

# **Importance of Technological Capabilities for Achievement Competitive Advantage of Croatian Export Firms**

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## **Abstract**

The paper explores the interrelationship of technological capabilities and firm performance of Croatian export firms. The primary aim of the study is to provide answer to research question: Are the most successful export firms in the Republic of Croatia prosperous due to the possession of technological capabilities? Firms with high level of technological capabilities enter the foreign markets more easily and more successfully and increase the share and dispersion of their international sales faster in comparison to their competitors. Proposition regarding relationships between technological capabilities and the firm's performance has been examined by multiple regression analysis, with the following variables: investment in technology, investment in research and development, the frequency of introducing new products and technological solutions, and return of sales and increase of total revenue. The results of research have shown that technological capabilities have a positive impact on the return of sales and an increase of total income in Croatian export firms.

*Keywords: competitive advantage, export, firm performance, technological capabilities*