Allocation.	87
5. Distribution of Programs by Budget Category . . . . .	88
6. State Office Budgets for Export Development . . . . .	90
7. Per Capita Expenditures for Export Promotion. . . . .	92
8. Export Promotion as a Percentage of State Expenditures. . . . .	94
9. Regional Division of Continental United States. . . . .	98
10. State Office Export Development Budgets by Region . . . . .	99
11. Export Programs offered by State Office Budget Size	102
12. Foreign Offices Maintained by States. . . . .	105
13. Summary of Responses to Questionnaire One . . . . .	109
14. Summary of Responses to Questionnaire Two . . . . .	112

LIST OF FIGURES

FIGURE	Page
1. Map of Continental United States. . . . .	97
2. Universe of Export Marketing Activities . . . . .	108
3. Design Array of Export Marketing Agency . . . . .	115
4. Operational Arrangement of Export Activities. . . . .	131

## CHAPTER I

### Introduction

The research question asks if there is an arrangement of export promotion activities which can be utilized by a state export development agency that would best contribute to the economic development of the state.

This question is important because it addresses (a) the cost and effectiveness of government functions, and (b) effective staffing and planning for public agencies by public managers and elected representatives. This question is worth investigation because it can contribute to organizational and administrative knowledge by helping to make assessments in budget allocations (programs, operating costs), services provided by agencies (direct and indirect), and measureable results (jobs, cargo tonnage generated, dollars generated).

Public agencies are created for the purposes of serving the general good of the state and to benefit citizens. Since the earliest days of the history of government in the United States there have been public organizations and public services established with the intent of equitably and efficiently serving public interests by allocating resources, controlling and managing assets, and developing economies within states.

The development of public institutions has become more complex over the past 200 years as the population has grown and the demand for public services has increased. Technology

also has required the intervention of government to both regulate and provide services where the private sector is either unwilling or unable to do so. In recent times, as the demand for services has continued to grow and the resources available to state governments have declined, governments have become more active in the market economy as entrepreneurs and developers. The survival of the state, in an economic sense, depends upon its ability to create revenues, generate employment opportunities, and continue to provide public services of all kinds. Wright (1971, pp. 81-82) addressed the states' role in terms of urban crisis, suggesting that the key to the solution of the many metropolitan problems lies in the recognition and assumption of proper responsibility of the state. His meaning of responsibility suggests that state and local policy should promote economic development. To this purpose then, states continue to participate in various segments of the market economy.

One general area where states have become increasingly more involved is economic development. Programs and policies vary from state to state as might be expected since states differ in size, location, population, geography, and natural and capital resources, but the goals and objectives of economic development programs are ultimately the same. Moore and Pagano (1985, p. 100) showed that both developmental economists and planners believe that public sector strategies

and activities promote economic growth and induce investment. The aspect of political survival for those in positions of power dictates that agencies and programs be established which address the importance of economic development initiatives.

In accordance with the research question, this study was directed at a specific segment of state economic development, namely export development programs. The development of improvements in air and ocean transportation, rapid communications, and the loosening of trade barriers has made the world marketplace accessible to even the smallest business. The private sector has recognized the importance of world markets as a new or alternate outlet for products and services particularly when domestic markets are saturated or in decline. States also recognize the importance of the world market as an outlet for products and services and as a source of revenue for the state stemming from growth in private enterprise. Nagel and Ndyajunvoha (1988, p. 2) have illustrated how U.S. exports contribute significantly to the overall economic welfare of the country as jobs are created or saved by exports.

#### The Urban Environment

The Committee for Economic Development (1971), a group of businessmen and educators, described the partnership of government and business as follows:

1. That the goals of American society can be realized only through a massive, cooperative effort of government, industry, labor, and education.

2. That government's basic role through the political process is to determine the [state's] goals, set the priorities, develop the strategies, and create the conditions for carrying out the work effectively to the satisfaction of the public.

3. That business, with its profit-and-loss discipline has an especially significant role in the actual execution of social programs because it is a proven instrument for getting much of society's work done and because its top executives, with their diverse management capabilities and their involvement in community affairs, are normally well fitted to deal with today's socioeconomic problems; and

4. The incentive for profit is the only practicable way of unleashing the power and dynamism of private enterprise in a scale that will be effective in generating social progress...To achieve this, government must create the market conditions that will induce business enterprises to apply their operational capabilities to those public tasks they can carry out more efficiently than other institutions. (p. 51)

These points give a broad view of the relationship of the public and private sectors in the concurrent pursuit of their respective goals. The fourth point in particular suggests that government interventions, in the form of public programs, are necessary and desirable to stimulate private enterprise. The activities and success of private enterprise generate social benefits and social costs.

Hoch (1969), discussing urban economics as a distinct field, explored problem areas and policy issues including economic growth, local impact of national spending, developments in transportation, urban public services and

finance, and urban development. Thus, the urban economic system was viewed as comprising a subsystem within the general system of the economy. Hoch noted "within the discipline of economics, the field [of urban economics] is closely related to government finance, transportation economics, real estate economics, land economics, and regional economics" (p. 5).

Burkhead and Campbell (1968) addressed the nature of urban policy. They stated:

there are three congeries of forces that come to bear on urban policy. They are, first, the private market; second, the metropolitan governmental structure, including its fiscal dimensions; third, the political structure, to include both the activities of organized political parties and the interest group influences that come to bear on administrators as well as elected officials. (p. 578)

They pointed out that none of the three forces influencing urban policy were perfect in making contributions to countering social problems, but "public intervention is necessary and wise. Intervention requires institutions capable of policy formation, short and long range planning, administration, and fiscal support" (p. 50). In a national perspective Moynihan (1970), writing on urban policy and the alleviation of urban problems in general, stated that "state government has an indispensable role in the management of urban affairs and must be supported by the federal government in the performance of this role" (p. 18). "The federal government must develop and put into practice far more

incentive systems than now exist whereby state and local governments, and private interests, can be led to achieve the goals of federal programs" (p. 19). What he meant was that public programs and market competition could be manipulated to work in unison to achieve public goals.

Larson and Nikkel (1979) explored the relationship between state and urban needs, and business and government. They looked particularly at the generation of jobs and reduction of unemployment as critical issues. Generation of tax revenues is somewhat secondary. In fact, they illustrated how tax preferential treatment is used as an instrument to encourage factors in the private corporate economy which will generate jobs. This is found particularly in large metropolitan areas. They made two statements which suggest the special and critical relationship between business and government in the urban policy arena. First, "the fate of the U.S. city is closely tied to the decisions and actions of the corporate economy" (p. 119). Secondly, "when the economy fails to meet their needs, people turn to government at all levels for assistance" (p. viii).

Holton's (1986) work explored urban development as population centers flourished largely from trade. This, he noted, created an "urban revolution" which "allowed the wider diffusion of existing innovation and the creation of an economic and political environment conducive to further innovation" (p. 143). Innovation in this sense means



improvements in technology development and social well-being. McCord and McCord (1977) gave a thorough review of the development of urban centers from rural settings, to villages, non-industrial cities, industrial cities, and finally to a metropolis or post-industrial city environment. The metropolis in particular, they pointed out, produces vast services (public and private), requires extensive social controls and interventions, and spatially is spread over such large areas that the distinction between urban and suburban is increasingly difficult to make. Hawley (1971) suggested that urbanization is evolutionary. "That is, it is a movement from simple to more complex forms of organization" (p. 332). This evolution or expansion is meant to describe development to adapt to the needs of the urban environment. As such, "it can be deduced that government becomes more specialized in the environment as the technical detail for specific areas of concern demand" (p. 332). Hawley acknowledged the fact that the city is a primary area of focus [in urban studies], but also suggests that urbanization goes beyond that to a broader concern for "town and country are merged under a single set of institutions and a common set of processes" (p. 219). Furthermore, "urbanization is far from being merely a process of segregating in a few localities" (p. 219), or "the part of a society's population engaged in non-extractive industries" (p. 219). It is "rather a comprehensive reorganization of the entire

structure of the society leaving no sector or sphere untouched" (p. 219).

Urbanization is something more than its simplest definition (referring to the change from less densely populated rural, agrarian, or suburban areas to densely populated commercial and population centers) suggests. Nonetheless, many studies of urban problems and planning focus on the city. Even Dye (1976), discussing urban policy research, focused on the city stating that "the primary forces influencing what governments do arise from the socioeconomic environment - specifically the mix of resources and needs stemming from the economic and social composition of city populations" (p. 76). A study on technology and economic growth by Thompson (1986) found that "it is becoming increasingly evident that by long-term, concentrated implementation of strategies of development, states, especially can...create growth centers" (p. 139) beyond city limits.

Bingham and Blair (1984) suggested that:

while economic development has always been important to the nation and its cities, it was not until the late 1970s and early 1980s that explicit recognition was given to the need for the public and private sectors to work together to expand the economic base of central cities and metropolises. (p. 11)

They also stated that:

prior to this, the public and private sectors were frequently in conflict. This is not to suggest that state and local governments have historically

ignored private development - they have not. Every state in the United States administers an economic development program offering incentives to private industry. However, the widespread legitimacy and institutionalization of ongoing bureaucratic-based programs has emerged in the last decade. (pp. 11-12)

Earlier, discussing organization, government, and corporate form, Hawley (1971) had seen this development noting that governments take on corporate form like business and industry not only for organization, but also for "the interaction and more extensive sequence of linkages through which exchanges are transmitted" (pp. 202-203). This suggests that agencies are created to deal with specific requirements and take a form which will permit effective interaction with their environment.

#### Approach to the Area of Study

In his discussion of organization theory, Miner (1971) pointed out that a basic framework, or theoretical model, can be used to systematize our knowledge of organizations and the management process. Model development is important to public administration and urban management because of the framework a general diagram can provide for organizational planning for public agencies. Miner's discussion noted that "models are constructed for the purpose of identifying essential elements. Ultimately models make it easier to understand much more complex subjects and detail" (p. 12). This knowledge can assist practitioners, legislators, the

interested public, and educators in public administration in decision making.

The study employs basic descriptive research methods to determine the nature of existing organizational structures including budget, staff size, port facilities, foreign offices, marketing services offered and miscellaneous programs. Descriptive statistics and categorical data are generated from the data available on export marketing programs in each of the 48 continental states.

Qualitative methods are used in the form of a Delphi technique to determine consensus on goals considered important by program managers. Program selection which is based on the goals identified by consensus of program directors follows. From these results a preferred array of export program activities is identified.

Only program managers were surveyed to provide the "expert" opinion in the identification of the preferred programs. The researcher recognized that causality between the public services provided and the development of export products or services from the private sector is often difficult to assign to the activities of public programs. This is a limitation in measuring results attributable to interventions.

### Assumptions

In designing the qualitative research used in this

study, the Delphi technique for gaining consensus was utilized for the survey of program managers of export development agencies. The technique derives its strength and viability from expert opinion. Program managers were used as the experts because these individuals are typically career professionals in the field of economic development and have decision making authority. There was an assumption in recognizing these program managers as experts that it could be expected that they would be interested in the study and have a desire to respond.

#### Limitations

Two limitations were noted. The first was the difference in export program managers as individuals. They vary in age, experience, education, time in service, political ambitions and a myriad of other personal traits. Although it was unlikely that any two administrators would be alike, there was the assumption that they generally share common goals and objectives. A second limitation was the fact that states vary in size, location, natural resources, budget and staff as a function of history and geography. The assumption was that programs are adapted to these settings. Activities are based on products and services indigenous to the state in addition to consideration of the financial and human resources available to the program manager.

## Definition of Terms

For the purpose of maintaining consistency of definition concerning the meanings of functions and programs used in this study the following glossary applies.

Administrative Staff - Refers to those public agency employees primarily assigned to clerical functions.

Budget - Refers to the dollar amount of funds appropriated by the state to operate a specific public agency. Budget may also be used to mean that portion of the total funds allocated to an agency set aside for a specific function within that agency.

Economic Development - Refers to any public program, policy, or initiative designed to stimulate economic activity within the state.

Export Assistance - Refers to any aid or service provided to clients to help the client through the procedural steps of conducting an export transaction.

Export Marketing - Refers to any public program designed to promote the export of products or services from private enterprises in the state to foreign customers. Export marketing may also be referred to as Export Development.

Export Trading Company - Refers to a state enterprise which functions similarly to a private sector business in the areas of marketing, financing, or export documentation services with the intention of promoting American products overseas.

Financial Assistance - Refers to any form of subsidy, loan, or grant provided by a public agency to encourage or assist businesses in exporting products or services to foreign markets.

Foreign Office - Refers to any unit of an export development agency which is located in a foreign country for the purpose of promoting trade with the state from a particular geographic area of the world.

Foreign Trade Zone - These are duty-free storage places from which imported goods may be exported without going through customs. They refer to any area which is set aside at or near ports or airports for landing, storing, and ultimately shipping goods.

Market Studies - Refers to any data or analysis provided by an export marketing agency for use by clients.

Miscellaneous Program - Refers to any one-time event or

initiative executed by a public agency, with the purpose of generating interest in exporting, which is not usually identified as regular services or programs of the agency.

Professional Staff - Public agency employees usually assigned to the direction of one or more export marketing program functions.

Program Manager - Refers to the public agency official in charge of the export development function including administration and operation of an agency, offices, programs, or any other export marketing initiative.

Publications - Refers to any printed matter (including newsletters, flyers, leaflets, brochures, magazines, periodicals, guides, books, directories, or bulletins) distributed by an export marketing agency as a promotional or informational tool.

Seminars & Conferences - Refers to any educational or informational event hosted or sponsored by a public agency with the purpose of generating interest in exporting or to provide technical training.

Shared Foreign Sales Corporation - Refers to a federal tax shelter of export-related income provided to groups of up



to 25 exporting firms with the intention of offsetting the costs of establishing foreign sales.

State - Refers to any one of the 48 political subdivisions of the continental United States of America and/or the agencies or institutions which it has created to represent it.

Trade Leads - Refers to any program which provides points of contact for product or service listings or prospective buyers or sellers for exports from the state.

Trade Mission - Refers to any foreign visit sponsored or supported by a public agency where public officials (possibly accompanied by business representatives) travel abroad to meet with public and business officials of a foreign country for the purpose of encouraging exports of products and services from the state.

Trade Show - Refers to any organized event where products or services available from within the state are displayed for clients interested in exporting to foreign markets.

#### Summary

State governments face a continuing struggle for

economic viability. The political pressures generated for employment, economic growth, and the provision of public services dictate that states actively engage in economic development programs.

Export marketing programs are developed and operated by state agencies in the interest of the economic development of the state. The programs take a variety of forms, and the agencies themselves vary in the size and scope of staff, budget and services provided.

Like other public organizations, export marketing agencies are subject to public accountability and oversight in the use of funds. They face competition with other agencies for scarce financial resources which has been exacerbated by the decline in federal funds provided to states.

The geography of the United States offers a diversity of settings and unique challenges to export marketing initiatives.

All of these factors combine to provide a framework for export marketing programs as one aspect of economic development. A general diagram of program options can be developed to describe export marketing programs. The selection of programs which tend to best utilize resources and generate results is the challenge for the public manager and the focus of this research.

This chapter has provided a discussion of the area of

study and the reason for its current importance. The next chapter draws together the literature and theory which provide the basis for this inquiry and the concern for this problem. This includes elements of economic, marketing, administrative, organization, political and urban theory. Chapter III is organized into two parts. The first section deals with obtaining the descriptive information and data used in summarizing the existing programs. The second section describes the qualitative methods used to survey program managers for the determination of the programs believed to be the better alternatives in terms of ability to achieve results. Chapter IV analyses the data obtained through the methodology detailed in Chapter III. Chapter V is a summary of the research along with conclusions and recommendations for further research and utilization of those findings by academicians and practitioners.

## CHAPTER II

### Theoretical Framework

This study was intended to investigate export marketing agencies and programs. Literature along with various studies and reports which related to the general topics of economics, economic development, public administration, exporting, marketing, management, and organizations were reviewed. The review of the literature was organized to develop the subject areas of marketing, economics, administration, politics, and organizational theory. The interdisciplinary nature of these fields can be drawn together in addressing the impetus for economic development activities. Export marketing programs, in turn, have evolved as a subset of economic development activities.

### Marketing

The field of marketing can be viewed in both broad and narrow perspectives. The literature is replete with various definitions which, while not in conflict, try to define marketing in some concrete terms rather than as a broad notion of sales and salesmanship.

In perhaps the most familiar usage, Gaedeke (1977) indicated that "in the traditional sense, marketing is viewed as an exchange process that is restricted to profit-oriented business firms" (p. 1). Kotler and Levy (1969) suggested that the term marketing connotes to most people a function

peculiar to business firms. Marketing is viewed as the task of finding and stimulating buyers for the firm's output. It involves product development, pricing, distribution, and communication.

Lovelock and Neinberg (1984) considered marketing the management function that most explicitly links an organization to its environment. Mroz (1990) similarly identified marketing as "the function that provides the link between the business and the rest of the world. It is the translator between the needs, trends, and practices of the outside world and the capabilities of the business" (p. 3).

As these definitions suggest, marketing, in a broad sense, may be viewed as a managerial function which governs the exchange of products or services between an organization and its external environment. Marketing is, however, much more. There are function, process, and results to consider. McKay (1972) discussed the marketing concept in terms of business development. He offered that the marketing concept calls for an evaluation of market segments served, products and services offered, and strengths and weaknesses in each business area. Stated another way, it appears that he directed his attention toward questions which are obvious: What is our market?, What are our outputs?, Can we perform? Although these words and concepts appear to be elementary, his comments would suggest that many organizations are not prepared to proceed because examination of these basic

questions has not been done.

Marketing involves planning and strategy. Massie (1987) addressed this by stating that "marketing in business terms may be viewed as the level, timing, and character of the demand for one or more products of the firm" (p. 169). "Specifically it is the planning, organizing, controlling, and implementing of market programs, policies, strategies, and tactics designed to create and satisfy the demand for the firms product offerings or service" (p. 169). Mroz (1990) discussed general strategy and tactics in his approach to marketing. He contended that "marketing strategy is a line of operations aimed at position objectives in the industry. From this comes specific tactical objectives [for programs to attain]" (p. 3). He continued, stating that "the grand strategy is what we really want the organization to be in the marketplace. The subordinate strategies deal with how to achieve this" (p. 3). In a military analogy, he noted that business strategy also requires skill in planning and executing the deployment of resources.

Focusing on implementation, Mroz (1990) offered a simple marketing operations activity model. He found it mandatory that organizations understand the environment, develop products [or services] within the firm to meet with the needs and desires of entities composing the environment, promote the developed products to the environment, and try to predict future environments.

Like McKay (1972), Mroz (1990) indicated that managers seldom understand the full spectrum of marketing activities, both strategic and tactical. That is, they don't understand the relationship of activities with respect to other functions within their organization and the external environment. The four "P"s of marketing (product, price, promotion, and place) must be clearly understood.

In another view of marketing, Kotler and Levy (1969) noted that marketing is a pervasive societal activity that goes beyond the sale of products or services. They noted that the trend in the United States is an increasing amount of society's work being performed by organizations other than business firms. This is because society moves beyond the stages where food, clothing, and shelter are major problems. Society organizes to meet social needs. Gaedeke (1977), in his discussion on broadening the concept and application of marketing, likewise noted that the contemporary field of marketing has broadened beyond the traditional narrow perspective of selling.

LaBarbera, Lazer, MacLachlan, and Smith (1990) discussed the changing role and future of marketing. They stated that marketing's role will transcend its traditional functional and departmental orientation and take on the posture of a focal point for the whole enterprise. This is due to the need to be able to adapt quickly to market changes and social policies, both nationally and globally.

These concepts introduce the foundation for the development of public organizations which operate similarly to the traditional business firm in marketing. Lovelock and Neiberg (1984) devoted great detail to public sector activities. They even identified one type of governmental organization as "commercial-entrepreneurial" (p. 30). They showed that these organizations operated similarly to private sector firms. Their customers may be regular or one-time users depending on the nature of the service they provide. They charge fees for their products or services.

Marketing, while including the fundamental principles of pricing and product distribution in the traditional business sense, also includes elements of planning, policy, and strategy. It further includes an effort to meet broader societal goals. Hence, marketing concepts exceed the narrower focus of sales. Therefore, it is reasoned that all organizations must engage in marketing as a function for distribution of their product or services whether commercial or not-for-profit, private or public.

### Economics

Boulding (1981) contended that "economics centers on the study of how society is organized through the provision, exchange, and transfer of commodities or economic goods" (p. 24). He noted that economic goods can be classified as artifacts (things, durable goods), organizations (like the



state, corporations), and people (labor). Bartlett (1989) suggested that:

economics is about the quality of human lives. It is about what humans have, what they do, and how they interact with each other. It is a social science, indeed self-coronated as the "queen of social sciences." The measure of success in economic activity is the welfare experienced by human beings in the broadest sense of the term. (p. 3)

Students of economics are traditionally taught that the three factors of production (land, labor, and capital) are the cornerstones of economic theory. The literature shows that economists and scholars disagree on their definition, value, and application in economic models and real situations. There also is disagreement on these as explanations of the causes of economic activity and the behavior of governments, businesses, and individuals.

In his discussion of power in economics Bartlett (1989) suggested that "modern economic history is a tale of accelerating technological change" (p. 193). In the market economy, information, products, processes, and the environment continually change. There must be adaptation to exploit situations to an advantage. Political institutions will develop as control mechanisms.

Writing in similar thought about macroeconomic theory, Kamarck (1983) suggested that "there are various theories about what economics is. For our purposes we can accept that economics has two main functions: to explain (or clarify) existing or past economic reality, and to predict future

economic events" (p. 69). "Consequently, armed with this knowledge we can, in some measure, control or influence some aspect of economic reality" (p. 69). James (1981), quoting Ralph Davis on economic history, likewise conveyed the meaning of economics in terms of change processes, writing that "we might put the task of economic history in a nutshell by saying it is concerned, not with tracing the rigid operation of economic laws in the past, but with understanding the pressure of economic forces to overcome obstacles to change" (p. 52). Understanding economics in terms of technology, structure, and the environment, in a social context, renders economics a tool for accomplishing social goals. As McKenzie (1987) stated, "the market system is a means of distributing power among people and for getting things done" (p. 16). Clearly, getting things done through the efficient allocation of resources is one of the system's social purposes.

Cole (1960) suggested that:

any economic system requires a legal system whose concepts and precepts correspond to the needs of the economic situation. The economic purpose of the legal system is to secure the appropriate conditions for the effective use of the resources of production, and to repress any claims or activities likely to interfere with these conditions. (p. 73)

What he implied is that no economic system can develop to its full potential without the assistance of a legal system working in consonance with its needs. Introducing the history of legal or governmental systems operating in the

economy, Ginzberg (1974, 1987) discussed how the American economy was transformed in response to new opportunities in the domestic market and external threats presented by international events. He surmised that "economists realized that the system would now give the government a dominant role in assuring an adequate level of investment to keep the economy at full employment" (1974, p. 283). Thus he stated that:

in these several ways - facilitating consensus, building infrastructure, responding to the demands for equity, providing opportunities for skill acquisition - governments engage in functions that are critical to the performance of the economy. The effectiveness with which they operate in these several realms will significantly affect the performance of the economic system. (p. 288)

Ginzberg specifically illustrated some of the various roles of government in the economy to support his position. Government may be seen as an employer, an investor, a consumer, and a supporter of science and technology. Government also provides for transfer incomes, influences patterns of consumption, expands opportunities for the disadvantaged, and controls profitability of industries. His later work (1987, p. 98) showed how diverse governmental policies aimed at the environment, energy, transportation and trade affect long term expansion of the economy.

In his discussion of government's role in economic policy, Boulding (1981) noted "that the object of [economic] policy is to set up some kind of structure which will maximize the present value of future net welfares" (pp.

171-172). What he meant was that government is the only participant in the economy with both an obligation and an ability to keep the system stable and intervene to keep the system moving in a positive direction. Therefore, government must be a participant in the economy.

Lutz and Lux (1979) provided a summary of the role of government in three points:

One of the functions of the government in a free market system is to foster competitive markets.

The maintenance of a competitive market system, or in any event, the attempt to maintain one requires the continual and active involvement of government regulation.

The fact that the government must be actively involved in the modern corporate economy implies that concentrated economic interests cannot be indifferent to what the government is doing. (p. 133)

In similar terms Tufte (1978), writing about political officeholders' use of the economy and political institutions to maintain power, stated that:

the government of a modern democratic country exerts very substantial control over the pace of national economic life and the distribution of economic benefits. While it cannot always dilute the consequences of exogenous shocks, reduce unemployment or inflation below certain levels, or protect its citizens from the vicissitudes of world markets, the government's control over spending, taxes, transfers, money stock, and the like enables it to direct the short-run course of the economy to a significant degree. (p. 3)

Fine (1979) presented an economic discussion dealing with capitalism and government. He noted "the stated role [of government] in capitalist society is to guarantee social

reproduction in general, [and] to create cohesion and stability in political and ideological relations" (p. 178). He believed that the state must make interventions into the economy to protect citizens, stabilize the economic system, and promote growth.

The role of government in the economy also can be viewed in terms of social interests other than economic expansion. Hamlin (1986) discussed two views of government in the economy. First he examined the traditional public service role motivated in the public interest to provide services. Secondly, he looked at government as a policing agency to oversee individuals and the private sector and control their activities when they act counter to public interest. He stated "government, in this view, is seen as a sort of super-institution which acts as the custodian of the public interest in both controlling society and creating new institutions wherever private institutions fail to exhaust the potential gains from organisation" (p. 125). In a discussion critical about political motives of government and the actions of public officials to maintain power, Downs (1973) made two points about the social functions of government and economics. "Most welfare economists and public finance theorists implicitly assume that the 'proper' function of government is to maximize social welfare" (p. 89). Unfortunately, "economic theory has suffered because it has not taken into account the political realities of

economic decision making" (p. 105).

Economic growth and intervention policies are not necessarily considered in conflict. If anything, as Abramovitz (1979) indicated, "economic growth...has been the prime goal of economic policy for a long time, and it has also been the prime criterion for judging the success of the economic performance of a country" (p. 3). For the individual, part of satisfaction and happiness depends on economic welfare. More directly, in discussing equity and attempts to establish social equity and programs, Usher (1981) found that "government intervention in the economy - crossing and sometime effacing the line between public and private sectors - is not necessarily opposed by business, though of course some policies are less attractive than others" (p. 139). Actually, he continued, "firms used to seeking profit where profit is to be found may enjoy the benefit of profit opportunity generated by government intervention or economic activity" (p. 139). The point is that for both the private sectors there are social costs and benefits attached to government intervention.

### Public Administration, Politics, and Power

#### Public Administration

The term public administration evokes many descriptive phrases, suggesting that it does not have a precise meaning. Stillman (1984) suggested that in part this is due to the

rapid growth of public administration in the Twentieth century. Public administration influences almost every aspect of individual and daily lives. He noted that at the same time, public administrators also are concerned with the major goals of society and the development of resources for achieving those goals, in a constantly changing political environment. He suggested that the meaning of public administration generally includes the executive branch of government, the formulation and implementation of public policies, and the production of public goods and services.

Garcia-Zamor (1973) gave an operational definition of development administration which encompasses Stillman's elements of public administration. He stated that administration "is the bureaucratic process that facilitates the achievement of socio-economic progress through the utilisation of the talents and expertise of the bureaucrats. It involves the mobilisation of bureaucratic skills" (p. 422).

These concepts introduce the idea of the bureaucracy and the bureaucrat as the representatives of public administration. Lane (1986) described bureaucracy as a key characteristic of modern society, as government is involved in education, transportation, health systems, and a large variety of other kinds of services to protect citizens' safety and economic vitality. Lewis (1986), likewise, illustrated in detail how intertwined our lives are with

public bureaucracy from our infancy through death. He noted how the labor market and employment opportunities are actually dominated by public policy decisions. Blau and Meyer (1986) contended that bureaucracies are powerful institutions which are required in complex modern societies to achieve democratic objectives. They further suggested that the absence or abolishment of bureaucracy would make it impossible to achieve social objectives.

Hope (1984) discussed the development of administration as "effected primarily through politicians and a civil service operating within a government agency, the purpose of which is to stimulate defined programs of social or economic progress" (p. 63). He suggested that "this encompasses the organization of new agencies,...the delegation of administrative powers,...and the creation of a cadre of administrators who can provide leadership" (pp. 63-64).

Public agencies are created as necessary to deal with things that individuals or the private sector cannot or will not deal with, or, where social abuse or inequity will otherwise occur. Gordon (1979) dealt with growth policies and change in industrial and developing societies. From his perspective the imperfect nature of the market and the complexity and speed of technological change impel extensive public policy interventions. Peters (1976) commented, in this train of thought, that "one of the most consistent results of political change, especially when that change is



directed toward the redress of difficulties created by the operation of the free market, is the growth of government bureaucracy" (p. 116). He continued, noting that with the growth of public bureaucracy, administrators increasingly involve themselves in the policy process. Rourke (1984) acknowledged this as well, noting that in public settings, professional administrators are assuming increasingly strategic roles.

Galbraith (1964) addressed different aspects of administration primarily from an economic perspective. One particular passage discussed public enterprise. He noted the requirement for an agency to exist for the obvious purpose of control in its area of specialty, and, to maintain a relationship to external political requirements or the achieving of political goals. He concluded that "the most successful [public] firm would be one which by its efficiency and drive finds the earnings that allow it the greatest growth" (p. 98). Stated another way, growth and efficiency of the public bureaucracy identify and utilize programs which get results.

Hogwood and Peters (1985), in a humorous dissection of policy making, commented that most [public] organizations are truly attempting to serve the public interest. Like Galbraith (1964), Hogwood and Peters identified a problem with public administration. "The central problem is the tendency of [public] organizations to equate their own

activities with the public interest" (p. 40). A public organization may ultimately begin functioning to maintain its own existence, thus losing flexibility and focus.

Calestous and Clark (1987), in addressing the requirement for public administration, discussed the long run implications for government agencies and institutions. "In a world of increasing complexity and greater integration, our political institutions, and indeed their trained staff, must take on a corresponding character" (p. 185). This suggests an active role for public administration and public managers in policy formulation.

This discussion explored theory in public administration and identified a need for public agencies. The next section introduces the elements of politics and power which influence the role of public administration in the economy.

#### Politics and Power

Politics is a word which evokes many emotions and different definitions. It has been said that politics is power, that politics is the art of the possible, that politics is a system of government. There are a variety of other approaches in defining what politics is or is not.

Galbraith's (1973) discussion of politics defined power as "the ability of an individual or group to impose its purposes on others. Its existence [power] invites three questions: Who possesses the power, to what ends is it used,

and what are the instruments employed" (p. 92).

Fayerweather (1965) perhaps best encompassed the concept of politics as institutionalized power when he stated that the "primary function of the political system is to govern the performance of other systems, which, as they have expanded, have passed beyond the individual's control in many respects" (pp. 20-21). Viewing the political system as an economic factor in the environment he then concluded that "the impact of the controlling role of the political system comes from laws, regulations, and other government actions that restrict or direct the way in which business may be conducted" (p. 27).

There are obviously many different points of view as to what tasks government should or should not be asked to perform. Weiss (1975), in his discussion of laissez-faire, suggested that government plays a special role. Although government is supposed to keep out of business decisions, "the government was still expected to keep the peace, enforce contracts, prevent fraud, and define property rights" (p. 59). Ogle, Schneider, and Wiley (1954) concluded that "we ask the government to do the tasks, or regulate the private doing of that task, where we believe that government can do it better than we can acting as private individuals" (p. 64). They made the linkage between order and economy as "the management of resources of a community and the role of government in regularization" (p. 56). Formal rules are

administered by government where "the avowed object of governmental intervention in the economic life of the nation is to bring about the greatest gain for that nation's citizens" (p. 64). In his classic work, Adam Smith (1776) really felt that government should only be concerned with maintaining order in the free marketplace and providing services which the marketplace could not, particularly public services. This work condemned government intervention into the economy where intervention was an attempt to generate revenues, but not in areas where the market could not function without some stabilizing action or service from the government.

Snider (1965) discussed the role of government in free enterprise and gave examples of controlling the economy through legislation, i.e., Sherman Act (1890) and Clayton Act (1914), to regulate utilities and natural monopolies. He maintained that this form of intervention permits government to play a positive role in fostering free enterprise, that is, "maintaining a propitious environment for the development of business opportunities" (p. 139). In his summary he commented that a government "hands-off" policy would not make the economy truly free.

Dye's (1975) discussion of power identified it as a force in society. He argued that power is embodied in governmental authorities, economic organizations, social values, and ideologies. The nature of these forces are

diverse, he noted, but he concluded that the power base may include physical safety, health, well being, jobs, and a variety of other values held as important in society. Dye (1976) later concluded, in exploring what governments do, why they do it, and what difference it makes, that from his own studies that economic resources were more influential in shaping state policies than political variables.

Kuznets (1964) discussed the expansion of the public sector in the economy:

The nation state has always been important in modern economic growth in defining the overriding conditions of economic activity; but its concerns have become increasingly diversified and pervasive, as modern economic growth has proceeded, partly because of the rise in scale and intensification of frictions for which market mechanisms provided no effective salvation; and partly because of the greater demand by society that...government assume additional tasks. (p. 51)

Eyestone (1972), writing on the background of political economy, showed that in the early years of American history a series of political decisions committed public resources to subsidize, regulate, and manage an ever increasing collection of economic activities. Thus, "government is now committed to conscious and continuous intervention in the American economy to maintain maximum levels of employment and economic growth while holding down the level of inflation" (p. 6). Therefore, "the powers of [governmental] economic decision makers have been expanded considerably because other forms of governmental economic intervention have come into being and have been found useful in pursuing national economic goals"

(p. 19). Galbraith (1973) recognized but did not fully share these sentiments. He tersely equated politics in the economy with individual political power. He stated that the contribution of economics to the exercise of power may be called its instrumental function. Power is "instrumental in that it serves not the understanding or improvement of the economic system but the goals of those who have power in the system" (p. 7). Ogle et al. (1954), after a lengthy discussion of power and the economy, suggested that power cannot exist in the absence of order or of an economy. Organizations do not just come into being randomly or without purpose. They come into being for some need for order and are subject to law.

Discussing government and organization, Mooney (1947, p. 98) suggested that government can provide order by the effective application of the principles of organization to the governmental operations. He acknowledged that government organizations were necessary for improving standards of living. He was concerned with how much government there should be.

Tullock's (1970) work, its title, Private Wants, Public Goods, summarized the need for government interventions, both popular and unpopular, in the execution of government actions for the protection of both public and private welfare. Chamberlain (1965), writing on public planning, perhaps best captured the nearly indispensable need for government

intervention, power, and politics. He called it the "dual nature of government. The government must perform two separable but related tasks, the functioning of government machinery and functioning of parts of the economy" (p. 59). This means that government must perform the regular executive functions and participate in the economy to maintain order.

### Organizational Design

Organization implies some semblance of order. Order can be viewed as containing elements of structure, hierarchy, rules and common purpose. The scope, function and intensity of those elements can, of course, vary from very loose to very strict and formal. The structure of the organization arises from its purpose for existing and the environment within which it operates and interfaces.

Weber (1947) developed a rational model of organizations. He viewed an organization as an instrument consisting of people organized for the purpose of pursuing specific goals. The organization structure was an instrument designed to accommodate goal achievement.

Other definitions of organization also were offered by Mooney (1947) and Etzioni (1964). Organization for Mooney was "the form of every association for the attainment of common purpose" (p. 94). His point was that any circumstances calling for human action must express itself in some form of organization. His definition, although simple,

recognized the elements of organization relating to purpose, process, and goals within some framework. By making reference to ancient and medieval societies, Etzioni illustrated that organizations are not a modern invention. However, "modern society has more organizations, these fulfilling a greater variety of societal and personal needs, involving a greater proportion of its citizens, and affecting a larger segment of their lives" (pp. 1-2). Like Etzioni, Agger (1978) recognized the societal nature of organizations. "People have created specialized institutions that perform both normal daily supply tasks and the special remedial or servicing operations" (p. 3). Thus, he said, "this means that institutions must be understood in the context of being human enterprises of a need and value-related character existing in the economy, the state, government, and society" (p. 3).

Scott (1981) approached organization as a response to emergent requirements:

Organizations are called into existence by increases in the need to coordinate and control complex administrative and technical tasks. Improvements in transportation and communications systems...enable organizations to respond to these needs. Organizations are also created by the development and elaboration of institutional rules in modern society. (p. 162)

Meyer and Rowan (1983) suggested that "formal organizations are generally understood to be systems of coordinated and controlled activities that arise when work is



embedded in complex networks of technical relations and boundary spanning exchanges" (p. 21). What they meant was that modern society gives need to the rise of organizations to deal with the requirements of society. Furthermore, these organizations are rational in the sense that prevailing environmental conditions give purpose to them.

McKelvey (1982) discussed the organization as a social system based on a contract. "From a contractual perspective, organizations are seen to be sets of agreements for satisfying diverse individual interests" (p. 21). So, he explained, "the key insight of a contractual view is that organizations normally exist by virtue of agreement on the activities alone - which activities constitute joint means to separate purposes (possibly profits for some persons, goods or services for another group, and so on)" (p. 21). This means that organizations form out of some interest by individuals to cooperate for incentives generated by their actions.

Burns (1967) suggested that "organization" is a classification system with economic, administrative, and institutional dimensions. The economic dimension includes elements of employees, capital, clients, customers, and labor. The administrative dimension includes managers, administrative levels, communications, controls, and responsibilities. The institutional dimension deals with goals, outputs, and more specific details of the operation of

the organization.

Levy (1966) distinguished organizations by categories of family, government, social, and economic. He acknowledged that they have common elements but the difference is in their orientation, activities, and goals. His definition of an economic organization was "any organization whose members view action in terms of it and/or [are] actually predominantly preoccupied with the allocation of goods and services" (p. 503). Therefore, economic organizations exist, in broad terms, for production, exchange and consumption. Levy defined a government as "a predominantly political organization considered by its members and the other members of society to be the organization in terms of which the general problems of order as a whole for the society are handled" (p. 436).

Mink, Mink, and Schultz (1979), addressing governmental organization, noted the bureaucratic heritage of organizations as "bureacracies became the usual dominant form of organization during the industrial age" (p. 4). They made reference to Weber's (1947) characterization of organizations which identified the elements of bureacracy as a division of labor based upon functional specialization, a well defined hierarchy of authority, a system of rules defining the rights or duties of members, and a system of standard operating procedures for dealing with work.

Jay (1973) concluded that:

in all important ways, states and [private sector] organizations are the same - in particular in the framework they construct within which economic and political necessity interact with the minds and wills of men. States and corporations can be defined in almost exactly the same way: institutions for the effective employment of resources and power through a government (board) to maintain or increase wealth of the landowning classes (shareholders) and provide safety and prosperity for their citizens (employees). (p. 56)

Mink et al. (1979) suggested that "the organization of the future will be based upon the principle of adaptability rather than predictability" (p. 7). It will be an "open organization that considers process more important than structure" (p. 7). This means that organizations will have to be flexible and adapt to the environment and changing needs. This, they concluded, will hold true for all organizations. Organizations must also have a capacity to be internally responsive to change and organizational needs.

### Economic Development

Early in this century, economic development typically referred to sheer increases in the volume of goods, services, and capital. This simple definition certainly does not capture the intensity of economic development activities as they exist today.

Sharkansky (1975) stated "programs defended as promoting economic development include provisions to spread the benefits of social services and job opportunities to social classes and geographic regions that are currently getting

less than a fair share of the economy's rewards" (p. 6). This definition is general, with Sharkansky implying that economic development programs exist as tools to manipulate the distribution of wealth and incomes. Apter (1987) pointedly remarked that "many key concepts - growth, development, and modernization are used indiscriminately" (p. 16), too freely interchangeably. Development should refer to expanding the choices in a range of alternatives available. This suggests that development is planned and has policy making implications, it doesn't just happen.

Keyserling (1968) analyzed economic growth since the post World War II years and cited recessions, conservatism of administrations, legislation (e.g., Unemployment Act), the Korean War, and unemployment influences. He concluded that "viewing this analysis as a whole it becomes entirely clear that the economic growth problem, the full time employment problem, the starved public sector problem, the private poverty and deprivation problem, are all really one problem" (p. 6). This suggests that what is required, in terms of resolution through economic development, is the proper mixture of economic and social interventions by government.

Riggs' (1984) discussion of development treated the word with the following connotations which should be considered because they influence perceptions about what economic development is and what the objectives of public policies and programs are. He suggested, "possible substitutes for the

word 'development' may be change, growth, transformation, or dependency/liberation" (p. 127). Hope (1984), too, discussed the concept of development viewed in terms of economic goals. Historical emphasis has shifted, he said, and development has been regarded as a total process involving economic, social, political, cultural, and environmental elements. The "new definition of development stresses the importance of local considerations in the formulation of development policies and programs" (p. 11). For Hope, the concept of development embraced the total development of society for satisfying needs. He recognized that this cannot be accomplished without the appropriate apparatus in place. Galbraith (1973) had commented, similarly, that "economic development...depends on power to command technology and resources - to initiate or adopt innovation and support it with the requisite capital, manpower and services of the state" (p. 260).

Arndt (1987), reviewing the history of economic development, found that economic development prior to World War II was defined simply as "a rise in the levels of living of the common people" (p. 2). Economic development, he suggested, was solely held to be growth in gross national product. He supported his view with an historical review of the development of world economies. There was little interest in the social aspects of economic development. The concern was only for economic growth to accrue to those in

power. Apparently, social welfare, when it occurred, was a spinoff. After World War II the focus on development included the rebuilding of the European and some third world economies. Arndt noted that from this point economic development took on the meaning of the improvement of the standard of living or welfare of the entire population.

Galbraith (1962) saw economic development as a process which involved the building of organs of public administration. He believed this enabled the masses of people to participate in economic activities, "and it opens men's minds, as they can be opened in no other way, to new methods and new technologies" (p. 13). He concluded that "the country [and other political subdivisions] which does not have [economic] goals and a program for reaching these goals, is commonly assumed to be going nowhere" (p. 36).

At the same time, Gill (1963) stated that the "process of economic development has often resulted in the discovery and opening up of new resources" (p. 9), by which he means natural or physical resources. His theory can be taken further to include public policy as a resource, such that economic development uses this resource as a vehicle to enhance trade, and therefore contributes to economic growth. Public institutions are in effect resources with machinery waiting to be developed in furtherance of political and economic goals.

Government has not been remiss in grasping its role in

economic development. The degree of involvement and intensity over the past few decades has changed and it should be apparent that there is wide margin for further activity.

Alpert (1963) found that:

government has always been a major factor in economic development. Even in the heyday of laissez faire...it was government policy that established the framework of the legal, administrative, and monetary institutions that created the prerequisites for economic development through private enterprise. (p. 60)

Wright (1971) also found that "governments in the United States have always intervened and assisted in private enterprise development" (p. 78). Modern state and local assistance to private industry, he pointed out, is typically associated with a concern for unemployment.

Galbraith (1973) considered the firm to be "the critical instrument of transformation" (p. 15) in discussing the theory of development. In some respects he viewed the government as an external threat which acted as an impediment to economic growth. A believer in the market system as the key engine in development, he did concede that private enterprise "exists in the closest association with the state" (p. 155). He held this relationship was necessary because "the obvious core of this relationship is the large expenditure by government for its [private industry's] products" (p. 155). He also stated that "this same expenditure also contributes to a secure flow of purchasing power in the economic system as a whole" (p. 155). To this

end, Alpert (1963) concluded that "the major choice in the selection of appropriate development strategies lies in determining the respective functions of government and private enterprise" (p. 60). Interestingly enough, Galbraith (1958) had much earlier actually endorsed this point when he argued for maintaining a "social balance" between what the private sector produces and what the public service provides because, as he commented, an imbalance "is a cause of social discomfort and social unhealth [e.g., poverty]" (p. 251). His point was that preoccupation with one thing or another upsets development and advancement. He further stated that:

failure to keep public services in relation to private production and use of goods [or services] is a cause of social disorder or impairs economic performance. The matter may now be put affirmatively. By failing to exploit the opportunity to expand public production we are missing opportunities for enjoyment which otherwise we might have had. (p. 251)

The role of government in economic development surely has become more defined. Alpert (1963) believed that "government may be able to accelerate the pace of technical innovation and the discovery of new resources more efficiently than can private industries" (p. 64). "Government investment in human resources by training managers, entrepreneurs, and technicians might also result in a higher level of autonomous private investment" (p. 64). Application of these propositions means that public programs in economic development will spur the growth and expansion of the private sector where it may have been unwilling or unable



to proceed. Leebaert and Zeckhauser (1983) provided reasons why government engages in economic development interventions. They suggested they do so to cope with externalities, to enhance efficiency in services, for the pursuit of income distribution, and for the economic well being of the nation, state, region or locality.

Sanders (1984) made the argument that "the development and maintenance of the urban infrastructure is largely a public function" (p. 143), recounting urban requirements for capital and typical sources of revenue from income taxes, fees, bonds, etc. His point was that governments engage in economic development activities to create growth opportunities for the private sector and sources of revenue for the state. This will generate the capital needed by government to finance growth and social programs.

Fosler (1988) advanced government and economic development a step further. He stated "the state economic role is more than a package of economic development programs. It embraces the capacity of state institutions to correctly read prevailing economic forces and reorient state economic strategy accordingly" (p. 8). The key word, of course, is strategy. Strategy is something far more sophisticated than a collection of discrete programs. The key role elements, as Fosler (1988, p. 311) viewed economic development, are responsibility for a wide range of actions that affect the economy, strategy to assure that those actions will have the

most beneficial effect in the context of a changing economic environment, and institutional arrangements suitable to the new responsibilities and strategic orientation.

This strategic approach clarifies the goals of state activities in economic development. Fosler (1988) suggested that the goals of state initiatives are the attraction, retention, and creation and expansion of business. Attraction is "to replace lost jobs and thereby relieve the most overt source of economic pain and political pressure, which is unemployment" (p. 312). Retention of industry is to prevent the loss of jobs or industry already in the state. Creation and expansion focuses on new businesses, products, services, and technologies. "This has been pursued in part by investing in basic support systems (e.g., education, transportation) and in part by investing in more focused action (e.g., removal of regulatory barriers, promotion of specific technologies, providing seed and risk capital)" (p. 312). He found that the range of economic development actions includes considerations of human resources, physical infrastructure, natural resources, knowledge and technology, quality of life, fiscal management, and enterprise development. Enterprise development, in particular, is important Fosler stated because:

state actions directly affect the organization, financing, location, and operation of business enterprises. These include programs designed to encourage the start-up, expansion, and attraction of business through financial and technical

assistance, business incubators, research parks, enterprise zones, and export promotion. Included here are the conventionally defined 'economic development' activities, which have become far more sophisticated and selectively targeted in some states. (p. 314)

In his conclusion, Fosler found that current state economic activities are not a departure from American political tradition:

The states, as they have done in the past, are responding to political pressures associated with changing economic circumstance. Their role is more salient now...because many contemporary economic challenges are more amenable to public action at the regional and local levels. (p. 311)

This suggests a critical role for public agencies in economic development.

#### Export Marketing

Exporting and export marketing can be viewed as activities of the private economy in pursuit of profit. Viewed as the activities of the public sector, exporting and export marketing operate in pursuit of economic benefits to the state.

For the firm, Root (1977) asked "Why go international?" Ultimately, he suggested, the answer to this question is specific to each company. Generally, however, "we can say that companies go international when they can no longer achieve their strategic objectives by remaining at home" (p. 7). More pointedly, Reid and Rosson (1987) stated that "in a tougher economic environment exporting has achieved a new

priority in the minds and plans of companies" (p. 4). For companies, export markets provide an alternative outlet for products and services or an option for expansion.

For the state, Reid and Rosson (1987) viewed exporting as a way to improve the balance of payments and generate jobs. Fayerweather (1965) noted that "the United States has historically provided less help to its exporters than other nations. The modest scale of U.S. activity is consistent with the tradition of minimum direct intervention" (p. 9). Today, however, that philosophy has weakened as the United States has encountered a severe balance of payments deficit that has made exports more important. Nearly twenty five years after Fayerweather's observations, Nagel and Ndyajunwoha (1988) noted that the "trade deficit has reached \$170 billion while arguments incessantly wage back and forth about how to steer the United states out of the deficit situation" (p. 1). The point is that the promotion of U.S. exports can contribute significantly to the overall welfare of the country by helping to abate that situation.

Walvoord (1981) sought the answer to the question of why more firms don't export. He concluded the primary reason is a lack of necessary capital, expertise, and commitment. His main point, focusing on expertise, was that most firms have no idea how to get started in exporting or how to develop export markets. His work, a "how to" book, suggests a need for outside assistance.

As noted in marketing theory, the four "P"s (product, price, promotion, and place) must be clearly understood by firms operating in their domestic markets. Foreign market entry and expansion adds significant complexity to the application of these principles. Nagel and Ndyajunwoha (1988) discussed this at length and list other factors which must be understood and reckoned with. These include foreign exchange values, culture, political risk, competition, banking/currency controls, regulatory controls, infrastructure, technology, social/ethical standards, standards of living, geography, and non-tariff barriers.

In a systematic approach to exporting, Reid and Rosson (1987, p. 5) identified four basic questions the firm should address: Should expansion be achieved through exporting or domestic market activities? If exporting, which markets? How should the foreign markets be entered? How should distribution, selling, and operations be managed? Similar synopses were given by Root (1981) and Fitzpatrick and Zimmerman (1985).

Beliveau (1987) concluded, because of operational requirements confronting the firm, that:

it appears that if small firms are to grow internationally, governments need to provide more than information on markets, technical assistance and financial aid. They need to provide more guidance concerning specific market opportunities that exist within particular foreign countries and an initial judgement of the appropriateness of these markets for the firm interested in foreign trade. (p. 160)

Nagel and Ndyajunwoha (1988) found it sometimes ironic that:

the rarest phenomenon seems to occur when politicians and opinion leaders are interviewed to discuss international. To the public they all seem to agree that exports are beneficial, healthy, worthwhile, and important for everyone in the United States. Yet to accomplish this lofty and unanimously agreed upon goal of increasing U.S. exports, opinion will vary across the board on the role of government assistance to exporters - from total government intervention to complete laissez faire. (p. 1)

The necessity to reduce the trade deficit and encourage economic development has led government agencies to encourage export expansion. As Kujawa and Simpson (1974) suggested, "public agencies should provide a means of getting appropriate export stimulus to a firm that has the capacity to export" (p. 16). Therefore, a proactive role for government is important.

Firestine and Weinstein (1978), discussing an export base theory, affirmed the linkage of growth rate as a function of export performance. "Historically, the development of most regions of the United States can be explained in terms of an export base" (p. 62). They cited examples of Southern agricultural commodities, Southwest regional energy supplies, and Midwest/Northeast manufacturing of finished products. Their discussion of state and local influence in development suggests that governments engage in development activities in the export market because the generation of income from export activities filters through the state and helps spur the development of residuary

(non-export) industries. Saulnier (1965) earlier had recognized the importance of economic policy in this context. He also addressed a human dimension in discussing economic policy and strategy. "The obvious is helping to improve economic performance but also it should do this in a manner that will enhance the opportunities which our social and economic system affords for self-directed personal development and fulfillment" (p. 57). He suggested there will be a greater individual initiative and effort in private enterprise as a result of economic [export marketing] policy.

Liebrenz (1984) suggested that the government resources available to prospective exporters may or may not effectively assist the clientele. She believed that programs to identify exporting opportunities are important. Also important are programs which provide instruction or technical assistance. She did an extremely thorough job of identifying the large number of programs and information available. She also addressed specific details on the mechanics of exporting.

The United States Department of Commerce (1992) similarly identifies a wide array of services and assistance available through federal, state, and local government. It likewise notes that potential exporters are possibly going to be overwhelmed by the resources available. It concludes that services which provide counseling and direct companies toward other government and private export services are the basic points of departure in export development programs.

The Department of Commerce (1992) suggests that the benefits which state governments can provide to exporters most typically include export education (including group seminars or individual counseling sessions), trade missions, and trade shows. Their discussion also notes that export assistance provided through their department's International Trade Administration [ITA] indicates that questions or concerns of exporters are likely to include information about international trade opportunities abroad, foreign markets for U.S. products and services, services to locate and evaluate overseas buyers and representatives, financial aid to exporters, international trade exhibitions, export documentation requirements, foreign economic statistics, U.S. export licensing and foreign nation import requirements, and export seminars and conferences.

### Summary

This review of the literature of marketing, economics, public administration, power and politics, and organizational theory has presented the application of the principles of those disciplines as they contribute to the research problem that is the focus of this dissertation. Marketing deals with effecting the promotion and transaction of goods and services. From economic theory flows the rationale for the behavior of individuals and organizations. From public administration comes the integration of the bureaucratic



structure by which government stabilizes, regulates, and intervenes in the market economy. Politics embodies power and negotiation in policy selection. Organization theory addresses the functional requirements of organization and dealing with externalities. Integrating an understanding of the urban environment with this body of knowledge provides the framework for understanding the critical relationships between the private and public sectors and the corresponding requirements for policy and strategy in effectively dealing with social and economic advancement.

From the combined inputs of these disciplines the impetus for economic development as a field of inquiry and arena for practitioners evolves. As Roose (1969) recognized, an interdisciplinary approach to the problems in areas such as economic development is mandatory. "The sheer complexity of the forces bearing upon social problems make it highly unlikely that any one discipline can be obtained without consideration of the insights to be gained on the same problem from other discipline standpoints" (p. 323). In fact, "a problem that evolves in the societal context cannot escape the impacts which come from the intermixture of the economic, psychological, political and social factors" (p. 324).

Economic development covers an expanse of strategies and policy options as well as embracing long term societal goals. Many public agencies are recognized as being economically

important. Many new "public agencies have been created in recent years to perform specialized economic tasks such as providing seed and risk capital, assisting new business formation, promoting exports, and supporting science and technology" (Fosler, 1988, p. 321). Hopefully, as Fosler (1988) wrote:

we can expect a period of further experimentation and shakedown during which the more successful state actions will be sifted from the failures. In time, the states will learn from each other, and a more definable, standard role in economic policy suitable to the new circumstances will take hold among them. (p. 311)

Exporting is one of those specialized fields with an opportunity to generate significant impact and rewards for both the private and public sectors. This is true for the immediate future and for the longer term. The literature suggests that there may be a sizeable disconnection between private progress and public stimulation of exporting capacity. For this reason, the best export marketing programs which may be employed by public initiatives are crucial. The development of the exports can make a contribution to societal advancement.

One problem for states to deal with in export marketing program selection is identifying the needs of potential exporters. Programs should target prospective users or benefactors of the program activities. The Department of Commerce (1992) identifies a wide array of exporting services available, particularly at the federal level. Although

states do not possess the resources that the federal government has, meeting the needs of exporters is viewed as a utilization of all available resources from any level of government. State governments can provide an array of services to exporters which promote export activities in the state. Their programs may be tailored to their own needs within the limits of their ability to provide services. Private sector resources, such as banks and trade organizations, may also be utilized as sources of exporting assistance.

## CHAPTER III

### Research Goals

The research question asks if there is an arrangement of export promotion activities which can be utilized by a state export development agency that would best contribute to the economic development of the state. The purpose of this study is to identify state export marketing programs which are considered by experts in the field to be most appropriate for the achievement of state policy goals. Therefore, the intended products of this study are an inventory of programs and the identification of programs considered preferential for meeting policy goals.

In Tullock's (1966) early work about the methods of inquiry he defined research as methods of recognizing the truth, where "the consensus of informed men is often urged as decisive....Naturally we should try to select the best authorities for our information" (p. 52). He recognized that experts disagree and that they are not infallible, however, "personal knowledge is always superior to hearsay, and, paradoxically, the fact that we seek out the best experts in each field for information is itself proof that we consider it to be so" (p. 53). Tullock's work reinforced the viability of the use of expert opinion in a consensus type of methodology.

Patton (1980) suggested that "researchers using qualitative methods strive to understand phenomena and

situations as a whole; evaluators using qualitative methods attempt to understand programs as wholes" (p. 40). His discussion focused on a holistic view of research and design where the researcher may come to understand the organizing patterns that exist in the world under study. This inductive approach to research, he stated, "means that an understanding of program activities and outcomes emerges from experience with the program" (p. 41).

Patton (1980) also suggested that "qualitative designs are naturalistic in that the researcher does not attempt to manipulate the research setting" (p. 41). Therefore, the research setting is a naturally occurring event or program where qualitative methods are employed to understand what has happened.

Heiss and Lang (1984) also discussed research methods. They noted that research has "the focus on producing or constructing a useful project. A continuous emphasis in research literature has been reference to the gap between theory and practice" (p. 69). The point is that research is not a mere compilation of simple data, but an analysis which produces a useful product.

### Organizational Plan

Descriptive research was undertaken to identify the current inventory of export promotion programs, and qualitative research employing a Delphi technique was used to

collect information from the population of managers of export marketing programs.

The study was divided into four phases: first, review and inventory of current export marketing programs; second, development of appropriate survey instruments; third, collection of survey data; and fourth, analysis of the data. The results of the descriptive research and the interpretation of findings from the qualitative research are presented in the next chapter.

#### Categorical Data - Program Inventory

An identification of the size and nature of the existing export marketing programs in each of the 48 states was an important cornerstone of this study. The items identified included budget, staff size, port facilities, foreign offices, marketing services offered, and miscellaneous programs. The descriptive statistics and the survey instruments were derived from this categorical data. Collection of this information was relatively straightforward. Since the mid-1980s the National Association of State Development Agencies [NASDA], a not-for-profit trade association, has conducted periodic surveys of state economic development agencies. Their survey data for 1990 was the most recent available. Using this information, the researcher presented in tabular form the data describing the export marketing programs in each state.

The same information also was utilized to develop a general diagram of the program alternatives. Data from the descriptive research portion of this study is given in the next chapter.

#### Survey Technique - The Delphi Method

The Delphi process was originally developed by the RAND Corporation for obtaining greater consensus among a group of experts when circumstances prevented face-to-face discussion (Uhl, 1983). The objective of the method is to obtain consensus of opinion. According to Goodman (1987), the Delphi technique is a survey method of research which aims to structure group opinion and discussion. It also was developed as an attempt to eliminate interpersonal interactions as the controlling variables in decision making. Uhl noted that since the mid-1960s, the Delphi technique has been used in business, government, industry, medicine, regional planning, and education over a wide variety of situations including futures forecasting, goal assessment, curriculum planning, establishment of budget priorities, estimates concerning the quality of life, policy formation, and problem identification and solution. Tiedemann (1986) added that, since the development of the technique, thousands of studies have been done. He described Delphi as a questionnaire-based technique characterized by feedback and iteration. He noted that the Delphi technique has been

proven to provide a reasonable estimation of future occurrences. Welty (1972) commented that a crucial factor for the Delphi exercise is the selection of experts.

Buckley, Buckley, and Chiang (1976) classified Delphi as a form of opinion research "for obtaining the opinion of experts on a given subject while avoiding the problems associated with the conventional committee structure" (p. 24). They added that no research method is perfect, however "the salient advantage of opinion research is its ability to capture people's impressions about themselves, their environments, and their response to changing conditions" (p. 35). They cautioned that, while Delphi has merit as a methodology, an assurance that the experts take their task seriously and are truly expert is crucial. Spruill (1988) commented that:

to date there has not been much research on the validity of the method and consequently there are strong opinions, both pro and con, on the appropriateness of its use. The Delphi can be viewed as simply another collection instrument recognizing that it yields nonindependence of response after the first round and that selection of experts is critical to the results. Experts should be selected from a complete listing using a defensible selection method. (pp. 240-241)

According to Spruill, the advantage of the Delphi method is that experts are the best source of opinion and that expert opinion will be better if experts respond independently and anonymously.

Hopkins (1972) described the technique as follows:

The Delphi technique involves getting individuals'



reaction by mail to specific questions or statements, combining these reactions and again asking these individuals to review and rank the findings until a priority ranking has been determined. This technique produces individual and group ideas which the researchers or consultants may use. (p. 1)

Isaac (1981) explained that the technique was designed to generate group consensus while minimizing the effects of group process where consensus in a traditional approach is reached via a round-table discussion. He contended that the disadvantages of the typical committee process (which the technique is designed to overcome) are the effect of majority opinion, influence of strong individuals, manipulation within groups, and unwillingness of individuals to abandon their positions. Uhl (1983) stated these problems similarly noting that difficulties with face-to-face communications stem from problems with dominant individuals, individual or group interests, and pressure to conform.

Isaac (1981) described the typical sequence of events in the Delphi process as follows:

1. Identify the group members whose consensus opinions are sought. If the study goes beyond an intact group such that representatives must be selected, care must be taken to insure that all the various publics or positions are proportionately sampled.
2. Questionnaire One. Have each member generate a list of goals, concerns, or issues toward which consensus opinions are desired. Edit the results to a manageable summary of items presented in random order. Prepare the second questionnaire in an appropriate format for rating or ranking. (Note: if an established or acceptable listing of such items already exists, this first step can be bypassed.)

3. Questionnaire Two. Have each member rate or rank the resulting items.

4. Questionnaire Three. Present the results of Questionnaire Two in the form of Questionnaire Three, showing the preliminary level of group consensus to each item and repeating each member's earlier response. The respondent rates or ranks each item a second time, now aware of the preliminary group trend. For each item where the individual differs substantially from the group, and chooses to remain so on Questionnaire Three, the respondent should provide a brief reason or explanation.

5. Questionnaire Four. The results of Questionnaire Three are presented in the form of Questionnaire Four, showing the new level of group consensus for each item and repeating that member's latest rating or ranking, along with a listing by item of the major reason members had for dissent from the prevailing group position. Each member rates or ranks each item for the third and final time, in light of the emerging pattern of group consensus and the reasons for dissent.

6. The results of Questionnaire Four are tabulated and presented as the final statement of group consensus. (p. 115)

Linstone and Turoff (1975), Buckley et al. (1976), Radford (1977), Uhl (1983), Moody (1983), Baker, Isbell, and Somers (1984), and Spruill (1988) all outlined essentially the same process.

#### Appropriateness of Technique to this Research

The Delphi sequence described by Isaac (1981) was the foundation for the methodology used in this study. This approach permitted the researcher and respondents to freely identify better program alternatives without regard to those actually in place in any particular agency. The researcher

recognized that the causal link between the services provided by a state export marketing agency and the actual generation of export cargoes and services by the private sector is difficult to establish.

The nature of this research, being national in scope, presented a serious challenge to the researcher with respect to data collection. The geographic dispersion of the respondents, the priority requirements of their positions, direct access to them, and willingness on their parts to participate in the research were serious factors which the researcher was concerned about. Specifically, because the expert respondents for this research were in actuality a small population of 48 individuals, the concern for access to the respondents, timely completion and return of the survey instruments, and a high response rate were critical issues. The matter of response rate, in particular because of the limited size of the population, required a high level of participation by the respondents to help ensure the validity and significance of the findings. The researcher was similarly concerned with the timely return of the survey instruments so that meaningful and prompt results could be tabulated and fed back to the respondents, without delay and thus without having to reacquaint the respondents with the purpose and nature of the research. Additionally, the researcher considered that maximum interest and participation were important. Participation could be encouraged if the

respondents had a sense of applicability and utility of the research to their specific agency responsibilities.

Uhl (1983) lamented that decision making is difficult and frustrating. Obviously this is true in the area of public policy and program implementation. Which program will work best? How can you determine that? What measures did you use? What are the expected results? These are but a few of the questions about both research and decision making which must be addressed.

Public policy goals and program selection are the heart of this paper's focus. Public policies and decision making, unfortunately, almost never permit easy answers or choices. Since issues rarely permit true experimentation, knowledge, theory, and judgment are combined in an effort to identify and evaluate alternatives. Choices are made from among those alternatives which appear feasible. While agreement on alternatives, inputs, processes and results is unlikely to be unanimous because of differences in opinion and interests of any group of individuals involved in policy decisions, there are techniques that can be utilized to generate acceptable collective decisions.

Cook and Reichardt (1979) reviewed the advantages and disadvantages of quantitative and qualitative research and evaluation methods. They suggested the value of using quantitative and qualitative methods together in research for the enrichment of information that two methods can provide

which one cannot.

#### Method of Survey Data Collection

The researcher developed a data collection plan which would permit personal contact with the respondents and provide a means for the quick return of data and feedback of information. Utilizing information in the State Export Program Data Base (NASDA, 1991), the researcher identified the specific state agency and the position title of the manager (see Appendix A) for export marketing programs in each state along with their telephone numbers. A telephone call was placed to each manager introducing the researcher, requesting their assistance, and briefly discussing the general nature of the research. The professional and academic background of the researcher also was described to these intended respondents to legitimize the inquiry. By direct communication with each respondent, the researcher was able to confirm the respondent's position as the appropriate individual to respond. The directors also were advised of the pending arrival of the first survey instrument. Following these telephone calls the actual data collection process began.

To overcome the response timeliness and response rate problems mentioned above the researcher utilized a facsimile (FAX) machine to distribute and collect survey information and communicate with the respondents. The availability of

FAX service had been confirmed with all respondents during the initial telephone communications. All cover letters, survey forms, and feedback were electronically transmitted to the respondents at their offices by FAX. Thus, the researcher was virtually assured that the transmittal of information to and from the respondents would be quick and direct, leaving only the actual completion of the surveys by the respondents as a possible source of delay or non-response.

#### Application of Survey Technique and Instrument Design

The survey instruments for use in this research employing the Delphi technique were constructed as follows:

##### Phase One

Phase One of the Delphi exercise developed a list of program goals which are implicit in the literature. There are a wide range of reasons why export marketing development agencies engage in the activities that they do. These include issues of urban development, revenue generation, business development, and societal requirements. This list was compiled and used to construct Questionnaire One (see Appendix B).

##### Phase Two

Questionnaire One was transmitted by FAX to each of the

export marketing program managers in the 48 states. It asked them to select from a list of 17 goals which three they considered most important. No ranking of choices was required. Respondents were able to identify and select goals which did not appear in the list.

A cover letter (see Appendix C) explaining the nature of the research project and requesting the respondents' assistance was sent along with the instrument. Instructions for return of the responses to the researcher by FAX also were included. The researcher allowed three weeks for return of the questionnaire.

The return and compilation of the results of Questionnaire One was characterized as the completion of Phase Two of the Delphi process. The purpose of Phase Two was to seek consensus among the experts on the goals of export marketing programs. This was required prior to any discussion on programs, policies or activities. Agreement on program goals would provide a benchmark for assessing which programs are likely to obtain results. Agreement on program/policy goals up front was important because otherwise program selection would appear to be made without purpose or direction.

### Phase Three

Consensus on the most important goals of export marketing programs and policies was gained in Phase Two.

Phase Three sought to gain consensus of the experts as to which programs were most effective in achieving those goals. From the categorical information provided by the State Export Program Data Base (NASDA, 1991), a list of programs currently in use in the various states was developed. The list included the following program possibilities:

- Publish an International Newsletter
- Publish a "How to Export" Book
- Publish an Export Services Directory
- Distribute General Information about Exporting
- Advertise in Trade Journals
- Provide Marketing Studies
- Provide In-House Consulting
- Provide On-Site Consulting
- Make Sales Calls
- Provide Trade Leads
- Conduct Seminars/Conferences
- Sponsor Seminars/Conferences
- Participate in Trade Shows
- Maintain a Foreign Office
- Conduct Trade Missions
- Operate Port Facilities
- Operate an Export Trading Company
- Operate a Shared Foreign Sales Corporation
- Operate a Foreign Trade Zone
- Provide Financial Assistance to Exporters

Questionnaire Two (see Appendix D) was constructed by organizing the program list into a format where the respondents would select which programs they believed would yield the best results (given the goals identified in Phase Two) in their own state. Provision was made for the respondents to identify programs/policies which were not listed. The instructions for completion requested that the respondents, given the agreed goals, indicate which three programs they believed would yield the best results given the



export marketing environment in their own state or "states like their own" for each goal.

#### Phase Four

Questionnaire Two, with a cover letter (see Appendix E), was transmitted by FAX to each of the export marketing agency managers in the 48 states. It advised them of the results of Phase Two and asked them to make program selections in accordance with the goals which had been identified by Phase Two. Again, three weeks were allowed for return of the surveys. The return and compilation of Questionnaire Two was characterized as Phase Four of the Delphi process.

#### Phase Five

The completion of Phase Four identified the experts' consensus on the programs believed to be best suited or most appropriate for pursuing the agreed goals.

The completion of the Delphi exercise and validation of the results required that the experts concur with the findings. After compiling the results from Phase Four the researcher transmitted by FAX a summary of those results. This was done in the form of a letter (see Appendix F) which reminded the respondents of the previously identified goals and program options. The letter asked them to indicate their agreement or disagreement with the findings generated by the

Delphi exercise. The letter also asked for comments they wished to make concerning export marketing programs. The feedback from the respondents about the findings of the research concluded the data collection phase of the research.

With the completion of Phase Five and the tabulation of the results, the Delphi exercise was completed. The findings are presented in the next chapter.

### Summary

The methodology for this study was designed to determine if there is a set of export marketing program activities which best pursue the economic development and policy goals of states. The quantitative data obtained for this study illustrated the wide range of export marketing programs in operation throughout the United States and the wide variation of resources allocated to those export marketing activities. The qualitative research was conducted using a Delphi technique to develop consensus through the expert opinion of practitioners. The method was chosen to solicit the responses of experts in a situation where face-to-face contact was not possible. The design utilized an iterative process to allow the respondents to focus on goals and programs as they perceived them in their interpretation of the export marketing environment.

## CHAPTER IV

### Quantitative Findings

#### Program Inventory

The first portion of the research utilized categorical data to identify export marketing programs as they exist in the 48 states. This descriptive research resulted in the compilation of a state-by-state inventory of programs, staff size, and budget. Table 1 profiles the activities of each state. The findings illustrate a wide variety of program offerings as well as a wide range of human and financial resources employed.

Although many states appear to engage in the same activities, a wide variation in resources employed in the operation of those activities is noted. For example, the State of California clearly had the largest budget (\$8.2 million) and the largest number of staff (59). The State of New York, while similar in size, devoted less than half that amount of resources (\$3.4 million, 24 staff) to export development. Virginia allocated \$1.1 million to export promotion and had a staff of 14 persons. Massachusetts, similar in size, allocated little more than half that amount (\$625,000, 7 staff).

#### Program Utilization

As noted, a wide variety of programs emerged. Table 2 provides a summary of the frequency of programs for the 48

TABLE 1

<u>STATE PROGRAMS AND SERVICES - 1990</u>								
	<u>State</u>							
<u>General Data</u> (*=not available)	<u>AL</u>	<u>AZ</u>	<u>AR</u>	<u>CA</u>	<u>CO</u>	<u>CT</u>	<u>DE</u>	<u>FL</u>
State Office Budget (x\$1000)	165	500	348	8200	756	500	195	1750
Foreign Office Budget (x\$1000)	1150	750	367	1900	395	415	220	1200
State Office Professional Staff	2	4	6	37	6	4	3	22
State Office Clerical Staff	1	1	2	12	1	1	0	11
Foreign Office Profess'l Staff	3	2	3	15	3	3	3	7
Foreign Office Clerical Staff	3	0	0	4	3	2	0	7
Port Facilities	X	-	-	X	-	X	X	X
<u>Marketing Services</u>								
International Newsletter			X	X	X	X	X	
"How To Export" Book			X	X				
Export Services Directory	X	X		X	X		X	
Marketing Studies	X		X	X	X	X		
In-House Counseling	X	X	X	X	X	X	X	X
On-Site Counseling	X	X	X	X	X	X	X	X
Sales Calls	X	X	X	X	X	X	X	
Trade Leads	X	X	X	X	X	X	X	X
Seminars/Conferences Annually	7	11	7	15	10	25	4	100
Financial Assistance			X	X				X
Shared Foreign Sales Corp.							X	X
Export Trading Company							X	
Trade Shows	X	X	X	X	X	X	X	X
Trade Missions	X	X	X	X	X	X	X	X

TABLE 1 (continued)

	<u>State</u>							
	<u>GA</u>	<u>ID</u>	<u>IL</u>	<u>IN</u>	<u>IA</u>	<u>KS</u>	<u>KY</u>	<u>LA</u>
<u>General Data</u> (*=not available)								
State Office Budget (x\$1000)	553	167	4800	500	1380	*	1080	300
Foreign Office Budget (x\$1000)	1000	105	2900	886	844	500	700	306
State Office Professional Staff	9	3	21	9	5	10	3	10
State Office Clerical Staff	1	1	10	2	1	3	2	4
Foreign Office Profess'l Staff	9	1	22	10	4	4	2	0
Foreign Office Clerical Staff	9	1	11	3	4	1	2	5
Port Facilities	X	-	X	X	-	-	-	X
<u>Marketing Services</u>								
International Newsletter	X	X		X	X	X	X	X
"How To Export" Book		X			X		X	
Export Services Directory	X	X	X	X	X	X	X	X
Marketing Studies	X	X	X	X	X			X
In-House Counseling	X	X	X	X	X	X	X	X
On-Site Counseling	X	X	X	X	X	X	X	X
Sales Calls	X	X	X	X	X	X	X	X
Trade Leads	X	X	X	X	X	X	X	X
Seminars/Conferences Annually	4	12	100	13	30	8	5	9
Financial Assistance			X	X		X		
Shared Foreign Sales Corp.			X					
Export Trading Company			X					
Trade Shows	X	X	X	X	X	X	X	X
Trade Missions	X	X	X	X	X	X	X	X

TABLE 1 (Continued)

	<u>State</u>							
	<u>ME</u>	<u>MD</u>	<u>MA</u>	<u>MI</u>	<u>MN</u>	<u>MS</u>	<u>MO</u>	<u>MT</u>
<u>General Data</u> (*=not available)								
State Office Budget (x\$1000)	215	2500	625	4040	2240	*	1000	461
Foreign Office Budget (x\$1000)	-	2000	-	1230	204	1060	1300	292
State Office Professional Staff	2	8	6	16	14	5	8	3
State Office Clerical Staff	1	3	1	16	6	0	3	1
Foreign Office Profess'l Staff	-	5	-	18	3	5	7	2
Foreign Office Clerical Staff	-	3	-	3	1	5	4	1
Port Facilities	X	X	X	X	X	X	-	-
<u>Marketing Services</u>								
International Newsletter	X	X	X	X	X		X	X
"How To Export" Book	X	X		X		X		X
Export Services Directory	X	X	X	X	X	X	X	X
Marketing Studies	X	X	X	X		X	X	
In-House Counseling	X	X	X	X	X	X	X	X
On-Site Counseling	X	X	X		X	X	X	X
Sales Calls	X	X	X	X		X	X	X
Trade Leads	X			X	X	X	X	X
Seminars/Conferences Annually	14	24	12	14	90	5	28	9
Financial Assistance		X		X	X			
Shared Foreign Sales Corp.				X				
Export Trading Company								X
Trade Shows	X	X	X	X	X	X	X	X
Trade Missions	X	X	X	X	X	X	X	X

TABLE 1 (continued)

	<u>State</u>							
	<u>NE</u>	<u>NV</u>	<u>NH</u>	<u>NJ</u>	<u>NM</u>	<u>NY</u>	<u>NC</u>	<u>ND</u>
<u>General Data</u> (*=not available)								
State Office Budget (x\$1000)	60	200	70	2400	208	3400	2400	39
Foreign Office Budget (x\$1000)	-	236	-	50	-	1200	507	92
State Office Professional Staff	2	2	1	14	1	17	7	1
State Office Clerical Staff	0	1	0	5	1	7	3	1
Foreign Office Profess'l Staff	-	4	-	1	-	11	8	2
Foreign Office Clerical Staff	-	1	-	0	-	5	0	1
Port Facilities	-	-	X	X	-	X	X	-
<u>Marketing Services</u>								
International Newsletter		X					X	
"How To Export" Book	X			X	X			X
Export Services Directory	X	X		X	X	X	X	X
Marketing Studies			X				X	X
In-House Counseling	X	X	X	X	X	X	X	X
On-Site Counseling	X		X	X	X	X	X	X
Sales Calls	X		X	X		X	X	X
Trade Leads	X	X	X	X	X	X	X	X
Seminars/Conferences Annually	10	10	6	30	11	40	6	2
Financial Assistance				X				
Shared Foreign Sales Corp.						X	X	
Export Trading Company								
Trade Shows	X	X	X	X	X	X	X	X
Trade Missions	X	X	X	X	X	X	X	X

TABLE 1 (continued)

	<u>State</u>							
	<u>OH</u>	<u>OK</u>	<u>OR</u>	<u>PA</u>	<u>RI</u>	<u>SC</u>	<u>SD</u>	<u>TN</u>
<u>General Data</u> (*=not available)								
State Office Budget (x\$1000)	2300	1600	1130	*	375	495	145	250
Foreign Office Budget (x\$1000)	1600	620	800	800	*	916	-	-
State Office Professional Staff	23	8	9	8	1	1	3	3
State Office Clerical Staff	5	6	5	2	0	1	1	1
Foreign Office Profess'l Staff	13	4	6	3	3	4	-	-
Foreign Office Clerical Staff	5	1	3	3	3	2	-	-
Port Facilities	X	-	X	X	X	X	-	-
<u>Marketing Services</u>								
International Newsletter	X	X		X	X	X		X
"How To Export" Book			X					
Export Services Directory	X		X		X	X		
Marketing Studies		X	X	X	X		X	
In-House Counseling	X	X	X	X	X	X	X	X
On-Site Counseling	X	X	X		X	X	X	X
Sales Calls	X	X	X		X	X	X	
Trade Leads	X	X	X	X	X	X	X	X
Seminars/Conferences Annually	24	25	2	8	23	6	3	6
Financial Assistance		X				X		
Shared Foreign Sales Corp.						X	X	
Export Trading Company								
Trade Shows	X	X	X	X	X	X	X	X
Trade Missions	X	X	X	X	X	X	X	X



TABLE 1 (continued)

	<u>State</u>							
	<u>TX</u>	<u>UT</u>	<u>VT</u>	<u>VA</u>	<u>WA</u>	<u>WV</u>	<u>WI</u>	<u>WY</u>
<u>General Data</u> (*=not available)								
State Office Budget (x\$1000)	405	816	100	1100	1900	135	2010	199
Foreign Office Budget (x\$1000)	1300	445	-	800	383	250	1600	220
State Office Professional Staff	6	5	1	11	20	1	11	3
State Office Clerical Staff	2	2	1	3	1	1	5	2
Foreign Office Profess'l Staff	7	3	-	3	2	1	9	7
Foreign Office Clerical Staff	6	2	-	2	1	1	7	0
Port Facilities	X	-	-	X	X	-	X	-
<u>Marketing Services</u>								
International Newsletter		X		X	X		X	X
"How To Export" Book	X				X			
Export Services Directory				X			X	X
Marketing Studies		X		X		X		X
In-House Counseling	X	X	X	X	X	X	X	X
On-Site Counseling	X	X	X	X	X	X	X	X
Sales Calls	X	X	X	X	X		X	
Trade Leads	X		X	X	X	X	X	X
Seminars/Conferences Annually	67	12	20	27	15	4	30	10
Financial Assistance	X	X			X		X	
Shared Foreign Sales Corp.					X			
Export Trading Company								
Trade Shows	X	X	X	X	X	X	X	X
Trade Missions	X	X	X	X	X	X	X	X

Source: NASDA STATE EXPORT PROGRAM DATA BASE 1990

TABLE 2

---

SUMMARY OF EXPORT MARKETING PROGRAMS - 1990

<u>Program Activity</u>	<u>Number</u>
Maintain Foreign Office(s)	38
Publish International Newsletter	30
Publish "How to Export" Literature	15
Publish Export Services Directories	33
Conduct Marketing Studies for Clients	26
Offer In-House Counseling Services	48
Offer On-Site Counseling Services	48
Make Sales Calls/Solicit Businesses	40
Offer Trade Lead Programs	45
Offer Financial Assistance Programs	16
Participate in Trade Shows	48
Have Shared Foreign Sales Corporations	9
Have Export Trading Companies	3
Have Port Facilities	26
Conduct Trade Missions	48

---

Source: NASDA STATE EXPORT PROGRAM DATA BASE 1990

states. The discussion that follows provides detail of these activities.

### Foreign Offices

Foreign offices are maintained by 38 states. Many states have foreign offices in several geographic regions. The fact that states maintain, in aggregate, 163 foreign offices is indicative of the importance most place on them. Table 1 shows the large expenditures made in maintaining foreign offices. Thirteen states reported spending more than \$1,000,000 for this purpose. Foreign offices are seen as important because:

overseas offices provide trade leads and market research, and help distribute product and service information to potential buyers for companies in their states. They also provide business assistance to in-state companies traveling abroad by making the right contacts and scheduling the appropriate meetings. States also use their offices abroad to host state trade missions and to represent the state at overseas trade shows. (NASDA, 1991, pp. 42-43)

Table 3 shows the distribution of state foreign offices around the world. The concentration of effort clearly was focused on activities in the Pacific Rim. Secondary emphasis was in Western Europe. Other regions of the world had not been targeted for export promotion activities to any significant extent.

### Trade Leads

Most trade leads result from direct inquiries, results

TABLE 3

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DISTRIBUTION OF STATE FOREIGN OFFICES - 1990

<u>Geographic Region</u>	<u>Number</u>
Pacific Rim	93
Western Europe	38
Latin America/South America	12
Canada	10
Eastern Europe	3
China	3
Africa	2
Middle East	1
Australia	1

---

Source: NASDA STATE EXPORT PROGRAM DATA BASE 1990

of trade shows and missions, the United States Department of Commerce, and state overseas offices. State programs make leads available in a variety of ways, from simple listings to accessible computer-based systems. Some pursue leads and attempt to qualify them and make matches.

#### Counseling and Sales Calls

Counseling and sales calls generally target those companies known to be interested in exporting. These counseling activities include advice on exporting matters such as insurance, freight forwarding, and licensing.

NASDA (1991) reported that "the average number of counseling sessions (aggregate) per month by each state's international office was 157, with a range of anywhere from zero on-site sessions to 1400 unsolicited calls on business" (p. 22).

#### Seminars and Conferences

All 48 states are involved with seminars and conferences, with more than 1500 reported held in 1990. NASDA (1991, p. 31) reported the most popular seminar subject is how to export. Other frequent topics include foreign market opportunities and export documentation.

#### Publications

Export services directories typically provide

information about manufacturers and exporters in the state. Listings in these publications include names, addresses and product information. "How-to-export" publications are usually written with the intent of guiding firms new to the export business through the exporting process. International newsletters published by states cover a variety of topics including discussions on policy issues, market opportunities, and economic reviews. The frequency of issue of these publications varies widely.

#### Market Research

Market research activities conducted by export development agencies include providing information on such issues as currency, exchange rates, or industry profiles. States provide this service by conducting research or providing outsourced materials for constituents.

#### Financial Assistance

Programs offering financial assistance include direct financing, loans, guarantees, accounts receivable financing, pre/post shipment financing, and trade show participation subsidies. "The most popular financing is a working capital loan/guarantee program" (NASDA, 1991, p. 35). Six states have state constitutional prohibitions which do not permit export financing.

### Trade Shows

On the average each state participates in six trade shows per year. These may be catalog shows, video shows, or product shows.

### Port Facilities

More than half of the states have deepwater port facilities involved in international trade. Three of the port states are situated on the West coast, six port states are located on the Great Lakes, eight port states are along the industrial Northeast seaboard, and nine port states are situated along the Southeastern "Sunbelt" seaboard. Generating interest in exporting is supplemented by promotion of the ports as assets of the state which can assist business in exporting.

### Shared Foreign Sales Corporations

Only a small number of states participate in Shared Foreign Sales Corporations. NASDA (1991) suggests that this is because the concept is still in its infancy. Another explanation may be that the program has not been aggressively promoted by the federal government.

### Export Trading Companies

Only three states sponsor export trading companies, although enabling legislation has existed for more than 10

years. This concept has not seen significant utilization, most likely because of the limited number of clients which a state program can effectively service given limited staff sizes and resources. The ability of state operated export trading companies to make significant contributions to export development is minimal. Several states which had previously operated export trading companies have abandoned the programs.

#### Range and Distribution of Programs

An analysis to determine if there were any patterns in the operation or distribution of state export development programs based on budget allocation and geographic location was conducted. The data from Table 1 was cross-tabulated to examine for this by identifying categories of levels of expenditures on export promotion activities and the frequency distribution of those categories.

Financial resources allocated to state offices for export development range from \$39,000 to \$8,200,000. The budget allocations appear to be distributed in dollar amounts which can be grouped into five ranges. The researcher classified these allocations into budget groupings which are shown in Table 4.

Table 1 showed the budget allocation for each state's export development office. Table 5 summarizes the distribution of programs by budget categories defined in



TABLE 4

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CATEGORIES OF BUDGET ALLOCATION  
FOR STATE EXPORT PROMOTION PROGRAMS

Basic Programs	-	less than \$250,000
Small Programs	-	\$250,000 to \$999,999
Mid-Size Programs	-	\$1,000,000 to \$2,999,999
Large Programs	-	\$3,000,000 to \$4,999,999
Mega Programs	-	\$5,000,000 and greater

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TABLE 5

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DISTRIBUTION OF EXPORT PROGRAMS BY BUDGET CATEGORY

Basic Programs - 14 states

Small Programs - 13 states

Mid-Size Programs - 14 states

Large Programs - 3 states

Mega Programs - 1 state

---

Note: Data not available for three states.

Table 4. Table 6 identifies the states which fall into each budget group.

Only one state, California, operated a Mega Program. California ranks first as the state with the largest population and greatest state expenditures. Three states, all industrial port states, have Large Programs. They are Illinois, Michigan and New York. These states have large populations and economies. Fourteen states have Mid-Size Programs. They appear to be most prevalent in about half of the states which might be described as having relatively large economies due to dense populations areas along with industrial bases. No states in the New England or Mountain regions are in this category. Thirteen states classify as Small Programs. The data show that they cluster in three specific regions: small Northeast industrial seaports, lightly industrialized Sunbelt seaports, and Western landlocked states. Basic Programs appear to exist in states which are small in size or in terms of their economies or population, primarily states which are landlocked.

Table 6 shows that, in general, larger, more populated, more industrialized states allocate greater resources to export promotion. Smaller states, agricultural states, and landlocked states appear to have smaller allocations for export promotion. Only a very few states actually have allocations for export promotion which are extremely large in comparison to those found in the general population of states.

TABLE 6

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STATE OFFICE BUDGETS FOR EXPORT DEVELOPMENT (x1000) - 1990

<u>\$5000+</u>	<u>\$3000-4999</u>	<u>\$1000-2999</u>	<u>\$250-999</u>	<u>\$0-249</u>
CA	IL, MI, NY	FL, IA, KY	AZ, CO	AL, AR
		MD, MN, MO	CT, GA	DE, ID
		NJ, NC, OH	IN, MA	LA, ME
		OK, OR, VA	MT, RI	NE, NV
		WA, WI	SC, TX	NH, NM
			UT	ND, SD
				TN, VT
				WV, WY

---

Source: NASDA STATE EXPORT PROGRAM DATA BASE 1990  
 Note: Data not available for KS, MS, PA.

### Emphasis on Export Promotion

The data were examined to address the emphasis placed on export promotion activities in relation to other expenditures made by states. Census data (Advisory Commission on Intergovernmental Relations, 1992; Bureau of the Census, 1992) was utilized to determine the per capita expenditure by states for export promotion and the percentage of state expenditures allocated to export promotion activities.

Table 7 shows the per capita expenditures for the state export office budget in comparison to the per capita expenditures for all services. The very small fraction of per capita expenditure which is export promotion expenditure is obvious. The researcher next examined the issue of emphasis by looking at export promotion activities as a percentage of state expenditures. Table 8 compares the allocation for export promotion activities to total state expenditures. Again, the analysis indicates a minimal funding for export promotion compared to other activities. The data in both tables indicate that extremely small allocations to export promotion are a universal phenomenon. Although there are differences in the gross amounts allocated by individual states, in percentage or per capita terms, expenditures are essentially level across the states. Compared to the allocation of resources for all other state services, the effort expended for export promotion appears minimal.

TABLE 7

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 PER CAPITA EXPENDITURES (\$) FOR EXPORT PROMOTION - 1990
 

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(* = Not Available)				
State	Population	Per Capita Expenditure (for all services)	State Export Office Budget	Per Capita Expenditure (for Export promotion)
AL	4040587	1335	165000	.04
AZ	3665228	1392	500000	.14
AR	2350725	1171	348000	.15
CA	29760021	1177	8200000	.28
CO	3294394	1157	756000	.23
CT	3287116	2137	500000	.15
DE	666168	2456	195000	.29
FL	12937926	1032	175000	.14
GA	6478216	1193	553000	.09
ID	1006749	1238	167000	.17
IL	11430602	1242	4800000	.42
IN	5544159	1192	500000	.09
IA	2776755	1437	1380000	.50
KS	2477574	1218	*	-
KY	3685296	1408	1080000	.29
LA	4219973	1468	300000	.07
ME	1227928	1694	215000	.18
MD	4781468	1579	2500000	.52
MA	6016425	2059	625000	.10
MI	9295297	1425	4040000	.44
MN	4375099	1401	2240000	.51
MS	2573216	1050	*	-
MO	5117073	1005	1000000	.20

Table 7 (continued)

MT	799065	1541	461000	.58
NE	1578385	1295	60000	.04
NV	1201833	1178	200000	.04
NH	1109252	1313	70000	.06
NJ	7730188	1608	2400000	.31
NM	1515069	1603	208000	.14
NY	17990455	1682	3400000	.19
NC	6628637	1127	2400000	.36
ND	638800	1905	39000	.06
OH	10847115	1208	2300000	.21
OK	3145585	1264	1600000	.51
OR	2842321	1437	1130000	.40
PA	11881643	1205	*	-
RI	1003464	2163	375000	.37
SC	3486703	1402	495000	.14
SD	696004	1493	145000	.21
TN	4877185	1162	250000	.05
TX	16986510	959	405000	.02
UT	1722850	1445	816000	.47
VT	562758	2132	100000	.18
VA	5187358	1354	1100000	.21
WA	4866692	1594	1900000	.39
WV	1793477	1433	135000	.08
WI	4891769	1264	2010000	.41
WY	453588	1984	199000	.44

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Sources: NASDA STATE EXPORT PROGRAM DATA BASE 1990, Advisory  
Commission on Intergovernmental Relations (1992)

TABLE 8

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 EXPORT PROMOTION AS A PERCENTAGE OF STATE EXPENTITURES - 1990  
 (\*=Not Available)
 

---

State	State Direct Expenditures (\$)	State Export Promotion Budget (\$)	Export Promotion (as a percentage of expenditures)
AL	5395200000	165000	less than .01
AZ	5101900000	500000	.01
AR	2753600000	348000	.01
CA	35015100000	8200000	.02
CO	3810900000	756000	.02
CT	7022800000	500000	less than .01
DE	1635800000	195000	.01
FL	13352800000	1750000	.01
GA	7725900000	530000	less than .01
ID	1246200000	167000	.01
IL	14198800000	4800000	.03
IN	6606800000	500000	less than .01
IA	3989400000	1380000	.03
KS	3017600000	*	-
KY	5188000000	1080000	.02
LA	6192900000	300000	less than .01
ME	2079700000	215000	.01
MD	7547800000	2500000	.03
MA	12389700000	625000	less than .01
MI	13247200000	4040000	.03
MN	6129300000	2240000	.03
MS	2702900000	*	-
MO	5141900000	1000000	.02



Table 8 (continued)

MT	1231100000	461000		.04
NE	2043100000	60000	less than	.01
NV	1416500000	200000		.01
NH	1456100000	70000	less than	.01
NJ	12430700000	2400000		.02
NM	2428100000	208000	less than	.01
NY	30253600000	3400000		.01
NC	7470700000	2400000		.03
ND	1217300000	39000	less than	.01
OH	13102800000	2300000		.02
OK	3975800000	1600000		.04
OR	4083800000	1130000		.03
PA	14312300000	*		-
RI	2169500000	375000		.02
SC	5668400000	495000		.01
SD	1039400000	145000		.01
TN	5668400000	250000	less than	.01
TX	16286900000	405000	less than	.01
UT	2490100000	816000		.03
VT	1200200000	100000		.01
VA	8378400000	1100000		.01
WA	7757100000	1900000		.02
WV	2570200000	135000		.01
WI	6183600000	2010000		.03
WY	900900000	199000		.02

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Sources: NASDA STATE EXPORT PROGRAM DATA BASE 1990, Advisory Commission on Intergovernmental Relations (1992)

### Regional Patterns of Program Activity

The data were examined to determine if there were any regional patterns with respect to budget allocation. An a priori division of the United States into eight regions was made based upon general similarity of physical attributes, location and economies (see Figure 1). The regions were labelled with a geographic and broad physical/economic description. Table 9 describes the regions used for the purposes of this study.

Table 10 provides a summary of the distribution of the states based on budget and geographic region. The analysis suggests the following regional observations:

The New England states (Region 1) are small in terms of both size and economy. They largely are non-industrial. All states in this region operated Basic programs only.

Northeastern states (Region 2), industrial states with seaports, nearly covered the range of categories. The data show a pattern which suggests that as the geographic size of the state increases, so does the allocation for exporting.

There are three Appalachian states (Region 3) described as both landlocked and non-industrial. Two of these states maintained Basic programs. One state operated a Mid-size program. The one state in the Mid-size category (Kentucky) was situated on the low end of that category. The pattern which is suggested here is toward smaller allocations for export promotion compared to other areas.

FIGURE 1

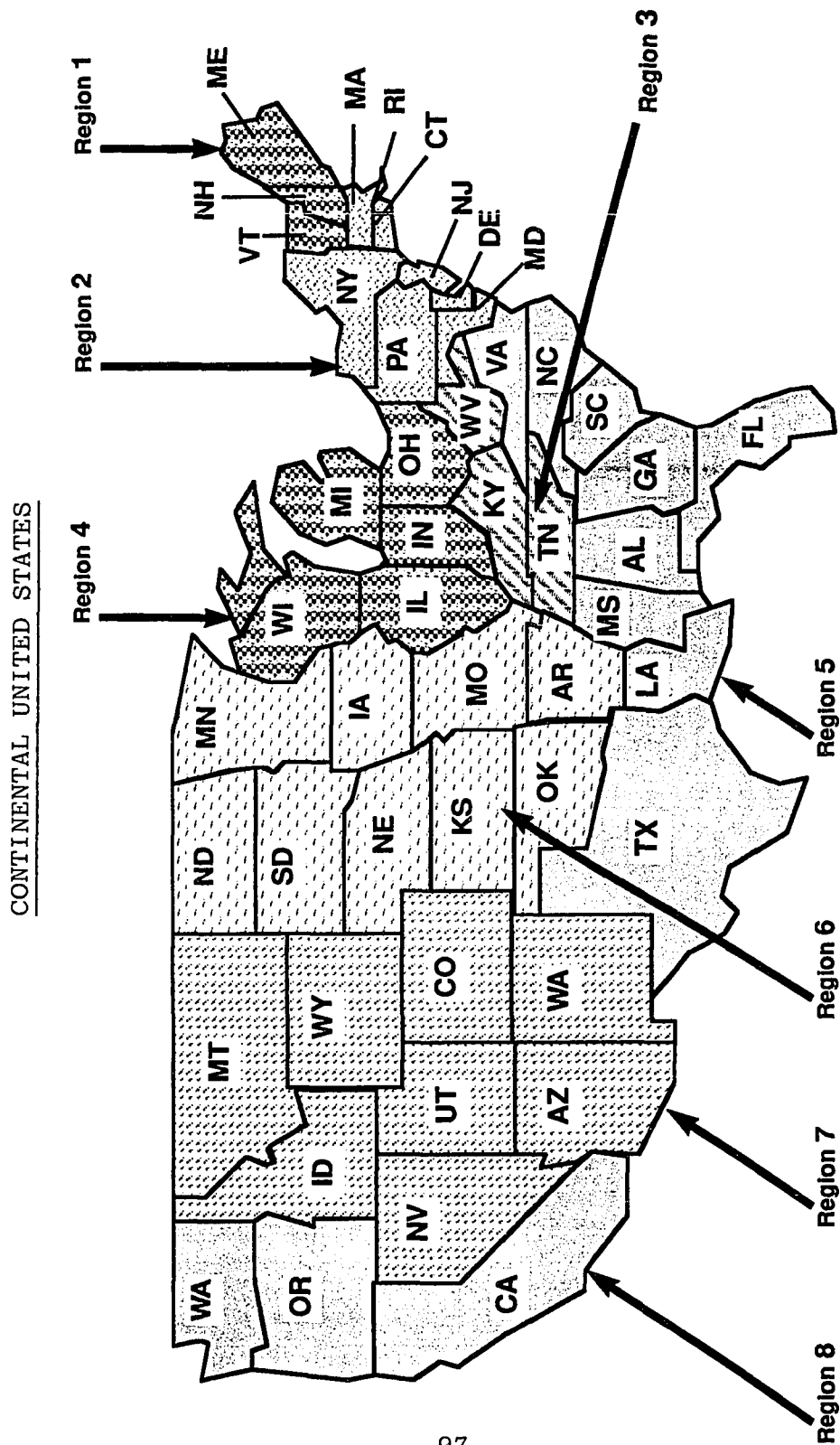


TABLE 9

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REGIONAL DIVISION OF CONTINENTAL UNITED STATES

- Region 1 - New England, Small Non-Seaport States  
(ME, NH, VT)
- Region 2 - Northeast, Industrial Seaport States  
(CT, DE, MA, MD, NJ, NY, PA, RI)
- Region 3 - Appalachia, Eastern Interior Non-Industrial States  
(KY, TN, WV)
- Region 4 - Great Lakes, Industrial Lakeport States  
(IL, IN, MI, OH, WI)
- Region 5 - Sunbelt, Southern Seaport States  
(AL, FL, GA, LA, MS, NC, SC, TX, VA)
- Region 6 - Midwest, Agricultural States  
(AR, IA, KS, MN, MO, ND, NE, OK, SD)
- Region 7 - Mountains, Landlocked Western States  
(AZ, CO, ID, MT, NM, NV, UT, WY)
- Region 8 - Pacific Coast, Seaport States  
(CA, OR, WA)
-

TABLE 10

STATE OFFICE BUDGET FOR EXPORT DEVELOPMENT BY REGION - 1990

	<u>New England</u>	<u>Northeast</u>	<u>Appalachia</u>	<u>Great Lakes</u>	<u>Sunbelt</u>	<u>Midwest</u>	<u>Mountains</u>	<u>Pacific Coast</u>
<u>Budget (x1000)</u>								
\$5000+								CA
\$3000-4999		NY		IL MI				
\$1000-2999		MD NJ	KY	OH WI	FL NC VA	IA MN MO OK		OR WA
\$250-999		CT MA RI		IN	GA LA SC TX	AR	AZ CO MT UT	
\$0-249	ME NH VT	DE	TN WV		AL	NE ND SD	ID NV NM WY	

Source: NASDA STATE EXPORT PROGRAM DATA BASE 1990

The Great Lakes states (Region 4) were found primarily operating in the Mid-size and Large categories. The general trend appeared to be toward relatively larger allocations for export promotion in this region, although the effort on export promotion viewed as a percentage of expenditures is still small in all cases.

The states in the Sunbelt (Region 5), all seaport states, were concentrated in the Small and Mid-size categories. Only one state maintained a Basic program. None of these states operated larger programs.

Midwestern agricultural states (Region 6) covered the lower range of allocations from Basic to Mid-size. There were no large programs in operation in this region.

The Mountain states (Region 7), landlocked in the western part of the country, all clustered in the smaller categories. None of these states allocated in excess of \$1,000,000 for their state export offices.

Two of the three Pacific Coast states (Region 8) operated programs of approximately the same size in the Mid-size category. The third state in this region (California) was in a category alone both regionally and nationally. The vast difference in the size of California appears to account for the uniqueness, since in per capita terms its effort is not exceptional.

In general, the existence of regional differences in export products, services, facilities, geographic attributes

and limitations, size, location, resources and economies most likely accounts for policies and programs utilized in different parts of the country.

#### Patterns of Program Alternatives

A final analysis of the data was conducted to determine if there were any patterns in state export promotion activities based on the size of the state budget allocation. In order to look at this, the data from Table 1 was cross-tabulated by state office budget size and specific programs. Table 11 presents the distribution of the states by name and number in each budget category where the export marketing programs previously identified were utilized.

The following observations emerge:

Almost every state was involved in counseling, sales calls, seminars/conferences, trade leads, trade missions, and trade shows regardless of the size of their budget allocation.

The Large Programs and the Mega Programs offered almost all program alternatives.

The vast majority of states (38) maintained foreign offices, but there is no apparent relationship between budget size and whether or not a state had overseas representation. The data indicate, however that states with larger budgets tend to have more foreign offices than states with smaller budgets. The data also indicated that with regard to

TABLE 11

STATE EXPORT PROGRAMS OFFERED BY STATE OFFICE BUDGET SIZE - 1990

<u>Program</u>	<u>Budget (x 1000)</u>				
	<u>\$5000+</u>	<u>\$3000-4999</u>	<u>\$1000-2999</u>	<u>\$250-999</u>	<u>\$0-249</u>
Counseling Services	( All States Offer )				
Seminars/Conferences	( All States Offer )				
Trade Missions	( All States Conduct )				
Trade Shows	( All States Participate )				
Trade Leads	( All States Offer except MD, MA, UT )				
Sales Calls	( All States Conduct except FL, MN, NM, NV, PA, TN, WV, WY )				
Foreign Offices	CA	IL, MI NY	FL, IA, KY MD, MO, NJ NC, OH, OK OR, VA, WA WI	AR, AZ CO, CT GA, IN LA, MT RI, SC TX, UT	AL, DE ID, NV ND, WV WY
International Letter	CA	MI	IA, KY, MD MN, NC, OH OK, VA, WA WI	AR, CO CT, GA IN, LA MA, MO MT, RI SC, TN UT	DE, ID ME, NV WY



TABLE 11 (continued)

<u>Program</u>	<u>\$5000+</u>	<u>\$3000-4999</u>	<u>\$1000-2999</u>	<u>\$250-999</u>	<u>\$0-249</u>
How to Export Book	CA	MI	IA, MD, NJ OR, WA	AR, MT TX	ID, ME NE, NM ND
Export Services Directory	CA	IL, MI NY	IA, KY, MD MN, MO, NJ NC, OH, OR VA, WI	AZ, CO GA, IN LA, MA MT, RI SC	AL, DE ID, ME NE, NV NM, ND WY
Marketing Studies	CA	IL	IA, MD, MO NC, OK, OR VA	AR, CO CT, GA IN, LA MA, RI UT	AL, ID ME, NH ND, SD WV, WY
Financial Assistance	CA	IL, MI	FL, IA, MD MN, NJ, OK WA, WI	AR, IN SC, TX UT	
Export Trading Company		IL			DE, MT
Shared Foreign Sales Corporation		IL, MI	FL, NY, NC WA	SC	DE, SD

---

Source: NASDA STATE EXPORT PROGRAM DATA BASE 1990

location, a presence in the Pacific Rim was the most important regardless of program size. As budget increased, the next emphasis on foreign representation was in Western Europe, Latin/South America and Canada in that order. Across the 48 programs, only ten offices were maintained elsewhere (see table 12).

Publications were offered by many states. A majority, without regard to their geographic location, published international newsletters and export services directories. How-to-export publications were less favored. Those were offered by only 15 states and were nearly evenly distributed among the various size programs. It is noted that none of the Lakeport, Appalachian, or Sunbelt states (with one exception) published how-to-export books.

More than half of the states provided research services in the form of marketing studies. Among those states offering this service, no patterns were discernable by budget size or region.

Sixteen states offered a financial assistance program of some sort. None in the Basic Programs category did, where almost all of the Large and Mega Programs did. Small and Mid-Sized Programs offering financial assistance were typically found in states having port facilities.

#### Universe of Export Promotion Programs

The descriptive data permitted the researcher to

TABLE 12

NUMBER OF FOREIGN OFFICES MAINTAINED BY STATES - 1990

(\*=Not Available)

<u>State</u>	<u>Foreign Office Budget</u>	<u>Foreign Offices</u>	<u>Locations (see notes)</u>
<u>Mega Programs</u>			
CA	1900000	5	1,2,3
<u>Large Programs</u>			
IL	2900000	11	1,2,3,4,5,6
MI	1230000	5	1,2,4,9
NY	1200000	6	1,2,4
<u>Mid-Size Programs</u>			
FL	1200000	6	1,2,4
IA	844000	3	1,2
KY	700000	4	1,2
MD	2000000	6	1,2
MO	1300000	4	1,2
MN	204000	8	1,2,3,4
NC	507000	4	1,2,4
NJ	50000	1	1
OH	1600000	5	1,2,4,9
OK	620000	4	1,6
OR	800000	3	1
VA	800000	2	1,2
WA	383000	2	1
WI	1600000	4	1,2

Table 12 (continued)

<u>State</u>	<u>Foreign Office Budget</u>	<u>Foreign Offices</u>	<u>Locations (see notes)</u>
<u>Small Programs</u>			
AR	367000	3	1,2
AZ	750000	1	1
CO	395000	3	1,2
CT	415000	2	1,2
GA	1000000	5	1,2,4
IN	886000	6	1,4,6
LA	306000	3	1
MA	*	1	1
MT	292000	2	1
RI	*	3	1,2
SC	916000	5	1,2
TX	1300000	6	1,2,3
UT	445000	4	1,2
<u>Basic Programs</u>			
AL	1150000	3	1,2
DE	220000	3	1
ID	105000	2	1
ME	-	-	-
ND	92000	1	1
NE	-	-	-
NH	-	-	-
NM	-	-	-
NV	236000	3	1
SD	-	-	-
TN	-	-	-
VT	-	-	-
WV	250000	1	1
WY	220000	1	1

Source: NASDA STATE EXPORT PROGRAM DATA BASE 1990

Note: Not included: KS, MS, PA. Category data not available.

Key: Geographic Locations:

- |                         |                 |
|-------------------------|-----------------|
| 1 = Pacific Rim         | 6 = China       |
| 2 = Western Europe      | 7 = Middle East |
| 3 = Latin/South America | 8 = Australia   |
| 4 = Canada              | 9 = Africa      |
| 5 = Eastern Europe      |                 |

construct a general diagram of export marketing activities. Figure 2 describes the universe of export development program activities at the state level, thus illustrating the alternatives currently perceived as available for program selection.

## Qualitative Findings

### Introduction

The second portion of the research employed the Delphi technique to identify a group of export promotion programs considered best suited to pursue economic or policy goals. It is from this portion of the research that the rationale for policy making and program selection is developed.

### Program Goals

The population of 48 respondents returned 46 responses to Questionnaire One (a response rate of 95.8 per cent). Table 13 is a summary of the responses to Questionnaire One.

Phase Two of the Delphi effort, which focused on identifying export marketing program goals, clearly identified employment generation and providing assistance to exporters as more important.

### Program Selection

Phase Four (program selection) used the goals thus identified as a frame of reference for the respondents when

FIGURE 2

UNIVERSE OF STATE EXPORT DEVELOPMENT PROGRAM ACTIVITIES

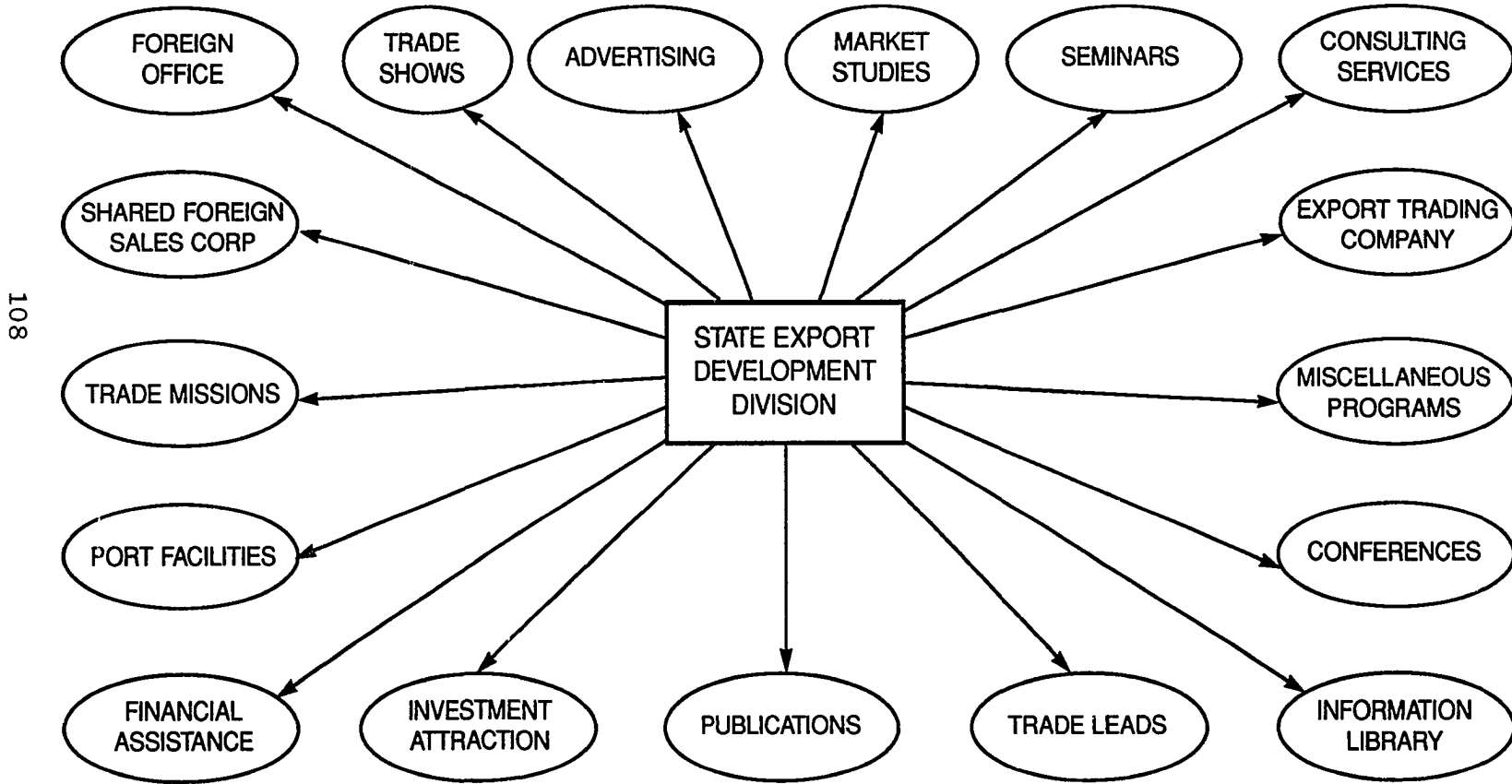


TABLE 13

QUESTIONNAIRE ONE - EXPORT MARKETING PROGRAM GOALS

<u>Goal</u>	<u>Responses</u>	<u>Percentage of Respondents Selecting</u>
EMPLOYMENT GENERATION	38	82.6
PROVIDING EXPORTER ASSISTANCE	28	60.9
Establishing Foreign Trade Relationships	15	32.6
New Foreign Business Attraction	12	26.1
Industrial Development	7	15.2
Revenue Generation	6	13.0
Tax Base Development	6	13.0
Rural Development	4	8.7
Trade Deficit Reduction	4	8.7
Agricultural Development	2	4.3

Table 13 (continued)

Interior Business/Industries Development	2	4.3
New Domestic Business Attraction	2	4.3
Other: Diversification of Markets for State Companies	2	4.3
Other: Exporting/International Awareness	2	4.3
Other: Export Expansion	2	2.2
Service Industries Development	1	2.2
Other: State Recognition	1	2.2
Other: Export Finance Funding	1	2.2
Export Cargo Generation	0	0
Infrastructure Development	0	0
Port Facilities Development	0	0
Transportation Improvements	0	0

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considering program alternatives. This phase focused on identifying export marketing programs which would be more likely to achieve results given both policy goals. All but two respondents replied to Questionnaire Two (a response rate of 95.8 per cent). The results from Questionnaire Two (see Table 14) indicated a preference for seven programs: participation in trade shows, providing trade leads, providing on-site counseling, conducting trade missions, providing financial assistance, maintaining a foreign office, and providing in-house counseling.

#### Conclusion of the Delphi Process

Consistent with the Delphi method, the researcher reported these findings to the 48 participants and sought a final statement indicating agreement or disagreement with the results. They also were asked to make any comments they wished about export marketing programs. In the conclusion of the Delphi exercise, the respondents were indicating that, given the goals of employment generation and providing exporter assistance, an array of the seven program options identified by their consensus would form a basis for a state export marketing effort.

The population of 48 respondents returned 44 responses to the final inquiry (a response rate of 91.7 per cent). Of the 44 responses, 42 (95.5 per cent) indicated agreement with the results of the research. Two of the respondents (4.5 per

TABLE 14

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 QUESTIONNAIRE TWO - EXPORT MARKETING PROGRAM SELECTION
 

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<u>Program</u>	<u>Goal 1 (Employment Generation) Responses (%)</u>		<u>Goal 2 (Providing Exporter Assistance) Responses (%)</u>	
PARTICIPATE IN TRADE SHOWS	23	50%	17	37%
PROVIDE TRADE LEADS	18	39%	14	30%
PROVIDE ON-SITE COUNSELING	15	33%	19	41%
CONDUCT TRADE MISSIONS	16	35%	8	17%
PROVIDE FINANCIAL ASSISTANCE	13	28%	11	24%
MAINTAIN A FOREIGN OFFICE	12	26%	12	26%
PROVIDE IN-HOUSE COUNSELING	8	17%	16	35%
Conduct Seminars	5	11%	7	15%
Operate an Export Trading Company	4	9%	1	2%
Publish an Export Services Directory	3	7%	6	13%

Table 14 (continued)

Operate a Foreign Trade Zone	3	7%	0	-
Distribute General Exporting Information	2	4%	5	11%
Make Sales Calls	2	4%	0	-
Provide Marketing Studies	1	2%	5	11%
Publish a "How to Export" Book	1	2%	4	9%
Sponsor Seminars	1	2%	4	9%
Operate Port Facilities	1	2%	0	-
Other: Solicit Foreign Investment	1	2%	0	-
Publish an International Newsletter	0	-	1	2%
Other: Operate an Information Library	0	-	1	2%
Advertise in Trade Journals	0	-	0	-
Operate a Shared Foreign Sales Corporation	0	-	0	-

cent) indicated disagreement. Additional comments were received from 18 (41 per cent) of those responding and are addressed later in this chapter.

No regional patterns of distribution for either goals or programs were found. Assembling the responses geographically and examining the data by various regional groupings (i.e. East/West coast states, seaport/interior states) revealed no indication that location had any influence on goals or program selection. This suggests that, on a national basis, primary goals are universal and that programs were selected with belief in their ability to achieve results.

#### Design of Export Marketing Program

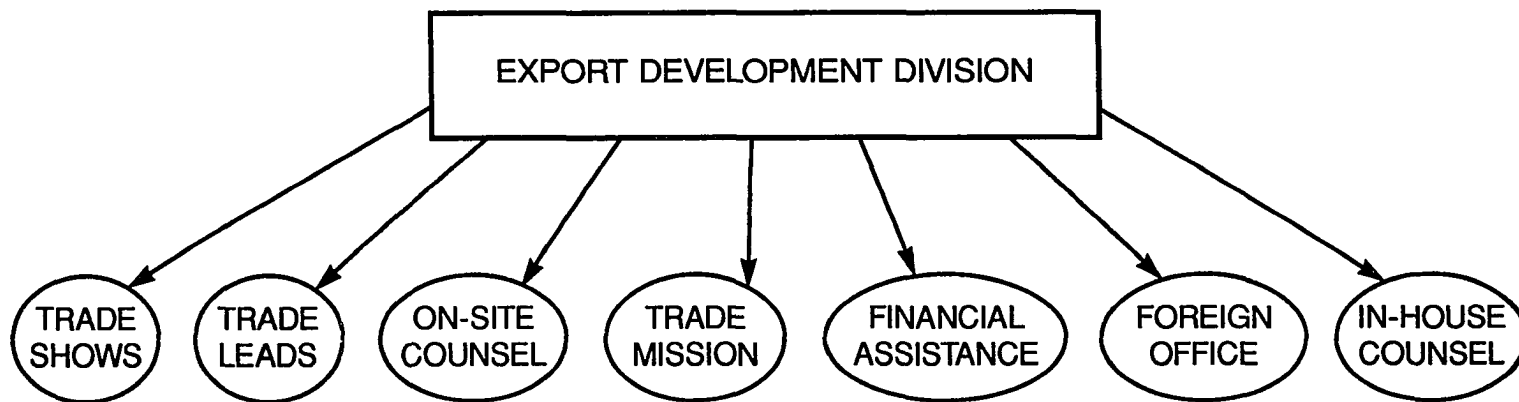
The results of the Delphi research identify programs most likely to achieve certain policy goals. Expert opinion shows that, despite the wide range of programs offered across the states, practitioners are in broad agreement about policy goals and the programs likely to achieve them. Thus, an array of export marketing programs can be identified (see Figure 3) which might best pursue the economic development goals of states. This information provides a basis for program selection by public managers charged with export promotion.

#### Practitioners' Remarks

At the conclusion of the research the respondents were

FIGURE 3

DESIGN ARRAY OF EXPORT MARKETING PROGRAM



asked to make comments about export marketing programs. The following discussion provides some insight into the feelings of the practitioners in this regard.

### Goals

Comments with regard to goals were offered by several respondents. One program manager indicated:

Our underlying mandate in all of our export programs is job creation, and export assistance in any form has that goal as its ultimate end. Be it counseling, supplying trade leads and participating in trade events, the purpose is to help the company find or expand markets which will in turn create jobs.

Another manager indicated that "all of the activities have one goal. Place the US exporter in contact with the foreign representative/importer." A third manager commented that "the mission of the International Division is to provide targeted export assistance through programs designed to improve the ability of state businesses to compete effectively in international markets."

These opinions are focused on the two primary goals identified in the Delphi exercise: employment generation and providing exporter assistance. Goal attainment is obviously important. Two managers indicated goal attainment is subject to support by the state administration. The first noted:

I agree that the goals of employment generation and exporter assistance are supported by the seven programs you've identified, and I feel they constitute an acceptable basis for an export marketing effort by a state - given budget, staff,

and legislative support commensurate with expected results.

A second respondent was more to the point:

I believe that in order for the program to really work there must be a commitment on the part of the administration to support the program. This begins with the Governor. If that support is not there and only lip service is given, that program will not have the credibility it needs to do the job for which it was created. You will also not be able to attract and retain the calibre of individuals you need to accomplish your mission and the program will lack the funding and resources it needs to do the job correctly.

#### Foreign Offices

The quantitative and qualitative research clearly illustrate the importance placed on maintaining an overseas presence. In some cases maintaining these offices costs in excess of the budget allocated for the operation of the entire home state office. Although many states maintain significant overseas presences there may be a paradox in the cost/benefit relationship of the foreign office. As one program manager commented, "maintaining a foreign office is the least effective [program] on a cost basis."

#### Trade Leads

With the exception of three states, some form of data exchange or access is provided by all state programs. The qualitative research identified this type of program as more important. As noted earlier, trade lead programs can be as simple as listing services or can include computer-based

access, qualifying and matching. The role of the state office in export marketing with respect to this type of service was characterized by one program manager: "I believe the United State's role in global marketing will be led by state export offices as they work with companies [exchanging information] within their states to meet export challenges."

#### Financial Assistance

Although considered a preferred program, financial assistance is not widely utilized. One manager noted that "our state has enjoyed a highly successful international business effort without providing financial assistance." The program manager from another state suggested that financial assistance programs must be supported from the top, saying that "in those states where the Governor is committed to job creation through export promotion, the programs, funding, and financing are generally in place."

The limited financial resources available to state offices for export promotion may preclude any significant use of financial assistance programs. Concerns about issues of equity, access and accountability also might help explain this. Some states' constitutional limitations also restrict the ability to provide financial assistance.

#### Counseling Services

Counseling includes both in-house and on-site advising.



Counseling services of both types were identified on the list of preferred programs. This is likely due to the benefit of face-to-face interaction between the staff and the client. Managers indicate that these services are important. One respondent commented that "on-site visits are an effective way of spreading the word [about exporting]." Another program manager developed this idea further noting "we and a number of other states have also had a well received outreach program around the state in cooperation with other public and private sector organizations."

### Evaluation

The remarks noted in the preceding section suggest, along with the findings by consensus, that public managers charged with export marketing development program selection believe that, among the variety of program alternatives available, there are some which are more likely to achieve policy goals. This was the point that the research question sought to investigate. The research, however, should not be taken to suggest that program selection be limited to a narrow set of program alternatives. Likewise, the findings should not be taken to imply that the nature of the programs identified are consistently defined. Program content or process certainly can vary.

Comments were made by several respondents concerning the array of programs identified by consensus. Four managers in

agreement with the findings commented as follows:

I believe you've taken into consideration all of the variables and have come up with a qualified synopsis of those programs most generally utilized by state marketing and export assistance agencies.

I agree that an array of the seven program options would form an acceptable basis for an export marketing effort by a state agency. However, it should be understood that all of these options are not necessary for an acceptable basis.

Your seven program options are on target. I would add some type of public relations/outreach component.

While a state could certainly develop a program based on these seven options, similar programs could be successfully developed using only a portion of these programs and/or others.

The two dissenting respondents made the following comments:

I disagree with your seven programs. I believe they are promotion tools. We have moved from promotion to professional services. I believe states can have the most success by concentrating their efforts on medium-sized firms with the financial capability to succeed offshore. The market is far more sophisticated now. States need to concentrate on staffing programs with sales professionals that can impact a company's bottom line. The advantage a state can provide a company is access. Government can get just about any appointment it wants overseas.

I disagree with the findings to the extent that offering blanket programs is not effective. These programs are acceptable if they are fine-tuned to make the most effective use of state assets by creating face-to-face relationships between our staff and qualified prospects for exporting.

The comments above suggest that program selection is state-specific as practitioners individually arrive at their interpretation of goals and then select programs. It appears

that some define goals as broad purposes and others view them as the achievement of processes. There is further indication that the content of programs can encompass efforts which range from very extensive to availability on a limited basis.

Looking at the resources allocated to export promotion by each state, one conclusion is that there are vast differences in depth and scope. Surely a state with a \$100,000 budget and staff of two people, although offering services with the same names as a state with a \$1,000,000 budget and a staff of ten people, cannot possibly offer the same level, intensity or quality.

The data also demonstrate that the effort expended by states for export promotion, compared to other state activities, was minimal. The fact that no state allocated more than .04 per cent of expenditures to export promotion activities in the state illustrates this point.

The overwhelming opinion was that the programs identified by consensus can form the basis of an export marketing agency. The conclusion is that with policy goals determined there is an array of programs more likely than others to achieve results. The findings of the research are supported further by the remarks made by practitioners.

### Summary

Langbein (1980) discussed the importance of determining which publicly funded programs attain their goals. She noted

that:

Investigators concerned with ascertaining the outcome of a public program must first identify the goals and criteria by which the program could be judged. Because most programs have multiple goals, such a determination may be quite difficult to make. Often there is no consensus surrounding the goals of a program, and frequently there is little agreement about the relative importance of each goal. (p. 13)

Langbein's first point, that some measurable criteria for evaluating program results be determined, is certainly important. Her second point, which applies more directly to this research, is that there must be some sense of what the policy goals are. Following from this is the need to determine which program alternatives are best suited for pursuing those goals.

A synopsis of export marketing agency activities throughout the United States was developed from this portion of the research. The program inventory illustrated the expanse of export promotion activities and provided the general data for use in further analysis. Cross-tabulating the data permitted the researcher to summarize program activities by frequency distribution. The nature of specific programs also were noted. Analysis of the categorical data also included a study of the range of program activity based on budget allocation. The researcher identified five categories of programs based on expenditure level. States were classified into these categories. Additional analysis by allocation examined the emphasis placed on export

promotion activities. Per capita expenditure and percentage of expenditure were studied to determine effort level. The quantitative portion of the research also examined the data for regional patterns of program activity based on geographic location and budget allocation. Some regional patterns and differences were noted.

The Delphi method was utilized to gain expert consensus on two important issues: program goals and appropriate programs. Thus, the research identified policy goals and an array of programs considered more likely to achieve results. Remarks by practitioners provide further insight into considerations in program selection.

The survey research for this dissertation was conducted over a three month period in 1993. It provides a synopsis of state export marketing promotion as it exists in the environment of the early 1990s.

The background discussion of the urban environment in the first chapter identifies the need for public interventions and the role of state government in the promotion of economic growth and the achievement of social goals. The literature reviewed in the second chapter clearly points to the importance of economic development activities undertaken by the state. Governments must engage in economic development activities to create economic opportunities in the private sector and to generate capital needed by government to promote social advancement. Economic issues in

current times provide both the rationale and relation to theory of this research.

## CHAPTER V

### Introduction

This chapter summarizes the research. It contains a review of the research problem, the body of theory which provides the framework for the research, and the methodology employed to arrive at the results and develop the diagrams of export promotion activities. This chapter also addresses conclusions based on the results of the research and remarks provided by the respondents. Recommendations for implementation of the research and future research conclude the dissertation.

### The Problem

The economic environment compels government to become involved in activities which will stimulate the economic development of the state, for the achievement of social goals, via the growth of the private sector. Export marketing development programs are one of the mechanisms for pursuing state goals. Program alternatives available in the export marketing area are limited by the human and financial resources available.

### The Literature

The second chapter reviews literature in the fields of marketing, economics, public administration, and organization. This literature identifies elements of theory

which contribute to the rationale of public organizations and the scope and nature of public activities. The connection among these areas of literature is illustrated by their interdisciplinary nature in the development of public functions and the theory from which economic development and export marketing are derived.

The concept of economic development, in the broadest terms, is taken to mean economic growth. The concept, when developed with the input of other disciplines, can be viewed as a process where the role of the state is the development and maintenance of economic policies which facilitate the growth of business. To this end, the goals of states, as Fosler (1988) had suggested, are "the attraction, retention, creation, and expansion of business" (p. 312).

For private sector firms, exporting provides an alternative outlet for products and services and an opportunity for expansion. Export marketing activities, as economic development programs utilized by states, are similarly interventions to stimulate the growth and expansion of the economy. Foreign market entry and expansion is more complex than the requirements for conducting business domestically. Hence, the role of economic development in the form of state export marketing activities must include programs which enhance the opportunities for the private sector to enter and compete in international markets. Export marketing policies can influence the interest of private



enterprises to participate in exporting. Simultaneously, these policies can assist in meeting the social and economic goals of states. Public and private partnerships can develop as states work with private sector groups to promote trade development. As NASDA (1991) noted:

State trade offices are also interested in providing leadership to the business and trade service community by providing a forum for coordination of services and programs. Such leadership builds on the number of services and programs offered by state trade offices to companies to promote their goods and services abroad and to...[create] job[s]. (p.6)

### Methodology

The methodology employed in this research sought to address the identification of goals and the programs perceived to be most appropriate to the pursuit of those goals. The approach to answering the research question included a tabulation of known program activities which generated the categorical data presented in Table 1. The diagram of the universe of export development activities (Figure 2) was constructed from this information. The categorical data was then cross-tabulated to examine for differences which might exist in program activity due to factors such as budget allocation, geographic location, or economic attributes of states. This was the quantitative portion of the study.

The methodology also utilized the Delphi technique in a qualitative approach to identifying goals and program

selection. The Delphi exercise sought an answer to the research question by developing consensus of expert opinion. Public managers in positions of decision making authority in export marketing agencies in each of the continental United States were selected as the respondents. The need for a high response rate necessitated variation of the Delphi technique which would encourage participation by reducing unnecessary iterations. This choice resulted in fewer qualitative comments during the course of the research but yielded a response rate that permitted the researcher to draw conclusions based on the population of program managers. The qualitative portion of the research resulted in the identification by consensus of goals and programs for an export marketing agency.

#### Operation of Export Marketing Agencies

The quantitative portion of the research identified the wide variety of export marketing activities which are in operation throughout the United States. The qualitative portion of the research, after achieving consensus on export marketing program goals, identified an array of export marketing activities which are perceived by program managers as more likely to achieve those goals.

While the design array of programs might perform well for a state utilizing them, it is not realistic to expect that the group of those seven programs would or could

optimize the export promotion effort of every state. To exclude the utilization of other activities would not be realistic. The qualitative research provided the identification of programs believed more likely to get results given two goals: employment generation and providing exporter assistance. Other goals exist, such as revenue generation or tax base development, for which other programs identified in the universe of activities may be better suited. It also is likely that in different economic environments the ability to offer or operate particular programs is different. Also, what works well in one environment may not work well in another.

The conclusions of the research are based on the perceptions of public managers. The responses obtained most frequently in the survey research, while indicating preferences, do not mean that the two specific goals or seven particular programs are the most important. Further, many states offered the programs identified in Phase Four (program selection) of the research. While it might be argued that the selection of those programs in the Delphi process was self-justifying, the respondents were not being asked to justify their own programs. As Tables 1, 2, and 11 indicate, states offered a wide range of services regardless of the size of their allocation for export promotion activities. There is an assumption that those programs were offered based on each program manager's belief in the program's ability to

generate export activity in his state. However, the fact that managers' perceptions of program activities may be influenced by their involvement in their own agencies is recognized. The results of the research and the comments made by practitioners confirmed the preference for certain programs, but not to the exclusion of other alternatives.

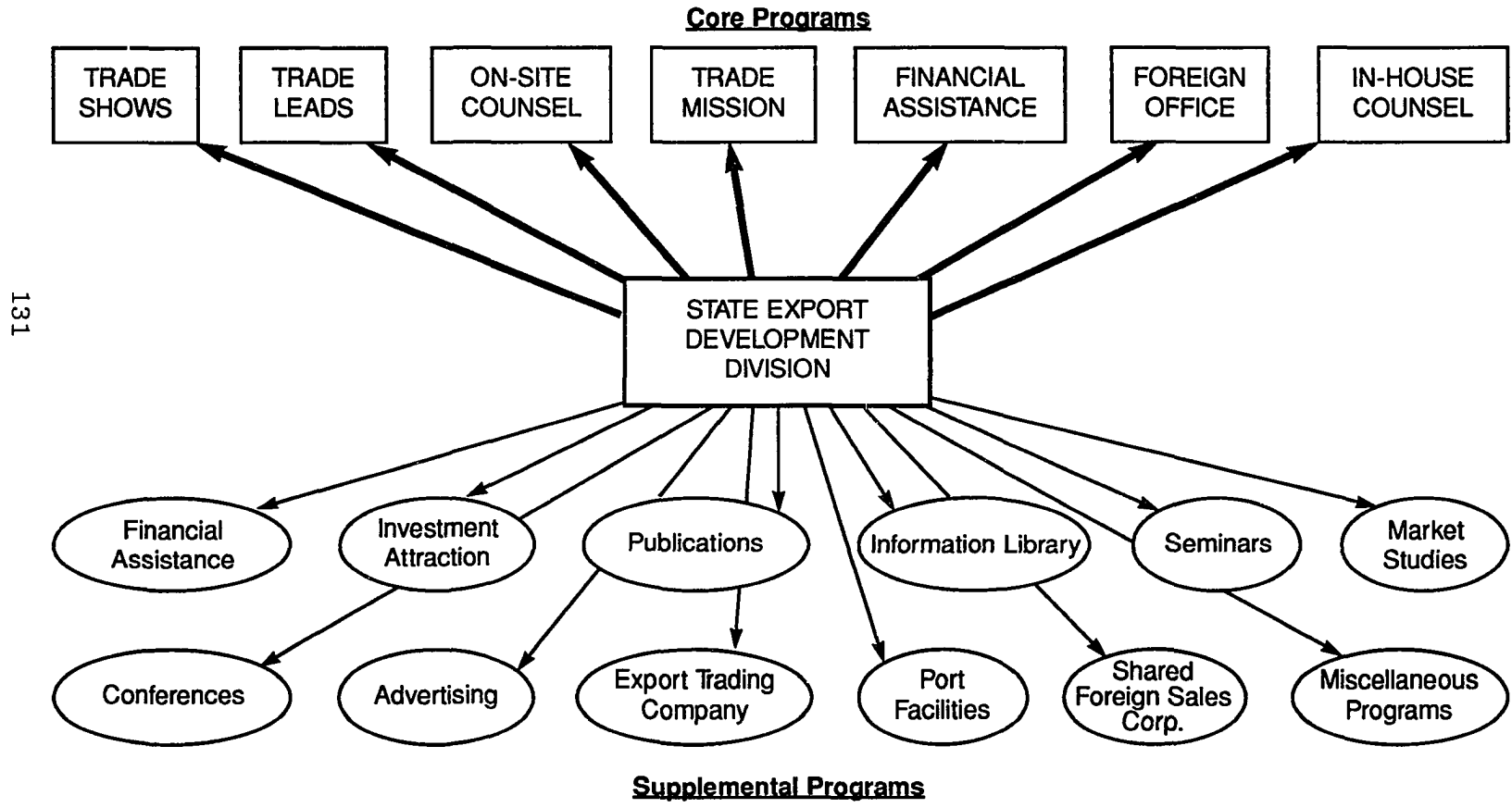
Practical application of the research to export promotion activities by state agencies might be best accomplished by integrating the quantitative and qualitative research findings. The preferred programs identified by the research form a core of principal activities. Other programs, identified in the quantitative research, may supplement the agencies' efforts and are utilized if the program director thinks them appropriate.

This arrangement of activities is illustrated in Figure 4. In this diagram the preferred programs are the foundation for dealing with the achievement of the primary goals. Resources are directed principally toward these activities. The supplemental programs serve two purposes: they support the agency's efforts in achieving the principal goals, and they address other goals which the preferred programs may not be best suited to address.

Program selection, in consonance with this approach, might best serve the economic development policy goals of states, allocating resources for export promotion for the greatest effectiveness.

FIGURE 4

OPERATIONAL ARRANGEMENT OF STATE EXPORT DEVELOPMENT ACTIVITIES



131

### Recommendations for Further Inquiry

This research has demonstrated that states allocate a wide range of human and financial resources to a multiplicity of program alternatives directed at export promotion. The research has identified a group of programs which are believed more likely to achieve public and private goals. These findings provide a starting point for further inquiry, suggesting that additional research in the following areas of export marketing would be useful.

First, the utility of programs should be assessed. The following types of questions should be asked: are there reasons why some states offer every possible service? Do their managers believe all of these programs fulfill a need? Further inquiry into the reasons certain programs are employed can respond to these questions.

A second need for inquiry involves resources. The research suggests that there is either disagreement or a difference in emphasis on the depth and scope of export marketing programs. The findings also indicate that there may be some regional, physical, or economic attributes that dispose states to certain levels of allocation for export promotion. Research needed includes analyzing the cost of program alternatives and determining if there is any particular range or level of resource allocation for export promotion that is more effective.

A third issue deals with the targets of public

interventions and program effectiveness. The economic development programs offered by states are directed at the achievement of social and economic goals. The question which arises asks if the programs offered by state agencies meet the needs of potential exporters and the needs of the state. An approach to export program selection based on the cost/benefit of the effort and client profiles of firms most likely to be helped would be of value.

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APPENDIX A

Respondent List - Export Marketing Program Managers

Alabama

International Trade Specialist  
Alabama Development Office

Arizona

Assistant Director  
Arizona Department of Commerce

Arkansas

Director Foreign Trade and Investment  
Arkansas Department of Economic Development

California

Executive Director  
California State World Trade Commission

Colorado

Director  
Colorado International Trade Office

Connecticut

Director, International Business Development  
Connecticut Department of Economic Development

Delaware

Director, Business Development  
Delaware Development Office

Florida

Manager, International Trade  
Florida Department of Commerce

Georgia

Director, Division of Trade  
Georgia Department of Industry, Trade & Tourism

Idaho

Administrator, Division of International Business  
Idaho Department of Commerce

Illinois

Manager, International Business Division  
Illinois Department of Commerce and Community Affairs

Indiana

Director, International Trade Division  
Indiana Department of Commerce

APPENDIX A (continued)

Iowa

Administrator, International Marketing Division  
Iowa Department of Economic Development

Kansas

Director, Trade Development Division  
Kansas Department of Commerce

Kentucky

Principal Assistant, International Trade Office  
Kentucky Cabinet for Economic Development

Louisiana

Director of Trade Development  
Louisiana Department of Economic Development

Maine

Manager, International Commerce Division  
Maine Department of Economic and Community Development

Maryland

Director  
Maryland Office of International Trade

Massachusetts

Director  
Massachusetts Office of International Trade & Investment

Michigan

Director  
Michigan International Office

Minnesota

Executive Director  
Minnesota Trade Office

Mississippi

Director of International Development  
Mississippi Department of Economic & Community Development

Missouri

International Project Manager  
Missouri Department of Economic Development

Montana

Director  
Montana Department of Commerce

Nebraska

Manager, Import/Export  
Nebraska Department of Economic Development

APPENDIX A (continued)

Nevada

Director of International Trade  
Nevada Commission on Economic Development

New Hampshire

Director, Office of International Commerce  
New Hampshire Department of Resources & Economic Development

New Jersey

Director, Division of International Trade  
New Jersey Department of Commerce & Economic Development

New Mexico

Director, Trade Division  
New Mexico Economic Development and Tourism Department

New York

Director, International Division  
New York State Department of Economic Development

North Carolina

Director of International Trade  
North Carolina Department of Economic & Community Development

North Dakota

Managing Director  
North Dakota World Trade, Inc.

Ohio

Deputy Director, International Trade Division  
Ohio Department of Development

Oklahoma

Assistant Director, International Trade & Investment Division  
Oklahoma Department of Commerce

Oregon

Director, International Trade Division  
Oregon Economic Development Department

Pennsylvania

Trade Manager  
Pennsylvania Department of Commerce

Rhode Island

International Trade Coordinator  
Rhode Island Department of Economic Development

South Carolina

Manager of Trade  
South Carolina State Development Board

APPENDIX A (continued)

South Dakota

Director, Export Trade & Marketing Division  
South Dakota Governor's Office of Economic Development

Tennessee

Director of Export  
Tennessee Department of Economic Development

Texas

Director, International Marketing  
Texas Department of Commerce

Utah

Director of International Programs  
Utah Division of Business & Economic Development

Vermont

Director of International Trade  
Vermont Department of Economic Development

Virginia

Director, Division of Export Development  
Virginia Department of Economic Development

Washington

Director, Market & Targeted Industry Development Group  
Washington State Department of Trade & Economic Development

West Virginia

Director, International Development  
West Virginia Development Office

Wisconsin

Director, Bureau of International Business  
Wisconsin Department of Development

Wyoming

Management Assistant  
Wyoming Division of Economic & Community Development

APPENDIX B

Questionnaire #1 - Export Marketing Program Goals

The following list suggests program/policy goals that may be pursued by export marketing development agencies throughout the United States.

Based on your own experience, understanding, and perceptions about export marketing programs and policies, and considering your own state, please indicate which 3 goals are the most important aspects of export marketing programs or policies to you. If there are other goals which you do not see listed and would like to add please do so on the lines provided for identifying other goals.

Please indicate your three choices with an "X". There is no order of preference required.

- \_\_\_\_\_ Agricultural Development
- \_\_\_\_\_ Employment Generation
- \_\_\_\_\_ Establishing Foreign Trade Relationships
- \_\_\_\_\_ Export Cargo Generation
- \_\_\_\_\_ Industrial Development
- \_\_\_\_\_ Infrastructure Development
- \_\_\_\_\_ Interior Business/Industries Development
- \_\_\_\_\_ New Domestic Business Attraction
- \_\_\_\_\_ New Foreign Business Attraction
- \_\_\_\_\_ Port Facilities Development
- \_\_\_\_\_ Providing Exporter Assistance
- \_\_\_\_\_ Revenue Generation
- \_\_\_\_\_ Rural Development
- \_\_\_\_\_ Service Industries Development
- \_\_\_\_\_ Tax Base Development
- \_\_\_\_\_ Trade Deficit Reduction
- \_\_\_\_\_ Transportation Improvements
  
- \_\_\_\_\_ Other \_\_\_\_\_
- \_\_\_\_\_ Other \_\_\_\_\_

APPENDIX C

From: Albert P. Bianchi, Jr., 505 Dominion Blvd, Chesapeake, VA 23323  
FAX: (804)-436-4868

May 17, 1993

To: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Dear \_\_\_\_\_

I am currently a doctoral candidate at Old Dominion University in Norfolk Virginia. I am conducting my dissertation research on Export Marketing Program Selection by Public Agencies.

Public agencies charged with economic development, specifically export development and export marketing, utilize a wide variety of programs to generate economic activity in the public interest.

As the administrator in charge of export marketing programs for your state I am kindly requesting that you assist me in this research by responding to several short questionnaires which will utilize your managerial and operations experience in export marketing to develop a consensus of preferred programs based on goals and the ability to generate results.

There will be 2-4 questionnaires, depending on the responses. They are brief. The first one is transmitted with this letter and the others will arrive sequentially within a few days after the responses from the prior questionnaire are analysed.

Please be assured that your responses are confidential. The purpose of this research is to generate models of export marketing programs which will assist public managers and decision makers in program selection. Your expertise will assist in focusing on the better program alternatives. I will be delighted to share the results of this research with you upon completion of the project.

Thank you in advance for your kind assistance. Your prompt response is deeply appreciated.

You may return FAX your responses to me at 804-436-4868.

Yours truly,

Albert P. Bianchi, Jr.

## APPENDIX D

### Questionnaire #2 - Export Marketing Programs

The following list of program alternatives is a general list of programs that are currently in use by export marketing agencies throughout the United States.

Based on your experience, understanding, and perceptions about these programs, please indicate which 3 you believe would yield the best results given the goals of Employment Generation and Providing Exporter Assistance and the export marketing environment in your own state or states like yours. Results is defined in any terms you desire in assessing the ability to achieve the above goals. If there are other programs/policies which you do not see listed and would like to add please do so on the lines provided for identifying other programs.

Please indicate your three choices for each goal with an "X". There is no order of preference required.

<u>Program/Policy</u>	<u>Goal 1</u> Employment Generation	<u>Goal 2</u> Providing Exporter Assistance
Publish an International Newsletter	_____	_____
Publish a "How to Export" book	_____	_____
Publish an Export Services Directory	_____	_____
Distribute General Exporting Information	_____	_____
Advertise in Trade Journals	_____	_____
Provide Marketing Studies	_____	_____
Provide In-House Consulting	_____	_____
Provide On-Site Consulting	_____	_____
Make Sales Calls	_____	_____
Provide Trade Leads	_____	_____
Conduct Seminars/Conferences	_____	_____
Sponsor Seminars/Conferences	_____	_____
Participate in Trade Shows	_____	_____
Maintain a Foreign Office	_____	_____
Conduct Trade Missions	_____	_____
Operate Port Facilities	_____	_____
Operate an Export Trading Company	_____	_____
Operate a Shared Foreign Sales Corp.	_____	_____
Operate a Foreign Trade Zone	_____	_____
Provide Financial Assistance	_____	_____
Other _____	_____	_____
Other _____	_____	_____

APPENDIX E

From: Albert P. Bianchi, Jr., 505 Dominion Blvd, Chesapeake, VA 23323  
FAX: (804)-436-4868

June 7, 1993

To: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Dear \_\_\_\_\_,

Thank you for your response to my request for your input on export marketing program policy goals.

The results from that round of the research indicate that the consensus of public managers responsible for export marketing development programs is that the more important goals which should be pursued are:

EMPLOYMENT GENERATION

PROVIDING EXPORTER ASSISTANCE

I am now going to ask that you kindly assist me in the next phase of this research by completing a second questionnaire which focuses on program selection. I would like to draw upon your expertise in helping to determine which programs might be most appropriate in the export marketing environment given the goals of employment generation and providing exporter assistance.

Thank you again for your kind assistance. Your prompt response is deeply appreciated. Once again, please be assured that your responses are confidential.

You may return FAX your responses to me at 804-436-4868.

Yours truly,

Albert P. Bianchi, Jr.



APPENDIX F

From: Albert P. Bianchi, Jr., 505 Dominion Blvd, Chesapeake, VA 23323  
FAX (804)-436-4868

July 26, 1993

To: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Dear \_\_\_\_\_,

Thank you for your responses to my requests for input on export marketing programs and policy goals.

As I had previously advised you, the results from the first round of the research indicated that the consensus of public managers responsible for export marketing development programs was that the more important goals which should be pursued are EMPLOYMENT GENERATION and PROVIDING EXPORTER ASSISTANCE.

The second round of the research, which you recently assisted in, asked that you draw upon your expertise in helping to determine which programs might be most appropriate in the export marketing environment given those goals.

The results from that round of the research indicate that there are seven programs in particular which the consensus of public managers responsible for export marketing programs believe are the most appropriate for pursuing the agreed goals. These programs are:

- |                                |                              |
|--------------------------------|------------------------------|
| PARTICIPATING IN TRADE SHOWS   | PROVIDING TRADE LEADS        |
| PROVIDING ON-SITE COUNSELING   | CONDUCTING TRADE MISSIONS    |
| PROVIDING FINANCIAL ASSISTANCE | MAINTAINING A FOREIGN OFFICE |
| PROVIDING IN-HOUSE COUNSELING  |                              |

I am now going to ask that you kindly assist me in the final phase of this research by addressing the results of the research. Please respond to the following question:

Given the goals of employment generation and providing exporter assistance do you agree that an array of the seven program options listed above would form an acceptable basis for an export marketing effort by a state agency?

Agree \_\_\_\_\_ Disagree \_\_\_\_\_

I am also interested in any comments you would like to make concerning export marketing and development programs. Please send comments with your response.

Thank you again for your kind assistance. Your prompt response is deeply appreciated. Once again, please be assured that your responses are confidential. You may return FAX your responses to me at 804-436-4868.

Yours truly,

Albert P. Bianchi, Jr.

## Autobiographical Statement

Albert Phillip Bianchi, Jr., was born in Jersey City, New Jersey on December 17, 1951. He received his Bachelor of Arts Degree in Political Science from Villanova University in 1973. He was awarded the degree of Master of Business Administration from Old Dominion University in 1982. He earned the Doctor of Philosophy degree from Old Dominion University in 1993.

Mr. Bianchi has had a career in management which has included private and public positions. He served as a Naval Officer during the period 1973-1979. From 1980 through 1987 he was a senior manager with a marine terminal operating company. From 1988 until present he has held two positions as General Manager of small businesses. He also served as an Adjunct Instructor of Management at Old Dominion University during 1992 and 1993.

His professional activities have included membership in the Hampton Roads Foreign Commerce Club, the Hampton Roads Traffic Club, and the Propeller Club of the United States. He also was inducted as a member of the Pi Alpha Alpha Honor Society for Public Administration in 1989.

During the course of a graduate internship in public administration, while working with the Chesapeake, Virginia Port Authority, Mr. Bianchi published a report to the Board of Directors entitled "A Report on the Consideration of Removal of Derelict Vessels and Debris Along the Elizabeth River Waters of Chesapeake, Virginia." The work involved a study and recommendations for the clean-up of the City's waterways in the interest of safety, aesthetics, and recreational uses of the river. The project activity was highlighted by the local press. He also served on the pilot committee to develop a plan for integrating multi-cultural education into the Norfolk, Virginia public school system curriculum.

As an undergraduate he was President of the Kappa Upsilon Chapter of Tau Kappa Epsilon Fraternity.

Mr. Bianchi's personal activities include two favorite hobbies. He enjoys amateur radio, for which he holds an FCC Amateur Extra Class license. His other pastime is exhibiting purebred Shetland Sheepdogs in show conformation. He is also licensed as a dog show judge by the American Kennel Club.