

The Internet and the Gravitation of the Scale Economic Size for U.S. Exporters from Large Size to Small and Medium Size

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Developments in macro-environments since 1980, largely of a technological nature, have caused the scale economic size of an exporting firm in the United States to gravitate from large size to small and medium size. The use of the internet and the widespread development and cost-efficient availability of electronic databases have enabled a single person to have a viable competitive presence in the global market without having to have developed a physical presence.

Prior to 1980, managements' reliance on experiential knowledge as the driving force for firm internationalization had, as a by-product, the effect of ensuring that only large sized firms would be able to become successfully involved in exporting. One key reason concerned the very significant level of financial and human resources required to support a highly skilled (and highly paid) company employee in a foreign market for weeks or even months at a time as that person went about the process of personally interviewing a wide variety of individuals in the foreign market, individuals who had specialized knowledge that related directly to the focal company's prospects for success regarding the foreign market's ultimate receptivity to the company's products.

Technological developments that largely evolved after 1980—centering on, for the purposes of this paper, the internet—have revolutionized how business is conducted around the world. Satellite communications, including both voice and fax transmissions, have reduced dramatically the cost of direct inter-country communications. And the growth and rationalization of the global freight forwarding industry have made low-cost logistical services available to any size of company, even one consisting of just one person.

Further, the development of internet-accessible electronic databases with hundreds of millions of records (e.g., General One File database) and ones that can be searched at lightning speed by either key words (e.g., Lexis-Nexis Academic database) or, much more efficiently, industry-specific Standard Industrial Classification (SIC) codes (e.g., Business & Industry database) or North American Industrial Classification System (NAICS) codes (e.g., Business Source Premier database), have brought “objective” and highly relevant foreign market knowledge home to the individual U. S. exporter for pennies. The knowledgeable database-searching U. S. exporter can identify in short order and with laser like precision any and all articles in identified foreign newspapers and business and trade magazines concerning the business operations, customers and competitors of each of millions of foreign companies found in any of over one hundred countries.

Successful real world experiences of undergraduate student teams involved in actual export marketing activities and operating under the direction of educational innovators addressing the domain of export

marketing, ones such as international marketing professor Nicholas C. Williamson and Electronic Business Reference Librarian Steven M. Cramer, both of the University of North Carolina at Greensboro, call into question the notion that the acquisition of experiential knowledge regarding the needs of customers, the operations of competitors and the governmental requirements of specific foreign markets is a prerequisite for success in exporting to foreign markets. Particularly, student teams who acquire objective knowledge in a fashion that is part of the Export Odyssey © (2012) initiative of Nicholas C. Williamson and Steven M. Cramer have actually made the following export sales in the past: (a) the sale of a \$15,000 piece of technical equipment used to evaluate yarn to a trading company located in India; (b) the sale of international award winning wine to a buyer in eastern Australia; (c) the sale of musical equipment to a buyer in Norway; (d) the sale of “rollers” used to impart ink onto beverage cans to a buyer in Malaysia, and (e) and the sale of specialized parachute cloth through a Polish agent. And the student teams achieved these export sales at the very same time that the student team members were enrolled in an undergraduate course concerning international marketing. Their real world marketing activities were required in order for them to receive course credit.

In order to account for language and cross cultural differences, the students take advantage of Google Translate and ExecutivePlanet.com, respectively. And it should be noted that the only thing that any given student team absolutely must have from a host concern in order to pursue and potentially make an export sale is a technically correct and comprehensive description of the product that is assigned to them. In keeping with this, all of the preceding sales were accomplished with no guidance from the host concerns other than technical product guidance. In generating these export sales with only internet access and associated electronic database availability, it is clear that the student teams developed viable global market presences without having to have developed physical presences.