

barriers, the nature of competition, supply and demand conditions, as well as cultural and physical proximity between the trading nations.

Export Orientation and Competitive Strategies: Key elements of export market development involve market selection, export market entry strategies, choice of export entry modes, product policy, pricing, financing, marketing, and distribution. Production processes, firm-level decisions regarding collaborations/joint ventures/alliances, regulations, and bilateral trade agreements among others affect these key elements of export market development. Most researchers note that success in exporting is determined by the choice of markets and products (Cooper and Kleinschmidt 1985, Kotabe 1990, Porter 1990, Seringhaus 1991). The next sections will briefly discuss marketing and product options, and the growing importance of collaboration in export market development. The thrust of this paper is to examine how firms with low and high export orientation may differ in terms of product development, process change, competitive problems and strategies, and performance.

The general focus of the literature on export market development is large firms. Ideas developed in the literature with large firms in mind and hypotheses tested using such sample are used in this study to examine how small and medium manufacturers from small towns (in the Niagara Region) in a small open economy (Canada) pursue export market development especially across the border in the United States.

In export market development, two broad marketing strategies are market concentration (a smaller set of structurally similar markets) versus market spreading (a wide range of countries with contrasting demand conditions). Product policy involves product planning and development, as well as product strategy. The former includes