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Export Behaviour: a Study of Spanish SMEs*

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Comportamiento de Exportación: un estudio de las pyme españolas
Comportamento de Exportação: um estudo de pmes espanholas

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This paper examines different patterns of export behaviour of SMEs as determined by three groups of factors: 1) the business sector in which the company operates; 2) some organisation-related characteristics; and 3) the destination market. Our results show that there are five different export profiles that reflect varying degrees of commitment in their international expansion and different strategies.

En este artículo se definen los distintos patrones de comportamiento de exportación de las PYME teniendo en cuenta tres grupos de factores: 1) el sector empresarial en el que se desarrolla la empresa; 2) determinadas características relacionadas con la empresa y 3) el mercado de destino. Nuestros resultados muestran que existen cinco perfiles de exportación distintos que reflejan los distintos grados de compromiso en su expansión internacional y sus distintas estrategias.

Este artigo examina diferentes padrões de comportamento de exportação das PMEs conforme determinado por três grupos de factores: 1) o sector de negócio no qual a empresa desenvolve a sua actividade; 2) algumas características relacionadas com a organização; e 3) o mercado de destino. Os nossos resultados mostram que existem cinco perfis diferentes de exportação que reflectem os graus variáveis no seu compromisso na sua expansão internacional e as diferentes estratégias.

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1. Introduction

In recent decades, there has been a gradual opening and interdependence of economic and political systems that have led to economic globalisation. As a result, companies, and particularly SMEs (small and medium enterprises), are the main players in the international arena where exporting is central to their survival.

The study of export behaviour has aroused great interest, both academic and professional, and in public authorities. Katsikeas et al. (2000) highlight the importance of exports from three perspectives. Firstly, for politicians, who analyse exports as a way to accumulate foreign currency reserves, increase levels of employment, productivity and social prosperity. Secondly, for managers since exports are a form of corporate growth that imply an increase in production capacity, an improvement in financial results and business competitiveness, and also to ensure the survival of the company in a highly globalised marketplace. And thirdly, for researchers, who consider exports as a changing but promising area to develop theories.

This research area has been widely discussed and under different perspectives, especially among large companies. However, government statistics indicate that most firms engaged in international business activities are SMEs (Knight, 2001). And, in particular, that export is their main mode of internationalisation (Dhanaraj and Beamish, 2003), because it is the simplest and quickest access to international markets (Majocchi et al., 2005). In addition, SMEs have a very important presence in national economies not only in number - 99.8 percent of non-financial companies were SMEs in both Spain and the 27 European countries in 2005 (Eurostat, 2008) - but also in job creation and generating added value.

Although SME exporting has been a significant area of research in small business for the past decade, studies often focus on the decision to export rather than analysing the export strategy of the company (Cavusgil and Zou, 1994). So, no yet an agreement exists on which are the characteristics that determine the exporting profile. Therefore, it is necessary to go further in the study of the characteristics of SME exporters. Thus, this paper seeks to identify the existence of different patterns of export behaviour, based on a series of factors related to the characteristics of the company, market and its business sector. To this end, we used a sample of 215 non-financial Spanish SMEs that exported during 2006.

Establishing patterns of export behaviour followed by SMEs provides new evidence on the differences between different exporting companies that allows us to understand better the internationalisation process of SME firms. Moreover, it would help politicians to develop public programmes best suited to company profiles.

To achieve this objective, we start with the identification and justification of the main determining factors for exports analised in the literature. We then apply a hierarchical cluster analysis to produce groups of companies. Once the groups are identified, we proceed to characterise each of them. Finally, we present the conclusions of our study.

Key words
Export, SMEs, Determinant factors, Spanish

Palabras clave
Exportación, PYME, Factores determinantes, Español

Palavras-chave
Exportação, PMEs, Factores determinantes, Espanhol

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2. Determinants for Export Behaviour

In order to identify the determinants for SME export behaviour, we focus on traditional export behaviour literature. As Gemünden (1991) states, most of these studies approached exporting without a theroretical perspective, relying primarily on empirical results. Indeed, he carried out a review of the literature which identified more than 700 variables explaining export behaviour.

Following Cavusgil and Zou (1994), we consider export strategy would be determined by internal forces such as firm characteristics and external forces such as industry and export market characteristics. Thus, this paper classifies the determinants of SME export behaviour into three groups: company business sector, company-specific characteristics and the export destination market.

The Sector the company belongs to influences its export behaviour, as there are specific characteristics for each sector that affect export opportunities. The sector of the company provides information about its technological level (Ramírez et al., 2004). As shown by Caves (1996), the most technologically advanced companies are more involved in international markets than those less advanced. In addition, Sterlacchini (2001) mentions the importance that economies of scale can have within each sector, as they determine the number and size of the firms and hence their propensity to export. Nachum and Zaheer (2005) find that the existence of strong competitiveness in the sector puts pressure on firms to seek new markets for their products.

Among Company-specific characteristics, the literature pays special attention to company Size. Generally, large companies have advantages related to their size that make them more efficient in terms of export for four reasons (Leonidou, 1998). First, because they have more financial, human and material resources available, which are crucial for developing and maintaining an export programme (Cavusgil and Naor, 1987). Secondly, because their managers are more competent and dynamic, capable of appreciating the usefulness of exporting and developing a strategy to export effectively (Tookey, 1964). As a result, size not only facilitates entry into a foreign market but also provides a greater ability to respond effectively to the demands of customers abroad (Katsikeas et al., 1995). Thirdly, they are more competitive due to being able to generate more economies of scale and having greater power in the market (Samiee and Walters, 1990). And fourthly, they are more risk tolerant because they have easier access to information sources as they have the ability to withstand the impact of international errors (Bonaccorsi, 1992; Balabanis and Katsikea, 2003). In short, large companies have advantages in terms of export, as long as their size is associated with lower average or marginal costs (Bernard and Jensen, 2004).

However, a smaller size is not an obstacle for exports (Sterlacchini, 2001), as exporting is the form of internationalisation that requires fewer resources compared with other forms of entry into foreign markets (Bonaccorsi, 1992). Among the reasons put forward is that this relationship is influenced by the export strategy the company has decided. Thus, SMEs that have few domestic specialised resources for export can compensate with external resources, or because small firms in groups have easy access to information, it reduces the company's risk perception by their copying other companies (Bonaccorsi, 1992). In a constantly changing global environment, small companies have a greater flexibility and ability to adapt to changes quickly and overcome difficulties, as its management is less complex and less formal systems are needed for coordinating activities than in large multinationals (Balabanis and Katsikea, 2003).

Organisational Experience is also important (Leonidou, 2000; Majocchi et al., 2005) because "it reflects the intangible nature of those resources related to corporate experience and knowledge in the company, throughout its working life, different from those of the international arena, which facilitate the adaptation to new environments" (Ramírez et al., 2006, p. 171). The experience of a company is the base from which the values, routines and traditions are developed that guide its current and future strategy, thus facilitating international activity (Balabanis and Katsikea, 2003). Companies with less organisational experience find it more difficult to overcome barriers to export due to their lack of organisational resources, experience of their directors and knowledge of the business and market (Leonidou, 2000). International activity requires some organisational experience, as companies engaged in international expansion are those who are successful in their domestic markets (Majocchi et al., 2005).

The literature also considers Product Diversification as a determinant of export behaviour. It consists of the entry into a sector other than where the company operates normally or to which it belongs and it is a growth strategy.

Product diversification encourages the managers to acquire certain skills, which may be useful in its international activity. It also provides operational flexibility for the company (Ramirez-Alesón and Espitia-Escuer, 2002), which may serve to reduce the fluctuations in exports. Thereby, reducing the risk associated with dependence on a particular product because it minimises the effects of adverse changes in demand for its exported products.

However, and more specifically for SMEs, it is often difficult to cope with both a diversification in product and international expansion at the same time, due to the large amount of resources required (Chen and Martin, 2001). Thus, a low level of product diversification enables the company to focus on a single product market or in a few closely related product markets, achieving efficiency in production. Similarly, Knight (2001) argues that the rapid international growth of SMEs is due in large part to their operation in niche markets and that they are companies specialising in that product.

Given that globalisation can be seen as a learning process in which the company is accumulating knowledge, the International Experience of the company acquires great importance in explaining its exporter behaviour (Erramilli, 1991). According to Chetty et al. (2006, p. 701), the international experience is defined as the "experiences from past businesses in diverse foreign markets". Thus, only by doing business in a particular country is it possible to learn how to act and react with consumers, intermediaries, competitors and public authorities (Johanson and Vahlne, 2003). This knowledge of the destination country could never be replaced by obtaining general information about the market or via surveys.

As the company gains international experience it creates international bonds with customers, suppliers and other business partners (Johanson and Vahlne, 2003). Thus, networks emerge that foster relationships between companies by establishing channels of information that stimulate exports and help overcome the disadvantages of being foreign. As Yasar and Paul (2007) show, among the international bonds the company may have are foreign shareholders and foreign direct investment, as they are generally considered channels for the international transfer of technology.

In addition, the empirical results of Kneller and Pisu (2004) show that foreign subsidiaries are more likely to export than domestic enterprises. Indeed, if they already export they probably do so in greater numbers. And Requena-Silvente (2005) finds that the existence of foreign shareholders favours the internationalisation of the company.

In short, as the company is gaining international experience, it increases its confidence in overseas markets, entry costs reduce and therefore greater geographical expansion is favoured (Erramilli, 1991; Chetty et al., 2006).

In addition, as the School of Uppsala establishes, during the early stages of internationalisation of the company, the level of exports is usually sporadic. Then, as the company moves through its process of internationalisation, a greater effort is generally offset by an increase in the volume of exports and greater Export Regularity. Similarly, Greenaway et al. (2007) highlight the importance of distinguishing between firms that export continously and those that do not, as the introduction into international markets creates substantial input costs, such as gathering information about destination markets, developing distribution channels, modifying products and packaging to the country of destination, knowledge and compliance with international standards, among others. These sunk costs generate a hysteresis effect in export markets.

Thus, companies that export continously are the ones that are more likely to overcome these entry costs. They therefore remain in the international market, since a company will always export provided that current and expected profits of the exports exceed the sunk costs of market entry and variable costs of the exports for that period (Bernard and Jensen, 2004).

Geographic Diversification has also been considered as a determinant of export behaviour. It is defined as expansion across the borders of global regions into different geographic markets. It is, therefore, an indicator of the geographical scope and technological and cultural diversity of the export destination countries (Zahra et al., 2000).

The presence in a large number of markets allows a company to spread the risk, especially when markets are not perfectly correlated. Moreover, it may favour the company to increase and improve its competitive advantage, which could lead to an increase in exports.

In recent years, Information and communication technology (ICT) has evolved quickly and the level of implementation of ICT has become a determinant for export behaviour. Following Tan et al. (2007), the introduction of ICT is a necessary but not sufficient condition to stimulate export behaviour. This is because the organisation must ensure that information is properly processed and exploited to effectively reduce the uncertainty and risk associated with exporting.

Among the highlights in ICT, is the development of the Internet because it allows foreign customers to have more detailed knowledge about the image and international reputation of the company, thereby facilitating exports (Nieto and Fernández, 2005).

In addition, according to Petersen et al. (2002), one of the main barriers to international expansion is the uncertainty of foreign markets, and the Internet can be a tool for reducing asymmetric information (facilitating the creation, retention and transfer of tacit knowledge).

The last group of factors to influence export behaviour is the export destination market.

The choice of market for the company to direct its exports is determined by the opportunities and threats presented. Among the factors to take into account are, firstly, the potential demand (Cavusgil and Zou, 1994), because it provides information on potential consumers who will receive the exported products. Secondly, economic development, as the higher the level of development of a market, the more attractive as an export destination it is. This is because, in general terms, further development is associated with increased purchasing power of the population (Ramírez et al., 2006). And thirdly, the proximity to the country of origin since, according to the Uppsala model, internationalisation of a company follows a gradual process, such that the company first exports to countries which are psychologically similar. Then, as it gains experience, it will look towards other markets.

Moreover, the geographical proximity affects transport costs and export controls. In addition, Cavusgil and Zou (1994) refer to legal proximity, since a similarity in the laws of the destination country is seen as a positive factor for export. This is because demands are not placed upon the company to make great efforts in making adjustments, which reduces uncertainty.

3. Sample Presentation

In order to identify different patterns of export behaviour of SMEs, we use a unique combination of data from two sources: Spanish Chamber of Commerce data on export and the SABI (System for Analysing Iberian Balance Sheets) database.

The first one identifies the Spanish export firms, and provides information on the level of exports (exports exceeding one million euros: high level; between 100,000 and one million: middle; and less than 100,000 euros: low); the years of export (between 1997 and 2006); the export destination countries, the products exported, and whether or not a web page was available for each of them. The SABI database provides financial and general information from Spanish and Portuguese firms.

From previous information, we select a sample of 224 SME exporters from Aragón (Spain) during 2006. Besides being the region from where the authors come from, it shares similar characteristics with the rest of Spain, regarding the main export destinations and characteristics of the companies. The other reason for choosing Aragón for this research is its strategic geographic location, connecting the most important Spanish cities and the rest of Europe.

In order to identify SMEs we follow the criteria established in the European Commission recommendation 2003/361/EC[1]. We identify nine firms as large that we remove from the sample.

1. According to the definition, enterprises employing less than 250 persons or having an annual turnover not exceeding 50 million euros, and/or an annual balance sheet total not exceeding 43 million euros, are regarded as SMEs. Furthermore, within the SME category, the threshold between the small and medium-sized enterprises is set to an employee number of 50 persons or an annual turnover and/or annual balance sheet total not exceeding 10 million euros. According to the determination, a micro-enterprise employs fewer than 10 persons having an annual turnover and/or annual balance sheet total not exceeding 2 million euros.

So, the final sample therefore consists of 215 SME exporters during 2006 (Table 1).

Table 1. Distribution by export size and volume for the companies sampled

Export Volume	Micro		Small		Medium		Total	
	No	%	No	%	No	%	No	%
Low	31	51.7	27	45.0	2	3.3	**60**	**27.9**
Medium	17	19.8	58	67.4	11	12.8	**86**	**40.0**
High	4	5.8	25	36.2	40	58.0	**69**	**32.1**
Total	**52**	**24.2**	**110**	**51.2**	**53**	**24.7**	**215**	**100.0**

No: Number

4. Presentation of the Variables

Following section 2 of this paper, we also classify the variables that reflect the determinants of export behaviour into three groups: Sector, Firm Characteristics and Market Variables.

The Sector to which the company belongs is based on the OECD sector classification (Organisation for Economic Co-operation and Development). Thus, nine sectors are identified: S1-Foodstuffs, S2-Textile and Wood Industry; S3-Oil, Chemicals, Rubber and Plastics; S4-Metal and Mechanical Products; S5-Office machinery, Computers, Radio, TV and Communications equipment; S6-Vehicles and other transportation equipment; S7-Trade and Repair; S8-Property and Company assets and S9-Other sectors.

The inclusion of these sectors in the analysis is done via nine dummy variables which take a value of one when the company belongs to that particular sector, and zero otherwise.

Among Company characteristics, the *Export level* variable is measured by way of three dummy variables, indicative of a high, medium or low level of exports. These take a value of one for more than one million euros (high), from 100,000 to 1,000,000 euros (medium), or less than 100,000 euros (low), and zero otherwise.

To measure *Company size*, we use European Commission criterion (see footnote 3). It is measured via three dummy variables that take the value one for Micro, Small and Medium companies, and zero otherwise.

As in previous literature, we use the age of the company as a proxy of *Organisational experience* (i.e. Balabanis and Katsikea, 2003). For inclusion in the analysis, we standardise it to a continuous variable (between zero and one). Zero corresponds to the youngest company and one to the oldest, with the rest distributed within the range in proportion to the distances between them.

Product diversification is measured in terms of the company's presence in more than one sector, according to authors like Requena-Silvente (2005). Thus, product diversification is measured with a binary variable (0, 1), which takes the value one if the company operates in more than one sector and zero otherwise.

The number of different exported goods also reflects product diversification but in the foreign markets. To measure it, we use the number of TARIC chapters[2] exported by the companies. To enter the number of goods exported, we standardise this variable to a continuous variable (0, 1). Zero corresponds to the lowest number of exported goods, one to the highest value with the rest distributed within the range in proportion to the distances between them.

Following Yasar and Paul (2007) who advocate the importance of the presence of foreign shareholders in the company and subsidiaries abroad, *International Experience* is measured via two variables. The first is a dummy variable that takes the value of one if there are foreign shareholders and zero otherwise. The second is another variable dummy that takes the value of one if there are international subsidiaries and zero otherwise.

Export Regularity, according to Greenaway and Kneller (2007), is estimated by differentiating between regular and occasional exporters. "Regular exporters" are those firms who exported every year in the period 1997-2006. This is measured via a dummy variable which takes the value of one if the company is a regular exporter, and zero otherwise.

To measure *Geographic Diversification*, according to Chetty et al. (2006), we use the number of export destination countries. This variable is standardised to a continuous variable (0, 1), where zero corresponds to the lowest number of destination countries for exports, one to the highest value, and the remainder distributed within the range in proportion to the distances between them.

Exporters tend to seek information and communicate via the Web. Therefore, and according to authors like Nieto and Fernández (2005), we use the criteria of the company having its own website as an approximation for the *ICT implementation level.* Thus, this factor is measured via a dummy variable that takes the value of one if the company has a website, and zero otherwise.

Finally, we include one Market factor via export destination areas. Identifying the *Export destination areas* required classifying the world market into different geographical regions. The approach, also used by Delgado-Gómez et al. (2004), is based on the political and economic conditions prevailing in each country, so as to maintain uniformity within each group. Thus, we have grouped the countries in nine geographical areas. Countries included in one area cannot be included in other areas. Also, we add an extra area for "undetermined" (or unknown) destinations contained in the Chamber of Commerce database.

The 10 geographical areas are as follows: The fifteen European Union countries (EU-15); Countries recently joining the European Union (EU-25); Candidate countries for the European Union (Pot-EU); tax havens (TH)[3]; Latin America (LA), OECD countries not included in the above areas (R-OECD), Asia (ASIA); Africa (AFRICA); the Rest of the World (RW) and undetermined (Na). Thus, we define 10 dummy variables representing the 10 geographical areas.

2. The online customs tariff database is a multilingual database in which are integrated all measures relating to tariff, commercial and agricultural legislation. By integrating and coding these measures, the TARIC secures their uniform application by all Member States and gives all economic operators a clear view of all measures to be undertaken when importing or exporting goods.
3. The countries included in the area of tax havens are those considered as such under the Spanish Royal Decree 1080/1991, July 5.

A value of one is taken if that particular area is exported to, and zero otherwise.

Table 2 shows a summary of the basic descriptive statistics for the variables used.

Table 2. Characteristics of the SME sample

	Variables	Number	%	Mean	Standard Deviation
Sector	S1 - Foodstuffs	15	7.0	0.07	0.255
	S2 - Textile and Wood Industry	26	12.1	0.12	0.327
	S3 - Oil, Chemicals, Rubber and Plastics...............	24	11.2	0.11	0.316
	S4 - Metal and Mechanical Products	36	16.7	0.17	0.374
	S5 - Office machinery, Computers, Radios, TVs & Communications equipment	23	10.7	0.11	0.310
	S6 - Vehicles and other transportation equipment	8	3.7	0.04	0.190
	S7 - Trade and Repair	74	34.4	0.34	0.476
	S8 - Property and company assets	5	2.3	0.02	0.151
	S9 - Other sectors..	4	1.9	0.02	0.135
Firms Charac-teristics	Export level high	69	32.1	0.32	0.468
	Export level medium	86	40.0	0.40	0.491
	Export level low	69	32.1	0.32	0.468
	Medium size..	53	24.7	0.25	0.432
	Small size	110	51.2	0.51	0.501
	Micro size..	52	24.2	0.24	0.429
	Organisational experience...................................	-	-	19.53	10.317
	Product diversification (sector)...........................	99	46.0	0.46	0.500
	Product diversification (no. products exported).....	-	-	4.13	4.112
	International experience (Foreign owners)...........	15	7.0	0.07	0.255
	International experience (Subsidiaries abroad)......	12	5.6	0.06	0.230
	Export regularity..	125	58.1	0.58	0.494
	Geographic diversification (no. destination countries)	-	-	9.43	12.291
	ICT implementation	130	60.5	0.60	0.490
Market	EU-15..	118	54.9	0.55	0.499
	EU-25...	55	25.6	0.26	0.437
	POT-EU...	50	23.3	0.23	0.423
	TH..	92	42.8	0.43	0.496
	LA..	87	40.5	0.40	0.492
	R-OECD..	82	38.1	0.38	0.487
	ASIA..	64	29.8	0.30	0.458
	AFRICA	66	30.7	0.31	0.462
	RW...	36	16.7	0.17	0.374
	Na...	157	73.0	0.73	0.445

5. Methodology and Study Results

To carry out the characterisation of SME exporters, aspects of the sector, the company and the market are taken into consideration. We conduct a hierarchical cluster analysis which grouped the companies according to their export behaviour. So, it allows us to identify different exporting profiles.

The method of clustering is the intra-group linking because it tends to combine the clusters with smaller variations within the conglomerate. The grouping criterion is the average distance of all individuals in a group with all the individuals of another, such that we were looking for the greatest uniformity within a group and differences between the groups. As a measure of similarity, the squared Euclidean distance was chosen[4]. The criterion used for obtaining groups is based on the maximum relative distance between the coefficients of the grouping history, which generates five as the optimal number of groups.

Once each one of the cases was assigned to its corresponding group, Table 3, which includes the most important characteristics, was compiled.

Table 3. Cluster Analysis Results

	Group 1	Group 2	Group 3	Group 4	Group 5
Number of cases	79	40	33	33	30
Sectors	S-7 (47%)	S-7 (32%)	S-7 (27%), S-4 (24%)	S-7 (24%), S-3 (18%)	S-3 (23%), S-7 (23%)
Export level	Low (75%)	Medium (92%)	Medium (90%)	High (82%)	High (100%)
Company size	Micro (57%)	Small (75%)	Small (94%)	Medium (67%)	Medium (80%)
Organisational experience medium	16.9	17.3	18.7	23.1	26.4
Product diversification (sector)	44 (56%)	21 (52%)	18 (54%)	5 (15%)	11 (37%)
Product diversification (Average no. of products exported)	3.18	3.23	6.09	2.91	7.03
International experience (Foreign owners)	2 (2%)	1 (2%)	1 (3%)	6 (18%)	5 (17%)
International experience (Subsidiaries abroad)	1 (1%)	1 (2%)	2 (6%)	0	8 (27%)
Export regularity (1997-2006)	32 (41%)	19 (47%)	22 (67%)	27 (82%)	25 (83%)
Geographic diversification (no. of destination countries)	3.7	4.4	11.0	6.8	32.3
ICT implementation	43 (54%)	18 (45%)	29 (88%)	16 (48%)	24 (80%)
Main export destination areas	TH (29%), R-OECD (29%) y LA (25%)	EU-15 (70%)	LA (70%), TH (70%), EU-15 (61%), AF (52%)	EU-15 (97%), LA (36%)	EU-15 (100%) & all other areas in significant percentages

The figures in brackets represent the percentages of the total group

4. The statistical programme used was SPSS 14.0 for Windows.

Group 1 has a very low export profile, with 79, mostly micro, companies exporting less than 100,000 euros. It is characterised by sporadic exporting, of fewer products (3.18) and to the lowest number of countries (3.7) in widely dispersed geographical areas, mainly Tax Havens, OECD and Latin America and ahead of the EU-15 (only 10% of these companies export to this area).

It is the group with more companies in more than one sector (56% of firms are diversified). And, it is the group with the lowest organisational experience (16.9 years old on average).

Group 2 includes 40 companies, mostly small, and their export profile is low, although higher than previous group. In particular, they export between 100,000 and one million euros, with few products (3.23) and few countries (4.4), mainly in the EU-15. However, more than 50% of the firms are in different industries.

Their international experience is low and less than 50% has export regularity. Finally, they have the least use of ICT (only 45%).

Firms in Group 3 (33 small-sized companies) export between 100,000 and one million euros worth of goods. Their organisational experience is on the average (19) but their international experience and export regularity are higher than firms in previous groups. They reach numerous countries (11), over areas which are more dispersed and less contiguous. Tax Havens are their second highest destination area, after Latin America and before the EU-15.

It is the second group in terms of product diversification (for both the level of presence in more than one sector and number of products exported). And, they have the highest level of ICT implementation, with nearly all companies (88 percent) having a website.

Group 4 also consists of 33 companies but they are larger than firms in previous groups (medium size). They have the second greatest organisational experience, with an average age of 23 years old.

Most of them export over a million euros and with regularity during the last years. Their international experience comes mainly from foreign shareholders (18%), whose existence promotes the internationalisation of the companies (Requena-Silvente, 2005). However, there are not companies in the group with subsidiaries abroad.

Companies in this group have the least product diversification in the sample (when analysed by sector). They are usually concentrated in one sector. And they export 2.91 different products in the foreign markets. In particular, they export especially to psychologically close markets, such as the European Union of 15 and Latin America.

Group 5 is composed of 30 companies representing 14 percent of the sample. Its export profile is very high because all companies in the group (100 percent) export more than one million euros. They are not content with entering one product in one market; they are constantly entering other markets and offering more products for export (almost twice the average in the sample). They have the highest international experience; they have forged strong international ties, especially via foreign subsidiaries, which have promoted their exports (it is notable that 27 percent of the companies in the group have subsidiaries abroad).

The geographical scope of their exports is the widest, exporting to an average of 32 countries (the average value in the sample is 9 destinations). All the companies send their products to the EU-15 and have a highly significant presence in all geographical areas.

In this group are medium-sized enterprises, the largest size in the sample, but they are especialised in one sector (only 37% of these companies diversify). Therefore they may have specialist resources for exporting. It is also the largest group regarding export regularity and organisational experience (26.4 years old on average), which means they are more likely to have values, traditions and routines that facilitate their international activity (Balabanis and Katsikea, 2003). In addition, it is the second most important group for ICT implementation, as 80 percent of the companies have a website. This reduces both uncertainty and asymmetric information associated with international markets.

6. Conclusions

Throughout this study we have analysed the export behaviour of SMEs. In particular, we have analysed how three groups of key factors affect the foreign trade of companies, and how they determine different behaviour patterns in the companies' export behaviour. These factors are: one, the sector to which the exporting company belongs; two, the characteristics of the company (its export level, company size, organisational experience, product diversification, international experience, export regularity, geographical diversification, and level of ICT implementation); and three, the export destination market.

After a cluster analysis, we identified five exporting company profiles that show different levels of commitment in the international expansion of the companies. These range from those with the least commitment (companies in group one) to the greatest international commitment (group five).

The representative company for group one has a micro size and its organisational experience is the lowest. Its product diversification is the highest but it exports few different products and its export level is low and sporadic. The number of markets in which it is present is the lowest of all and in widely dispersed geographical areas.

It seems to be a type of company that initially opted for growth via products and is now starting its growth via exports. It is therefore an exporting company that has not yet consolidated its exports in overseas markets.

The group two company is a small firm (larger than group one company) with a high sectorial diversification. However the number of export products is low (similarly to previous group) although its export level is higher than group one company (medium) but with similar regularity. It has a low presence in foreign markets, maily from the UE-15.

This type of company could be considered as an occasional exporting company that is consolidating its exports in the UE-15 markets.

The group three company is also small but larger than the previous companies. It has greater product diversification (for both the level of presence in more than one sector and number of products exported) but also it has presence in numerous countries, over areas which are more dispersed and less contiguous. It is a medium exporter of more regularity.

This type of company has made some efforts to move forward in its process of internationalisation. It seems to be a type of company that opted for growth via products and foreign markets.

The group four company has a medium size and its organisational experience is higher. Contrary to previous firms, it is a specialized company that exports few products to psychologically close markets with a high level and high regularity of exports.

Therefore, it has an exclusively export, but consolidated, profile.

The representative company for group five is characterised by being the most active, not only in its export behaviour but also in its international commitment. It is a company which is medium-sized with much organisational experience and is characterised by high export levels. It exports regularly and on average is present in about 32 countries from almost all international regions. In addition, the company has subsidiaries abroad and also has foreign shareholders. It is therefore not only a company that exports but one that has already started its international expansion via subsidiaries.

In short, there are five different export profiles that reflect varying degrees of commitment in their international expansion and different strategies.

All this suggests that SME exporters, due to the need for survival, with the support of public initiatives to promote foreign trade and motivated by business opportunities abroad, continue a process of gradual expansion. This attracts not only Medium-sized enterprises, but also those of a lesser size and experience.

Finally, it should be stressed that Spanish SMEs are making a great export effort, but there are still big differences among them. This has given rise to different profiles which need further study. Greater awareness of the characteristics of exporting firms will allow the challenges to be faced with less uncertainty. These challenges must be overcome, both from the standpoint of leadership as well as survival, in an increasingly globalised and changing world.

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