

# Research on the Relationship between Enterprise Distribution and Price

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**Keywords:** enterprise; distribution adaptation; price adaptation; export performance

**Abstract:** Based on the international marketing strategy and export performance theory, this paper introduces the theoretical models of the factors affecting the distribution and price adaptation of enterprises and the relationship with export performance. Through the design of questionnaires, the data and data of corresponding enterprises are collected, and the covariance is adopted. The structural model examines the relationship between internal and external factors on distribution and price adaptation strategies and export performance. Finally, the test results are discussed and the implications of corporate export business management are derived.

## 1. Introduction

Under the background of global economic integration, the activeness of Chinese enterprises in the international market is getting higher and higher, and the export marketing activities of many enterprises have made great progress. According to the National Bureau of Statistics 2018 data, the total export value of Chinese enterprises in 2018 is 248.74 billion US dollars, of which, the export value of Chinese enterprises is 145.4 billion US dollars, and the total export value of foreign-invested enterprises is 1.036 billion US dollars. At present, more and more enterprises are gradually joining. To international marketing activities. Choosing a national marketing strategy suitable for the development of Chinese enterprises, and then achieving high satisfaction performance has become a research topic of common concern for entrepreneurs and related scholars. Lu Ping and Jiang Ming (2016) believe that the price strategy and distribution strategy can effectively promote the smooth development of international marketing activities in view of the development characteristics and limitations of Chinese export enterprises <sup>[1]</sup>. By combining the research findings on international marketing standardization and adaptation in Chinese academic circles, most of them are biased towards theoretical and conceptual research, and they are lacking in empirical analysis. This paper takes Chinese export enterprises as the research object, and the empirical research on the factors affecting the international marketing adaptation strategy and the relationship with export performance can enrich the research of Chinese enterprises in international marketing, and has certain reference value for the implementation of international marketing of Chinese export enterprises. .

## 2. Theoretical framework and research hypothesis

### 2.1 Theoretical framework

International marketing is an enterprise that produces products or services for customers according to customer needs, and then obtains economic benefits in trade activities. The implementation of international marketing strategies is based on internal resources, setting tasks and goals, and targeting diversified foreign markets. The environment, taking the necessary policies and actions to achieve the company's goals. In the international marketing strategy, choosing an adaptive or standardized international marketing strategy is very important for exporting companies. This paper draws on the previous research results of international marketing standardization and adaptation, and studies the international marketing strategy of Chinese enterprises from the aspects of distribution adaptation and price adaptation.

The influencing factors of export performance can be divided into internal factors and external factors. This paper uses Cavusgil and Zou to integrate industrial organization theory and resource

endowment theory to explain the influencing factors of international marketing strategy and the relationship with export performance <sup>[2]</sup>. The theory of industrial organization believes that the market environment and industry structure in which an enterprise is located has an impact on the choice of strategic behavior of the enterprise, and the strategic behavior of the enterprise determines the overall performance level. That is, the corporate strategy and the market environment adapt to each other and have a significant and positive impact on performance. Therefore, in international marketing, external factors mainly include the export market environment and the technical characteristics of the industry <sup>[3]</sup>. The resource endowment theory believes that the internal organizational factors of enterprises have a key role in the marketing strategy and performance of enterprises. The different endowments of strategic resources of enterprises are the most important factors leading to the performance of different enterprises. Although the resource endowment theory proposes that the material resources of enterprises have a great impact on performance, but the influence of intangible resources on performance of enterprises, in international marketing, the international vision and organizational learning ability of enterprises are the most important intangible resources <sup>[4]</sup>. Based on this, the theoretical model of this paper is constructed, as shown in Figure 1:

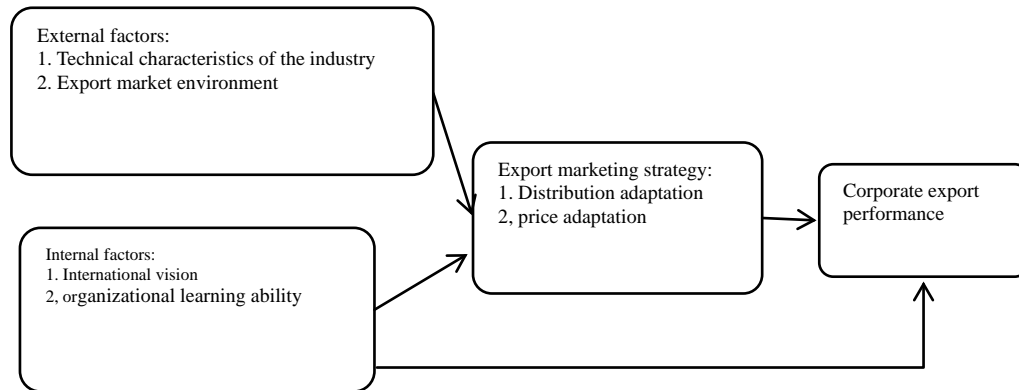


Figure 1 Theoretical model of export enterprises

## 2.2 Research hypothesis

According to the theory of industrial organization and the theory of resource endowment, combined with the international marketing environment of export enterprises, external factors and internal factors have a greater influence on distribution adaptation and price adaptation. At the same time, distribution adaptation and price adaptation are closely related to export performance, and the following assumptions are made:

H1a: Distribution adaptation is positively correlated with corporate export performance.

H1b: Price adaptation is positively correlated with corporate export performance.

H2a: If the industry is more technically intensive and the technology changes faster, the impact on distribution adaptation will be greater.

H2b: If the industry is more technically intensive and the technology changes faster, the impact on price adaptation will be greater.

H3a: The more intense the market competition, the faster the customer's demand changes, and the greater the impact on distribution adaptation.

H3b: The more intense the market competition, the faster the customer demand changes, and the greater the impact on price adaptation.

H4a: The stronger the international outlook of the company, the lower the degree of enterprise distribution adaptation.

H4b: The stronger the international outlook of the company, the lower the degree of enterprise price adaptation.

H5a: The stronger the company's learning ability, the greater the impact on distribution adaptation.

H5b: The stronger the company's learning ability, the greater the impact on price adaptation.

H6a: The stronger the international outlook of the company, the greater its impact on export performance.

H6b: The stronger the learning ability of the company, the greater the impact on export performance.

### **3. Questionnaire design and sample collection**

#### **3.1 Questionnaire design**

The design of the questionnaire was revised several times in combination with the actual situation of China's export enterprises, and finally closed questions and open questions were selected to ensure the accuracy of information. The questionnaire mainly consists of 7 parts, the basic situation of the enterprise, the distribution adaptation of the export enterprise, the price adaptation, the export performance, the technical characteristics of the industry, the export market environment, the international vision and the learning ability.

#### **3.2 Sample Collection**

Questionnaire survey selected China's export enterprises, using e-mail, interviews, telephone interviews to conduct research, respondents are the middle and high-level management personnel of the export business sector of export enterprises. A total of 800 questionnaires were distributed, and 766 valid questionnaires were finally recovered. The effective recovery rate was 95.7%. China's holding companies accounted for 28.4%, private enterprises accounted for 46.5%, joint ventures accounted for 18.3%, and joint-stock enterprises accounted for 6.8%. From the perspective of enterprise types, the export enterprises that conduct research include agriculture, forestry, fishery, animal husbandry, manufacturing, information technology, scientific research and other industries. Among them, agriculture, forestry, fishery and animal husbandry accounted for 12.4%, manufacturing accounted for 59.2%, information technology industry accounted for 9.8%, scientific and technological industry accounted for 10.7%, and other industries accounted for 7.9%. In terms of enterprise scale, enterprises with less than 200 employees accounted for 16.7%, enterprises with 200-1000 employees accounted for 33.4%, enterprises with 1000-5000 employees accounted for 29.6%, and enterprises with more than 5,000 employees accounted for 30.3%.

### **4. Empirical analysis**

#### **4.1 Reliability and validity analysis**

In this study, the data was processed by SPSS25.0 software, and the KMO measure and Bartlett sphere test were carried out for the relevant content in the model. The final result showed that the KMO values of external factors and internal factors were 0.615 and 0.594, indicating the data obtained from the questionnaire. Can be used as a factor analysis. At the same time, the significant probability of the Bartlett sphere test statistic in the data results is 0, less than 0.01, indicating that the data is correlated and suitable for factor analysis.

In terms of reliability, This questionnaire uses the Cronbach's  $\alpha$  value coefficient test. The data shows that (for Table 1), the Cronbach's  $\alpha$  value coefficients of each variable are greater than 0.6, indicating that the variables of each factor are highly correlated and the internal consistency is good. Therefore, the study Variable measurements have a high degree of confidence.

In terms of validity, when the absolute value of the factor load value is greater than 0.4, it is considered to be effective. It is not difficult to see from the data results (as shown in Table 1) that the factor load values of each measured variable are greater than 0.5, so the model has strong Validity.

Table 1 Analysis of the reliability and validity of the questionnaire

| Variable                           | Observed variable (questionnaire item)   | Factor load | Cronbach's $\alpha$ |
|------------------------------------|--|-------------|---------------------|
| Export performance                 | Is the overall benefit of the export business the same as the expected strategic goal of the company?  | 0.812       | 0.865               |
|                                    | Satisfied with the total benefits of enterprise product exports  | 0.896       |                     |
|                                    | Satisfied with the growth rate of enterprise product export revenue  | 0.885       |                     |
|                                    | Satisfied with the profitability of enterprise product export  | 0.726       |                     |
| Distribution adaptation            | Differentiated distribution channels for different export markets  | 0.809       | 0.792               |
|                                    | Adjust business relationships with distributors based on changes in local market conditions  | 0.724       |                     |
| Price adaptation                   | Different pricing strategies in different export markets   | 0.919       | 0.761               |
|                                    | Different products are priced differently in different export markets  | 0.706       |                     |
| Industry technical characteristics | Faster technology update in the industry   | 0.724       | 0.709               |
|                                    | Highly technically intensive within the industry   | 0.829       |                     |
|                                    | The labor intensity of the industry is very low  | 0.615       |                     |
| Export market environment          | Major export market demand changes faster  | 0.637       | 0.698               |
|                                    | The competition situation in major export markets is very severe   | 0.904       |                     |
|                                    | Major export markets have high uncertainty   | 0.597       |                     |
| International Perspective          | We regard the international market as the strategic target market of the company.  | 0.792       | 0.607               |
|                                    | The corporate culture of our company contains content that is actively pursuing international market opportunities.  | 0.847       |                     |
|                                    | Developing the international market is the business mission of the company   | 0.672       |                     |
| Business learning ability          | With the continuous deepening of the export business of enterprises, we have a more comprehensive and in-depth understanding of the international market.            | 0.816       | 0.624               |
|                                    | Under the continuous deepening of the export business of our company, our company's export marketing and management capabilities are continuously optimized.         | 0.894       |                     |
|                                    | We attach importance to the experience summary in the process of developing the export business to ensure the overall efficiency and quality of work of the company. | 0.721       |                     |

## 4.2 Hypothesis testing

Statistical analysis was performed on the data using a covariance structure model (SEM). After calculation, the model fitting parameter values are:

Chi-Square=169.45, df=145, Chi-Square/df=1.169; P-value=0.0721, RMSEA=0.037; NNFI=0.92, CFI=0.94, GFI=0.87, AGFI=0.89. The above fitting index is consistent with the requirements of the covariance structure model analysis, indicating that the fit between the structural model and the data proposed in this study is good, and it is suitable for hypothesis testing, as shown in Table 2:

Table 2 Research results of enterprise distribution and price adaptation strategy and export performance research hypothesis verification results

| Research hypothesis | Standardized path coefficient | In conclusion |
|---------------------|-------------------------------|---------------|
| H1a                 | 0.29***                       | Accept        |
| H1b                 | -0.08                         | Refuse        |
| H2a                 | 0.09                          | Refuse        |
| H2b                 | 0.19*                         | Accept        |
| H3a                 | 0.24*                         | Accept        |
| H3b                 | 0.21*                         | Accept        |
| H4a                 | -0.05                         | Refuse        |
| H4b                 | -0.03                         | Refuse        |
| H5a                 | 0.43***                       | Accept        |
| H5b                 | 0.22**                        | Accept        |
| H6a                 | 0.31***                       | Accept        |
| H6b                 | 0.12                          | Refuse        |

(Note: \*express  $p < 0.05$ ; \*\*  $p < 0.01$ ; \*\*\*  $p < 0.005$ )

### 4.3 Analysis and discussion

It can be seen from the data results that the distribution adaptation has a positive effect on the export performance of the enterprise, and the two are positively correlated, indicating that H1a is established. China's export enterprises should fully understand the local market and select a matching distribution channel management method to effectively avoid the operational risks of the export market on the basis of maintaining sufficient communication, so as to promote the improvement of export performance.

Price adaptation has no positive correlation with corporate export performance, so it is assumed that H1b does not hold. Explain that China's export enterprises choose different forms of pricing strategies and must achieve a good level of export performance.

The influencing factors of the adaptation strategy are mainly in the external factors and internal factors. The external factors selected by the research are the technical characteristics of the industry and the market environment. As shown in Table 2, the data results show that the technical characteristics of the industry do not have an adaptation strategy for enterprises. Significant positive impact has a significant positive impact on the price adaptation strategy, meaning acceptance of hypothesis H2a and rejection of hypothesis H2b. Explain that the rapid update of the industry technology of export enterprises and the higher the density, the price strategy selected by enterprises is biased towards the adaptive pricing strategy. The market environment has a positive effect on the distribution adaptation strategy and the price adaptation strategy, indicating that H3a and H3b are verified, which means that the more severe the market competition situation and the rapid changes in customer demand, the uncertainty of the overall market environment is intensified. Under this circumstance, export enterprises will be more inclined to price adaptation strategy and distribution adaptation strategy in selecting marketing strategy.

The impact of internal factors on international marketing strategies, research selects international vision and organizational learning ability to analyze, data results show that international vision has a negative impact on corporate distribution adaptation strategy and price adaptation strategy, although with research hypotheses The direction of influence is the same, but it is not significant. Therefore, it is assumed that H4a and H4b are not valid. After in-depth analysis, it is found that although there is no positive relationship between the company's own international vision and distribution adaptation and price adaptation, it has a significant positive impact on export performance, so it is assumed that H6a is verified. Explain that the company has an international vision and contributes to the improvement of export performance, because when the company has a high degree of international vision, it will optimize the resource allocation to promote the implementation of international marketing strategies.

The data results show that organizational learning ability and distribution adaptation and price adaptation have a positive impact. It is assumed that both H5a and H5b are verified. Among them, the impact of organizational learning ability on distribution adaptation has the largest diameter coefficient, reaching 0.43, indicating that the learning ability of Chinese export enterprises has a significant impact on the distribution adaptation strategy.

Corporate learning ability has a positive effect on export performance, but the impact is not significant. Therefore, the assumption of H6b is rejected. After in-depth analysis, it is found that the role of organizational learning ability in export performance mainly lies in the indirect impact, which is mainly caused by the distribution adaptation strategy indirectly affecting export performance.

### 5. Conclusions

It is argued that the distribution and price adaptation strategy is related to the export performance of the enterprise. At the same time, from the external influence factors of the international marketing strategy, the higher the technology intensity of the industry and the faster technological change have a significant positive impact on the distribution adaptation strategy. Role, but has no positive impact on the price adaptation strategy. The more intense the market competition and the

faster the customer demand changes, the significant positive impact on the distribution adaptation strategy and the price adaptation strategy. From the perspective of internal factors, the international vision of enterprises has a negative correlation with the distribution and price adaptation strategies. The organizational learning ability has a significant correlation with the distribution and price adaptation strategies, and the organizational learning ability has a significant impact on the distribution adaptation strategy. In addition, the international vision of enterprises has a significant correlation with export performance. Organizational learning ability has no significant correlation with export performance. Its impact on export performance is mainly achieved through the influence of distribution adaptation strategy.

The research conclusions have certain reference value for the management practice of export enterprises. The specific enlightenment is as follows: First, export enterprises implement international marketing strategies, and should pay attention to the impact of internal and external environmental factors, and continue to innovate under the severe competition situation. Enterprise technology, and choose a marketing strategy that is suitable for the sustainable development of the company, and ultimately promote the effective improvement of corporate export performance. Secondly, the learning ability of export enterprises is more beneficial to promote the implementation of marketing strategies. When enterprises carry out export business, they should pay more attention to the further improvement of organizational learning ability, and then expand the influence of organizational learning ability on export performance. Finally, build a diversified marketing channel, broaden the existing sales network, build a branded enterprise, and ultimately promote the export performance of the company.

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