Identifying the Most Important Export Barriers in Iran
Case Study: Auto-Part Industry

Dr. Mohammad Reza ABASSI
Management Department, Payame-Noor University, Tehran, Iran
Tel: +989121891958
E-mail: bls23an@yahoo.com

Fatemeh SHAKHSIAN
Corresponding Author
Phd Student in Business
Management, Payame-Noor University, Tehran, Iran
Tel: +989126996932
Email: shakhsian_fa@yahoo.com

Mohammad Javad FAYYAZI
Master Graduated in MBA, Payame-Noor University, Tehran, Iran
Tel: +989132718254
E-mail: javad.fayyazi@gmail.com

Mahdi REZAIE
Phd Student in Business
Management, Payame-Noor University, Tehran, Iran
Email: mehmesh@gmail.com

ABSTRACT
Iran auto part industry has achieved many capabilities in supplying auto parts in the country. However, most of Iranian auto part producer have not acceded to global markets. The purpose of this research is identifying the most important export barriers in this industry. So a theoretical framework of export barriers base on variables effect on competitive advantage in global markets, export barriers and export performance, is developed that is included seven variables: factor condition, demand conditions, related and supporting industries, firm strategy and structure, government, target market conditions and chance. The data used in this research was collected through a survey from the top managers of auto part producer companies in Tehran province. The results show that all 7 main variables were supported as export barriers by respondents, though some of measures in these variables were
not recognized as an export barrier. Also the priority of them is achieved.

KEY WORDS Export barriers, Export performance, Competitive advantage in global markets, Auto part industry

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1. Introduction

In general the expansion of a nation’s exports has positive effects on the growth of the economy as a whole as well as on individual firms (Cavusgil and Nevin, 1981). Exporting is of vital economic importance to trading nations and their firms. Exports boost profitability, improve capacity utilization, provide employment, and improve trade balances (Barker and Kaynak, 1992). On the other hand, according to the research literature, overcoming the export barriers is one of the most effective factors on the export performance of any given company which in turn, can lead to improvement of the performance indices. Besides, to be continuously present in global markets, any agent has to benefit from competitive advantages and mere application of relative advantages cannot make an agent powerful enough to compete with other agents in the global market. In the international level, the barriers of exports have been investigated from different points of view in different industries and consequently, several models have been proposed based on several approaches.

Regarding its more than a century background in the worldwide and its prior and posterior relationship with other industries, the auto industry has an important position in industrial development programming of the countries in general and in developing countries in particular. The same fact has led to the "industry of industries" label for the auto industry. On the other hand, the life of auto industry will have no sense without auto parts. Auto parts industry has been developed along with auto industry in the world and hence has a history of more than a century. There have been a lot of changes in this industry. One of the most important reasons of such changes is the development of technologies in diverse aspects like machineries, human forces, management and development of information systems. The exports of auto parts from Iran have encountered many undulations during recent years. According to the official statistics of "Iranian Auto parts Manufacturers Association", in 2002, the amount of 180 million USD, and in 2003 more than 280 million USD of Iranian auto spare parts have been exported; while according to Islamic Republic of Iran Customs Administration Office (IRICA), during the first 10 months of 2010, the value of such exports has been decreased to 70.6 percent in comparison with its equivalent months of the precious year. Apart from all these statistics, according to Industrial Development of Auto Strategy, the manufacturers have to increase their exports up to 1 billion USD in a 5-year program from 2010; but reaching this value will be a very difficult
mission regarding the current stream; and despite all the attempts and programming, there are some serious barriers to fulfill such a goal.

This study attempts to investigate and ranking the export barriers in Iran, regarding the current situation of auto parts manufacturing, aimed to develop the export performance as a source for competitive advantage.

2. Literature Review

To explore the subject literature based on the purpose of the study, 3 aspects – export barriers, export performance, and competitive advantages- will be studied.

Export barriers: the results of the researches show that in one hand a few potential factors are identifiable as the export barriers; on the other hand there is no consensus about the number of the main factors and their themes. Perhaps such a shortage can be justified if researches build their researches on the foundations of previous studies.

However, investigating the variables detected in previous studies seems necessary and inevitable. One reason for this necessity must be found in the results of the studies done by researches like Leonidou (1995) and Ortega (2003) who believe that the differences in the export barriers of different industries and different commodities are insignificant. Thus to find the most important potential barriers of export in Iranian auto parts industry, we have to find all the proposed variables in domestic and foreigner researches. Such a task will make the research and its theoretical framework richer and more powerful.

The investigations show that one of the most important models in the area of export barriers is Ramaswami & Yang’s model (1990). These researchers point to four categories of the barriers: export knowledge, limitation of internal resources, procedural barriers, and external variables (Ramaswami & Yang, 1990). Later researchers have identified several variables based on each of these four categories as the export barriers or the factors which have negative effects on export performance. For example, one can refer to Ortega (2003) who used the same framework, Tesfom and Lutz (2006) who used internal barriers, Altintas, et al. (2007) who used procedural barriers, and Wheeler, et al. (2008) who used the internal barriers. Despite no one of these researchers has pointed to Ramaswami & Yang’s model, but all of them have founded their work on the basis of some parts of Ramaswami & Yang’s model in one form or another.

For the most important identified variable in the area of export knowledge we can refer to lack of knowledge and information about international markets and the disability of novices in recognition the existed potentials of global markets (Ortega, 2003; Yalcin, 2009; Katsikeas, et al., 2009). Moreover, in the area of internal resources, the researchers have pointed to the shortage of financial resources for establishing the exports or financial operation of the export (Ortega, 2003; Wheeler, et al., 2008; Katsikeas, et al., 2009) the necessity to use letters of credit (L/C), the lack of personnel who devote their time to export activities (Ortega, 2003), and the
lack of necessary capacity for mass production as the most effective factors. Amongst the procedural barriers, some of export activities are more eminent: documentations and official bureaucratic procedures (Ortega, 2003), importation customs tariffs (Ortega, 2003; Maguire, 2007; Yalcin, 2009; Williams, 2009; Demirbas, 2009), barriers other than tariffs (Katsikeas, et al., 2009) including implementation of quality controls and safety standards that are implemented to match the commodities with the requirements of foreign markets (Ortega, 2003), antidumping rules and countervailing customs rights (Demirbas, 2009), the difficulties around the transportation and distribution on foreign markets (Maguire, 2007; Yalcin, 2009), and finding a reliable and trustful distributor in target country (Ortega, 2003). Finally, there are external barriers that result from the instability of international markets and are mainly related to the activities of other variables in the market containing the competitors (Altintas, et al. 2007; Rundh, 2007), foreign governments, and the conditions of supply and demand (Williams, 2009; Yalcin, 2009). Such variables are more powerful in affecting the exports of any company. Amongst such variables we can refer to countering powerful competitors in target markets, political instability in target markets, the risks related to turbulences of the currency rate, and the risk of losing the money.

**Export performance**: the conclusion of before-mentioned discussions shows that the mere identification of existed variables in models of export barriers cannot specify the whole current barriers. So reviewing the studies in the area of export performance can be very useful because the factors that lead to the decrease of the criteria of export performance (e.g. income or benefits) have emerged in the role of an export barrier.

There are different criteria to assess the export performance of any given company. Mavrogiannis, et al. (2008) in his study refers to four groups of factors which affect the export performance: marketing mix of exports, entrepreneurial direction, commercial barriers, and export difficulties. In this regard, trying to identify the effective variables on performance, Wheeler, et al. (2008) presented an aggregation model which is more comprehensive.

The integrated model focuses on two sets of factors including internal factors and external environmental factors. Internal environment contains three sets of factors: resources and characteristics of management, resources and characteristics of the company, and the capacities and strategies of the company - including exports marketing strategies and relation-based strategies.

In external environment, it is referred to three sets of factors: the first set of factors relates to the characteristics of industry (Crick & Jones, 2000; Tesfom & Lutz, 2006). In the second set, there are characteristics of internal market among which we can refer to the effects of governmental advertising programs for exports, and the regional environment including the membership in or adjacency to a cluster of companies who are effective in the export
performance of the company. In the third set, there are characteristics of external markets. In this set, the researchers have pointed to the quality of infrastructures of external markets.

**Global competitions and the national competitive advantage:** Presence in global markets and continuity of such a presence, particularly in current high competitive situation, requires having competitive advantage. In the case of products like auto spare parts; this backing is felt more and stronger than any other products. The previous researches have encouraged the Iranian auto spare parts manufacturers to use the competitive advantage and have declared that the converting of relative advantages to competitive advantages is the necessary condition of their continuous presence in global markets. On the other hand, such an advantage – especially in the international level – needs some pre-requirements. In other words, to be powerfully and continuously present in high competitive global markets, the companies of any country need to improve some conditions in their own country because the lack of such conditions can lead to loss of competitive advantages and inhibit the presence in global markets and export the products. Hence, the attention to the effective factors on national competitive advantage can show some of other export barriers of any industry.

Competition and taking the competitive advantage are familiar concepts in today commercial world, and each company in each given position has to face these problems. These problems prevail in both national and international levels and encompass different sections of an economy. Today, one of the necessary conditions of strong presence in global market is having the competitive advantage.

As the time passes, and as the nature of global commerce changes and the international commercial facts revolves, the theories of international commerce undertake deep changes. In particular, the second half of the 20th century witnessed several models like the technological gap model proposed by Posner (1961) and Vernen (1966). Moreover, Linder (1961) emphasized the conditions of the demand and the conditions of product markets in the international commerce as well. In this regard, Krougman (1985) proposed the theory of dynamic relational advantage, and finally Porter (1985) proposed the competitive advantage theory. The latter theory is more compatible with the facts of modern economy and new conditions of international commerce. Because if this compatibility of Porter theory with the facts of contemporary world of commerce, we will focus on this theory. (Rasekhi, 2009)

Porter believes that searching for clarification of competition in the national level is replying a wrong question. All we have to know are the variables that determine the productivity and the productivity rate. To find the answer, we not only have to see the economy as a whole, but furthermore we have to pay attention to specific industries. According to Grant (1990) the traditional thinking assigns a different role to the government in comparison with the Porter model. The essence of Porter's theory is that there are four characteristics in establishing competitive advantage and shaping an environment in which the local companies – not the
governments- can compete with each other in the global markets. This model has been
designed to guide the managers who are looking for competitive advantage in global markets.
(Rahnavard, 1999)

The success of some countries in particular industries has not been justifiable with many of
previous theories. Hence the need for a theory was felt which can explain the reasons of high
competitiveness of the companies of any country in global market. After deep studies, and
regarding his own previous fields of studies on competitive advantage and related strategies,
Porter provided a very useful resolve to such a need.

It is surprising that the companies of a few particular countries play the most important roles in
global markets, while the companies of other countries have a weak functionality in the
international level. From such a simple fact, Porter concludes that in some countries, the
particular financial and social factors have deep effects on an industry and this effectiveness
leads to the development and growth of that industry. The national ascendency in an industry is
the result of the national and social situations of that country. Porter recognizes four
fundamental fields that lead to national ascendency. He introduces these four fields as the
national diamond (Esteisi, 1993): production factors, support and related industries, the
conditions of demand and guideline, the competitive structure and situation of the country. If
these factors combine in an effective way, they can guarantee the success of companies of a
country in the global markets.

"Besides, Porter emphasizes the effects of two other external factors, but he believes that
these two factors have an auxiliary and indirect role whose performance can affect the main
four factors, and consequently lead to transformation of competitive advantages of the
nations".

Porter argues that the companies can compete well in industries or in sub-sections of the
industries if this diamond is in a desirable condition. Moreover Porter believes that this
diamond is a counter- Amplifier or self- Amplifier system in a sense that the state or position of
each element will affect the state of other elements. (Figure 1)
2.1 Theoretical Framework

As mentioned previously, the exact identification and determination all the export barriers is a very difficult task, and the different companies, industries, and countries differ significantly in this regard; However some of the factors play more important roles, and according to Ortega (2003) since the detected variables are the same for many of companies apart from their nationality and the type of their industry, so viewing these factors as the potential export barriers in Iran's auto spare parts industry can match with the existed facts to a large extent.

Given the existed models on export barriers, export performance, and nations' competitive advantage, we can find some factors that are the potential export barriers of Iranian auto parts industry. These factors are generally adapted from Porter's competitive diamond model.

**Appropriateness of Factor Conditions:** in this case, there are five factors including human resources, physical resources, technical and scientific resources, capital resources, and infrastructures. Each of these five factors has some indices. For example, quality and the skillfulness of the labor (according to Ford & Leonidou, 1991; and Ortega, 2003), wage levels, and working moralities are the indices of human resources; Availability and expenses of water, land, natural resources, raw material, and adjacency to the market are the indices of physical resources; Availability of scientific, technical, and economical knowledge, technological grade of the industry (Crick & Jones, 2000; Bell, et al., 2004), technical facilities and equipments (Wheeler, et al., 2008), and the necessary capacity for mass production (Ortega, 2003; Ahmed, et al., 2008) are the indices of technical and scientific resources; Educational system, health system, transportation, and communication (Keagan, 1999; Hinson & Sorensen, 2007) are the indices of infrastructures; And the availability, size, expense, and the type of accessible capital (Ford & Leonidou, 1991; Ortega, 2003; Katsikeas, et al., 2009) are the indices of capital resources.
Demand conditions – For every country who attempts to gain the competitive advantage, three characteristic of demand are important. These characteristics are the composition of the demand in the country, the size and the pattern of the growth of demand in the country, and the tools by which the demand of the country directs the produced commodities and services toward the foreign markets. Along with the competitive advantage, the nature of the demand for services and commodities of a company or industry in any country will affect the export performance of that country as well (Yalcin, 2009; Williams, 2009).

Related and Supporting Industries – the international case studies done by Porter show that the existence of a strong support industry is the beginning of the innovation, assessment and improvement of the process that can lead to competitive advantages. Moreover, the official unity or cooperation among the related divisions or subdivisions of an industry can play a very important role in relation to the national competitive advantages. (Salami, 2006)

Firm Strategy, structure, and Rivalry – According to Porter, the countries are characterized and identified by their management ideologies which can help them in gaining the national competitive advantage or not; Besides there is a close relationship between the internal high competitiveness, business process integration and success in international markets. (Salami, 2006)

Internal competitiveness keeps the industry dynamic and alive, and put continuous forces for innovations and improvements. (Keegan, 1999) This issue has to be regarded as one of the most serious export barriers which have a direct relationship with the subject of this study. In fact, the lack of competitiveness and the satisfaction of the internal market will inhibit the minds of the managers to be present in global market and export their products.

The government and Chance: Chances play an important role in establishing the competitive environment. The chances include the happenings that are out of the control of companies, industries, and governments to some extents. The factors that affect such happenings include the wars and their consequences, rapid technological developments, and the sudden and intensive changes in the expenses of the factors (e.g. energy crisis), the intense changes in currency rates, etc.

Moreover, the government can take an important position in the international success of the companies of the country. The governments have a direct impact on the determinant factors of competitive advantage. Crick, D. & Chaudhry (2000), Altintas (2007), Williams (2009) and Demirbas (2009) have emphasized the role of the government in the success of export of any country's companies.

In other hand, the foreign commercial policies of the Iranian government in relation to the export target countries, the situation of companies' ownership, the current situation of privatization in the country (Golestan, 2004), inappropriate programs for supporting the export
(Salami, 2006), and imposing the tariffs and different sorts of taxes on the producers (Sadeghi, 2004; Golestan, 2005) are another factors that have emerged as the export barriers. These barriers are related to the government activities and are coincided with the Iranian auto and auto parts industry. Porter studied the government as a variable who can affect the competitive advantages by its direct impact on four determinant factors of the diamond.

And finally, the "conditions of target market" is based on the studies on the necessity of attention to external factors (Number of competitors, Customer Satisfaction and market Share) and their role in export performance; so the seventh hypothesis is as follow:

3. Methodology

The main objective of the present study is to identify and rank the most important barriers to exports of automobile parts from the viewpoint of senior managers. Therefore, having decided on the theoretical premises, a questionnaire was provided and passed out and interviews were carried out with senior managers of auto part manufacturers in Tehran. Based on current statistics, the number of population is 645 companies.

In this study, because of dealing with ranking the most important barriers to exports of automobile spare parts and developing practical knowledge about the quality of relation and effectiveness variables, from the aiming view point is practical and from method of data collection and analysis view point is descriptive type.

Since the questionnaire was corrected and improved according to the ideas of several experts form and content, the validity of the questionnaire (Bazargan, et al., 2008) was ascertained. Also, due to the fact that the ranking disagreement rate of all the categories showed less than 0.1 (equal 0.033), the Reliability of the research was ensured either. For determining reliability of the study, also Cronbach’s Alpha method has been used. Table 1 shows reliability of the study. (Table 1)

105 questionnaires were then distributed among the targeted managers. The Questionnaire comprised four different sections. The first section questions have been used. 4 questions are related to personal information of the respondents. The second section contains 12 statements measuring the Appropriateness of factor conditions. The third section contains 9 statements measuring the Demand conditions dimensions. The forth section contains 6 statements measuring the related and supporting industries. The fifth section contains 9 statements measuring the firm strategy, structure and rivalry dimensions. The sixth section contains 12 statements measuring the government and chances dimensions. The Final section contains 9 statements measuring the accidental events variables and conditions of target market.
3.1 Analysis Tools

The AHP is a mathematical method for analyzing complex decision problems with multiple criteria. It is developed by Saaty (Saaty, 2002). The AHP can assist in identifying and weighting selection of criteria and expediting the process of decision making (Sener 2010). AHP is used in many fields, such as planning; selecting the best alternative; resolving conflicts; and optimization problems with other techniques, such as linear programming, fuzzy logic, and quality function deployment (Vaidya and Kumar, 2006). The problems are then structured in a hierarchical form to allow for weighting of the preferences by pairwise comparisons (Phua and Minowa 2005). Brad used AHP in 1986 as a multi-objective methodology for selecting subsystem automation options (Brad, 1986). Braglia used AHP for analyzing multi-attribute failure mode analysis (Braglia, 2000), and Ceha and Ohta used AHP for evaluating of air transportation network (Ceha and Ohta, 1994) and Ghodsypour and Brien applied AHP with linear programming for supplier selection problem (Ghodsypour and Brien, 1998).

Table 1: reliability of the study

<table>
<thead>
<tr>
<th>Construct</th>
<th>Concept</th>
<th>Number of questions</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appropriateness of Factor Conditions</td>
<td>Human resources</td>
<td>3</td>
<td>0.83</td>
</tr>
<tr>
<td></td>
<td>physical resources</td>
<td>3</td>
<td>0.91</td>
</tr>
<tr>
<td></td>
<td>Technical, scientific and capital resources</td>
<td>3</td>
<td>0.82</td>
</tr>
<tr>
<td></td>
<td>infrastructures</td>
<td>3</td>
<td>0.81</td>
</tr>
<tr>
<td>Demand conditions</td>
<td>composition of the demand in the country</td>
<td>3</td>
<td>0.79</td>
</tr>
<tr>
<td></td>
<td>the size and the pattern of the growth of demand in the country</td>
<td>3</td>
<td>0.85</td>
</tr>
<tr>
<td></td>
<td>the tools by which the demand of the country directs the produced commodities and services toward the foreign markets</td>
<td>3</td>
<td>0.90</td>
</tr>
<tr>
<td>Related and Supporting Industries</td>
<td>Innovation and R&amp;D</td>
<td>3</td>
<td>0.93</td>
</tr>
<tr>
<td></td>
<td>assessment and improvement of the process</td>
<td>3</td>
<td>0.78</td>
</tr>
<tr>
<td>Firm Strategy, Structure, and</td>
<td>internal high competitiveness</td>
<td>3</td>
<td>0.79</td>
</tr>
<tr>
<td>business process integration</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
3.2 Super Decisions

The Super Decisions software is used for decision-making with dependence and feedback (it implements the Analytic Network Process, ANP, with many additions). Program was developed by Dr. Thomas Saaty (2001) and was written by the ANP Team, working for the Creative Decisions Foundation. Such problems often occur in real life. Super Decisions extends the Analytic Hierarchy Process (AHP) that uses the same fundamental prioritization process based on deriving priorities through judgments on pairs of elements or from direct measurements. In the AHP the elements are arranged in a hierarchic decision structure while the ANP uses one or more flat networks of clusters that contain the elements. Most decision-making methods assume independence between the criteria of a decision and the alternatives of that decision, or simply among the criteria or among the alternatives themselves (Saaty, 2002).

Results

The result of Appropriateness of factor condition (AFC) dimensions ranking shows in table 2. The weigh (W) and ranking (R) of this barrier and its dimensions has been show from the viewpoint of the managers. “Infrastructures” occupied the first position (0.742) and “Human resources” became the lowest priority (of the five AFC dimensions). AFC in the capital resources, technical and scientific resources, and physical resources second, third, and fourth positions respectively. The disagreement rate was 0.0594. (Table 2)

Table 2- Ranking of AFC dimensions

<table>
<thead>
<tr>
<th>dimensions</th>
<th>W</th>
<th>R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructures</td>
<td>0.742</td>
<td>1</td>
</tr>
</tbody>
</table>
The result of Demand conditions (DC) dimensions ranking shows in table 3. The weight (W) and ranking (R) of this barrier and its dimensions have been shown from the viewpoint of the managers. “The size and the pattern of the growth of demand” occupied the first position (0.632) and “tools” became the lowest priority (of the five DC dimensions). The disagreement rate was 0.0632. (Table 3)

Table 3- Ranking of DC dimensions

<table>
<thead>
<tr>
<th>dimensions</th>
<th>W</th>
<th>R</th>
</tr>
</thead>
<tbody>
<tr>
<td>the size and the pattern of the growth of demand</td>
<td>0.632</td>
<td>1</td>
</tr>
<tr>
<td>The composition of the demand</td>
<td>0.543</td>
<td>2</td>
</tr>
<tr>
<td>tools</td>
<td>0.287</td>
<td>3</td>
</tr>
</tbody>
</table>

The result of related and supporting industries (RSI) dimensions ranking shows in table 4. The weight (W) and ranking (R) of this barrier and its dimensions have been shown from the viewpoint of the managers. “Weakness in improving of the business process” occupied the first position (0.579) and “Innovation” became the lowest priority (of the five SRI dimensions). The disagreement rate was 0.0711. (Table 4)

Table 4- Ranking of RSI dimensions

<table>
<thead>
<tr>
<th>dimensions</th>
<th>W</th>
<th>R</th>
</tr>
</thead>
<tbody>
<tr>
<td>business process</td>
<td>0.579</td>
<td>1</td>
</tr>
<tr>
<td>assessment</td>
<td>0.465</td>
<td>2</td>
</tr>
<tr>
<td>Innovation</td>
<td>0.338</td>
<td>3</td>
</tr>
</tbody>
</table>
The result of Firm Strategy, structure, and Rivalry (FSSR) dimensions ranking shows in table 5. The weight (W) and ranking (R) of this barrier and its dimensions has been show from the viewpoint of the managers. “Internal competitiveness” occupied the first position (0.645) and “Organizational structure” became the lowest priority (of the five FSSR dimensions). The disagreement rate was 0.0461. (Table 5)

Table 5- Ranking of FSSR dimensions

<table>
<thead>
<tr>
<th>dimensions</th>
<th>W</th>
<th>R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal competitiveness</td>
<td>0.645</td>
<td>1</td>
</tr>
<tr>
<td>success in international markets</td>
<td>0.331</td>
<td>2</td>
</tr>
<tr>
<td>Organizational structure</td>
<td>0.310</td>
<td>3</td>
</tr>
</tbody>
</table>

The result of the government and chance dimensions ranking shows in table 6. The weight (W) and ranking (R) of this barrier and its dimensions has been show from the viewpoint of the managers.

“The sudden and intensive changes in the expenses of the factors” occupied the first position (0.714) and “rapid technological developments” became the lowest priority. The disagreement rate was 0.0677. (Table 6)

Table 6- Ranking of Government and Chance dimensions

<table>
<thead>
<tr>
<th>dimensions</th>
<th>W</th>
<th>R</th>
</tr>
</thead>
<tbody>
<tr>
<td>The sudden and intensive changes in the expenses of the factors</td>
<td>0.714</td>
<td>1</td>
</tr>
<tr>
<td>the intense changes in currency rates</td>
<td>0.468</td>
<td>2</td>
</tr>
<tr>
<td>Wars and their consequences</td>
<td>0.378</td>
<td>3</td>
</tr>
<tr>
<td>rapid technological developments</td>
<td>0.301</td>
<td>4</td>
</tr>
</tbody>
</table>

The result of the Conditions of target market dimensions ranking shows in table 7. The weight (W) and ranking (R) of this barrier and its dimensions has been show from the viewpoint of the managers. “Customer Satisfaction” occupied the first position (0.690) and “Number of competitors” became the lowest priority. The disagreement rate was 0.0789. (Table 7)
Table 7- Ranking of TM dimensions

<table>
<thead>
<tr>
<th>dimensions</th>
<th>W</th>
<th>R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Satisfaction</td>
<td>0.690</td>
<td>1</td>
</tr>
<tr>
<td>market Share</td>
<td>0.532</td>
<td>2</td>
</tr>
<tr>
<td>Number of competitors</td>
<td>0.489</td>
<td>3</td>
</tr>
</tbody>
</table>

**Ranking of all Porter model criteria in comparison with each other:** Here, all the Porter model criteria were compared with each other. Government related factors (0.761); Firm Strategy and structure (0.711); related and supporting industries (0.673); target market conditions (0.601); factor conditions (0.493); Demand conditions (0.407). The disagreement rate was less than 0.1 (in fact it was 0.0692) that corroborates the comparison.

5. Conclusion

Regarding the researches, none of the proposed model can explain all the export barriers with their detailed analysis in different industries. In other words, all the existed models have just presented a general framework. Hence the theoretical framework of this study is based on the most important studies done in the field.

According to our research, the most important export barriers of Iranian auto parts industry are some of executive shortages and provided programs from the related governmental systems. Among these shortages, the lack of developing the foreign commercial relationships with the progenitor countries in auto industry has a fundamental role.

Moreover, there are some infirmities in the structure and management of auto parts manufacturers which act as a big export barrier. Indeed, the Iranian auto spare manufacturers have not been equipped to enter the global markets. Although these manufacturers look very strong in some areas, but there is no necessary infrastructure to make them ready for international markets. The most highlight difficulty of this section is the weakness of international marketing of these companies and this is a point that needs special attention. In other words, most of the companies have focused on internal markets and rarely pay attention to their present in international markets.

Apart from such difficulties, the weakness of support and related industries – like international commercial corporations or the specialized banks for the exports, some uncontrolled events like internal and external political instabilities, existence of very powerful global competitors, and very high standards in target countries are the other important export barriers.

Of course the factors of the production which to some extents are in control of manufacturers (e.g. providing the needed capitals and resources and technical equipments of production) and to some other
extents are out of their control (e.g. the infrastructures in the country and the production of knowledge) are the most unimportant export barriers in this industry.

5.1 Recommendations

Based on the results of this study, some suggestion can be presented to decrease the level of existed barriers. Of course the focus of these suggestions is the present some practical and applicable solutions that lead to development of this huge industry. In this direction, the useful suggestions of some auto parts manufacturing managers are exploited.

In the area of governmental programs and activities the following suggestions can be mentioned: developing the level of cooperation with high-consuming markets with special focus on technological countries and big auto manufacturing companies, establishing the specialized auto parts exhibitions in the country and inviting the big international companies to attend in such exhibitions, accelerating the current procedure of privatization in the country and creating a desirable conditions for stronger presence of private section in this industry, and trying to pay the suspended credits of auto parts creditors from the government in shorter periods of time.

In the area of internal issues of auto parts manufacturers, the following suggestions can help decreasing the existed barriers: programming and attempting to absorb the foreigner partners, particularly from developing countries by presence in valid international exhibitions, trying to compose the export strategy by using the successful external examples, programming for strong and continuous presence in valid national and international exhibitions, creating links with the international auto parts manufacturers, and investigating the feasibility of jointing the little companies with and in each other.

In the area of support industries, it is necessary to establish international and specialized commercial corporations with cooperation of auto parts manufacturers, and the banks of the country pay special attention to auto parts industry, and increase their financial support in order to improve their abilities in global markets.

Finally, some other activities can be mentioned that are very effective, amongst them the most important examples are as follow: reinforcing the competitive power by increasing the quality and decreasing the final expenses with regard to target market, exact programming by the auto parts manufacturers for developing R & D departments with cooperation of universities and other valid scientific centers of the country in the field of production factors, and the programming by auto parts manufacturers to responding the internal demands in the case of beginning the export and maintaining the internal market share in the case of demand conditions.

Suggestions for future researchers:

Conducting the researches to identify the auto parts that have the relative advantage in export, like the forge and found parts which their production is limited in many industrial countries due to the pollution of their manufacturing.
Extending the field of study of export barriers to other powerful industries like food industry.

Conducting the researches around the situation of programming for strategic exports of auto and auto parts industry of the country.

Investigating the role of banking network of the country in developing the exports and designed programs in this area.

Investigating the currency rate and its effect as an export barrier in different industries.
Reference


http://www.haftbit.com/fa/hb1407361rd/P_1407363d.htm


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