University of East Anglia

Dynamic Marketing Capability

"Evolving dynamic marketing capability (DMC) and its role on export performance:

An empirical study on export-oriented organizations in Bangladesh"

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A thesis submitted in fulfilment of the requirements

for the degree of Doctor of Philosophy

February, 2017

Acknowledgements

This PhD thesis is the result of my research work in international marketing and dynamic marketing capability at the Norwich Business School research office at The University of East Anglia during the period from 2012 to 2016. The journey of this PhD was a creative, rewarding and educational process. The PhD process was full of many challenges. In the course of conducting this PhD work, I realised that such research follows an incremental development of academic, professional and social knowledge. Although this guided by the analyses of the primary investigator, I have interacted with many important people who influenced the path of my research. As I received high-level support from supervisors, organisations, family members and friends, I do not want to be deprived of an opportunity to show my gratitude to them.

To begin with, I would like to express my wholehearted gratitude to all four supervisors for their constructive feedback and timely reviews of drafts, which was an immense help for completing this thesis. First and foremost, I would like to thank my primary supervisor, Dr. Nick Yip for guiding, encouraging, and inspiring my efforts over the years. It has been inspiring and fun to be surrounded by his intellectual energy and enthusiasm in marketing research. I am really grateful to Dr. Nick Yip for spending countless hours reading numerous drafts of this PhD thesis. I have found that my primary supervisor Dr.Nick's unique ideas as well as suggestions have helped me to develop an excellent and concise thesis paper. Besides that I am especially indebted to my other three external supervisors, namely Professor Prithwiraj Nath (Leeds Beckett University), Professor Nikolaos Tzokas (Plymouth University) and Dr. Haya Al-Dajani (Plymouth University).

It is fair to say that Professor Prithwiraj Nath is more than a supervisor. I found him a great leader and motivator who possesses excellent knowledge in marketing and quantitative analysis. His direct guidance has helped me to comprehend greater depths of marketing theory as well as different aspects of statistical analyses. I would also like to show my deepest appreciation to my other external supervisors, namely Professor Nikolaos Tzokas (Executive Dean, Faculty of Business at Plymouth University) and Dr. Haya Al-Dajani (Reader at Plymouth University). Professor Nikolaos Tzokas's crucial reflections in marketing theory helped me to configure my dynamic marketing capability view and strengthen my knowledge about the importance of marketing theory in the internationalisation process. Another supervisor that has had a great influence on me is Dr. Haya Al-Dajani. She has helped me to design my literature review and methodology chapters by asking critical questions. She was always beside me to defeat challenges that I experienced during this PhD process. Specifically, her supervision was similar to the way

a mother takes care of her son. During her supervision period, she patiently encouraged my professional development.

A special thanks also to Dr Chidiebere Ogbonnaya. I believe a few words are not enough to express how much I appreciate your continuous support that I received to examine the structural model of this research. For me it was an honour to be motivated by you during this PhD process. I am also grateful to Kurt Berning (University of Portland, USA) for being a great friend whose door was always open for me to improve my academic writing style. Further I would like to extend my thanks to all friends and former colleagues at University of East Anglia: Dr. Safia Bano, Dr. Jafar Ojra, and Dr Olatunde Amoo Durowoju. Their good humor has made an enjoyable working environment at Norwich Business School. The help, comments, and discussions with other colleagues at the research office have made me feel like part of a vibrant and welcoming academic community. In addition, without the help of three survey assistants (Fayshal Ahmed, Hasnat Tanveer and Saydur Rahman) I would not have been able to complete the data collection processes.

Last but not least, I would like to acknowledge and show my gratitude to my friends back home: Mohammad Bahauddin, Mohammad Anowar Parvez Allen, Jainal Abedin, Shahriyar Hasan, A. Rahman, and many more. A special gratitude goes to my parents for inspiring me and making many sacrifices on my behalf, and thus I am indebted to both of you. I extend my deepest gratitude to my elder brother and his family, my younger sister, and my lovely aunty and other cousins. Thank you everyone for your love and support. Now it is time for me to finish writing this last page. I feel that there is yet so much to learn and I can hardly wait to turn the page and see what life has in store for me next.

Mohammad Tayeenul Hoque

Norwich, February 2017

Abstract

This study draws on the resource-based, knowledge-based, complementary and dynamic marketing capability theories in order to understand the internal dimensions of dynamic marketing capability (DMC) as well as the applicability of DMC in the exporting process. Specifically, this thesis investigates the multi-level structure of DMC, and also explores the crucial role of DMC in implementing knowledge-based resources to better value offerings within adverse market conditions. This study develops an integrated conceptual model that shows how knowledge-based resources and knowledge management capabilities enhance export performance. This research has employed structural equation modeling to understand the causal relationships through information from 315 personal interview-based surveys of export-oriented manufacturing and IT service organisations in Bangladesh. The results reveal that the DMC is a multi-level higher-order reflective construct that consists of four higher-order marketing capabilities. The findings show that DMC mediates the exporter's international ambidexterity dimensions (i.e. market exploration and market exploitation) to improve export performance under the lens of unpredictable market conditions and aggressive competitive pressures. In particular, this research identifies that DMC is a knowledge management process through which internationalisation knowledge can be implemented to satisfy customers' demands in exporting environments. The findings provide fresh insights by showing that the development of DMC is a complex process and it is not an ordinary marketing capability. An exporting organisation should adjust its accumulated internationalisation knowledge and knowledge management marketing capabilities in order to mitigate threats of radical market changes and satisfy its customers' demands better than other major export competitors.

To my parents, especially my mother for her selfless devotion

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List of Abbreviations

Dynamic Marketing Capability	DMC
Resource-Based Theory	RBT
Knowledge-Based Theory	KBV
Dynamic Capability	DC
Marketing Capability	MC
Dynamic Marketing Capability	DMC
Proactive Market Orientation	PMO
Responsive Market Orientation	RMO
Ambidextrous Market Orientation	AMO
New Product Development Capability	NPDC
Customer Relationship management Capability	CRMC
Brand Management Capability	BMC
International Ambidexterity	IA
Competitive Intensity	CI
Market Uncertainty	MU
Resource-Based Theory	RBT
Knowledge-Based Theory	KBV

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1. Chapter One: Introduction

In the introductory chapter the reader will get an overview regarding the purpose of this research. In this section the reader will learn that this study is conducted within the contextual setting of export-oriented manufacturing and information technology (IT) organisations in Bangladesh. Thereafter, this thesis briefly describes the theoretical gaps in marketing and international business premises. This enables the reader to get the synopsis of the three research objectives of this thesis. This is followed by the methods that have been applied by the researcher for untangling the causal relationship among main constructs of the proposed conceptual model. Afterwards, the researcher describes the crucial contributions which have been generated from answering three research questions. An explanation of this thesis structure is discussed at the end of this chapter.

Continued globalisation has stimulated international trade and influenced a growing number of organizations to engage in the internationalisation process. An organisation's internationalisation process integrate and manage the accumulated knowledge of the organisation through several processes that result in an increasing commitment to foreign markets (Johanson and Vahlne, 1977). In order to enter into international markets, exporting is considered a low risk option for organisations of developed and emerging economies (Madsen, 2005). In 2015 export growth of developed economies rose to 4.4%, which is 0.9% higher than previous year's export growth rate (UnitedNations, 2015). Canada, a highly developed economy, had a foreign trade of roughly 45% of its gross domestic product (GDP) in second quarter of 2016. Also, a significant portion (i.e. 1.2%) of its GDP growth came from exporting goods and services in the fiscal year 2015-16 (EDC, 2016). In the same way, in the fiscal year 2015-16 emerging economies in Asia contributed to a 6.4% rise in GDP by exporting products and services.

Bangladesh is part of the next eleven emerging economies, and Bangladeshi organisations see exporting as a lucrative internationalisation process for their rapid growth in international markets. This current thesis has selected multiple export-oriented industries (i.e. manufacturing and IT) in Bangladesh, as these export organisations create working opportunities for a large number of employees and contribute significantly to its GDP. Bangladesh has experienced great

improvement in its manufacturing and IT sectors after reforming its democratic rule in the 1990s. In particular, in fiscal year 2015 manufacturing and service sectors' contribution are estimated to be 1.93 percent and 3.02 percent of GDP respectively (CPD, 2015). At present Bangladesh is treated as a low-income country, however it could achieve middle income status by 2021 if export-based manufacturing and IT industries continue to flourish rapidly (TAF, 2014). According to CPD (2014) Bangladesh realised roughly 13% export earnings growth in the fiscal year 2014-15. Besides that in international markets the demands for products and services from Bangladesh (e.g. Textiles pharmaceuticals, plastic and ceramic goods, leather goods, light machineries) are improving gradually due to a substantial rise of wages and strict environmental laws in international markets. This is evident in the finished leather and leather goods manufacturing sector. For example, in the fiscal year 2014-15 one of the largest 100% export-based leather manufacturing organisation in Bangladesh, APEX Tannery Limited earned BDT 27.5 million by exporting finished leather, and that was one fourth of total leather export from Bangladesh. (ILSL, 2015). This reflects export-oriented organisations are growing gradually in export markets. However, several organisations are not able to achieve positional advantages in export markets as they have inadequacy in accumulating marketing resources along with utilising properly marketing resources. An example of this is the research carried out by BASIS (2014) showed that due to deficiency in marketing capabilities such as corporate branding, several IT service organisations in Bangladesh are experiencing low growth and struggle to survive in export markets. Researchers identified that inter-organisation export performance varies due to heterogeneity in knowledge-based resources as well as difference in knowledge management processes (Morgan et al., 2003, Sattar, 2015, Petersen and Pedersen, 1999). This means that several exporters are unable to maintain a smooth operation process in export markets because of their inability to accumulate and manage knowledge-based resources.

An organisation's decision about foreign market entry or expansion is contingent on knowledge about market opportunities and the organisation's underlying capabilities to utilise the chances (Sakarya et al., 2007). Hence, the exporter's ability to enhance knowledge-based resources and strength in knowledge management capabilities are treated as the influential components of its growth and survival in export markets. Marketing researchers explain that an organisation should possess marketing capabilities in order to adopt and interpret market knowledge (Martín-de Castro, 2015). The role of marketing capability is to convert accumulated information into

successful business strategies that allow the organisation to achieve enhanced business performance. However, an organisation's lack of expertise in practising marketing capabilities may create obstacles to satisfying market demands. Even if an organisation pursues robust research and development capability, its inability in the market knowledge management processes can create difficulties in deploying commercially valuable products or services in export markets. For instance, AMD Inc. was unable to outperform Intel Corporation on account of its inefficiency in marketing capabilities, in spite of that fact that AMD Inc. deployed the fastest microprocessor chip 'K6' that was superior to Intel's 'Pentium II' (Dutta et al., 1999). In this sense, the application of adequate marketing capabilities are crucial for an exporter to deal with rising competitive pressure in export markets.

An organisation's design of sustainability strategies are contingent on the applicability of distinct types of marketing functions (Mariadoss et al., 2011). Lo and Sheu (2007) proposed that in order to develop long-term shareholder value, an organisation's sustainability strategies act as active business processes through managing risk and sensing opportunities from three areas such as economic, social and environmental concern. In addition, organisations' possession of different types of marketing capabilities increase efficiency in designing organisational sustainability strategies, which in turn lead to their competitive advantage achievement process. This encouraged most prior studies (Tan and Sousa, 2015, Morgan et al., 2012, Zou et al., 2003) to identify the relationship between mid–level marketing mechanisms (specialised marketing functions such as pricing, selling, marketing research, distribution and advertising) and business performance based on the belief that exporters' possession of specialised marketing capabilities can generate competitive advantages in export markets. According to Schilke (2013) an organisation "is said to have a competitive advantage when it enjoys greater success than current or potential competitors in its industry".

Marketing scholars (Merrilees et al., 2011, Krasnikov and Jayachandran, 2008) developed a two-level hierarchy in order to determine marketing capabilities, that is, mid-order marketing capabilities and higher-order marketing capabilities. Previous studies provided modest evidence in terms of achieving competitive advantages by simply pursuing mid-order marketing capabilities. But simply investigating the role of mid-order marketing capabilities to achieve competitive advantages provides an incomplete picture. The reason for this is that an organisation's

possession of mid-order marketing capabilities is not equipped to deal with unpredictable changes in market demands and aggressive competition, which in turn create barriers to surpassing major competitors. Mid-order marketing capabilities help an organisation by solving short-term problems and ultimately satisfying short-term consumer demand. In order to solve short-term challenges, mid-order marketing processes are involved in designing marketing mix functions, market research and market management (Merrilees et al., 2011, Song, 2014, p. 31). Mid-order marketing capabilities require constant support from higher-order knowledge management capabilities so as to create and reconfigure these capabilities (Merrilees et al., 2011). For example, pricing is determined or modified through a unifying approach from higher-order marketing capabilities. In general mid-order marketing capabilities are necessary but insufficient to improve an organisation's performance alone, as it requires support from higher-order organisational capabilities. This is evident in the case of furniture exports from Bangladesh. A recent study showed the majority of furniture exporters were not capable of attracting foreign buyers, despite the fact that they had implemented mid-order marketing practises and cost based strategy (EU, 2013). In reality the export market environment is highly competitive and unpredictable, and it would be difficult for exporters to achieve desirable export performance by pursuing mid-order marketing capabilities. In increasingly fragmented market conditions, an organisation needs to develop, reconfigure and integrate its higher-order resources and capabilities portfolio so as to meet market demands, whereas ordinary capabilities are satisfying short-term opportunities (Haapanen et al., 2016).In adverse market conditions companies need a greater understanding of the internal processes through which market knowledge can be implemented successfully to achieve a competitive advantage. In this context, the organisation requires such capabilities that influence systematic change and the building of new resources or capabilities to achieve competitive advantage.

Under the lens of continuously changing market conditions, recent studies showed the importance of how dynamic marketing capability of an organisation's knowledge-based resources converts into value for the customers (Cacciolatti and Lee, 2016). Bruni and Verona (2009) defined the term dynamic marketing capability as essential abilities of developing, releasing and integrating market knowledge to successfully address changes in the environment. Similarly, Barrales-Molina et al. (2013) said that dynamic marketing capability is when an organisation collectively controls knowledge management practices in order to identify the needs of customers,

interprets major rivals' action plans and transform market knowledge into commercially valuable innovations. In particular, researchers (Fang and Zou, 2009, Morgan, 2012) emphasised the collective role of higher-order marketing capabilities as a defining feature of dynamic marketing capabilities (DMC from here onwards). The organisation should emphasise the relationship between individual and group-level knowledge absorption capacities, along with knowledge-management practices in pursuit of developing DMC.

In their theoretical study Haapanen et al. (2016) proposed that organisations need to adopt and integrate market knowledge management capabilities to attain successful internationalisation process. In this respect, marketing scholars have tried to understand the influence of DMC as a higher-order marketing processes in the adverse marketing conditions. Specifically, marketing theorists are interested in conceptualising the DMC foundation process. Focusing on the development process of DMC, several higher-order components have been identified in recent marketing studies (Sharma et al., 2016, Santos-Vijande et al., 2013, Barrales-Molina et al., 2013, Fang and Zou, 2009), which are new product development, customer relationship management capability, brand management capability and market orientation and supply chain management capability. In recent years several researchers (Fang and Zou, 2009, Davcik and Sharma, 2016) showed the need for DMC is essential for long term growth and survival, and also offered an integrated model for understanding crucial constructs of DMC (2013). However in reviewing the literature, the following section illustrates several shortcomings in this DMC premise.

Marketing theorists have showed the performance implication of marketing capabilities within dynamic capability (DC) premise, whereas DMC premise is limited in identifying crucial higher-order knowledge management constructs that are needed to create values for export markets. In this sense, DMC studies are lagging behind in the export setting, as researchers (Fang and Zou, 2009) have put emphasis on the international joint venture or domestic market environment (Bruni and Verona, 2009). Besides that earlier studies used a mixture of marketing capabilities in configuring DMC, nonetheless it is obvious that mid-level marketing capabilities are not crucial for the development of DMC. Specifically, marketing theorists (Krasnikov and Jayachandran, 2008, Boso et al., 2012, Merrilees et al., 2011) have introduced a wide-array of marketing capabilities in DMC premise, but have not produced a general agreement about the crucial components that are required for applying DMC in export conditions. In this respect,

previous studies have introduced contradictory conceptualisation in defining DMC. This is evident in a work of Fang and Zou (2009) that puts more concentration on three higher-order integrated organizational capabilities to generate formative construct of DMC. On the other side, most recent studies (Santos-Vijande et al., 2013, Sharma et al., 2016) have used individual higher-order marketing capabilities (e.g. brand management capability) to demonstrate that competitive advantage can be achieved by practising an adequate market knowledge management practice. This refers some theorists have used DMC as a single construct, in which researchers have overlooked its theoretical foundation. Barrales-Molina et al. (2013) claim that the underlying dimensions of DMC are cluttered in previous studies because researchers incompetently analysed the mixture of marketing capabilities to explain the implication of DMC. In general, marketing theorists have been acknowledging the role of higher-order marketing capabilities (e.g. brand management, customer relationship management, innovativeness, market orientation) in attaining competitive advantages. Nonetheless, the DMC assumption is limited in showing that a combination of higher-order marketing capabilities are treated as crucial underlying constructs of DMC. To date previous empirical investigations have not treated DMC's internal structure in much detail and thus the evidence about performance implication of DMC is inconclusive.

In order to react swiftly and effectively in adverse market conditions, organisations require a well-structured higher-order market knowledge management competencies, and these capabilities are embedded in DMC. Accordingly, this thesis postulates that it is essential to address the development process of DMC in order to validate its adequacy in adverse conditions. From this perspective, a potential aim of this research is to clarify the actual impact of DMC on export performance, and as such, this study conceptualised as well as conducted an empirical analysis on the multi-level structure of DMC. The research on DMC currently is at an incipient stage, thus the outcome of this research objective brings some noteworthy contributions within the DMC premise. This study contributes to the literature by showing how an export-oriented organisation can develop DMC by modifying and integrating higher-order knowledge management capabilities for the purpose of overcoming market uncertainty and aggressive competition. By applying DMC within the exporting context, this study extends the view of resource-based theory, dynamic capability view and DMC view. As this research provides an integrated framework for DMC, this enables the researcher to alleviate the lack of theoretical support by showing the configuration process of DMC.

The second stream of this research outlines a crucial role of DMC in supporting the implementation of internationalisation knowledge in such a way that enhances export performance. In this section the researcher seeks to address possible research gaps in the internationalisation process. Previous studies showed that an organisation's effective internationalisation process improve its export performance, and this encouraged several scholars to draw two distinct influential approaches of internationalisation process, namely incremental and accelerated internationalisation processes (Weerawardena et al., 2007). As noted, the export business arena is highly competitive and unpredictable, hence, to accelerate the internationalisation process recent studies encouraged an exporter to pursue international ambidexterity dimensions (Lisboa et al., 2013). The term international ambidexterity (IA from here onwards) tries to explain that by pursuing market exploration and market exploitation simultaneously an exporter can create a knowledge portfolio that is better fit to business environments (Prange and Verdier, 2011, Skarmeas et al., 2016). This is generated by emphasising exploration, exploitation and integration of the learning processes. IA dimensions have showed that market exploitation is mainly focused on learning how to improve existing knowledge, while exploration refers to development of knowledge about new market opportunities (Villar et al., 2014, Hsu et al., 2013). In particular, the main aim of IA constructs are improving knowledge-based resources by proper learning processes. An organisation's exploration and exploitation are two types of learning processes that improve the diversity of its knowledge portfolio (March, 1991, Atuahene-Gima and Murray, 2007). Both these learning processes are essential for enhancing internationalisation knowledge portfolio. Researchers identified that the "General Electric" is more qualified to satisfy international market demands by improving its internationalisation knowledge portfolio (Feng et al., 2010). In this regard, IA dimensions are treated as crucial contributing factors to offset an organisation's late mover disadvantages. In recent years, performance implications of IA dimensions have received growing attention in international business literature (Hsu et al., 2013, Lisboa et al., 2013), but those studies failed to identify a crucial internal processes that may leverage the effectiveness of market exploration and market exploitation in the exporting context. The internal process through which market exploration and market exploitation influences export performance are not discovered yet. In their theoretical work Prange and Verdier (2011) suggest that future research should resolve the existing knowledge gap in IA literature by empirically verifying the adequacy of internationalisation knowledge implementation process. Market knowledge is considered a

valuable resource for an organisation, it must be deployed effectively for enhanced business performance. A recent work of Villar et al. (2014) concludes that knowledge management dynamic capabilities are essential to utilising knowledge management process in exporting context, although researchers have not showed how effectively an exporter can implement its internationalisation knowledge through DMC in the exporting context. An organisation should adopt, integrate and disseminate its resources for providing better market offerings based on the resource advantage theory (Hunt and Morgan, 1996). As noted above, the foundation of DMC refers to a process of absorbing market-specific knowledge and reconfiguring knowledge management capabilities for the purpose of competing with rivals in heterogeneous markets. The DMC view provides a suitable theoretical foundation in the context of implementing exporter's internationalisation knowledge. Hence, the present study addresses existing knowledge gaps in internationalisation process by showing that DMC is a crucial higher-order component that supports the internationalisation knowledge implementation in exporting context. To bridge this research gap, the second stream of this research empirically verifies the internationalisation knowledge implementation effects of DMC towards the enhancement of export performance.

This research objectives contributes to the international business literature by drawing on the logics of IA constructs, resource-based theory, knowledge-based theory and DMC perspective. By using these theories this study demonstrates that IA constructs are the driver of enhancing internationalisation knowledge-based resources, which helps the company experience better export performance by pursuing DMC strategy. To the best of our knowledge, no prior studies have clearly explored the link between knowledge-based resources and an integrative knowledge management capabilities in export markets. This is the first study that has used DMC concept to explain the effects of IA constructs on export performance. The findings will bring an important contribution to the field of knowledge-based view in a sense that knowledge-based resources are embedded in IA arena. In the context of least development countries, previous DMC and IA studies often overlook their implication on emerging economies' organisations. From this perspective, this research would provide conceptualisation and empirical support for the use of IA constructs and DMC of export-oriented organizations in emerging economies.

The influence of IA constructs on performance are not straightforward but depends on several external environmental factors. Knowledge-based view literature has showed the

imperative role of external environmental moderators in learning processes and organisational capabilities enhancement. In this thesis, the third research stream is paying more attention to the crucial effect of external environmental moderators on the relationship between an exporter's internationalisation knowledge and export performance. For the most part, empirical evidence confirms that IA constructs are positively related to organisational international performance. According to Grant (1996) an organisation can enhance its performance through generating capabilities, which are contingent on improving an organisation's learning processes. This implies that the competency of both market exploration and market exploitation are not improved independently. In particular, the importance of the learning mechanism is crucial within the relationship of an organisation's internationalisation processes and international performance (Hsu and Pereira, 2008). Previous studies on IA used external environmental factors as moderators between internationalisation process and performance. For instance, in their excellent work of internationalisation process Lisboa et al. (2013) showed market turbulence as the moderator of IA constructs and export performance relationship.

On the basis of the accumulated information about market uncertainty and competitive intensity, an exporter can understand potential risks that have been associated to changes in competitors' strategy and customers' preferences. An exporter benefits by learning about changes in market movements and competitive pressures. In this regard, the interaction between external environmental factors and IA constructs are important for the exporter's to enhance its stocks of internationalisation knowledge. Afterwards, the exporter may utilise these knowledge-based resources to reconfigure knowledge management capabilities, and subsequently allows it to offer better values in the export markets. In essence, an exporter should generate and modify its market knowledge management capabilities in such a way that transform knowledge-based resources into value for export markets. This thesis admits DMC as a crucial higher-order construct of knowledge management processes whereby the stock of knowledge-based resources that are generated from interactive learning could lead to improved export performance.

Previous studies found that an organisation's competency in market orientation largely relies on learning from external environmental factors in the international context (Zhou et al., 2007, Cadogan et al., 2003). From this, marketing researchers (Murray et al., 2011, Cadogan et al., 2003) see market uncertainty and competitive intensity as crucial moderators in its use of export market orientation. Although the importance of external environmental factors in the linkage

between market orientation and export performance have been established in previous studies (Murray et al., 2011, Cadogan et al., 2003), the effectiveness of the internationalisation knowledge absorption processes depends on a firm's learning from external environmental factors, and still warrants further investigation. As an example, De Noni and Apa (2015) suggested that "existing research examining the internationalisation–performance link has overlooked potential moderating variables". IA studies provide a limited amount of empirical support to comprehend how successfully an exporter can implement the exporting process. For instance, Lisoba et al. (2013) showed the moderation role of market uncertainty only supports the relationship between export market exploration and export performance. This indicates that past studies were limited by showing the impacts of external environmental factors in the relationship of exploitative and explorative learning on export performance. In particular, there is no general agreement about how external moderators direct the association of the internationalisation knowledge absorption processes and export performance.

In order to better understand the influence of the internationalisation processes on export performance, it is crucial to consider a number of moderating factors in the research. Hsu and Pereira (2008) state that "the link between internationalisation and performance will be strengthened when firms engage in organisational learning activities." This infers that these external environmental factors have critical contributions to learning processes. Organisational learning from market uncertainty and competitive intensity are critical for an organisation since these factors support the improvement of knowledge-based resources. What if an organisation's learning from external environmental factors can be joined with IA constructs to improve its knowledge-based resources and also help the organisation to achieve better performance? To answer this question, this study explores whether external environmental factors can moderate the effect of the internationalisation knowledge absorption processes and export performance. Currently there is scant understanding about the relationship between IA constructs, DMC, and export performance within various external environmental settings. Therefore, the third aim of this thesis attempts to investigate the moderation role of market uncertainty and competitive intensity and explore the relationship between IA constructs and export performance through including the mediator DMC.

Earlier theoretical arguments show that it would be challenging to confirm the superiority of a strategy without contemplating the external environmental determinants (Venkatraman, 1989). By resolving the third research question, this study suggests that the success of this integrated internationalisation process might depend on the learning of market uncertainty and competitive intensity. In accordance with DMC formation process, a pivotal role of external environmental factors are required for strengthening the stock of knowledge-based resources along with reconfiguring of underlying dimensions of DMC. Specifically, the present thesis contributes to the sparse extant studies in the premises of market exploration and market exploitation by showing the significance of external environmental factors for enhancing learning. In addition, this research has used DMC within the interaction terms and export performance linkages, and this will overcome some shortcomings of previous studies by showing the effectiveness of external environmental factors in exporters' internationalisation process.

Based on the above discussions, this thesis identifies three main research streams that are related to knowledge-based resources, DMC and export performance. The three research questions that will be covered are illustrated in the following section:

1. What are the constructs that constitute dynamic marketing capability, and how can they be utilised to achieve better export performance?

2. To what extent does dynamic marketing capability influence the relationship between international ambidexterity constructs and export performance?

3. What is the influence of external environmental factors (market uncertainty and competitive intensity) on the relationship between international ambidexterity constructs and export performance through dynamic marketing capability?

This study follows a positivism-deductive method for supporting its empirical investigations, in which quantitative research design was chosen as the best suitable approach within this research philosophy. In order to answer three research questions, this study selected the context of the export-oriented organisations mainly from manufacturing and information technology (e.g. textile, plastic goods, finished leather, leather goods, ceramics, handicraft and furniture, light engineering and IT service) organisations within Bangladesh. This study has followed a three stages data collection processes. In the first stage qualitative interview was undertaken to develop a pilot questionnaire. In the second stage a pilot study was done to

comprehend the feasibility of the questionnaire, remove the statements with complex wording, and create the final survey questionnaire. In the final stage, main data collection was conducted by using the post-pilot questionnaire, and the researcher used a personal interview- based survey method to get more accurate answers from respondents. The researcher has formulated a representative sample comprised of 700 organisations to receive valuable information, and from that sampling frame this study was able to collect 315 useable questionnaires. From this accumulated information, the researcher analysed the hypotheses by applying a quantitative data analysis technique called structural equation modeling.

After the introduction of the general theme of this study, this thesis logically continues with six parts. The second chapter begins by reviewing literature around the resource-based theory, knowledge-based theory, dynamic capability view, dynamic marketing capability theory and complementary theory. Afterwards, this study has conducted an in-depth literature review to disclose the specific elements that are required in DMC so that the underlying dimensions of DMC can be identified accurately. Besides that, this chapter includes the concept of international ambidexterity and external environmental factors for understanding the influence of internationalisation knowledge-based resources on export performance. In chapter three, this study introduced an integrated conceptual framework which shows that higher-order marketing capabilities can take into account the DMC evolution process, and that the theoretical background of the conceptual model maintains a chain relationship among constructs (e.g. external environmental factors, international ambidexterity constructs, DMC and export performance). This chapter sets out with the aim of postulating several hypothesises, which represents the causal relationship among the proposed main constructs. This section represents seven hypotheses that will be tested within the data analysis chapter. The fourth chapter of this thesis outlines the methodological context of this study, in which is explained the research design, data collection process and data analysis mechanisms. The fifth chapter shows the detailed empirical results from data analysis, while chapter six provides the discussion of the results along with how these results contribute to existing theories. Finally, chapter seven describes the contributions from this research. Additionally, limitations and future research agendas are discussed within this final chapter.

2. Chapter Two: Literature review

2.1. Introduction

This chapter will enhance reader knowledge in the area of market orientation, dynamic-marketing capability and international ambidexterity. This chapter will emphasis two core issues in order to understand the relevant theoretical foundations for this study. The issues are: (a) pointing out the theories that are required to deal with the main theme of this research; (b) finding out major limitation in previous empirical studies within the domain of this research. In determining the conceptual foundation for this study, three research questions will be addressed in this chapter using several theories such as resource-based theory, the knowledge-based view, dynamic marketing capability theory, and complementary theory. The research questions are:

1. What are the constructs that constitute dynamic marketing capability, and how can they be utilised to achieve better export performance?

2. To what extent does dynamic marketing capability influence the relationship between international ambidexterity constructs and export performance?

3. What is the influence of external environmental factors (market uncertainty and competitive intensity) on the relationship between international ambidexterity constructs and export performance through dynamic marketing capability?

The literature review will begin by indicating the potential of resource-based theory, and will then proceed with an extensive investigation so as to show how this theory leads to the development of dynamic-capability theory. Afterwards, the researcher will highlight the gap between resource-based theory and dynamic-capability theory to understand the background of the dynamic marketing capability concept. In reviewing the literature, this thesis will argue that dynamic marketing capability theory requires additional revelations to do with categorising a complete set of marketing capabilities that are essential to configure dynamic marketing capability within an export environment. This chapter will then turn to the second and third research objectives, in which attention will be drawn to knowledge-based theory and dynamic marketing

capability theory to demonstrate export implementation processes. The application of both theories enriches the account of the internationalisation process of exporting organisations by proposing conceptual and empirical insights into the role of knowledge accumulation and knowledge-implementation mechanisms. Specifically, it will be posited which marketing capabilities that are needed for implementing internationalisation knowledge under various adverse conditions of export markets. In subsequent sections of this chapter, relevant literature will be described as well as the gaps in the literature regarding all three research questions, each in a sequential basis.

Research question 1

What are the constructs that constitute dynamic marketing capability, and how can they be utilised to achieve better export performance?

2.2.1. Introduction: Resource-Based Theory

Resource-Based Theory (RBT) was first introduced into economic and strategic management literatures during the 1950s (Hooley *et al*., 2005). After that, RBT was more widely applied within marketing and operation management research. RBT demonstrates that the acquisition of resources leads to enhanced organisational performance, and that the heterogeneity of acquired resources is responsible for the differences in performance between organisations over time (Grant, 1991). According to Barney (1991), since organisations possess bundles of resources, their superior performance is underpinned by non-transferable specific resources. In order for an organisation to gain a competitive advantage, the nature of resources that are available to organisation must be valuable, rare, inimitable and non-substitutable (Barney and Arikan, 2001). The foundation of superior performance is driven by the effective deployment of an organisation's resource portfolio because a proper combination of resources creates barriers preventing rivals from imitating an organisation's stock of resources.

2.2.2. The Role of RBT in Marketing Research

RBT was first popularised by the notable economic study of Penrose (1959), who wrote: "an organisation may achieve superior performance not only because it is endowed with better resources but also because it is better able to use those resources." Many scholars in the field of strategic management, marketing strategy, international marketing and the internalisation process have been using the RBT to understand how organisations can use resources to get a competitive advantage. Marketing scholars have drawn attention to RBT, and argued that an organisation's competitive advantage is contingent upon its utilisation of resources and capabilities (Barney and Clark, 2007, Haapanen et al., 2016). The RBT paradigm has received significant attention in strategic management literature, and the application of RBT has increased by 500% in marketing strategy literature (Kozlenkova et al., 2013). In the marketing arena researchers have applied RBT within the theoretical framework of marketing strategy, international marketing and innovation marketing (Kozlenkova et al., 2013). RBT suggests that organisations put emphasis on those resources that can generate superior value but ignore some resources that have a lower chance to enhance value proposition (Wernerfelt, 2014). In addition, marketing scholars claim that RBT is concerned with identifying resources and capabilities requirements within organisational processes (Kozlenkova et al., 2013). According to the assumption of RBT, this study reveals that one fundamental aim of RBT is to understand how organisations can sustain their profits in the long term by utilising their resources and capabilities. Based on the assumption of RBT, it is imperative to understand the internal characteristics of resources and capabilities. Resources are the tangible and intangible assets of organisations, in which organisations can accumulate resources from external sources that are treated as essential assets of production processes (Kozlenkova et al., 2013). On the other hand, capability is a subset of an organisation's resources, by which an organisation can improve the productivity of its resource portfolio (Makadok, 2001). In general, organisations can enhance the effectiveness of their resources through proper development and management of capabilities.

According to the assumptions of RBT, when an organisation is realising sustainable competitive advantages, its resources and capabilities are simultaneously valuable, rare, inimitable and exploitable by the organisational process (VRIO from here onwards) (Barney and Hesterly,

2008). The first requirement of a resource is that it must have strong value. For instance, some resources are valuable in terms of reducing the cost and increasing the profit in such a way that influences inter-organisation competition (Martínez-López et al., 2013). The second dimension of a resource is rarity, and this refers to instances when an organisation holds rare resources within its resource portfolio that its competitors are not aware of or capable of acquiring (Martínez-López et al., 2013). Thirdly, the inimitable nature of resources supports organisations that maintain their resources in the long run due to their rivals' inability to reproduce resources efficiently (Vorhies et al., 2009). Finally, exploitable capacity by organisational processes is the potential characteristic of an organisation's resources. This criteria suggests that when an organisation's resources are exploitable by the organisational process, then it should lead towards the achievement of competitive advantage (Kozlenkova et al., 2013). It would be challenging for key competitors to duplicate an organisation's   a mixture of idiosyncratic and inimitable marketing resources as well as marketing capabilities that are aligned with environmental opportunities. RBT reveals that the formation and implementation of an organisation's competitive strategy is influenced by the possession of a variety of marketing resources and marketing capabilities.

Business strategy scholars asserted that RBT blends various literatures across different phenomena for proposing an integrative framework (Palmatier et al., 2007). This encourages marketing strategy researchers' attention to RBT, through which researchers develop their theoretical foundations for their studies. In marketing literature, RBT has been used to identify potential marketing resources along with deploying marketing resources in such a way that support the formulation of marketing strategies (Lages et al., 2009, Santos-Vijande et al., 2013). This improves marketing scholars' understanding of the position (i.e. strength or weakness), of various marketing resources, in the resources portfolio. With the aim of understanding the influence of marketing determinants on performance, several marketing studies have shown the collaborative effects of multiple resources and capabilities. This can be seen in the study of Kaleka (2011), which showed the multivariate effect of marketing resources on performance.

2.2.2.1. Knowledge-Based View: An Extension of RBT

Another arena of marketing research, namely, international marketing studies, has been applying RBT logic to help international organisations' improvement in utilising of multiple resources and capabilities in such a way that supports the development and delivery products or services to the customers of foreign markets (Villar et al., 2014). Morgan (2012) classified marketing resources into seven different types: knowledge based resources, physical resources, reputational resources, informational resources, relational resources, organisational resources and legal resources. Several international marketing researchers (Tan and Sousa, 2015, Murray et al., 2011) applied RBT logic in order to reveal the potential of knowledge-based resources to help search for international market expansion opportunities. For instance, marketing studies (Murray et al., 2011, Tan and Sousa, 2015) within the exporting context have addressed the fact that knowledge-based resources are one of the prominent strategic factors that lead to the achievement of competitive advantages when this resource effectively deploys in organisational processes. In particular, over the past decades marketing scholars (Gupta and Govindarajan, 2000) have presented a new school of thought that has been labeled the 'knowledge-based view'. International marketing studies have applied knowledge-based view (KBV) logic in their conceptual frameworks to reveal the potential of knowledge-based resources to help in searching for international market expansion opportunities. The KBV is taken to be a proper extension of RBT (De Carolis, 2002). The reason researchers extended RBT was that the foundation of RBT encompasses a broad area. Whereas the KBV explains the accumulation and utilisation of knowledge-based resources and capabilities. While international marketing literature reveals that a number of studies have examined the link between multiple resources and organisational performance in multinational or joint-venture organisations, there have been few empirical studies that simultaneously investigate the multiple components of the knowledge-based view in the export context.

As mentioned above, capability is another dimension of RBT; this section describes the role of capability within the theoretical foundation of RBT. Past studies indicate that resources per se cannot contribute to the attainment of positional advantage unless the resources transform into the capability for enhancing value offerings (Merrilees et al., 2011). This reflects the fact that capability is mostly intangible, and involves effective utilisation of knowledge and skills to take

part in value enhancement processes (Makadok, 2001). Capability generation is a complex amalgam of skills and knowledge within different organisational levels (Grant, 1996). The foundation of capability is an organisation's routine process, and that focus on creating challenges to copy value offerings for major competitors. (Krasnikov and Jayachandran, 2008). In that sense, the accumulation and deployment of internationalisation knowledge is a challenging and expensive process that needs to be developed in the international context. Thus, the organisation should blend different groups, systems, and resources for supporting the development of capabilities.

This study found that marketing researchers widely used the RBT paradigm to explain their conceptual model, nonetheless, scholars since the 1990s have recognised one major drawback of RBT. Most especially, critics have mentioned that RBT is inadequate to explain the mechanism by which resources and capabilities are deployed within a highly uncertain market environment to achieve competitive advantage (Lengnick-Hall and Wolff, 1999, Priem and Butler, 2001). For instance, this study points out that international organisations may not achieve superior performance unless they emphasis a capabilities-reconfiguration process (Kozlenkova et al., 2013). This indicates that an international organisation should possess an exclusive mechanism that facilitates the modification of resources and capabilities in a repeated manner so that the organisation can protect itself from adverse market movements. With this aim, and to correct the major limitations of RBT, Teece et al. (1997) introduced the term 'dynamic capability'. The critical role of the 'dynamic capability' concept pursues sequential reconfiguration of operational processes in such a way that enables the organisation to satisfy its current market demands. This study claims that the theoretical foundation of a research should present RBT assumptions in such a way that supports the examination of the synergistic influence of multiple resources and capabilities on business performance. In particular, it is important to recognise the mutual influence of RBT and dynamic capability assumptions because organisations need repeated adoption and modification of their resources and capabilities portfolios for long term survival and growth in the markets (Zahra et al., 2006). Accordingly, this study pays attention to RBT, the KBV and the dynamic capability assumptions for examining how exporters' performance can be enhanced by linking knowledge-based resources and marketing capabilities so as to cope with adverse market environments. This research addresses the nature of 'dynamic capability' and its development processes in following section).

2.2.2.2. Dynamic Capability Theory: An Extension of RBT

An organisation faces several barriers to achieving competitive advantages when its resources and capabilities are fixed in a fluctuating business environment (Winter, 2003). This is because the limitations of stagnant resources and capabilities are unable to respond positively in highly uncertain market conditions. However, the dynamic-capability (DC) view stresses the importance of reconfiguring capabilities to achieve a competitive advantage in conditions of high-level market uncertainty. This thesis draws upon a dynamic capability view of international organisations in order to develop a novel conceptualisation of dynamic marketing capability. The dynamic capability view is an extension of RBT. The underlying process of dynamic capability considers higher-order capabilities that are involved in rebuilding and reconfiguring ordinary capabilities to attain positional advantage in the markets (Zahra et al., 2006). Several previous studies have defined the term dynamic capability and also shown its influence on performance. For instance, according to Teece et al. (1997) an organisation's "ability to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments" reveal the roots of dynamic capabilities, and the function of DCs are the true determinants of the organisation's long-term competitive advantage. Other scholars (Eisenhardt and Martin, 2000) showed DC follows path dependent repeated pattern that enable the organisation to alter resources and capabilities systematically to adjust in a changing market environment. These scholars conceptualised DC as a routine organisational task that supports to the gaining of competitive advantage within uncertain market contexts.

In order to define dynamic capability, this research draws attention to Helfat et al. (2009) as considers both previous studies (Teece, 2007 and Eisenhardt and Martin, 2000). The research of Helfat et al. (2009) claims that the development of dynamic capabilities are contingent on continuous learning and changed-based routines. In particular, DC is an organisation's higher-order capacity that acts purposefully for developing, extending and modifying resources and capabilities. In an investigation into DC, Barrales‑Molina et al. (2013) suggested that the term 'dynamic' implies reconfiguration, whereas 'capability' refers the organisation's intentional effort to bring about valuable changes. Combining these two words reveals that 'dynamic capability' is an organisation's intentional inter-functional reconfiguration process, in which the development of DC must be grounded in an organisation's learning mechanism and knowledge implementation competency (McKelvie and Davidsson, 2009). This study demonstrates that DC is an

organisation's active process that follows a constant modification of resources and capabilities, so that the organisation can respond swiftly within the existing market environment. In this sense, the contribution of dynamic capabilities on the competitive advantage achievement process can be evaluated by applying RBT's concept.

Past studies have advised that potential international organisations should develop DC because it helps the organisation to detect new international expansion opportunities and formulate vibrant international strategies (Bowman and Ambrosini, 2003, Zollo and Winter, 2002). The fundamental attribute of international markets is that they change dramatically, hence if the organisation does not reflect its efficiency in resource utilisation by following capabilities modification then it will not perform properly in adverse market conditions (Weerawardena et al., 2007). The main goal of DC is developing and reconfiguring ordinary capabilities that enable the organisation to determine its market position strategy, which in turn influence its performance. This prompts international organisations to pursue DC for the purpose of reacting swiftly to changing market conditions.

In reality, RBT is concerned with achieving superior performance when market demands do not fluctuate excessively. The vibrant nature of international markets cause an organisation to reconfigure its capabilities and develop long-term international strategies. This encourages marketing researchers to examine the mutual influence of RBT and the DC on the long-term growth and survival of international organisations. In export market contexts, the application of resources and capabilities can be improved by emphasising dynamic capability view (Li et al., 2016). However, typically RBT and the DC view are not enough to explain how international organisations can accumulate and implement market-based knowledge. Accordingly, it is worth examining how an organisation's adaptive knowledge-based resources and capabilities contribute to a better performance achievement process. A new school of thought called 'dynamic marketing capability' has emerged that describes the management of market-based knowledge more clearly. This study stresses that the degree of knowledge accumulation and continual knowledge-reconfiguration processes should be treated as the evolutionary roots of dynamic marketing capability. Based on the above evaluation, the current thesis claims that RBT and DC be treated as the main theoretical foundation of the dynamic marketing capability concept.

2.2.3. Marketing Capability

The basis of marketing capability is concerned with adopting market knowledge of competitors' strategic plans, customer demand and organisations' previous experiences in relation to settling market demand (Matear et al., 2004, Day, 1994). The formation of marketing capabilities is articulated in different levels of the organisation, ranging from an individual's specialist activity to the corporate level marketing strategy implementation process (De Noni and Apa, 2015). Specifically, marketing capability has been treated as the market-knowledge management process within divergent organisational levels. In their study identifying the influential role of marketing capability on performance, Krasnikov and Jayachandran (2008) asserted that market-based knowledge leads to tailored marketing capabilities, in which marketing capabilities (MCs) create obstacles for close rivals so they cannot replicate other organisation's' knowledge deployment strategies. In general, the term 'MC' reveals that this process is comprised of lower- to higher-order knowledge integration processes for enhancing an organisation's value (Morgan, 2012). The combination of MCs contributes to the detection of distributing channel members' crucial needs, identifying competitors' action plans, and satisfying market demand.

2.2.4. Types of Marketing Capability

In the marketing literature it has become commonplace to distinguish between marketing capabilities that have various effects on performance. An earlier marketing study (Day, 1994) highlighted three types of MCs, which included 'outside-in capabilities' (i.e. the organisation's competency in intelligence generating, identifying distribution channels and new technology requirements), 'inside-out capabilities' (i.e. the organisation's internal capacity to match market requirements), and 'spanning capabilities' (i.e. the organisation's potentiality to reflect complementary effects among capabilities, which includes outside-in capabilities complementary with inside-out capabilities). Spanning capabilities combine inside-out capabilities with outside-in capabilities. Day (1994) stressed that "spanning capabilities are exercised through the sequences of activities that comprise the processes used to satisfy the anticipated needs of customers identified by the outside-in capabilities and meet the commitments that have been made to enhance relationships". A limitation of Day's (1994) MCs classification is that it overlooks higher-order knowledge management capabilities, such as brand management capability, which is essential for

an organisation to enhance customers' value proposition. In addition, the importance of DC is not considered in the influential work of Day (1994).

Unlike Day, Morgan (2012) grouped marketing capabilities into four divisions covering specialised, architectural, cross-functional and dynamic methods that support the acquisition and integration of marketing resources in order to offer greater values in target markets. The present study adheres to Morgan (2012) who illustrates four different types of marketing capabilities that can be recognised in most organisations. Morgan's (2012) work on the specialised marketing capabilities approach is highly similar to Day's (1994) classification of spanning capabilities. Spanning capabilities allow an organisation to identify and satisfy customers' articulated needs rather than focusing on unexpressed needs. In this sense, spanning capabilities do not contribute to higher-order knowledge management approach, but higher-order knowledge implementation processes are essential organisational strategies for converting knowledge-based resources into valuable products and services in an unpredictable business environment. From this perspective, this research concentrates on Morgan's (2012) classification of marketing capabilities and integrates prior seminal articles (Srivastava et al., 1999, Day, 1994, Morgan et al., 2003, Teece and Pisano, 1994, Eisenhardt and Martin, 2000). In the following section this thesis briefly discusses capabilities that are demonstrated in the conceptual work of Morgan (2012).

2.2.4.1. Specialised Marketing Capabilities

Specialised marketing capability emphasises specific functional processes that allow the organisation to utilise resources by transforming to mid-level marketing capabilities for implementing marketing strategy successfully. This group of marketing capabilities is classified in terms of its integrative capability with other functional units, and its ability to accumulate raw materials from external sources (Krasnikov et al., 2009). A previous investigation by Vorhies and Morgan (2003) focuses on the performance implications of specialised marketing capabilities, suggesting that the association of specialised marketing functions enables implementation of the organisation's business strategy. Several researchers (Vorhies et al., 1999, Vorhies et al., 2009, Tan and Sousa, 2015) categorised various specialised marketing capabilities such as product

management capability, pricing management capability, channel management marketing capability, marketing communication capability, selling capability and marketing research capability. The aim of these specific marketing activities is to organise a marketing mix strategy that facilitates the implementation of marketing strategies for driving better organisational performance. The function of each dimension of the various specialised marketing capabilities has confirmed the notion of Vorhies and Morgan (2005), which suggested that specific marketing processes are involved in integrating resources for supporting organisation-level value offerings. Other scholars (Tan and Sousa, 2015, Murray et al., 2011) theories the links among specific marketing activities, competitive strategies and marketing performance within exporting contexts.

This study states that the function of specialized marketing capabilities are similar to spanning capability approach of Day (1994). In particular, specialised marketing activities are recognised as mid-level marketing functions that create challenges for exporters to fulfill the needs of the customers within adverse export market environments. In the exporting context, simply possessing mid-level marketing capabilities is not enough for an exporter to implement his or her business strategy effectively, instead the exporter requires high-performing knowledge-implementation processes. This implies that exporters can fit into the requirements of uncertain market environments by possessing knowledge-management capabilities for reconfiguring resources.

2.2.4.2. Cross-Functional Marketing Capabilities

Marketing strategy literature shows that Maltz and Kohli (1996) point out that an organization's expertise to achieve competitive advantage lies in its knowledge-absorption capacity and ability to transfer knowledge across its functional units. This refers to the fact that market knowledge should be transferred through functional units in order to generate greater value offerings. The capabilities that operate within functional business units must have knowledge-absorptive capacity and information-deployment mechanisms. Absorptive capacity reflects organisations' capacity to accumulate knowledge from external sources and their capacity to integrate knowledge into its operational processes. Specifically, organisations' knowledge-absorptive capacity is essential because it supports them by rendering valuable information within a cross-functional business process (Iansiti and Clark, 1994). The ability to accumulate knowledge

is contingent on the viability of organisation's internal mechanisms (Cohen and Levinthal, 1990, Zahra and George, 2002), where cross-functional capability is treated as an influential internal mechanism. This shows that the organisation can systematically execute its knowledge transfer through cross-functional business processes.

However, various marketing scholars have reported that organizations often experienced difficulties to transfer knowledge-based resources across their cross-functional business units (Luo et al., 2006). For example, in 1990s Hewlett-Packard (i.e. electronic items manufacturer) experienced difficulties in its accumulated knowledge flow between its customer relations department and its new product development unit (Fisher et al., 1997). Therefore, unlike its close rivals, HP was unable to capture the global laptop market. The transfer of market knowledge across underlying business units to generate better organisational performance is a complex process (Griffin and Hauser, 1992). Hence, the development of DC that enables the organisation's market knowledge reconfiguration and deployment in cross-functional business units. According to the theory of DC, cross-functional business processes act as the micro-foundations of DC enhancement processes (Fang and Zou, 2009).

Scholars (Morgan, 2012, Srivastava et al., 1999) have shown that cross-functional capability consists of higher-order marketing capabilities instead of mid-level marketing capabilities. Morgan (2012) illustrated three cross-functional marketing capabilities: brand management capability, customer relationship management capability and new product development capability. Whereas past studies elucidated supply-chain management capabilities within a cross-functional marketing capability context (Srivastava et al., 1999), the recent, much more systematic studies of Barrales-Molina et al. (2013) and Morgan (2012), have found that in reality supply-chain management capability is rarely used within marketing domains, rather this capability lies in organisations' operation management units. Besides that, marketing scholars asserted that organisations should emphasis a combination of cross-functional business units and specialised marketing activities (Barrales-Molina et al., 2013). On the other hand, DC researchers (Teece et al., 1997, Menguc and Auh, 2006) have argued that to support the modification of capabilities an organisation should arrange higher-order capabilities in such a way as to reflect complementary effects. Complementary capabilities can be defined as organisational processes that bring synergistic results when a capability is used collectively with other operational

capabilities (Wang, 2009). When an organisation bundles together multiple resources and capabilities, the total effect of these complementary capabilities improves the competitive value of organisational processes, and that sharply influences dynamic capability development processes. This implies that, in cross-functional business processes, a proper integration among the set of higher-order organisational capabilities supports the development processes of DC. Taking into account the above arguments, this thesis claims that if the interaction among a set of higher-order marketing capabilities within cross-functional business units generates better outcomes, then the knowledge-management capabilities can be viewed as complementary capabilities. In order to enjoy better performance the organisation's higher-order marketing capabilities must have complementary power so that in cross-functional units one capability can strengthen the influence of another capability.

In Table-2.1, this thesis has identified a list of crucial marketing capabilities within cross-functional business processes that were used to represent DC. Whereas past studies elucidated supply-chain management capabilities within a cross-functional marketing capability context (Srivastava et al., 1999), the recent studies of Barrales-Molina et al. (2013) and Morgan (2012) have found that in reality supply-chain management capability lies in the organisation's operation management unit. This suggests that past studies create complexity to identify the crucial marketing constructs of cross-functional business units.

Table 2.1. Cross-functional business processes discussed in marketing literature

Author's Name	Approach	Marketing capabilities operating in cross-functional processed in DC & DMC premise				
		New product development Capability	Customer relationship management capability	Brand management capability	Supply-chain management Capability	Market Orientation
(Fang & Zou, 2009)	Customer value-enhanced based	✓	✓	☒	✓	☒

(Morgan, 2012)	Cross-functional marketing capability	✓	✓	✓	☒	☒
(Srivastava, et al ., 1999)	Customer value-enhanced based	✓	✓	☒	✓	☒
(Srivastava, Fahey & Christensen, 2001)	Customer value-enhanced based	✓	✓	✓	☒	☒
(Barrales-Molina et al., 2013)	Underlying process identification: Sensing capability, learning capability, integrating capability, coordinating capability	✓	☒	☒	☒	✓

2.2.4.3. Architectural Capabilities

In the marketing domain architectural marketing capabilities are treated as organisation's planning-related processes that are implicated in designing strategic marketing plans along with formulating strategies to implement marketing goals (Morgan et al., 2003). In particular, architectural capabilities pursue a routine route of marketing strategy formulation and implementation decision, in which organisations take into account multiple resources in order to enrich their resource portfolio (Venkatraman, 1989, Morgan, 2012). The foundation of architectural marketing capabilities is involved in developing and combining specialised marketing capabilities and their resource inputs for supporting the deployment of marketing strategies (Bharadwaj et al., 1993, Vorhies and Morgan, 2003). This refers to the fact that architectural marketing capabilities have been viewed as organisation's distinctive capacity to accumulate, integrate and organise multiple marketing resources, as well as specialised marketing capabilities for facilitating the deployment of strategic marketing decisions.

Even though many of the previous marketing studies (Krasnikov et al., 2009) have emphasised the function of specialised marketing capability to achieve positive performance, others (Glaum and Oesterle, 2007, Grewal and Tansuhaj, 2001, Danneels, 2000) have highlighted the association between architectural capabilities and performance within distinct environmental

conditions. In an investigation into the effects of capabilities on business performance, Vorhies and Morgan (2003) conclude that these processes put an emphasis on the organisation's rapid achievement of common goals. This shows that architectural marketing efforts are crucial organisational processes that can generate a better outcome compared to merely focusing on marketing mix-based work practices.

As a result of globalisation and technological advancement, a large number of organisations are involved in exporting processes. International marketing studies have reported that the nature of the export market is highly challenging and fluctuating (Kaleka, 2011). For this reason, the critical marketing function in the international paradigm must exhibit the dynamism of marketing processes. With this aim, architectural marketing processes have been considered to be most important internal mechanism (Vorhies et al., 2009, Morgan et al., 2012). Although the organisation should possess an adequate set of capabilities for designing and implementing marketing strategies, previous investigations did not provide a comprehensive review of what types of marketing capabilities for developing and deploying organisations' internal strategies and implementation processes. Therefore, the present thesis argues that it is imperative to emphasis those marketing capabilities that have dynamic characteristics in international market conditions. The current study has drawn the notion of 'dynamic marketing capability' from the various criticisms of architectural marketing capability studies. In the next section this study describes the formation and application of dynamic marketing capability in an adverse market environment.

2.2.4.4. Dynamic Marketing Capability

In today's turbulent and unpredictable export marketing environment an organisation's superior performance depends on exporters' ability to satisfy value proposition in the markets by maintaining knowledge-management processes. The dynamic marketing capability (DMC) has been defined as market-knowledge adoption and deployment into cross-functional business processes through the organisation's possession of higher-order marketing capabilities (Bruni and Verona, 2009, Barrales-Molina et al., 2013). Past studies have investigated the potentiality of dynamic marketing capability to achieve competitive advantage in the context of uncertain domestic and international markets. Marketing literature separates the function of general marketing capabilities and dynamic marketing capability concept in several ways. When the

market is stable the basic feature of marketing capability (MC) is satisfying a marketing mix approach to achieve positional advantage (Glaum and Oesterle, 2007). This refers to the fact that usually marketing capabilities are involved in managing market knowledge so as to satisfy customer demand. Nonetheless, in a time of unpredictable market environments it is challenging for the organisation to search for and seize global opportunities simply through possessing knowledge of typical marketing efforts which pertained to a classical marketing mix approach (Weerawardena et al., 2007).

In relation to the criticism of MCs, recent studies have showed that dynamic marketing capability has attempted to explain an organisation's ability to achieve superior performance within an uncertain market condition (Maklan and Knox, 2009). This advance process pursues a repeatable pattern of coordinating and upgrading marketing capability in such a way that enables the organisation to satisfy unarticulated as well as the expressed needs of the customers within a variety of market conditions. Morgan (2012) conceptualised DMC as the extent to which an organisation leverages its resources and capabilities in ways that fit into a rapidly changing market by continuing the knowledge reconfiguration process. This implies that the nature of DMC is not contingent only on satisfying marketing mix approach, instead this involves upgrading knowledge-management capabilities for implementing marketing strategies within uncertain market conditions. As an extension of the DC view, DMC theory aims to address the fact that organisations should utilise their accumulated market knowledge effectively in consideration of responding swiftly to market demands. Therefore, the organisation's need to reconfigure its internal processes in such a way that simultaneously integrates its resources and capabilities to realise a complementary influence from this advanced marketing practice.

A previous marketing study (Menguc and Auh, 2006) has pointed to a few issues that explain the significance of the RBT paradigm in marketing, such as why organisations are differentiated in terms of performance, and what kinds of marketing functions are most crucial to support the implementation of marketing strategy. This influences marketing researchers to untangle the idiosyncratic nature of marketing resources and marketing capabilities within various market contexts (Glaum and Oesterle, 2007). In addition, marketing theorists used RBT to show that an organisation's key competitors may experience difficulties in understanding its competitive advantage achievement processes when the organisation perfectly matches marketing capabilities

and business strategies (Bharadwaj et al., 1993, Vorhies and Morgan, 2003). Specifically, if marketing capabilities are identified as the drivers of superior performance within international marketing conditions, this would challenge close rivals to imitate marketing strategies. Therefore, it is essential to address the RBT and other marketing theories simultaneously, in order to identify the adequacy of crucial marketing processes. According to Peteraf and Barney (2003) "dynamic capabilities literature is entirely consistent with the RBT concept", and in that respect this thesis considers DMC as another type of higher-order organisational capability that is developed under the assumption of RBT and DC. Figure 2.1 shows that the formation of DMC is underpinned by RBT and DC concepts. This figure shows that the combination of both theories ultimately generates DMC through accumulating market knowledge and maintaining the knowledge-management process.

Figure 2.1. The perspectives of RBT and DC for explaining dynamic marketing capability

Resource Base Theory foundation

Dynamic marketing capability foundation

Nature
(*Tangible & Intangible*)
- **Ordinary foundation**
(*VRIO*)
- **Approach**
(*Value addition*)

Overlapping area of RBT & DC

Market knowledge accumulation,
Repeated knowledge management capacities

Resources & Capabilities
(*Reconfigure, leverage and integrate*)
Approach (*Intentional and pursues higher-order path-dependent phenomena*)
Micro-foundation
(*Collaborative underlying process*)

Dynamic Capability Theory foundation

30

2.2.6. Literature Gap

A list of marketing capabilities that have been discussed in the domain of RBT, DC and DMC are highlighted in Table 2.2. It is somewhat surprising that the DC studies in Table 2.2 have inappropriately applied a mixture of marketing capabilities to describe the capabilities' dynamic foundations. A comprehensive review of previous studies in Table 2.2 shows that marketing strategists drew attention to higher-order marketing capabilities in an isolated way. Several authors have pointed out the concept of mid-level marketing capabilities as the fundamental constructs in DC studies. As an example, Tan and Sousa (2015) showed a mixture of mid-order and higher-order marketing capabilities' (e.g. product, pricing, distribution and communication) individual contribution to competitive advantage in export markets. In the context of unpredictable markets, organisations are unable to reflect the dynamism of marketing functions by emphasising only mid-level marketing capabilities.

Marketing scholars conceptualised the term DMC as a cutting-edge marketing practice which an organisation can use to deal with adverse market conditions (Aspara et al., 2011, Barrales-Molina et al., 2013, Orr et al., 2011). Even though a few marketing strategists (Aspara et al., 2011, Barrales-Molina et al., 2013, Morgan, 2012) have been involved in theorising the formation process of DMC, several dynamic marketing capability theorists (Martínez-López et al., 2013, Barrales-Molina et al., 2013) did not classify capabilities that are considered to be evolutionary roots of DMC. Furthermore, the underlying dimensions of DMC were selected on the basis of the situational context of the studies. This is definitely true in the case of selecting supply-chain management capability as a construct of DMC. In practice, supply-chain management capability is accepted in terms of operation management functional units (Morgan, 2012). In general, the nature of DMC points to the importance of integrating higher-order marketing capabilities in such a way so as to create satisfying customer outcomes within a dramatically changing market environment. However, in previous studies on DMC researchers used only a few higher-order marketing capabilities to define the anatomy of DMC. For example, only a few studies (Santos-Vijande et al., 2013, Sharma et al., 2016) illustrate that brand-management capability is a core element of DMC, looking specifically at the effectiveness of DMC to achieve long-term growth and survival in the markets. This implies that marketing scholars

referred to individual higher-order marketing capabilities as they demonstrated the effectiveness of practising dynamic marketing work.

Although previous studies have examined the influence of market orientation on business performance, no research has yet investigated how to develop DMC through combining market orientation processes with other marketing capabilities. This thesis argues that previous marketing literature has not dealt adequately with identifying different types of marketing capabilities that can be treated as underlying dimensions of DMC. This reflects the major drawbacks of earlier studies defining the taxonomy of DMC. To address the limitations in prior DMC studies, the current study demonstrates that higher-order marketing capabilities are the skeleton of DMC anatomy within the exporting context. With the aim of identifying evolving processes of DMC, the first objective of this paper will be to theoretically justify the underlying dimensions of DMC together with an understanding of the power of DMC to affect export performance. In general, this study investigates the constructs of DMC and this research examines whether DMC can influence improve export performance. Out of the above perspectives, the first objective of this study is to answer the following challenging question.

What are the constructs that constitute dynamic marketing capability, and how can they be utilised to achieve better export performance?

Table 2.2. Illustrative resource-based theory, dynamic capability view & dynamic marketing capability view used in marketing literature

Authors	Study type	Components'name*** ***a) DMC; b) DC; c) Capability; d)antecedent	Research Findings
(Bruni and Verona, 2009)	Qualitative-Case study	New product development [a]; market knowledge and marketing resources [d]	Market knowledge can be an important source of capability reconfiguration in the product development process, and it facilitates reconfiguration of resources.
(Maklan and Knox, 2009)	Qualitative-Case study	demand management; creation of marketing knowledge; establishing brand; customer relationship [a]	This study highlighted four influential constructs for developing marketing dynamic capability.
(Fang and Zou, 2009)	Quantitative	Product development management, supply chain management, and customer relationship management [a]	Resource magnitude and resource complementary have significantly influence on the development of international joint venter marketing dynamic capability.
(Morgan, 2012)	Theoretical paper	Market Learning, Resource Reconfiguration, Capability Enhancement [a]; Financial, physical, human, legal, organizational, reputational, informational, relational, knowledge [b]; Dynamic, CFPB, architectural, specialized [c].	This study introduced large number of marketing related resources, capabilities and showed the complementary effect of resources and capabilities on performance.

(Morgan et al., 2009)	Quantitative	market sensing, brand management, and customer relationship management capabilities [c]	Customer relationship management and brand management capability have different effects on profit growth, and market sensing is treated as complementary capability. DMC has positive effect on profit growth.
(Morgan et al., 2004)	Quantitative	Experiential resources, scale resources, financial resources, physical resources [b]; informational capabilities, relationship-building capabilities, product development capabilities [c].	Export venture performance is strongly related with resources and capabilities these connect with each other.
(Kaleka, 2011)	Quantitative	MLC/informational, customer relationship, and product Development [a]; Experiential Resources/ Tacit Knowledge, Financial Resources [b]	Exporting enhance resource acquisition and capabilities development as well as service advantage and improvement of performance.
(Lages et al., 2009)	Quantitative	organizational learning, relationship, and quality capabilities [c]	This study showed the chain links among capabilities, organization strategy and performance.
(Tan and Sousa, 2015)	Quantitative	product development, pricing, distribution and communication [a]	This study demonstrates that competitive advantage is contingent on an exporter possession of different levels of marketing capabilities. In addition, scholars reveled that marketing capabilities are positively associated with export performance through implementing competitive strategies.

Research Question 2

To what extent does dynamic marketing capability influence the relationship between international ambidexterity constructs and export performance?

2.3. Knowledge-Based View and Internationalisation process

Extant studies reported that the exporter's survival and growth in the market is entirely reliant on absorbing and implementing internationalisation knowledge (Fletcher et al., 2013, Fletcher, 2009, Morgan et al., 2003). Hence, export marketing studies have acknowledged the term knowledge-based view (KBV) to explain that the success of exporting processes is dependent on the organisation's practices of accumulating and deploying market knowledge (Villar et al., 2014). International business theorists are involved in recognising a more desirable internationalisation process for organisations. Several internationalisation models have been used in international business literature, in which researchers mostly emphasis the incremental process of internationalisation. Among different internationalisation concepts, the Uppsala model is a widely-used concept that shows that organisations are involved in international operations according to the incremental knowledge accumulation approach (Johanson and Vahlne, 1990). This model pertains to the knowledge-based view, which posits that the organisation can advance its internationalisation knowledge through monitoring repeatedly exploitative learning mechanisms (Pla-Barber and Escribá-Esteve, 2006). The limitation of this model is that it ignores the importance of knowledge accumulation at the pre-internationalisation stage (Forsgren, 2002, Andersen, 1993). An organisation's market knowledge portfolio is considered a significant determinant as to whether the organisation will enter into a foreign market. A group of scholars (Weerawardena et al., 2007), have challenged the adequacy of using the Uppsala theory to accelerate the internationalisation process. Internationalisation process is a learning mechanism in international context, where an organisation involves in accumulate internationalisation knowledge and managing knowledge in such a way so that customers' demands can be satisfied perfectly in the international markets (Casillas et al., 2009). This reflects the importance of internationalisation knowledge to support a successful internationalisation process.

The relevant exporting, international marketing and international business literature points out that the selection of an appropriate internationalisation process helps the organisation's long-term growth and survival in cross-border operations. In an investigation into internationalisation process Weerawardena et al. (2007) concluded that market knowledge acquisition should be conducted in a pre-internationalisation phase to simplify the internationalisation process. Researchers identified that some organisations are treated as being international new ventures, in which an organisation's prior knowledge about market demand is seen as essential in terms of implementing a successful internationalisation process (Pla-Barber and Escribá-Esteve, 2006). This refers to the fact that several organisations do not simply follow incremental knowledge accumulation processes; rather they practise simultaneously accelerating internationalisation processes with the intention of achieving long-term growth and survival in the international market. Therefore, international business theorists (Weerawardena et al., 2007, Prange and Verdier, 2011) are emerged in the concept of international ambidexterity as a prime instrument of accelerating internationalisation process. The term 'international ambidexterity' supports the organisation's knowledge-based resource accumulation by emphasising market exploration and market exploitation simultaneously. A successful organisation emphasises the ambidexterity method in its operational processes in order to deal with the adverse competitive nature of the markets (Duncan, 1976). From this perspective, the international organisation should follow the ambidexterity approach in such a way as to support the accumulation of internationalisation knowledge.

2.3.1. Organisational learning and international ambidexterity constructs

Organisational learning literature asserts that an organisation's distinct level of learning processes influences its competencies that further impact on performance (Huang and Wang, 2011). By drawing on the concept of organisational learning, scholars (Bapuji and Crossan, 2004) investigated why a firm surpass rivals due to the existence of different learning processes in changing markets environment. The organisation's learning mechanisms are capable of generating better products or services through providing valuable information to cross-functional business processes for reconfiguring resources and capabilities. According to Zollo and Winter (2002) "dynamic capabilities are shaped by the coevolution of different learning mechanisms", as the organisation is modifying or renewing capabilities based on the information of cross-functional

business processes. This infers the importance of knowledge accumulation together with implementing knowledge-based resources under the lens unpredictable and competitive business environment. An organisation requires direct involvement in implementing accumulated market knowledge to response rapidly together with effectively in the competitive business environment (Beer et al., 2005). Nonetheless, previous studies showed little attention to understand the causal relationship between organisational learning processes and an organisation's strategy implementation systems (Santos-Vijande et al., 2012). This thesis emphasises organisational learning theory to contribute not only to explain different knowledge absorption techniques, but also examine the influence of knowledge absorption processes to effective implementation of market knowledge.

This study proposes that an organisation's better learning processes improve its knowledge-based resources, by which the organisation can take advantages of environmental opportunities and avoiding possible threats. This research identifies two set of learning mechanisms encompassing both the exploration of market knowledge together with considering exploitation of market knowledge so as to comprehend the articulation and codification of collective knowledge. The application of exploration and exploitation has been examined in the studies of organisational learning since March (1991) investigated the trade-off between them. In general, exploration and exploitation are incompatible, however an organisation can practise both these learning techniques simultaneously (Auh and Menguc, 2005). This encourages researchers to draw the idea of organisational ambidexterity in order to show the robustness of learning processes in enhancing profitability. Arguments in favor of ambidexterity reveal that an organisation's' simultaneous practice of exploitation and exploration processes for adopting market knowledge is considered to be the determinant in terms of inventing a new method and advancing technical competency (Myers, 1997).

The term 'ambidexterity' means that an organisation needs to focus on both the exploitation of current strengths, and the exploration of new opportunities (Bharadwaj et al., 2005). Whereas an organisation's exploration capacity is involved in experimentation so as to find new alternatives along with the accumulation of new knowledge, skills and technologies, the role of exploitation capacity improves the strength of its existing knowledge, skills and technologies. In general, ambidexterity has been applied to situations in which an organisation's weaknesses in terms of operational processes can be minimised by balancing a relative level of exploitation and

exploration process at the same time. In reality, an international organisation experiences significant challenges in terms of accumulating along with deploying knowledge due to adverse market conditions and the presence of high-level competitive pressure. Hence, theorists of international marketing have introduced the term 'international ambidexterity' (IA), a concept which refers to an internationalisation knowledge absorption strategy that the organisation can use to tackle these difficulties (Hsu et al., 2013, Prange and Verdier, 2011). The role of international ambidexterity constructs may be influential organisational ability of seeking opportunity to do better in the international markets by the exploitation of current market opportunities and at the same time exploration of new market opportunities for the purpose of allowing growth and survival (Vahlne and Jonsson, 2016). This reasoning reinforce the consideration of practising both market exploration and market exploitation as dynamic capabilities which can "identify opportunities along with mobilising relevant resources both within the own firm and within other firms involved in the international opportunity seeking processes" (Vahlne and Johanson, 2013, Vahlne and Jonsson, 2016). Even though, some researchers considered the role of international ambidexterity as the dynamic capability, this research adhere O'Reilly III and Tushman (2008) in which stressed that "ambidexterity only becomes a dynamic capability if the firm's exploitation and exploration activities are strategically integrated" and that "the focus on ambidexterity as a dynamic capability is not itself a source of competitive advantage but facilitates new resource configurations that can offer a competitive advantage". This implies international ambidexterity constructs provide valuable information to reconfigure market knowledge so that the organisation can achieve competitive advantage in the market.

An export organisation can experience greater survival possibilities in the export markets by emphasising its exploitative learning process for accumulating market-based knowledge. On the other hand, an export organisation's market exploration process captures new market opportunities for realising continued growth in the export markets. Nonetheless, if an organisation overemphasises any individual knowledge-absorption process, it can develop core rigidities within its knowledge portfolio (Hsu et al., 2013). Thus, the organisation should coordinate exploitative and explorative learning in order to support its ability to grow and survive in export markets (Luo and Rui, 2009, Prange and Verdier, 2011). It is imperative for the organisation to combine its organisational capabilities with learning processes to simplify the application of ambidexterity and confirm long-term survival in the international markets (Ancona et al., 2001, Hsu et al., 2013).

This infers that the sustainable competitive advantage is not directly contingent on the application of explorative and exploitative learning processes, but rather on the development and reconfiguration of higher-order knowledge management capabilities.

An organisation may experience long term growth and survival in the export markets when it uses knowledge-based resources to offer customers more value than key competitors. This draws attention to the importance of using DMC to implement absorbed knowledge-based resources, which in turn enable the organisation to offer better customer value propositions. The term 'DMC' acts as a potential higher-order knowledge-management capability within uncertain market environments, whereas the perspective of international ambidexterity constructs act as higher-order dynamic internationalisation capability that influences an organisation's growth and survival in the international market by helping its constant modification of other higher-order capabilities (Prange and Verdier, 2011). The exporter needs to adjust its knowledge-management capabilities systematically so as to understand the strength of its adopted internationalisation knowledge from exploration and exploitation. Some scholars (Villar et al., 2014) suggest that it is essential to emphasise international ambidexterity constructs as the determinants of knowledge-management capabilities instead of examining only the direct effects of market exploration and market exploitation on export performance. Specifically, international business scholars (Hsu et al., 2013) have postulated that international ambidexterity has a positive influence on international performance in spite of the fact that no evidence of DMC's role was detected in this context. From this perspective, in the exporting context it is important to address the benefits of the market exploration and exploitation learning processes on export performance through DMC.

2.3.2. Literature Gap

In the context of the internationalisation process, Anderson (1993) has classified the knowledge portfolio into market-specific knowledge and generic knowledge. In the same way, Keen and Wu (2011) showed that an organisation's international strategic success is dependent on its possession of internationalisation knowledge and market-specific knowledge. An organisation's market-specific knowledge involves accumulating crucial information from customers,' by improving an organisation experiences in foreign markets (Andersen, 1993). Conversely, researchers showed that an organisation's accumulated internationalisation knowledge is used to

modify knowledge management practices so as to generate satisfying outcomes for customers (Eriksson and Chetty, 2003). Researchers have revealed that internationalisation knowledge must be linked with market-specific knowledge so that an organisation's knowledge portfolio fits with its capabilities' portfolio with respect to market demands (Keen and Wu, 2011). Figure 2.2 shows an illustrative knowledge map, which depicts that higher-order market specific knowledge and knowledge management processes are supported by the organisation's lower-level internationalisation knowledge. An organisation's higher-order knowledge management practices may not achieve the expected goal, if the organisation inappropriately relates lower-level internationalisation knowledge to upper-level market-specific knowledge. This indicates that an organisation's ineffectiveness in its internationalisation knowledge portfolio may generate challenges in terms of accumulating market-specific knowledge from its overseas operations.

Marketing strategists claim that the accumulation of internationalisation knowledge is essential for an organisation, although its mere possession is not enough without considering market-specific knowledge for enhancing an organisation's value offerings. In order to execute the exporting process, an exporter market-specific knowledge is seen as being an influential knowledge-based resource, by which the exporting organisation realises customers' specific demands (Forsgren, 2002). In that sense, the current thesis postulates that internationalisation knowledge leads to market-specific knowledge. Specifically, an exporter market-specific knowledge is supported by simultaneously learning from market exploration and market exploitation. Furthermore, an organisation's a successful internationalisation strategy is contingent on the strength of knowledge-based resources, in spite of the fact that knowledge-based resources in and of themselves are not sufficient to build valuable products and services. This refers to the fact that knowledge-based resources must be deployed in such a way that the organisation would be able to improve its value offerings for customers. With this aim, market exploration and market exploitation internationalisation knowledge-absorption processes need to be adjusted in such a way that enables the organisation to properly transform its learning into knowledge-management capabilities.
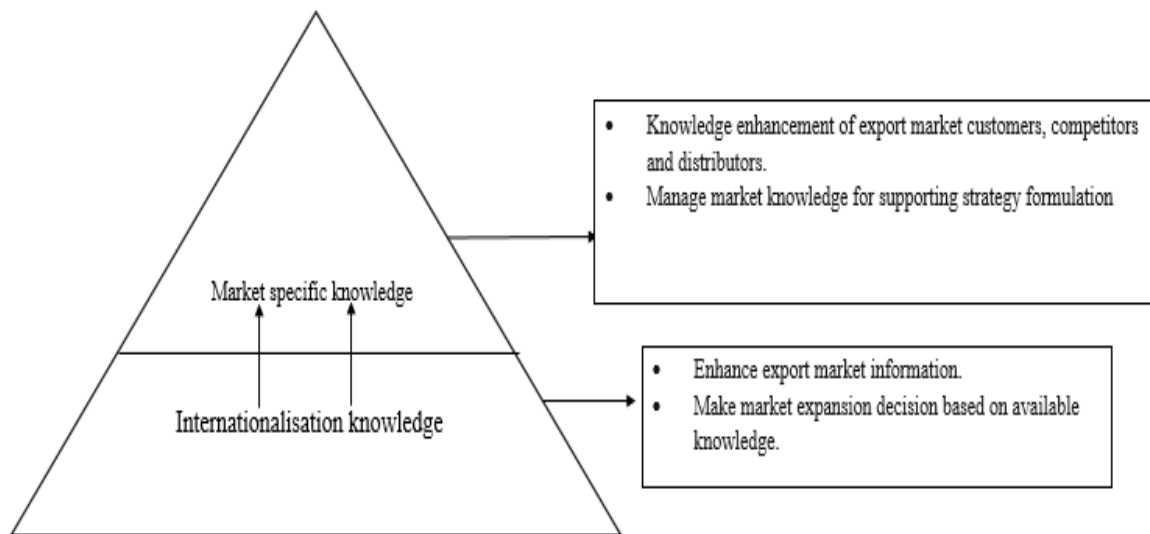
Figure 2.2. Structure of knowledge transformation in the internationalisation process. The theme of this figure adopted from Keen and Wu (2011)

At the same time as the organisation accumulates internationalisation knowledge, it is essential to possess higher-order organisational capabilities so as to achieve sustainable international performance. This is because an international organisation's higher-order organisational capabilities can bring significant modification to its business strategies (Fletcher et al., 2013, Weerawardena et al., 2007). This implies that higher-order organisational capabilities mediate the relationship between exporters' accumulated internationalisation knowledge and better export performance. In particular, IA theorists (Atuahene-Gima, 1995, Villar et al., 2014) have suggested that by focusing on market-knowledge management processes, an organisation learning from market exploitation and market exploration can generate better outcomes. Some researchers argue that organisation's market-knowledge management capabilities must be dynamic in order for the organisation to benefit from export market exploration and export market exploitation processes (Lisboa et al., 2013). Despite the fact that the application of knowledge-based factors has received notable attention in international marketing studies in terms of developing a successful internationalisation strategy, there has been scant empirical evidence that showed the

association between knowledge-based resources and multi-level knowledge-management processes. In particular, the performance implications of IA has received considerable attention, however, extant studies have failed to report what factors can empower market exploration and market exploitation in exporting contexts. This is because researchers did not identify the processes by which IA constructs should be deployed in order to achieve better international performance. That indicates the past empirical examinations have been problematic in IA context.

While a small number of studies have shown the influence of IA constructs in multinational organisations or in the internationalisation process of international joint ventures, little attention has been paid to the export context in IA studies. For example, to date only two empirical studies have individually investigated the influence of IA within the foreign direct investment (Hsu et al., 2013) and exporting (Villar et al., 2014) context respectively. Although the most recent critical examination of the international ambidexterity context by Villar et al. (2014), conjectured that the DC concept could be used to explain export performance, so far their study has only been applied to small and medium enterprises. Specifically, the scant attention that has been paid to the export marketing context is considered to be an important limitation in IA studies, as exporting is the first entry-mode choice by which an organisation becomes internationalised. Therefore, this study has selected exporting as an important area for knowledge-management research. Additionally, until now it has not been clear how to generate knowledge-based dynamic capability within the exporting context, together with the concurrent impacts of exploration and exploitation on export performance. Overall, past research has not acknowledged what the potential marketing capabilities are – with an added complication being the fact that they are embedded with market-specific knowledge that drives international ambidexterity towards export performance. Weerawardena et al. (2007) argued that an organisation's possession of DMC enables it to respond swiftly within multiple overseas markets by implementing internationalisation knowledge.

As noted, the internal structure of DMC incorporates higher-order marketing capabilities with the aim of absorbing market-specific knowledge and modifying knowledge-management capabilities. The application of DMC to implementing exporting process has not yet been recognised in IA studies. Because of these gaps, the present study proposes that the exporter can generate superior export performance by pursuing DMC, and the possession of DMC enables an

effective deployment of an exporter's learning derived from market exploration and market exploitation. This study therefore sets out to address following question:

To what extent does dynamic marketing capability influence the relationship between international ambidexterity constructs and export performance?

Research Question 3

What is the influence of external environmental factors (market uncertainty and competitive intensity) on the relationship between international ambidexterity constructs and export performance through dynamic marketing capability?

2.4. External Environmental Factors

The final tier of this research focuses on the role of external environmental factors in supporting export implementation processes. International marketing studies have shown that external environmental factors such as competitive intensity and market uncertainty have a critical influence on an international organisation's operational processes (Jaworski and Kohli, 1993, Fang and Zou, 2009). In the same vein, Hussey and Eagan (2007) suggested that an organisation's performance is associated with the function of external business factors, and hence future research should address the importance of external environmental factors in internationalisation process., In export marketing literature, researchers have shown the moderation effects of external environmental factors on the association between market-specific knowledge and marketing-capability development processes (Murray et al., 2011).

In addition to that, there have been an increasing number of studies within the DC paradigm that inappropriately describe the terminology of market uncertainty and market dynamism. According to Chari et al. (2014), market dynamism is a basic feature of market uncertainty that creates a threat to the organisation by causing a high degree of disorderly change in the market. On the other hand, an organisation's incompetency to absorb valuable market-specific information creates difficulties to modify its marketing capabilities. So the organisation is affected by market uncertainty when managers are unable to predict or concern about market trends (Bowman and

Ambrosini, 2000). This indicates the importance of learning about external environmental factors to improve the quality of market knowledge portfolio. In terms of explaining the strength of external environmental factors, marketing scholars claim that in a complex business environment the organisation's performance is dependent on the application of higher-order marketing capabilities (Merrilees et al., 2011). In accordance with market uncertainty, organisations are experiencing challenges in terms of conceptualising customers' attitudes towards brands as well as customers' expressed and unarticulated needs. This encourages managers to focus on modifying marketing capabilities in such a way that enables the organisation to respond to market changes effectively and enhance its profit margin.

Whilst several attempts (Narver et al., 2004) reported the determining role of market uncertainty in capability formation processes, other groups (Matear et al., 2004, Aspara et al., 2011) have addressed the issue of competitive intensity as an influential external environmental factor with respect to domestic and international business boundaries. The term 'competitive intensity' is generally understood to mean a situation in which an organisation is experiencing fierce competition as well as facing scant opportunities for future growth in the markets (Auh and Menguc, 2005). Marketing literature has revealed that an organisation becomes more innovative and market-oriented by emphasising lessons learned about competitive intensity (Jaworski and Kohli, 1993a). The presence of high-level competitive pressure often prompts the organisation to improve its product development process so that the organisation can surpass its key rivals (Porter, 1980a, Lamore et al., 2013). An exporter's knowledge-based resources portfolio becomes obsolete if the exporter is unable to reconcile knowledge accumulation processes with the results of competitive intensity (Matear et al., 2004, Kohli and Jaworski, 1990). Thus, exporting organisations experience challenges in terms of adjusting their marketing capabilities to satisfy customers' expressed and unexpressed needs. By focusing on learning from competitive pressure, an exporter can improve the quality of knowledge-based resources, which supports the modification of its marketing capabilities (Murray et al., 2011). This implies that an exporter can improve its knowledge portfolio and modify its knowledge-management capabilities by comprehending the market trends and competitive intensity.

It is essential for the exporting organisation to accumulate valuable information about the nature of the markets along with the competitive strategy of its major rivals, and then deploy this

information in such a way as to create a greater degree of value offerings in the markets. As noted, the role of DMC supports the execution of accumulated knowledge within an uncertain business environment, so the practice of DMC is imperative so as to deploy valuable information. For example, Fang and Zou, (2009) suggested that an international organisation can surpass its potential rivals by following dynamic marketing work in an environment with a high-level of market uncertainty and competition intensity. This finding is consistent with the argument of Murray et al. (2011), in which researchers asserted that the level of market uncertainty and competitive intensity both advance an exporter's knowledge-based resources, and support its modification of knowledge-implementation capabilities in order to support the value creation processes.

2.4.1. Literature Gap

A number of authors have attempted to explain why external environmental factors should be treated as fundamental elements in the association between marketing capability and performance. Market uncertainty and competitive intensity has received growing attention in marketing strategy studies, specifically in the context of responsive-market orientation and proactive market orientation (Narver et al., 2004, Kohli and Jaworski, 1990, Bodlaj et al., 2012). In addition, several attempts have showed the moderation roles of external environmental determinants in the dynamic-capability and market-knowledge management -premise (Zhang and Duan, 2010, Boso et al., 2012). For instance, Murray et al. (2011) showed that the effectiveness of market-specific knowledge on export performance varies due to the presence of different degrees of external environmental factors. It is apparent from their study that external environmental factors dominate market-based knowledge, whereas the development of marketing capabilities hinges on the level of market uncertainty and competitive intensity. In the internationalisation process an organisation presents a knowledge gap when its accumulated knowledge ignores learning from external environmental factors. Thus, to minimise the knowledge gap of external factors, internationalisation knowledge is modified by the learning activity of the organisation.

Most marketing studies have examined the moderating influence of competitive intensity in market orientation and innovation interfaces (Murray et al., 2011, Jansen et al., 2006). In the past, the theoretical model showed the link between an organisation's learning mechanisms and

performance, however, to date little research has empirically verified the role of influential moderators on the relationship between internationalisation process and international performance. This is evident in the case of a few previous studies (Murray et al., 2011, Cadogan et al., 2003), in which researchers showed the significant role of external moderators on the connection between export market orientation and export performance. In particular, previous investigations showed that the foundation of export market orientation is concerned with absorbing responsive-based market-specific knowledge from export markets – a process that overlooks unexpressed needs of customers. In addition, researchers did not evaluate what types of market knowledge management capabilities have the strongest influence in converting accumulated knowledge-based resources into performance under high-level of adverse market conditions. In that sense, the investigation of external environmental moderators' impacts in export market orientation areas is limited by ignoring the explanation of knowledge-implementation processes. This indicates that limited empirical research has emphasised the ability of an exporter learning from external environmental factors to leverage the execution of exporting processes into better export performance.

In the same way, IA studies (Hsu et al., 2013, Lisboa et al., 2013, Villar et al., 2014) have focused little attention on identifying the moderating role of external environmental factors on the link between international ambidexterity and international performance. Past studies demonstrated that the effects of market knowledge are contingent on the organisation's external environmental factors (Day and Wensley, 1988, Slater and Narver, 1994). Following upon this logic, the current thesis postulates that the effectiveness of international ambidexterity constructs are contingent on external determinants in the exporting context. The value of external environmental factors in terms of improving the internationalisation knowledge portfolio has been demonstrated in a work by Lisboa et al (2013), in which researchers identified that market uncertainty has a significant moderating impact on export market exploration and export performance. However, the proponents found a non-significant relationship between market exploitation and export performance in the condition of market uncertainty. The reason is that their investigation did not consider the knowledge-management practices through which each construct of international ambidexterity influences export performance. Despite growing interest in showing the strength of DMC within adverse market environments, previous studies have often overlooked demonstrating how exporters can implement knowledge-based resources generated from market exploration and

market exploitation processes within the conditions of market uncertainty and competitive intensity.

Overall, the relationship between IA constructs, DMC and export performance is not straightforward. Rather it depends on learning from external environmental factors. The current thesis proposes that the implementation of exporting processes and better export performance are both dependent on the strength of the knowledge portfolio. Therefore, in order to fill the major gaps in the literature of KBV, international business and DMC, this study investigates the moderating role of market uncertainty and competitive intensity in the chain relationship between IA constructs, DMC and export performance. In particular, the third research objective of this thesis develops a contingency model that provides new insights by linking knowledge-based resources, knowledge management capabilities and export performance. In this model, this study tests the relative effectiveness of international ambidexterity constructs on export performance taking into account the moderating influences of market uncertainty and competitive intensity. In view of this, the third research question is designed to determine the following:

What is the influence of external environmental factors (market uncertainty and competitive intensity) on the relationship between international ambidexterity constructs and export performance through dynamic marketing capability?

3. Chapter Three: Conceptual Model and Hypothesis Development

3.1. Introduction

This chapter develops a conceptual framework that aims to answer the three research questions as explained in Chapter Two. The constructs that will be used as the conceptual framework here have been generated from the theories that were described in the previous chapter. Figure 3.1 explains the conceptual framework that establishes the relationship between international ambidexterity, dynamic-marketing capability and export performances in the presence of market uncertainty and competitive intensity. The conceptual framework will be developed in three stages, in which the theoretical foundation is based on RBT, KBV, DMC and complementary theory. In particular, the following sections will be articulated on the basis of the key underlying constructs of dynamic-marketing capability (DMC): international ambidexterity constructs, external environmental factors and export performance.
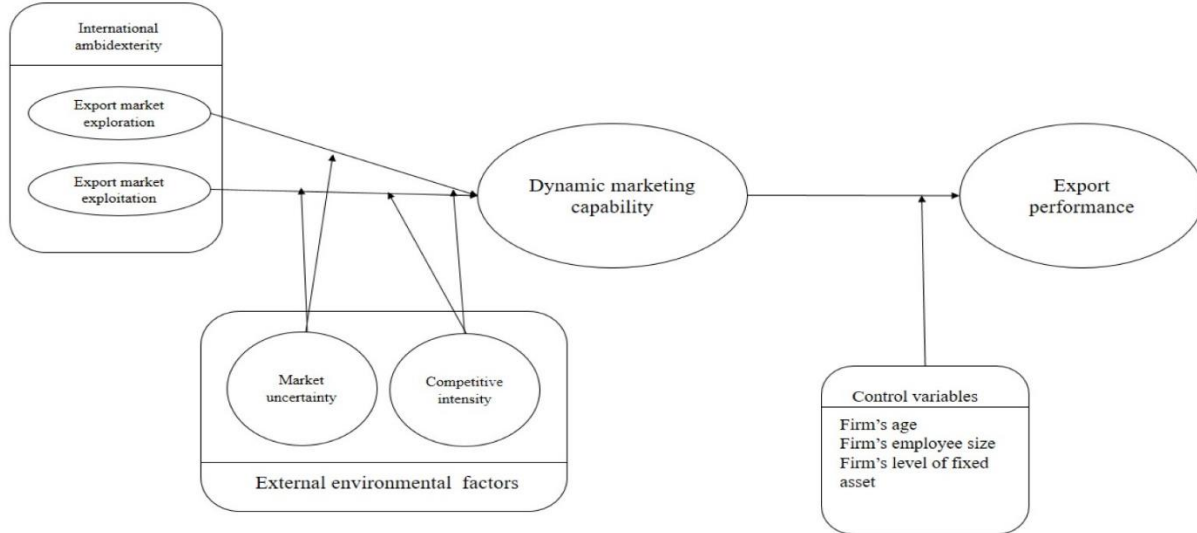
Figure 3.1. Conceptual framework to investigate the structural relationship between international ambidexterity, dynamic-marketing capability and export performance.

In its first section, this chapter will identify four higher-order marketing capabilities that are required to generate dynamic marketing practice within the export organisations. In the second section, the researcher will propose the strength of DMC as a mediator that enables the exporter to execute exporting processes for realising better export performance. In the third section, this study investigates the role of external environmental moderators and their influence on the relationship between international ambidexterity constructs, DMC and export performance relationship.

3.2. Main Features of DMC Assumption

Highly uncertain market environments require a greater emphasis on MCs, because superior customer value can only be delivered through the dynamism of marketing functions (Weerawardena, 2003). This fact has encouraged several studies to consider the concept of mid–level marketing capabilities by utilising the theoretical foundation of DC (Danneels, 2008, Vorhies and Morgan, 2005, Morgan et al., 2004, Sok et al., 2013). However, in the context of changing export market environments, it is far more challenging to obtain superior export performance by emphasising classical 'marketing mix' activities. Several scholars (Merrilees et al., 2011) have criticised the adequacy of mid-level MCs within adverse business environments. Kyriakopoulos and Moorman (2004) claim that marketing capabilities that do not possess higher-level market knowledge are unable to deliver worthwhile information in cross-functional business units of an organisation. This creates a deficiency in terms of the organisation's ability to understand customers' needs, competitors' actions and market trends within changing market conditions. This research has postulated that some export organisations have only a few higher-order knowledge-management capabilities that enable them to surpass their key competitors. As of now little is known about the main underlying dimensions of higher-order DMC construct as well as the robustness of higher-order DMC construct. This means that DMC view warrants more research in order to untangle underlying dimensions of DMC. One useful avenue for research would be to study the internal structure of DMC and its influence in the exporting context.

With respect to the RBT and the DC assumptions, the present study has identified similarities between marketing capabilities and their underlying elements to understand specific components of DMC. This thesis has also identified the formation process of influential marketing capabilities within the DC premise. Table 3.1 is organised to present specific components and underlying processes of marketing capabilities. From table 3.1 we can comprehend that the organisation's

market knowledge absorption capacities as well as knowledge-dissemination mechanisms are involved in its higher-order marketing practices, and these marketing capabilities operate in cross-functional units. When the capabilities have a knowledge-absorptive capacity along with a deployment competency within cross-functional units, a combination of capabilities can be considered to be the driving forces required to achieve an improved international performance (Bruni and Verona, 2009). In addition, after reviewing the studies in table 3.1, it is clear that marketing theorists broadly used five types of higher-order capabilities in DC premise, and these are: market orientation capability, customer relationship management capability, brand management capability, new product development capability and networking capability. In contrast to these five capabilities, however, few studies have detected supply-chain management capability within the marketing capability premise. While previous researchers (shown in table 3.1) have proposed a mixture of higher-order and mid-order marketing capabilities in DC studies, this thesis proposes that an organisation's DMC is based around the improvement of efficiency in cross-functional marketing processes. The DMC concept says that higher-order marketing capabilities that operate in cross-functional business processes are the underlying constructs of DMC. The concept of DMC is required in order to account for the satisfaction of customer value within changing market conditions, and this approach separates DMC from the general assumptions of DC.

3.2.1. Internal Dimensions of Dynamic Marketing Capability

With respect to export market conditions, it is crucial to understand the internal dimensions of DMC, as the application of this marketing practice is most suitable for highly uncertain environments. The underlying dimensions of DMC comprises higher-order marketing capabilities, and those capabilities are essential for processing customer-oriented valuable information (Barrales-Molina et al., 2013). An organisation must be prioritize the inclusion of higher-order marketing capabilities in cross-functional business units to realise better outcomes from the repeated application of dynamic-marketing practice. This argument is consistent with an earlier study by Srivastava et al. (1999), which suggested that combining different MCs can generate better performances than an individual MC alone. This implies that when an organisation is focused on any individual higher-order MC instead of a group of higher-order MCs, the organisation is unable to satisfy the customers in a time of unstable market conditions. And there is a first mover advantage, as an organisation's major competitors face increased barriers in codifying their knowledge-

management capabilities if the original organisation focuses on the interaction between higher-order MCs (Morgan et al., 2009a). The reason for this is that when various higher-order MCs are combined within cross-functional business units, the organisation can generate greater value offerings compared to the offerings that are generated from individual higher-order MCs. The logic for this follows Morgan (2012) work on cross-functional marketing capabilities and links to the work by Barrales-Molina et al.(2013) defining the internal structure of DMC as some form of "capability that a marketing department must first absorb and assimilate market knowledge and then integrate the accumulated knowledge into the rest of the organization through knowledge management."

Table 3.1. The elements of marketing capabilities formation within the DC context.

Authors	Specific components		Underlying process	Marketing capabilities	Other organisational capabilities
	Knowledge-absorption capacity	Knowledge management	Cross- functional business process		
(Barrales-Molina et al., 2013)	✓	✓	✓	New product development, proactive market orientation	Not mentioned
(Santos-Vijande et al., 2013)	✓	✓	✓	Market orientation, brand management, new product development	Not mentioned
(Mitrega et al., 2012)	✓	✓	✓	Networking capability	Not mentioned
(Landroguez et al., 2011)	✓	✓	✓	Customer- relationship management, market orientation.	Not mentioned

(Hou and Chien, 2010)	✓	✓	✓	Not mentioned	Not mentioned
(Fang and Zou, 2009)	✓	✓	✓	Customer- relationship management, new product development, supply-chain management	Not mentioned
(Maklan and Knox, 2009)	✓	✓	✓	Customer relationship management, brand management, proactive market orientation	Not mentioned
(Easterby-Smith and Prieto, 2008)	✓	✓	✓	Not mentioned	Not mentioned
(Narasimhan et al., 2006)	✓	✓	✓	Not mentioned	Research & development capability; operational capability
(Menguc and Barker, 2005)	✓	✓	✓	Customer relationship management, market orientation.	Not mentioned
(Zahra and George, 2002)	✓	✓	✓	Not mentioned	Not mentioned

The DMC is an advanced marketing process that is involved in the modification arrangement of higher-order marketing capabilities. Also, the underlying dimensions of DMC possess a knowledge-absorption capacity as well as a commitment to the knowledge-management processes. On the basis of the higher-order MCs concept, Morgan (2012) identifies three higher-order marketing capabilities (namely, new product development capability, brand management capability and customer relationship management capability) – that operate in marketing cross-functional business processes, whereas Barrales-Molina et al. (2013) proposed that DMC consists of two higher-order MCs (namely, new product development capability and proactive market orientation). This thesis will set out the four fundamental constructs of DMC foundation processes in subsequent sub-sections of this chapter. Based on the generation process of DMC proposed in the theoretical work of Morgan (2012) and Barrales‐Molina et al. (2013), the current thesis extends the conceptual study of DMC by developing a multi-level DMC scale that comprises four dimensions. These capabilities are: new product development capability, customer relationship management capability, brand management capability and market orientation capability. This research has introduced the ambidextrous market orientation (AMO) as a core higher-order marketing capability of DMC anatomy, rather than simply using individual market orientation (MO) constructs. An exporter can generate better business performance by possessing AMO capability when it is complementary with other transformational knowledge management capabilities. However, past studies have failed to notice the effectiveness of AMO in terms of explaining DMC constructs. This study has proposed the notion of AMO as a core construct of DMC by improving the market orientation concept that was elaborated in the prominent work of Morgan (2012) and Barrales‐Molina et al. (2013). The present thesis shows that the underlying dimensions of DMC follow a system. The broad implementation of higher-order MCs indicate the organisation's ability to generate DMC rather than simply treating higher-order MCs in isolation. In this sense, the present study illustrates the conceptualisation of DMC as a third-order reflective construct in figure 3.2. This study presents the terminologies of higher-order marketing capabilities that have been used within RBT and DC and DMC studies in Table 3.2.

Figure 3.2. Internal dimensions of DMC taxonomy
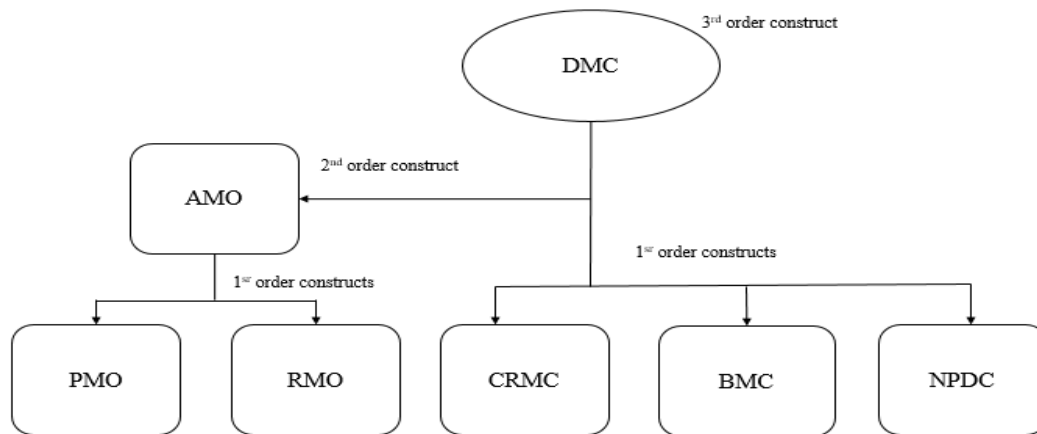
Note: DMC = Dynamic-marketing capability; AMO = Ambidextrous market orientation, PMO= Proactive market orientation, RMO = Responsive market orientation, CRMC = Customer relationship management capability, NPDC = New product development capability, BMC = Brand management capability.

Table 3.2. Illustrative terminologies of DMC constructs

Construct name	Definition	Authors
Resources	Resources can be considered as the portfolio of all sorts of tangible and intangible assets that are used for production purposes.	(Morgan, 2012)
Capabilities	Capabilities represent the capacity that an organisation has to integrate resources for satisfying customers'' value offerings.	(Dutta et al., 2005)
Dynamic capability (DC)	DC is the organisational process within turbulent business environments, which reconfigures and deploys resources and capabilities in such a way that fits with uncertain business environments.	(Teece et al., 1997)
Dynamic-marketing capability(DMC)	DMC reveals distinctive cross-functional business processes to create and deliver superior customer value in response to market changes by reconfiguring higher-order marketing capabilities. The main function of DMC is to absorb market knowledge and support effective knowledge-management processes	(Bruni & Verona, 2009)
New product development capabilities	NPD capability is a path-dependent process that reconfigures and deploys resources and capabilities for the purposes of improving innovation that offers new values to the target markets. For instance: Apple Inc. regularly diffuses new products in the market by maintaining strong innovative capabilities to furnish Apple Inc. along with the overall information technology market.	(Teece, 2012)
Customer-relationship management capabilities	'CRM is not simply an IT solution that is used to acquire and grow the customer base. It involves the adroit combination of human, technology and business related capabilities in an environment that can feasibly support the type of integration required'.	(Coltman, 2007)
Brand management capability	An approach in which organisations create and protect brand assets steadily with the aim of achieving lasting positional advantages in the form of a brand. This process involves utilising market knowledge by accumulating architectural and specialized marketing capabilities. This enables the organisation to leverage brand equity and brand building activity.	(Santos-Vijande et al., 2013)
Responsive market orientation (RMO)	An RMO-based organisation is focused on customers expressed needs. An RMO-based organisation is a follower rather than a market leader.	(Narver et al., 2004)
Proactive market orientation	Proactive market orientation seeks information to satisfy customers'' latent needs. PMO is best for long-term survival in the market, and organisations that are practising PMO are treated as market leaders.	(Lamore, et al ., 2013)
Ambidextrous market orientation	'Ambidextrous market orientation (AMO) can be described as a mixture in the relative degree of responsive and proactive market orientations'.	(Tan & Liu, 2014)

3.2.1. New Product Development Capability

Past studies often advocate the use of new product development capability (NPDC) or innovation capability as a constituent of DC (Dacko et al., 2008). NPDC can generate greater value when it can integrate outside and inside knowledge together (Day, 1994). In their excellent investigation of innovation in manufacturing sector, Jin et al. (2004) defined innovation or new product development capability as the organisation's continuous process of generating new ideas by exploiting along with exploring knowledge, and then implementing these knowledge for satisfying customer demands. NPDC is a process of converting accumulated information by reconfiguring, leveraging and integrating resources and capabilities so as to introduce commercially viable products within distinct levels of the market environment (Teece, 2012). In general, NPDC operates in cross-functional business processes that accumulate valuable information internally or externally, and then integrate the knowledge in such a way as to provide solutions in the markets. The organisation should encourage the possibility of new product offerings by improving its innovation processes in the context of adverse market conditions. Improved innovation is required because a range of products can be made obsolete rapidly due to an organisation's shorter product life cycle in highly uncertain market conditions. Export marketing researchers have indicated that NPDC is a crucial export marketing practice (Lages et al., 2009), by which the exporter can maintain repeated product offerings in export markets (Yang et al., 2012). As a higher-order marketing capability, NPDC (Merrilees et al., 2011, Sharma et al., 2016) promotes the modification of an organisation's innovativeness so that the organisation can satisfy demands in new export markets. In addition to that, NPDC encourages an organisation to be proactive by exploring new innovation instead of merely exploiting the strength of existing products.

Previous studies have uncovered the fact that an organisation's innovations are positively related to better performance (Hughes and Morgan, 2007, Jin et al., 2004), and to support new innovations the organisation should improve its new product development processes. An exporter requires an in-depth concentration of investing in NPDC so as to leverage the quality of innovation processes. An organisation's NPDC can satisfy the role of causal ambiguity when it is bundled together with other marketing capabilities. In doing so the NPDC can be seen as a crucial complementary capability (Menguc and Auh, 2006). An exporter can experience a low-level of

growth as well as market expansion opportunities because its inadequacy in innovativeness (Uner et al., 2013). In order for an exporter to improve its growth-seeking strategies and chances for long-term survival in export markets, it should focus on the continuous development of new products. In this sense, the exporter can offer new values in foreign markets by modifying its NPDC and combining it with other sets of marketing capabilities. Specifically, rather than being valuable per se, NPDC needs to be integrated with other marketing capabilities in order to fully meet the basic assumptions of DC (Krasnikov and Jayachandran, 2008). When NPDC is complementary with other marketing capabilities in cross-functional business processes, an organisation can introduce better products, which can be developed within a limited time frame. In the exporting context, the current thesis proposes that NPDC is the extent to which an exporter uses this process along with other market knowledge management processes in order to satisfy the underlying assumptions of DMC.

3.2.2. Customer Relationship Management Capability

Similar to the NPDC, customer relationship management capability (CRMC) is recognised as another essential component of DMC (Morgan, 2012). The term CRMC refers to the complex organisational process that acquires knowledge from existing and potential customers, and subsequently circulates the information into cross-functional business units so that the organisation can leverage market value propositions (Boulding et al., 2005, Srivastava et al., 1999). CRMC involves identifying potential customers, developing knowledge about customers' expressed and unarticulated needs and generating ideal profit growth through maximising customer responses. Merrilees et al (2011) explained that CRMC is another type of higher-order market knowledge management process, which operates within cross-functional business units so as to maintain a connection between customer relationship management and customer satisfaction. Export ventures can accumulate knowledge about export market requirements through applying CRMC, and based on this customer-oriented knowledge an exporter can offer possible solutions for use in cross-functional business units (Morgan et al., 2004).

Having a highly successful CRMC allows an organisation to improve innovation processes in order to adapt to changing market demands. This is because an organisation's new product development is contingent on the available customer information that comes from effective

customer relationship management processes. An organisation's customer relationship management process does not simply rely on gathering new ideas about products, rather it involves the potential customers in a series of experiments so as to comprehend the market's specific needs (Ramaswami et al., 2009). In other words, CRMC may not just be a route to successful innovation because it provides valuable information, but it may also be involved in interaction with other knowledge management capabilities (for example, BMC and ambidextrous market orientation).

An organisation's CRMC is a most valuable operational capability that requires significant time to develop, and the effectiveness of CRMC is dependent on the level of experiential knowledge and the interpersonal skills of the organisation's staff. The organisation should focus on achieving a high-level of responsiveness in order to leverage the strength of customer relationship management practices. When the organisation provides high-value to its customers and concentrates on customised offerings as well as robust personalised communication, then it is clear that the organisation is maintaining a high quality of CRMC (Zhou et al., 2005, Day, 1994, Mathias and Capon, 2003). By following better customer relationship management practices, the organisation can increase the retention rate of its customers, which in turn generates a higher level of profitability. In general, CRMC is an organisation's crucial competency in terms of identifying potential and existing customers for the purpose of increasing its customer retention rate.

In the exporting context, an exporter can generate better performance by bundling NPDC and CRMC (Kaleka, 2011). The reason is that a simultaneous application of CRMC and other marketing capabilities can improve the strength of an organisation's marketing capabilities portfolio. By combining CRMC and other market knowledge management capabilities, an exporter is able to unravel customers' needs as well as furnish solutions for tackling adverse conditions in export markets. This thesis proposes that the organisation's CRMC should be complemented with other marketing capabilities for attaining superior performance. Since the complementary influence of CRMC and other higher-order marketing capabilities can generate greater degree of values within uncertain environments, CRMC is treated as an important component of DMC development processes.

3.2.3. Brand Management Capability

Brand management capability (BMC) is a strategic and comprehensive process, which can enhance the value of organisations and create strategic competitiveness in the market (Huang and Tsai, 2013). BMC is an additional knowledge management process that yields brings specialised capabilities from underlying processes in order to capitalise on brand assets (Cadogan et al., 2009). The function of BMC is to allow the organisation to reconfigure, combine and deploy knowledge management capabilities so as to generate satisfying customer outcomes as well as improving the value of reputational assets. To develop a strong brand, BMC integrates brand valuation processes, management systems and working processes on the basis of all the gathered information (Prevel Katsanis, 1999). In particular, BMC follows a systematic and strategic approach for creating a strong brand in an integrated and coordinated way. BMC requires close connection among marketing capabilities within cross-functional business processes, which ultimately leverage the reputational competitiveness of the organisation within the export market environment. This implies that BMC creates a platform for the exporter's growth and survival within export markets by building a strong corporate brand. The core attributes of BMC (brand orientation, internal branding and brand management strategy) – cannot be easily transferred to another organisation (Dechernatony and MacDonald, 1992, Santos-Vijande et al., 2013). By investing in BMC a strong corporate brand can be developed that shows the ability of the organisation to secure its competitive position in the markets.

An organisation's appropriate investment in brand management processes reflects its concentration on brand orientation, whereby potential buyers are attracted to its newly deployed products in the markets. In order to show strength in BMC, an organisation should combine its BMC with other knowledge management capabilities. A strong brand development leads to the organisation's ability to innovate within adverse market space (Beverland et al., 2010). For instance, in the consumer electronics sector, Apple's strong brand-building capability enables it to deploy new products (for example, the Apple watch, iPhone's new series) in the market so as to balance continuous growth and survival in international markets (Sharma et al., 2016). In this sense, BMC is treated as a crucial complementary capability. Rather than paying attention simply to what new products are on offer, an organisation needs to maintain a strong brand to enhance its

reputation within the international context. In short, it is clear that the interaction of BMC and NPDC can generate a greater return of investment than either of these two capabilities alone.

In a similar vein, other scholars argue that an organisation can transform its negative outcomes into positive performances through the integration of brand management competency and customer relationship management capability (Morgan et al., 2009). The competency of CRMC assists the organisation in collecting appropriate information about market demand (that is, customers' attitudes towards the products and the corporate brand), and later on in disseminating this knowledge to brand management units so that the value of reputational assets can be improved over time. In order to show the complementary influence of BMC, Hooley et al. (2005) concludes that an organisation can offer better marketing performance when brand management processes are bundled together with market orientation processes. In line with the above discussion, this thesis conjectures that the function of BMC should be treated as a higher- order marketing capability (Santos-Vijande et al., 2013, Merrilees et al., 2011, Sharma et al., 2016), and an important dimension of DMC.

3.2.4. Market Orientation

Market orientation (MO) theory reveals that it is an organisation's marketing-support capability that provides valuable market specific information (Vorhies and Morgan, 2005). This enables the organisation to enhance its learning about customer demands and market trends. The main objective of an organisation's marketing capability is to satisfy customers' needs in a stable or changing market environment by implementing accurate market knowledge (Aragón-Sánchez and Sánchez-Marín, 2005). Two schools of thoughts addressed the MO concept in the early 1990s. Narver & Slater (1990) defined the term from the organisational cultural viewpoint, in which an organisation concentrates on customer orientation, competitor orientation and inter-functional coordination so as to accumulate and deploy information with the support of coordination mechanisms. On the other hand, Kohli & Jaworski (1990) proposed a concept of MO from a behavioral perspective, in which they demonstrated the importance of customers' unarticulated and expressed needs, the significance of disseminating accumulated market knowledge within cross-functional business units, and the organisation's responsiveness in terms of satisfying customers' expectations.

In order to provide greater value offerings in the markets, organisations are focusing on MO, however some organisations are experiencing a diminishing marginal return as well as low-levels of innovativeness (Lamore et al., 2013). This has encouraged marketing strategists to extend the MO concept, and has introduced two dimensions of MO: (a) responsive market orientation (RMO), and (b) proactive market orientation (PMO). RMO has concentrated on the customer's expressed needs, whereas PMO has stressed the important role of identifying customers' unarticulated needs (Bauer and Matzler, 2014). Due to a narrow understanding regarding the application of MO, most international marketing studies have drawn attention to response-based MO, and largely overlooked the importance of examining unarticulated needs in the markets. However, the first systematic study of Narver et al (2004) overcame the gap by reporting the significant influence of PMO and RMO in innovation contexts. The current thesis reviewed MO studies that drew attention to the role of PMO and RMO. Based on the literature review on MO, this thesis has found that export-marketing studies mostly used responsive-based MO and often overlooked proactive-based MO in studies of export performance. From just 2004 to 2015, roughly 30 studies have examined (in accordance with the abstracts of market orientation articles which are listed in Business Source Premier Database) the multivariate effects of PMO and RMO on distinct levels of marketing capabilities.

By investigating previous findings, it is clear that PMO is more appropriate than RMO in a situation where an organisation is experiencing a high-level of market uncertainty and competitive pressure. The application of PMO in an exporting context can generate a greater degree of valuable information for the organisation due to the highly uncertain characteristics of export markets. In general, an exporter should absorb information in such a way that combines knowledge about the expressed and unexpressed needs of its customers. In support to accumulate both types of information (i.e. latent and unarticulated knowledge), Lamore, Berkowitz, & Farrington (2013) advised that future research should investigate the combined effect of PMO and RMO strategy on performance. Recently, Tan and Liu (2014) asserted that by balancing the articulated and unarticulated needs of customers an organisation is following ambidextrous market orientation (AMO). This term is generally understood to mean an organisation's effort to balance RMO and PMO culture concurrently. In their study, it can be seen that the use of both MOs at the same time can generate a greater level of overall performance than if the organisation merely uses MO culture. While previous studies have showed the imperative role of AMO in new product

development performance, marketing strategy studies have failed to draw attention to it as a crucial dimension of DMC anatomy. This research evaluates the application of PMO and RMO in different situations (illustrated in Table 3.3), and, based on the results of the literature review this thesis claims that the strength of AMO should be treated as a construct of DMC anatomy.

Table 3.3 summarises the application of MO in several marketing strategy studies. This thesis has found that the majority of studies used MO with other types of marketing capabilities to understand its effect on business performance. This study corroborates the idea of MO in the work of Menguc and Auh (2006), which claims that an organisation's possession of MO is not valuable per se, rather it must be integrated with other operational capabilities to endorse the VRIO (valuable, rare, inimitable and organisational process) criteria of capabilities. This study asserts that an organisation can leverage its operational processes efficiency by integrating MO with other complementary capabilities. The reason is that an organisation's complementary capabilities can generate greater value offerings compared to its possession of only single marketing capability. Whereas an organisation's strategic similarities of resources and capabilities are strong indictors that it will experience positive returns (Pehrsson, 2006, Meyer and Altenborg, 2008), its complementary capabilities create difficulty for competitors in terms of imitating and utilising the capabilities. Complementary capabilities provide a greater degree of value creation support through the actions of mutually supportive capabilities. In particular, this study believes that the complementary effect of higher-order marketing capabilities reinforces an organisation's DMC development processes. Thus, it is logical to propose that the interaction of AMO with other marketing capabilities can promote the development of DMC.

Table 3.3. Different approaches to market orientation in marketing strategy studies

Authors	Marketing Capability				Findings
	MO approach	**NPDC**	**CRMC**	**BRMC**	
(Bauer and Matzler, 2014)	PMO	✓	⊠	⊠	PMO and technological orientation of an organisation effects on new product development performance through the mediation of entrepreneur orientation.
(Barrales-Molina et al., 2013)	PMO	✓	⊠	⊠	PMO and NPD are crucial components of DMC.
(Barney and Clark, 2007)	PMO	✓	⊠	⊠	Firms follow the PMO process to strengthen their knowledge development, which has a direct influence on their innovativeness. PMO leads firms to show a higher level of commitment to clients compared to responsive market orientation process.
(Bodlaj et al., 2012)	PMO and RMO	✓	⊠	⊠	The moderation effects of external environmental influences the linkage of PMO and RMO towards NPD. This study reveals that PMO has a greater influence on NPD than RMO capability.
(Bharadwaj, 2000)	PMO	⊠	⊠	⊠	Configuration of proactive market orientation.
(Grant, 1991)	PMO and RMO	⊠	⊠	✓	A political party's combination of PMO and RMO along with the interaction of the brand orientation effects on the attitude of their voters and other stakeholders
(Raju et al., 2011)	RMO	✓	⊠	⊠	RMO has significant effects on NPD process. This study also identifies the fact that reputational assets are affected by implementing MO. The moderation effect of external environmental factors influences NPD and firm performance.
(Gaur et al., 2011)	RMO	✓	⊠	⊠	External environmental factors moderate the interrelationship of RMO and NPD.
(Zhang and Duan, 2010)	PMO and RMO	✓	⊠	⊠	PMO is more vibrant within turbulent market conditions for NPD, whereas RMO is more attached with stable market contexts for NPD.
(Creswell, 2013)	PMO and RMO	✓	⊠	⊠	While PMO leads to a greater degree of radical innovation, RMO influences innovations on an incremental basis.
(Coltman, 2007)	PMO and RMO	⊠	✓	⊠	PMO has more influence on CRM processes instead of the action of RMO.
(Narver et al., 2004)	PMO and RMO	✓	⊠	⊠	PMO has a greater influence on NPDC than practicing RMO.

Note: NPDC = New product development capability, CRMC = Customer relationship management capability, BMC = Brand management capability,

PMO = Proactive market orientation; RMO =Responsive market orientation.

3.3. The Implications of DMC for Superior Export Performance

Extant research has explored the role of MC in accumulating and deploying knowledge-based resources that are considered important determinants of the performance outcome of the organisation (Srivastava et al., 2005, Kozlenkova et al., 2013). In their meta-analytic study on MC, Krasnikov and Jayachandran (2008) identified multi-dimensional aspects of MCs, and showed that MCs can bring better performance compared to only emphasising research and development capability or other types of operational capabilities. In particular, marketing scholars (Tan and Sousa, 2015, Cadogan et al., 2009) largely focused on the relationship of specialised marketing capabilities (namely mid-level MCs) on export performance, despite the fact that the positive influence of MCs on performance is well established (Kemper et al., 2011, Boso et al., 2013b). However, previous investigations have often overlooked the crucial role of DMC in export performance. In order to tackle dynamic fluctuations in the export markets, an exporter's mid-level MCs are not enough to satisfy a market's specific demands. In exporting environments it is not appropriate to simply focus on mid-level MCs (for example pricing, distribution, personal selling, marketing communication), because the export markets are characterised by a high level of uncertainty. Specifically, neither mid-level MCs nor any individual higher-level MCs (e.g. innovativeness, brand management and customer relationship management), explain how the organisation can adjust its knowledge absorption and knowledge deployment processes in changing export markets. As postulated above, the underlying dimensions of DMC comprise four higher-level MCs in such a way that an organisation can swiftly modify its knowledge management capabilities in order to manage adverse market conditions. This study adopts the concept of DMC so as to comprehend its effectiveness in the export markets.

In favor of disclosing the nature of MCs, Morgan et al. (2009) posit that, if MCs can suitably achieve VRIO (valuable, rare, imitable and organisational processes) criteria then the organisation can achieve positional advantages. When an organisation's capabilities are bundled together, its processes create causal ambiguity for the purpose of surpassing key competitors (Grewal and Slotegraaf, 2007). The underlying dimensions of DMC are entrenched in cross-functional business processes in such a way as to meet the requirements of VRIO criteria. In general, the association of DMC constructs reflects that the elements are valuable, exceptional and challenging for key rivals to codify accurately. This refers to the fact that DMC is responsible for

meeting customers' needs in accordance with changing market environments. It is challenging for an organisation to predict customer demands in the export environment, thus the export organisation needs to exercise DMC. By following DMC approaches an exporter can implement its accumulated market knowledge adequately (Villar et al., 2014, Weerawardena et al., 2007), in a way that minimises the effects of customers' changing attitudes as well as increases their loyalty levels. In light of the above explanations, it is clear that the interconnectedness of higher-order MCs directs the generation of DMC for attaining sustainable performance within adverse market environments. In line with DMC theory, this study offers new theoretical insights by postulating that DMC has significant chances of eliciting better export performance. Therefore, this study expects:

Hypothesis 1: Dynamic marketing capability has a positive influence on the export performance of firms.

3.4. The Mediating Effects of Dynamic Marketing Capability

The elements of international ambidexterity, namely, exploitation and exploration, are considered as part of the internationalisation knowledge absorption process (Hsu et al., 2013, Lisboa et al., 2013). A mature organisation utilises exploitation mechanisms for comprehending opportunities in its existing markets operations, whereas international new ventures tend to pursue exploration processes for handling new business opportunities in potential markets. This refers to the fact that at the inception, a new international venture can hardly practise an exploitation process to accumulate valuable information. However, international new ventures start to follow market exploitation processes after a while in order to survive in competitive international markets. This means that an organisation's knowledge absorption process does not depend only on market exploration processes, but rather on market exploitation mechanisms as well. By using both knowledge absorption approaches, an international organisation remain feasible in the long run. International marketing researchers claim that an organisation should maintain a balance between market exploration and market exploitation so that it can assure its survival and growth (Katila and Ahuja, 2002), in spite of the fact that the underlying logic of the two approaches differs significantly. In this sense, export organisations should pursue both market exploitation and market exploration processes in order to ensure the international ambidexterity (IA) structure.

In line with the discussion about internationalisation process, a few recent studies have raised the question as to whether IA constructs (namely market exploration and exploitation) have a combined impact on value maximisation processes in an international environment or not (Hsu et al., 2013). No other research except Lisboa et al. (2013) has individually analysed the two constructs of international ambidexterity so as to unravel their influences on export performance. In their study of IA constructs, Lisboa et al. (2013) found a positive relationship between exploitation and performance, but a negative relationship between market exploration and performance. One of the shortcomings of their study was that it overlooked the processes by which accumulated knowledge can be implemented in order to enhance value offerings in export markets. Past studies (Grant, 1996, Murray et al., 2011) revealed that knowledge-based resources by themselves do not influence an organisation's business performance; however, the organisation can achieve better performance through utilising knowledge-based marketing capabilities. This implies that an exporter's simple possession of knowledge-based resources does not play a role in the value addition process; rather it is knowledge deployment mechanisms that can contribute to the achievement of positional advantages in export markets.

An organisation's survival and growth in overseas operations is contingent upon the possession of marketing capabilities (Morgan et al., 2012). According to Villar et al. (2014) "market knowledge management is considered to facilitate the achievement of higher performance and efficient responses to customers' needs and requirements." In uncertain market environments, an organisation's overemphasis on the knowledge accumulation processes and underinvestment in knowledge-management dynamic capabilities may create obstacles to attain long-term growth and survival. As can be seen from "Nokia," they focus on existing technology along with exploring new market opportunities, but did not concentrate on knowledge–management competencies that were needed to bring changes in product offerings. Consequently, Nokia has not performed well in the Smartphone market and lost its market share. The USA based e-commerce company 'Ebay' can be seen as an example of the opposite, because it focuses on opportunities in existing markets as well as options in new markets, and offers products based on the demands in the world markets. Ebay is pursuing market exploitation as well as market exploration to accumulate knowledge, and they emphasise knowledge-management processes so as to confirm customers' value offering. As a result, Ebay expanded rapidly in the world market through satisfying customers' demand. These examples show the role of knowledge-management marketing competencies to realise positive

effects from market exploitation and market exploration in unpredictable market environments. This thesis states that an organisation's marketing capabilities must be structured in such a way so as to support the implementation of accumulated knowledge.

As noted, the underlying dimensions of DMC act as knowledge management processes in a changing market environment. This indicates that the strength of DMC directs the implementation of an exporter's accumulated internationalisation knowledge along with helping information dissemination among decision makers to formulate marketing strategies. Prange and Verdier (2011) suggested that the internalisation knowledge absorption processes are not directly linked to improving international performance. Instead, the application of dynamic capabilities within this linkage may achieve better international performance by modifying an organisation's resources and capabilities. The absorbed internationalised knowledge is essential but insufficient to improve international performance, and the international performance effects of internationalised knowledge absorption processes are leveraged with the knowledge management process as a mediator. In this sense, it is crucial to focus our attention on the effects of market exploration and market exploitation on export performance through the practice of DMC. The reason is that the effects of market exploration and market exploitation on export performance are strengthened when an organisation's absorbed knowledge is implemented by knowledge management dynamic capabilities, such as DMC. Following the suggestion of Prange and Verdier (2011) in order to formulate a theoretical framework, the present study has placed the DMC concept as a mediator of the export implementation process. By developing DMC, it is clear that an exporter can implement its adopted internationalisation knowledge so as to respond quickly in relation to changes in market demands.

Market exploitation supports the exporter by accumulating internationalisation knowledge incrementally. Zaheer (1995) suggests that an exporter needs to minimise the 'liability of foreignness' (the high-level of uncertainty to enter into foreign market). In order to minimise the risk of foreign liability, the organisation should accumulate more robust internationalisation knowledge (Lord and Ranft, 2000) to enhance its knowledge about international market trends. This refers to the fact that the exporter needs to develop its international strategy on the basis of market knowledge, in which the exporter's incremental knowledge absorption mechanisms lead it to refine its market specific knowledge portfolio. This enables the exporter to identify new

opportunities along with challenges (Wang and Li, 2008). An exporter's knowledge management capabilities can overcome challenges in international markets by implementing accumulated market knowledge (Villar et al., 2014, Hsu et al., 2013). The international organisation's identification of an appropriate process may support its market knowledge implementation in such a way so as to enable it to disseminate satisfying products and services to consumers. In keeping with the market exploitation concept, an organisation requires knowledge management capabilities to survive in export markets.

As discussed above, the role of DMC is to modify knowledge management capabilities in such a way as to enable organisations to adjust their processes to changing market conditions. This higher-level marketing practice supports the implementation of knowledge gained from market exploitation. This implies that when an exporter possesses DMC, it displays a high-level of efficiency in its knowledge deployment regarding existing export markets, which in turn leads to a minimisation of operational mistakes and an increase in customer retention rate. Accordingly, the exporter can get the benefits of exploiting internationalisation knowledge by implementing DMC within its export implementation processes. On the basis of the above discussion, it is possible to hypothesise:

H2a: Dynamic marketing capability mediates the relationship between export market exploitation and export performance.

In contrast to market exploitation logic, international marketing scholars have theorised that exporters should pursue market exploration strategies in order to experience continuous growth in international markets (Lisboa et al., 2013). This encourages the exporter to discover new business opportunities within new export markets. The strength of market exploration processes improves the flexibility of internationalisation process as well as enlarging operation portfolios in the export markets (Jansen et al., 2006, Yalcinkaya et al., 2007). Market exploration acts as a key international learning process that influences an organisation's market knowledge deployment. An international organisation's better global performance is contingent on its ability to select new market opportunities along with its expertise to execute international marketing strategies (Boso et al., 2013a, Gabrielsson et al., 2012). International marketing scholars have analysed the direct relationship between market exploration and international performance based on the idea that learning from market exploration can generate better performance (Lisboa et al., 2013). However,

previous studies provide an incomplete understanding of the role market exploration can play in terms of influencing an organisation's performance (Prange and Verdier, 2011, Villar et al., 2014). The reason is that an international organisation can generate competitive advantage in international markets when it adequately implements market exploration knowledge (Prange and Schlegelmilch, 2009).

An organisation needs to transform its available resources into operational processes in order to enhance its adaptability to markets (Lin and Wu, 2014). In their study of knowledge-based resources Hunt and Morgan (1996) explained that an organisation must nurture its knowledge-based resources in such a way so as to improve its value offerings in the markets. In an excellent analysis of DC importance, scholars (Wu, 2010, Wu, 2007) showed that the DC is can be treated as a convertor that transforms accumulated resources into enhanced value offerings. Accordingly, an organisation needs to reconfigure its knowledge management capabilities based on knowledge gained from market exploration so as to obtain higher business returns. For instance, the development of the Apple Watch was generated by Apple's intensive market exploration strategy (Cui et al., 2014). By modifying its knowledge management capabilities, Apple deployed a new product (the Apple Watch) in order to satisfy the needs of international markets. This reflects the fact that Apple's market exploration strategy supports identifying new market opportunities, and on the basis of new opportunities it modifies its knowledge management capabilities. It is clear that, if an exporter depends only on exploring market knowledge, then it would be difficult to generate better export performance. Therefore the exporter needs to identify the internal processes through which market exploration affects export performance. Export managers need to modify their higher-order marketing capabilities in light of their market exploration processes. In that sense, market exploration helps the exporter to select a bundle of knowledge management capabilities that are needed to satisfy markets' specific demands.

An exporter that aligns its internationalisation knowledge with its knowledge management capabilities will likely experience better investment returns than key rivals who fail to pursue this course. The present study posits that DMC as knowledge management capability can play a crucial role in such a relationship. DMC enables the organisation to institute changes in its knowledge management capabilities in such a way as to match volatile export market environments. This study is uniquely placed to look at whether DMC as a knowledge implementation tool mediates

the relationship between export market exploration and export performance. Therefore, this study postulates that knowledge management marketing capabilities can be treated as bridge between export market exploration and improved export performance. Based on the foregoing discussions, this study suggests the following hypothesis:

H2b: Dynamic marketing capability mediates the relationship between export market exploration and export performance.

3.4.1. A Rival Model

In the hypothesised model this research shows that under export market conditions an organisation should pursue an accurate knowledge implementation process to realise better export performance. In explaining the robustness of higher-order construct DMC, this study showed the theoretical ground for positioning DMC as a mediating variable. The parsimonious hypothesised model allows no direct path for two parts of the internationalisation knowledge absorption processes, namely export market exploration, and export market exploitation to export performance. On the other hand, based on the extensive research on ambidexterity in the international business literature, a potential rival model would be one that focuses on the more central role of market exploitation and market exploration. Whereas the parsimonious hypothesised model has examined the mediation effects of DMC between the linkage of internationalisation knowledge absorption process and export performance, a non–parsimonious model would be the one that tests indirect effects of international ambidexterity constructs. Indeed, Hsu et al (2013) proposed in their future research agenda that international ambidexterity can be a potential mediator, and emphasised that "dynamic capabilities are critical for the practice of international ambidexterity ".

Accordingly, this thesis develops a rival model in which market exploration and market exploitation are key mediating constructs between the relationship of critical knowledge management factors and export performance. An organisation's international ambidexterity constructs are learning processes that emphasise radical and incremental internationalisation knowledge absorption processes. In the rival model, DMC is modeled as antecedents of the internalisation knowledge absorption processes. The reason is that in a competitive market environment, dynamic marketing capability improves the organisation's capacity to design

international strategies in such a way that allow them to identify international opportunities. For example, when an organisation is actively practicing the DMC structure, it allows the organisation to effectively access and penetrate multiple markets with their commercially viable and leading edge innovative outcomes. Therefore, the rival model in figure 3.4 represents a solid theory-based alternative model to this thesis's hypothesised model.
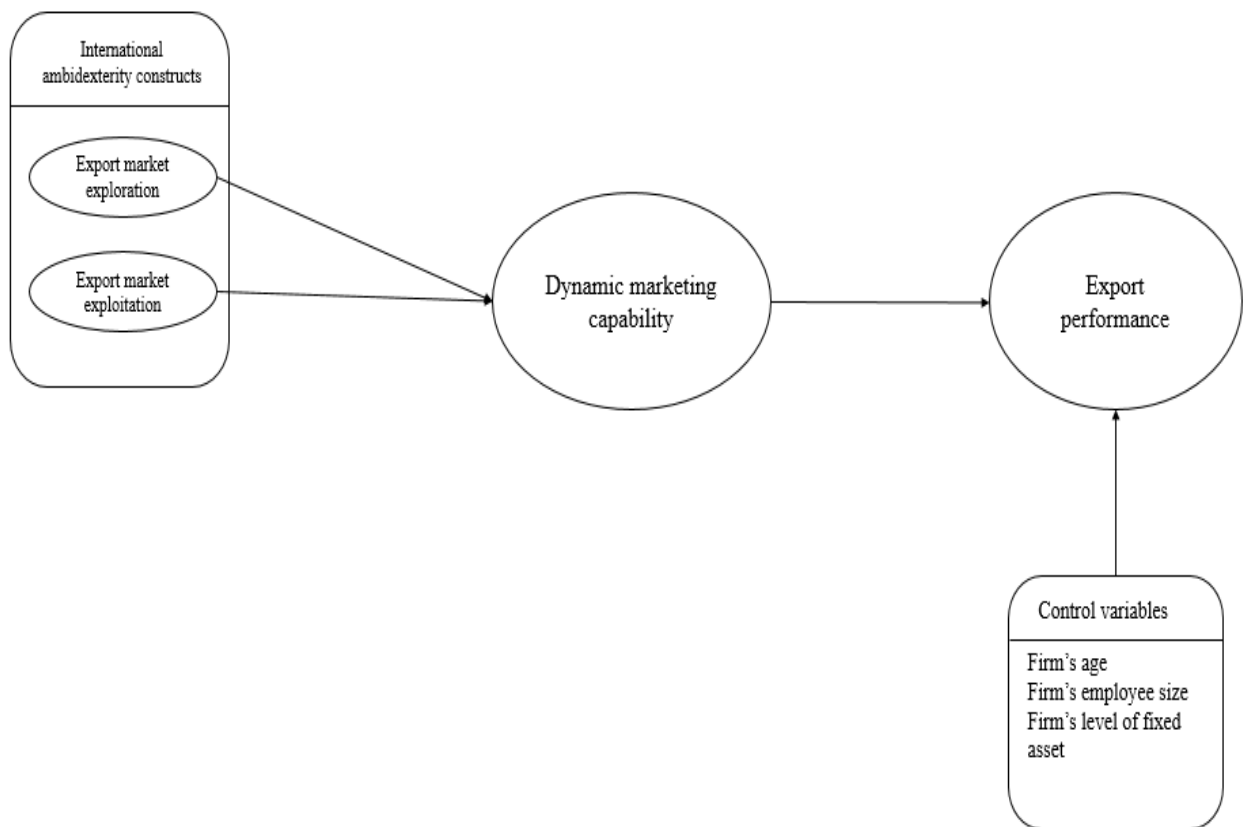
Figure 3.3: Theoretical hypothesised model
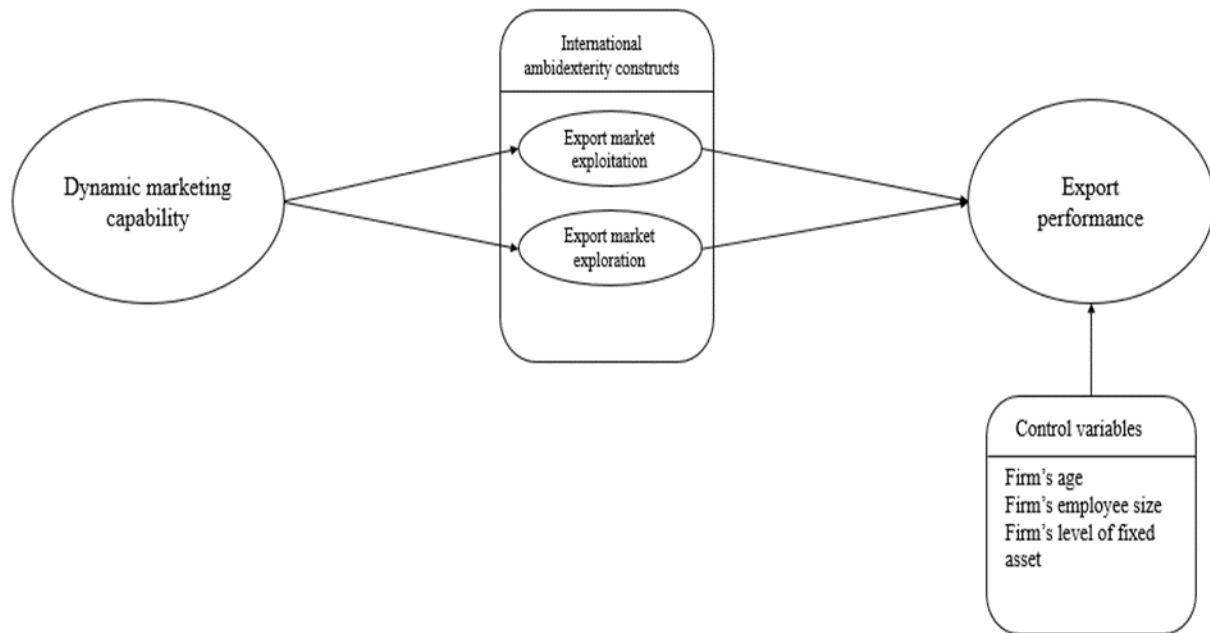
Figure 3.4: Rival model where includes two mediators and tested the causal relationship

3.5. External Environmental Moderators

3.5.1. Moderating Effects of Market Uncertainty

In export market, the organisation must balance export market exploitation and export market exploration in order to accumulate internationalisation knowledge. The role of international ambidexterity helps an organisation to gather market specific knowledge (Prange and Verdier, 2011a, Keen and Wu, 2011). In favour of internationalisation knowledge, DMC allows an organisation to respond swiftly in multiple markets by offering better communication patterns and innovative products. In adverse market conditions, it is difficult to classify customer preference by considering classical market orientation approach or mid-level marketing capabilities. In an environment of high-level market uncertainty, the life span of products and services decline. Under

these conditions, the importance of new products and services in the market rises rapidly (Jansen et al., 2006). In order to block the threat in unpredictable export markets, exporters need to focus on market exploration processes. An export organisation can enhance its internationalisation knowledge by conducting an investigation into market conditions, which pays attention to tracing markets' specific needs.

The effect of export market exploration on export performance is more persuasive in times of unpredictable customer demand (Lisboa et al., 2013). At the same time as embracing market exploration processes, an exporter can take advantage of knowledge gained about changing market conditions. The interaction of exploration and learning in times of market uncertainty can create learning opportunities about new market niches. This influences the exporter to improve its internationalisation knowledge portfolio. The presence of high-level market uncertainty encourages the organisation to refine its marketing capabilities (Dobni and Luffman, 2000), whereas to achieve better export performance the exporter should emphasise the implementation of its knowledge management marketing capabilities. With reference to the above discussion, this study postulates that the function of export market exploration can bring greater performance by implementing DMC in conditions of high market uncertainty. For this reason, this study predicts:

Hypothesis 3a: Market uncertainty strengthens the effect of export market exploration on export performance through DMC.

An exporter experiences low export performance when it is following a market exploitation approach under uncertain market conditions. Unpredictable market conditions create complexity in terms of an exporter being able to focus on exploiting internationalisation knowledge. Lisboa et al. (2013) postulated that export market exploitation has a significant influence on export performance within low-levels of adverse export market conditions. The assumption that identified the relationship between export market exploitation and export performance was inadequate, because in reality a high-level of market uncertainty is endemic to the export market environment. The study by Lisboa et al. (2013) showed an insignificant moderating effect of market uncertainty on the relationship between export market exploitation and export performance. The reason is that the researchers did not emphasise the implementation of internationalisation knowledge in much

detail; rather they focused on the direct relationship between exploiting market knowledge and export performance.

On account of the high-level of market uncertainty in exporting contexts, the exporter's exploitation strategy needs to adjust its marketing strategy in order to fit into the complex setting of export markets (Cadogan et al., 2009). Facing increasing market uncertainty and competitive environments in the exporting context, exporters need to improve their accumulated internationalisation knowledge portfolio by learning from external factors, and utilise their knowledge management capabilities so as to translate market knowledge into improved export performance. Even so, the effects of exploitation and performance are more realistic in a stable environment, and this study posits that under highly uncertain market conditions the effect of market exploitation on export performance is improved by refining an appropriate set of knowledge management capabilities. In short, by following a DMC strategy within a highly changing export market environment, the exporter's market exploitation can obtain a larger return from deploying new and competitive products and services. Taken collectively, this study has framed the following hypothesis:

Hypothesis 3b: Market uncertainty strengthens the effect of export market exploitation on export performance through DMC.

3.5.2. Moderation Effects of Competitive Intensity

Competitive intensity creates an additional impediment for an organisation's survival and growth in the markets (Auh and Menguc, 2005). The existence of competitive intensity influences an organisation to modify its internal strategy for developing and introducing new products in the markets (Lamore et al., 2013). This refers to the fact that, when an organisation experiences a high -level of competitive intensity, this encourages it to be highly innovative (Jaworski and Kohli, 1993a). An organisation's ability to modify its capabilities is contingent upon knowledge gained from an environment of competitive intensity. On the other hand, the organisation's accumulation of market specific knowledge is determined by moderating influences of competitive intensity (Kohli and Jaworski, 1990). An organisation can improve the standard and reliability of its accumulated market specific knowledge through learning from competitive pressure (Murray et al., 2011). In order to counter a competitor's aggressive strategy, the exporter should focus on

learning about competitor's action plans. This also enhances its internationalisation knowledge portfolio. In general, customers tend to have a minimal level of choices of products and services in an environment with a low degree of inter-firm competition, and a wide array of choices in times of high-level of competition. The exporter should accumulate valuable information regarding competitors' strategies, which additionally helps the exporter to nurture its knowledge-based resources and leverage its knowledge management capabilities. Specifically, an exporter's learning in times of intense competition can enhance its internationalisation knowledge, and the exporter's capabilities-reconfiguration process needs to adjust along with changing export market circumstances.

Exporters rapidly identify new market expansion opportunities and develop proactive thinking by exploring market knowledge within highly competitive conditions. In such situations, an exporter can benefit by emphasising learning about competitive intensity along with market exploration knowledge. This implies that the interaction of competitive intensity and export market exploration strengthens an organisation's accumulated internationalisation knowledge. Scholars claim that in a high-level of competitive intensity, organisations put more emphasis on exploration, which may have a positive effect on export performance (Auh and Menguc, 2005). Nonetheless, their study finds a non-significant relationship between exploration and performance in the presence of high-levels of competitive intensity. A limitation of that study was that it overlooked the role of knowledge management capabilities that support the implementation of market knowledge. The contingency effect of market exploration on export performance can be achieved indirectly through using knowledge management capabilities in times of increased competition. This is because DMC facilitates an organisation's internationalisation knowledge implementation so as to satisfy customer value offerings in export markets. Because of market exploration processes, an organisation must refine its knowledge management capabilities in order to respond swiftly to tackle aggressive competition. Based on the above illustrations, this study postulates that under conditions of competitive pressure, a positive relationship between export market exploration and export performance is contingent on the presence of DMC. Taken collectively, this study proposes the following hypothesis:

H4a: Competitive intensity strengthens the effect of export market exploration on export performance through DMC.

It is not merely exploration processes that can protect an organisation during times of fierce competition; market exploitation mechanisms are also involved in accumulating knowledge to protect the organisation from competitors' adverse strategies. The benefits of exploiting market knowledge can contribute to the organisation's short-term performance as it learns from competitors' actions (March, 1991). The current thesis argues that during fierce competition, an exporter needs to institute changes in marketing strategies based on exploiting market knowledge as well. Notably, in order to reflect the strengths of the market exploitation process, an exporter should pursue the modification of marketing capabilities, which in turn enhances its value offerings under conditions with a high-level of competitive intensity. By practising DMC, the exporter can adequately utilise its accumulated exploitation knowledge within the context of fierce competition. The present study predicts that implementing DMC will have a moderating effect on competitive intensity in the relationship between market exploitation and performance. Based on the above discussion, this study hypothesises:

H4b: Competitive intensity strengthens the effect of export market exploitation on export performance through DMC.

4. Chapter Four: Methodology

4.1. Introduction

This chapter presents the methodological approach that this study implements for exploring the evolution process of dynamic marketing capability (DMC), and its role in supporting causal relationships among constructs of the conceptual model Firstly, this study discusses research philosophy, in which the research starts with an explanation of two main research paradigms (i.e. positivism and interpretivism) and the philosophical stance of this research. Then it explains the research design, research method and the data collection process. The inspiration to select quantitative research methods is discussed under the heading of research design. On the basis of research design, this study explains the importance of survey design for conducting data collection in section 4.5.In particular, this section illustrates the measurements of each construct concisely. Finally, this chapter describes the processes that are used in analyzing hypothesised models. In short, the aims of this chapter are to understand the importance of positivist paradigm for designing this research methodology, the imperative role of interview based survey in data collection process, and the significance of structural equation modeling for analyzing the causal relationships that are proposed in this study.

4.2. Research Philosophy

While discussing the ontological and the epistemological paradigms of this research, it is essential to develop a philosophical stance for ensuring the quality of this research. Research philosophy requires a researcher understanding in relation to appropriateness of a research design to untangle the research problems. Scholars claim that the advantage of understanding research philosophy is minimising the errors in methodological context of a research (Hughes and Sharrock, 1997). Research methodology can be defined as a scientific procedure of investigating reality (Healy and Perry, 2000). The aim of research methodology is to investigate the relationship between variables.

The selection of an appropriate research philosophy is embedded in epistemological and ontological paradigms (Burrell and Morgan, 1979). In moving the discussion to research design

and research methods that are used in this research, it is pivotal to point out the potential of research paradigms selected in this research. To better understand the research paradigms, researchers adopt ontological and epistemological paradigms of research philosophy for designing a research framework that better describe the worldview (Silverman, 2013). Kuhn (2012) claims that scientific research follows a well-structured model by which researcher can provide solutions of research problems. Hence, to represent research philosophy researchers are using both ontological and epistemological paradigms for providing a conceptual model of social reality. The underlying dimension of research philosophy reflects the nature of knowledge.

While the ontological paradigm of a research demonstrates the nature of knowledge and reality, the epistemological view of a study reflects the standard available method of analyzing the nature of knowledge and reality (Bryman and Bell, 2015). The epistemological paradigm helps the researchers select a methodology. The selection of a research method is made by analysing research questions and developing a research design. When discussing the ontological and epistemological paradigms of this research, the present study drew attention to two crucial paradigmatic philosophies, namely, positivism and constructivism. Both those philosophies help to identify the essential philosophical approach of this research. The selection of a proper philosophical stance is needed to identify the taxonomy of DMC and show the robustness of DMC by using statistical techniques. In furthering the discussion about research design and research method, it is pivotal understand the research paradigms that are used in this research.

4.2.1. Research Paradigms: Positivism and Constructivism

The positivism view of research paradigm is a dominant philosophical choice within the methodology of social science researches (Delanty, 2005). This approach explains that reality is external, and to study reality it is crucial to apply the observation method (Easterby-Smith et al., 2015). Past study reports that positivism is a generally accepted scientific paradigm that observes the phenomena in an objective process rather than following subjective process (Healy and Perry, 2000). In addition, Lee (1991) argued that in social science to understand the causal effect within variables, researchers accept the procedure to validate the research. In general the positivist approach emphasise quantitative research design for validating the independent facts of reality. Researchers frequently indicate that the deductive research method is applicable for positivist

approach, whereas the inductive approach is best suitable for qualitative analysis (Zikmund et al., 2012). The positivist paradigm is linked to the deductive approach, which emphasises the exploration of hypothesis, by applying experiment or survey as data collection method (Bryman and Bell, 2015). The nature of this study follows an explorative approach to confirm the association among international ambidexterity constructs, dynamic marketing capability, and export performance. This thesis follows the findings of Easterby-Smith (2015) on the positivist research paradigm to select a research design and a research method. In this research the positivist research paradigm is appropriate for a number of reasons and these are: (a) this paradigm follows an objective process which does not rely on a researcher's assumption, instead enabling researcher to emphasis the process of conducting the research. (b) this approach investigates the causal relationship among the variables of conceptual model; (c) this approach influences a researcher to propose hypotheses, and subsequently verify whether the hypotheses will be accepted or rejected; (d) positivist research emphasises quantitative measurement techniques so that proposed hypotheses can be analyzed accurately; (e) in order to operationalise the hypotheses, the research questions are analysed through a suitable number of sample. To validate the generalisability of a study an appropriate sample size support positivist research; (f) finally the positivist paradigm supports a researcher to conduct a cross sectional study, in which a researcher can investigate various cross samples through proper research design within a given period of time.

Unlike the positivist approach, the constructivist paradigm follows subjective measures to understand the world, which requires cohesive attention to different perspectives of respondents' views (Creswell, 2013, Guba and Lincoln, 1991). The foundation of the constructivism paradigm comprises subjective epistemology (i.e. generate findings), realistic ontology (i.e. multiple and specific constructed realities), and research method that follow a logical naturalistic approach (Denzin and Lincoln, 2000). It should be noted that subjective epistemology and constructive ontology are developed in qualitative research design. Research problems can be clarified through close interaction between the researcher and the participants by following a qualitative research design. However, the challenge of a constructivist paradigm is interpreting the accumulated data along with confirming the validity of the interpretation by applying the inductive method.

4.2.2. Philosophical Stance of this Research

The comparison of two paradigms (i.e. positivism and constructivism), has revealed that in the constructivist paradigm researchers require adjacent connection with the respondents to understand the research problems and the linkage with theory, whereas researchers are independent to observe the phenomena in a positivism paradigm that guides the researcher to test the theory (Carter and Little, 2007). In positivist research the researcher should be aware of the importance of a large sample size to validate the theory and confirm the hypotheses. This is in contrast to constructivist research, where a small sample size is used to evaluate a theory. The present study illustrates several criteria that justify the significance of selecting positivism paradigm for this research methodology:

- In (2000) Healy and Perry suggested that the positivist paradigm is a suitable research philosophy where numerical analysis is required by collecting survey data. Since the research questions of this study focuses on the relationship between the facts, the proposed research questions are started by 'what'.

- This study selects positivism paradigm as crucial philosophical choice because the primary objective of this study is realising the internal structure of higher-order DMC construct as well as validating the DMC role within the exporting conditions. Based on the research objectives this research is drawing the findings of the hypotheses, thus a positivist paradigm is considered the best paradigm for answering these research questions.

- The nature of the positivist paradigm is value freedom, hence to verify the causality of a proposed framework the positivist paradigm is adopted to test the causal relationship of international ambidexterity constructs-DMC-export performance.

- As illustrated above, the positivist paradigm follows a reductionism concept, where research problems are realised by the accumulated information from relevant samples. Therefore, research problems of the current study are measured by the accumulated data that are generated from the sample of manufacturing export organisations.

In short, as above sections explained, the nature of the positivism paradigm is driven by quantitative data that suits the exploration of hypotheses. Thus the positivism paradigm perfectly matches with the exploration of the hypothesis and research problems. In this study, the researcher emphasises the positivist paradigm, where deductive inquiry is conducted by applying a

quantitative research design to examine and demonstrate answers to the research questions. In a deductive approach, the mode of research enquiry is testing the theory that influences the researcher to apply survey or experimental method for the assisting data collection process. To confirm the theoretical generalisations of DMC in the exporting context, it requires verification of the theory that can describe the social matters on an objective basis instead of accumulating views from the people. In addition, when research problems attempted to disclose the relationship between facts, the positivist paradigm is considered best suitable as a philosophy by applying the deductive inquiry technique. In the logic of positivist view, it is clear that researchers use quantitative method for measuring constructs and analysing the hypotheses of causal linkages. In social science, quantitative research method follow a sequential process to conduct the research in a highly systematic way. On the basis of the above discussions, the research design and research method of this study is based on a positivist philosophical paradigm. Consequently, the subsequent section describes the application of a research design and research method to this present study.

4.3. Research Design

The general aim of selecting a proper research design is to conduct an empirical investigation in such a way that answers the research questions (De Vaus and de Vaus, 2001). In particular, research design is treated as a dominant plan that describes the procedures in examining the accumulated information. The selection of proper research design and research method pertain to the variation of standpoints on research philosophy. In particular, research design is treated as a master plan that describes the method of examining the accumulated information. In order to select an appropriate research design, the ontological and epistemological assumptions must be considered by the researcher. For instance, a research design that uses a quantitative method is based on positivism philosophical standpoint. At this point it is crucial to differentiate the terminologies of research design and research method. Research design acts as a framework that reflects the action plan of any research, (Creswell and Clark, 2007), whereas research method follows a single process through which the researcher chooses data collection steps and a data analysis mechanism (Creswell et al., 2008). In essence, a researcher should select an appropriate research design based on research questions and the characteristics of research problems.

On the basis of research design, this study specifies a suitable research method in the subsequent section, which is administered for collecting and scrutinising the data. This study adopts exploratory research design to understand the causal effects among the constructs of the conceptual model by using the quantitative research method. The following section describes the justification of using the quantitative research method in this study. Thereafter, a detailed explanation of the data collection process is explained, along with a short section about the tools that are used in this study for supporting the analysis.

4.4. Quantitative Research Method

The philosophical stance of this research emphasises a deductive approach that follows a "top down" process where confirmation of the research comes from a theoretical background (Saunders et al., 2011). In favor of the deductive research approach to validate the theory, it has been shown that the quantitative research method is deemed as a proper practice in the premise of natural science and social science. This study has administered the deductive research approach so the researcher can confirm the generalisation of the collected data through conducing statistical analysis. In the study of Johnson et al. (2007) the nature of quantitative research is classified in terms of deduction, validation, testing the hypotheses, data collection in a standard way from a large sample, and conducting relevant statistical analysis. This thesis has selected this thesis has selected the quantitative research method (Johnson and Onwuegbuzie, 2004) because it allows the researchers to check the validity of existing theories. It also gives the study the needed validity to measure the hypotheses and it requires less time to analyse the data compared to a qualitative data interpretation process. A researcher can carefully balance the progress of research by satisfying the reliability and validity concept by following the method of quantitative data analysis (Bryman and Bell, 2011). Furthermore, past study suggested that a researcher should adopt the quantitative research method for answering 'what' type of questions (Robson, 1993). As the aims of this study are to answer three crucial "what" forms of questions, it is important to use the quantitative method to examine the hypotheses. Following this method, a researcher can measure the degree of research biasness, and also the researcher can examine multivariate causal relationship among different constructs. This implies that the researcher can measure the impact of exogenous variables on endogenous variables by using quantitative research method. Davidsson (2004) claims that when

researchers are observing causal relationships of various constructs, it is imperative for a researcher to apply suitable statistical techniques for supporting quantitative analysis.

In marketing literature, researchers widely use the quantitative method to understand and validate the formation process of new constructs that scholars are proposing (Mitrega et al., 2012). Even though past empirical studies in DMC used both qualitative and quantitative method (Fang and Zou, 2009, Bruni and Verona, 2009); those studies have not dealt explicitly with the formation process of DMC. By applying the quantitative research method this study can confirm the validity issue of multi-dimensional structures of DMC and its applicability in executing the exporting process. In line with Churchill Jr's (1979) multi-stage scale development process, previous studies of Lages et al. (2005) and Zaefarian et al. (2011) used both qualitative interview and numerical data collection process for developing measurement items of the constructs. That supports the identification of underlying processes of the higher-order latent construct. Hence, to validate the DMC measurement scale along with other constructs of the conceptual model, this study followed a multi- stage scale development procedure (i.e. qualitative and quantitative) used in Churchill Jr (1979) study. This multi-stage approaches support this study's to select data collection procedure and scale development process. In general, the application of quantitative approach is a proper method to confirm the taxonomy of DMC construct along with showing its effectiveness in exporting context.

4.5. Data Collection Process

As stated earlier, the function of a research design is identifying accurate process of examining research problems, developing a sampling framework for data collection and understanding the instruments that are required for data analysis. Following that, the research design of this study selects quantitative research method for achieving suitable answers of three above mentioned research questions. The subsequent sections discuss the sampling process, and explain the application of the three stages of questionnaire development (i.e. qualitative interview, pilot study and survey) and justify its appropriateness for this study. The actual survey is explained in stage three that discusses how the researcher has generated research instruments/manifest variables of the constructs.

4.5.1. Sample of this Study

The present study puts emphasis on accumulating internationalisation knowledge as well as identifying the internal structure of DMC so as to manage an exporters' internatiolisation strategies within adverse market conditions. This research expects that the outcome of this thesis will help exporters to understand the robustness of higher-order marketing competencies to handling difficult export market conditions. In order to examine the hypothesis this study has chosen eight export-oriented manufacturing and IT sectors as data sources.

The number of export oriented manufacturing and IT organizations has risen steadily since the early 1980s, and at present export-oriented organisations are generating more than 75% of foreign exchange earnings for Bangladesh (Kabeer and Mahmud, 2004). A large number of export-oriented industries such as textile, ready-made garments, leather goods, ceramics, handicrafts, information technology (IT) and plastic goods are playing a dominant role in the economic growth of Bangladesh. For instance, in the first quarter of the fiscal year 2016 export receipts from ready-made garments and textiles were approximately USD $5369 million, finished leather goods were roughly USD$223 million, handicraft and furniture products were roughly USD$ 3 million (BB, 2016). In order to accelerate this growth, the Bangladesh export promotion bureau sets export target for each year. The Bangladesh export promotion bureau shows that the expected export earnings from ceramic sector are USD$ 45 million, the plastic goods sector are USD$118 million, and the IT sector are USD$145 million (EPB, 2016). Based on the importance of these exporting sectors, this study collects data from 8 export associations selected from a list of "The Federation of Bangladesh Chambers of Commerce and Industry" (FBCCI) database.

The sampling design for this study was done in three stages. First, in order to get advantages at the time of data collection from exporters, the researcher sought both written and verbal authorization from export associations (See Appendix-D). The export associations that showed interest to participate in this research are: "Bangladesh Finished Leather, Leather Goods and Footwear Exporter's Association"; "Leather goods & Footwear Manufacturers & Exporters Association of Bangladesh", "Bangladesh Engineering Industry Owner's Association"; "Bangladesh Garment Manufacturers and Exporters Association"; "Bangladesh Plastic Goods Manufacturers & Exporters Association"; "Bangladesh Ceramic Wares Manufacturers Association (BCWMA)", "Bangladesh Handicrafts manufacturers & exporters Association"; "Bangladesh

Association for Software and Information". Second, a shortlist of 700 companies were made based on the members of these associations. Third, this study approached individual managers those are dealt with exporting processes in these 700 companies, however initially 400 export managers were agreed to participate in the survey.

4.5.2. Questionnaire Design and Survey Process

After the selection of quantitative research method, it is imperative to develop a questionnaire for executing the survey. This research used an inferential survey method to accumulate the data. The aim of inferential survey is creating a linkage between concepts and constructs of the research (Easterby-Smith et al., 2008). By following an inferential survey method, the researcher identifies the manifest variables/ measurement items in a questionnaire to inquire the merits of 10 first order constructs.

In the quantitative research method, a researcher's aim is verifying the validity of the conceptual model. Prior to identifying crucial manifest variables in a questionnaire, this research has administered semi-structured interviews for understanding the pattern of the research instruments. As mentioned earlier, a generally accepted confirmation about multi-level structure of DMCs is lacking in marketing literature, hence this study followed the measurement items development guideline of Churchill Jr (1979). Based on Churchill Jr measurement items development guideline, this study applied multi-stage field works for designing a questionnaire and collecting desired information. The multi-stage processes has followed semi-structured interview stage (scale development), pilot-testing stage (refine the scale) and final survey stage (apply all the relevant manifest variables).

In stage one, the researcher conducted fieldwork through applying semi-structured interviews for comprehending marketing practices of the exporting organizations and assessing the face validity of the conceptual model. In this stage, respondents were selected from seven export oriented organizations. This interviews enabled the researcher to identify a list of statements those are pertinent to the constructs of earlier marketing studies. In the second stage, the researcher focused on executing a pilot study for finalizing the instruments of the final survey questionnaire. In the pilot study stage, all the participants were experienced in formulating and implementing marketing strategy for the exporting organization. In the final stage, the researcher applied a

structured survey questionnaire to collect data from the export oriented manufacturing and IT organizations. The following sub-sections explain the sample selection of this study. In addition, the three stages of field work are discussed in the subsequent sections.

4.5.2.1. Stage 1: Fieldwork for Developing Measurement Items by Semi-Structured Interviews

In order to develop structured questions, the dominant mechanism is to use open-ended statements in interviews (Malhotra, 2014). This research used semi-structured questionnaires that were comprised of open ended questions. To provide consistent answers in a flexible way, it is not necessary that respondents to follow the sequence of the questions that are included within the semi-structured interview guideline (Bryman and Bell, 2015). The open ended questions identified possible measurement items of multi-level structure DMC construct, as well as other constructs of the conceptual model (see Appendix 'B' for interview directory). All the collected statements were thoroughly analyzed, so that the researcher can understand the appropriateness of the earlier statements that were used in marketing researches.

The directory of the interviews consists of three sections. In the first phase, respondents were asked to answer questions about the resources and capabilities that are available in their manufacturing process. During the second phase of interview guidelines, the interviewer requested the participants to identify different dimensions of higher-order marketing capabilities. The interviewer asked the respondents to describe their investment in higher-order marketing capabilities as well as the procedure they applied to maintain different sets of higher-order marketing capabilities. Finally, participants provided worthwhile information about their strategy of implementing exporting processes.

The respondents were selected on a random basis from seven different manufacturing export organizations. All respondents of the semi-structured interview process had export related experience, ranging from 5 to 30 years. The respondents held a top executive position in each company and were in charge of exports or other types of international business. This study has focused on experienced export managers because they are the most competent in managing export and marketing strategy. Table-4.1 illustrates the demographic profile of preliminary interviewees.

In this semi-structured fieldwork the length of the interview varies, ranging from 40 minutes to 120 minutes. Easterby-Smith et al. (2015) asserted that researcher should critically analyze the answers of semi-structured questions at the time of designing the questionnaire. In this sense, once the researcher completed the interview sessions, all the interview data were coded carefully. Then the accumulated code of the interviews was integrated for creating a summary for each sub-questions within the interview guideline (see Appendix C for 'summary of discussion from interview guidance'). Another aim of the semi-structured interviews was to draw additional data about interviewees' perceptions, which enabled the researcher to produce eight new measurement items for the next pilot study. In general, this thesis derived 45 measurement items for the questionnaire of pilot-test by investigating the answers from semi-structured interviews.

Table 4.1. Demographic profile of interviewees from semi-structured interview

Interviewees	Designation	Export experience	Industry type	Education
Interviewee 1	Head of international marketing	22	Handicraft	Post-graduation
Interviewee 2	Marketing head	15	Ceramic	Post-graduation
Interviewee 3	CEO	30	Handicraft	Post-graduation
Interviewee 4	Head of international marketing	5	Furniture	Post-graduation
Interviewee 5	Compliance manager	7	Textile	Post-graduation
Interviewee 6	CEO	15	Furniture	Post-graduation
Interviewee 7	CEO	25	Light engineering	Graduation

4.5.2.2. Stage 2: Pilot Study for Refining the Questionnaire

In order to implement the pilot-test, this study designed a Likert scale based questionnaire to measure the constructs of conceptual model. Two crucial aims encouraged the researcher to focus on conducting pilot-test for this research. Firstly, a pilot-test enables the researcher to understand the feasibility of the proposed manifest variables that are used in the earlier studies (Polit-O'Hara and Beck, 2006). Secondly, by conducting a pre-test the study comprehends the reliability and validity of the proposed constructs (Baker and Risley, 1994). Furthermore, a pilot study makes it possible for the researcher to remove any shortcomings in the course of designing the questionnaire, which minimises the risk of conducting a survey by a structured questionnaire. The pilot study of this research carefully examined all the relevant aspects that includes complexity of the questions, wording, and sentence pattern, content of the questions and unfamiliarity of the questions. The sample selection for this pilot study followed the guideline of Morgan et al, (2012) which emphasised the top executive's perceptions about export strategy of manufacturing organizations. The researcher received several important comments from the pilot-test that helped this study to refine and discard the items of the questionnaire. After analyzing the outcome of pilot study, this study pointed out several complexities in the questionnaire that were included in the pre-test. In addition, the researcher identified some influential comments from the respondents that were needed to improve the quality of the final survey questionnaire. In order to produce appropriate measurement items, the recommendations that were received from pilot test are described below. The pilot study was done by applying a personal interview based survey method, in which 12 respondents participated from different export-oriented sectors. The researcher introduced 45 statements during the pilot study, in which some respondents were unable to comprehend the content of few questions. Those respondents urged the researcher to change the wording of several statements. All the participants mentioned that the overall statements within the structured questionnaire are too long, and as a result respondents lost their concentration during completing the questionnaire. This caused the researcher to change the arrangement of 12 statements, while 10 statements were discarded for the final set of questionnaire. The final Likert scale questionnaire consists of 35 statements and 17 demographic questions.

- On the basis of respondents' feedbacks in pilot-test, the researcher included dichotomous questions at the very beginning of final survey questionnaire. This reflects that the respondents have merely two alternatives to provide their opinion as a form of "yes or no" (Malhotra, 2014). Besides that, a cover letter was shown before initiating each interview, which mentioned the objective of this study (see appendix. D).

- All the respondents of the pilot study mentioned that they could not differentiate between two statements about competitive intensity. The statements were "Frequency of new competitors' entrants is high in our industry" and "Aggressive competition exists in our industry". So, this study simply used the statement "We are facing aggressive competition in this industry" to measure those two similar measurement items by using a single statement in the final questionnaire. In addition, the researcher identified another inappropriate measurement item ("new customers tend to have product-related needs that are different from those of existing customers"), hence that statement was eliminated from the final survey questionnaire. Table-4.2 shows the modification of all the measurement items and discarded statements.

- Finally, the researcher included few demographic multiple questions at the bottom section of final structured questionnaire. The demographic statements are the respondent's age and firm's age, respondent's job title, respondent's educational qualifications, fixed assets and employees' status of the respondent's organization. The details of the measurement items that are used in pilot-test are shown in appendix - E

Table 4.2. List of the desolated and refined measurement items for final questionnaire

	Measurement items of the questionnaire	Discard	Refine the words
Responsive market orientation	(-)Foreign customer complaints hardly listen in this company (Responsiveness)	✓	
	(-)We are slow to detect changes in our overseas customers' product preferences (intelligence generation)	✓	
Customer relationship management capability	Get target customers to try our products/services on a consistent basis → *We repeatedly identify attractive/potential customers in the export markets.*		✓
	(-)We hardly invest on IT infrastructure development to facilitate relationship with overall customers→ *(-)We hardly invest on developing IT infrastructure to enhance relationship with customers.*		✓
	We send gifts to existing attractive customers on religious and new year occasions to upgrade relationship with them	✓	
	(-) We are slow to provide after sales service efficiently	✓	
	Focus on meeting customers' long term needs to ensure repeat business	✓	
Brand Management Capability	We ensure that all people involved in managing the marketing activities for a brand are aware of one another.	✓	

Category	Statement		
New product development capability	More able to respond swiftly to solve customer problems by presenting package of total solution→ *We rapidly respond to solve customer's problems by presenting new solution package*		✓
	Management actively seeks innovative ideas either from staff or from customers	✓	
	(-)Employees are heavily penalized for new ideas that do not work	✓	
	(-)We are worse in managing to keep costs down of new product development processes	✓	
Export market exploitation	We enhance understanding of important information about current export markets and strictly monitor competitive products on those markets→ *We conduct deep examination to capture important information about existing export markets operation*		✓
	Frequently review CRM process and IT system to strengthen contacts with customers in current export markets→ *We continuously review customer relationship management process to strengthen contacts with customers in current export markets*		✓
Export market exploration	We enhance the knowledge about new export market opportunity→ *We repeatedly enhance our knowledge about new export market opportunity*		✓
	We examine the feasibility of doing business in new export markets→ *We frequently assess feasibility of doing business in new export markets*		✓
	(-) We never allow our marketing team to monitor newly emerge competitors and customers to find out trends→ *(-)We never research new competitors and customers of new export markets*		✓
External environmental moderators	Customer needs and wants are changing fast→ *In our kind of business customer requirements vary significantly across different customer segments*		✓
	Aggressive competition exists in our industry → *We are facing aggressive competition in this industry*		✓
	Competitors' products similarity is mostly differ in our industry→ *In our industry anything that one competitor offers, others can match readily*		✓
	Frequency of new competitors entrants is high in our industry	✓	

Note: Refined statements are represented in Italic form.

4.5.2.3. Stage 3: Application of Survey for Data Collection

4.5.2.3.1. Survey Method Selection

After deciding that this research is adopting the quantitative research method, it is imperative to develop a questionnaire for executing the survey. This research selects an inferential survey method to accumulate the data. The aim of an inferential survey is to create a linkage between concepts and constructs of the research (Easterby-Smith et al., 2008). In order to accumulate information, the researcher has used inferential survey method to obtain reliable information regarding the constructs of the conceptual model. Moreover, the researcher applied a survey method when the quantitative method directs the research to ask a series of questions from a sample frame. At the time of implementing the survey method, the researcher should focus on selecting an accurate survey method which can provide the desired information within a limited time frame. In accordance with the survey pattern for international marketing research, Malhotra (2014) asserted that it is a challenging process for an international marketing researcher to accumulate information from respondents, and thus the researcher should be careful in selecting an appropriate survey method.

In using the survey method, an important issue faced by researchers is how to get access to potential respondents and how to motivate the respondents to truthfully reply to their questionnaire. Therefore, it is crucial to choose a correct survey method for the research methodology. Malhotra and Peterson (2009) classified four different types of survey methods, and these are: "mail based survey, electronic mail based survey, telephone survey, and personal interview based survey". Telephone interview and electronic based survey methods are widely used within Western Europe, while for many developing countries difficulties in accessing internet or telephone service discourage the respondents to participate in telephone or electronic mail based survey process. In less development countries, it is also challenging to conduct telephone or mail based survey. The reason for that is that respondents are not familiar with replying to mail based surveys. Instead, a personal interview survey process is a successful technique for persuading respondents to participate in the survey. For instance, in Bangladesh researchers frequently use electronic based survey structure for facilitating data collection but this process draws lower response rate. This supports the assumption of Malhotra (2014) work, in which indicates that in

less development countries researchers mostly used personal interview based survey method for generating greater degree of response rate. Four dominant methods widely used under the heading of personal interview based survey. These are: "drop and collect survey form, in personal visit of home or office, mall intercept and computer aided personal interview".

In the personal interview based survey, the drop and collect survey method which uses self-administered questionnaire is one of the dominant approaches. As the self-administered questionnaire is completed by the respondents, it often creates complexity when respondents are unable to recognize the relevancy of the questions. The challenges of drop and collect survey method is increased missing values and a low response rate. Unlike drop and collect survey method, marketing researchers can also administer personal interviewing of respondents in their home or office. Personal interviewing in the home or office supports the researcher to explain more complex questions clearly for the interviewees (Hair et al., 2009). During the data collection stage, the personal interview is more feasible to accumulate perfect information. Besides that, this data collection technique increases response rates and lowers the missing value at the time of executing the survey process. In order to receive more accurate information within a limited time frame, this study used a personal interview based survey method for executing the survey. On the basis of the strengths of the personal interview based survey in a home or office, this study designed a seven-point Likert scale questionnaire that includes measurement items of DMC, measurement items of international ambidexterity constructs, statements related to external environmental factors as well as export performance related measurement items.

4.5.2.3.2. Measurement Items of Survey Questionnaire

After refining the measurement items from pre-test, the final survey questionnaire draws 35 measurement items which are range from 1= strongly disagree to 7= strongly agree. The Researcher collected respondents' demographic profile by asking 17 demographic questions and the overall questionnaire was divided into five sections. The measurement items in the survey questionnaire measured the level of higher-order marketing capabilities, international ambidexterity constructs, and the external environmental factors practiced by the exporting organizations. Furthermore, this study also measures the export performance of exporting organization, in which the researcher takes the subjective perceptions from the respondents. In

order to confirm research objectives, this study developed a few statements for some constructs. For instance, the DMC is a third-order construct but past studies have not evaluated the multi-level measurement structure of DMC in detail. For modeling multi-level structure of DMC scale, this study adopts measurement items of higher-order marketing capabilities from previous studies whenever possible. In particular, DMC is measured by second-order construct of ambidextrous market orientation value along with the values of three first-order constructs, namely, customer relationship management capability, brand management capability and new product development capability.

The following table 4.3 highlights the statements of each construct including the references. It can be seen that, in final questionnaire six new measurement items were developed after refining the initial suggestions from the semi-structured fieldwork and modifying the questionnaire during the pilot-test. In addition, the ambidextrous market orientation is a second order construct, which is not measured with the measurement items. It is comprised of two types of market orientation value, namely, proactive market orientation and responsive market orientation. The concept PMO is measured by four items, which have been used in the previous studies of Atuahene-Gima et al. (2005), Narver et al. (2004), and Lamore et al. (2013). The measurement items of RMO construct were adapted from the previous studies of Farrelly and Quester (2003), Merrilees et al., (2011), and Cadogan et al. (1999). To measure the structural nature of customer relationship management capability, this study applied three newly developed statements, which are: CRMC2, CRMC3 and CRMC4, whereas CRMC1 is adopted from Orr et al. (2011). In terms of new product development capability construct, this study adapted two measurement items (i.e. NPDC1 and NPDC 3) from Merrilees et al. (2011) and introduced two newly developed statements (i.e. NPDC2 and NPDC 4). To measure brand management capability, another first-order construct of DMC in the conceptual model is brand management capability. To measure brand management capability this study drew a measurement from Bentler (1995), Aaker (1992) and Matear et al. (2004). To examine export market exploitation characteristics, this study measured this constructs with 3 items, in which two items (i.e. XPL1 and XPL 2) are selected from Lisboa et al. (2013) and one items is newly developed measurement value that is XPL 3. Additionally, the term export market exploration used three measurement items, in which these three measurement items followed Lisboa et al. (2013). Regarding external environmental factors such as market uncertainty and competitive intensity, this study adopted four measurement items

from Jaworski and Kohli (1993a). In this study, the ultimate endogenous construct is export performance that includes four measurement items (see table 4.3).

Export marketing researchers used multi-dimensional measurement items for export performance construct such as financial performance (Leonidou et al., 2002) and strategic performance (Keh et al., 2007, Young et al., 1989, Katsikeas et al., 2000). The reason is that international marketing organisations are not trying to only achieve financial performance, but also (Keh et al., 2007, Young et al., 1989, Katsikeas et al., 2000) concentrating on attaining better strategic performance. Because of this past studies included both performance indicators in the export performance construct. To date, the export marketing literature mainly focuses on respondents' subjective view of export performance, whereas researchers have often overlooked the objective view of export performance.

In reality, export organisations are highly reluctant to provide objective measures of their performance. In order to receive objective financial data about organisations' performance one can use their annual report (Leonidou et al., 2002), but it is difficult to check the accuracy any reported financial data (Robertson and Chetty, 2000). On the other side, so as to discuss about the application of subjective measurement process of export performance Morgan et al. (2004) adopts three financial measurements (i.e. volume of export, export market share and profitability). In a similar vein Zou et al (2003) used subjective financial information measure to export performance, and those items are exporter's sales revenue, exporter's return on investment, exporter's profitability ratio and exporter's profit margin level. Several researchers also address strategic performance as an outcome variable along with financial performance. The measurement items of strategic performance that have been used in international business literature (Katsikeas et al., 2000, Lu et al., 2010, Cadogan et al., 2003) are market expansion growth, growth level in terms of products or services, and export customers' satisfaction level. In this study, the export performance construct is designed to capture exporting organizations' subjective view of performance. To measure export performance, this study uses the measurement items that were applied in the study of Lu et al. (2010). Trained interviewers asked the respondents to indicate how much profitability they had experienced over a few years on a seven point Likert scale. This research used a seven-point Likert scale (1 = "very dissatisfied," 7 = "very satisfied") to register the response on each items of export performance.

Table 4.3: The measurement items of the constructs with the references

Constructs	Statements	References
PMO 1	We continuously try to discover additional needs of our potential customers of which they really value but never disclose to us	(Atuahene-Gima et al., 2005, Narver et al., 2004, Lamore et al., 2013, Hu and Bentler, 1999)
PMO 2	We inspect users existing products complication in order to offer better solution to satisfy needs	(Atuahene-Gima et al., 2005, Narver et al., 2004, Lamore et al., 2013, Hu and Bentler, 1999)
PMO 3	We support customers to improve their expectation in the market through our suggestions.	(Atuahene-Gima et al., 2005, Narver et al., 2004, Lamore et al., 2013, Hu and Bentler, 1999)
PMO 4	We work closely with lead users who try to recognize customer needs earlier than key competitors action of understanding customers' needs	(Atuahene-Gima et al., 2005, Narver et al., 2004, Lamore et al., 2013, Hu and Bentler, 1999)
RMO 1	We constantly monitor our level of commitment and orientation to serving customer needs (intelligence generation)	(Farrelly and Quester, 2003, Merrilees et al., 2011, Cadogan et al., 1999)
RMO 2	(-)Our sales staffs rarely share their customers handling experiences with others. (intelligence dissemination)	(Farrelly and Quester, 2003, Merrilees et al., 2011, Cadogan et al., 1999)
RMO 3	Our export business strategies are driven by our beliefs of enhancing value for export customers. (Responsiveness)	(Farrelly and Quester, 2003, Merrilees et al., 2011, Cadogan et al., 1999)
RMO 4	(-)We are slow to detect changes in our overseas customers' product preferences (intelligence generation)	(Cadogan et al., 1999, Armario et al., 2008)
Constructs	Statements	References
CRMC 1	We repeatedly identify attractive/potential customers in the export markets.	(Orr et al., 2011)
CRMC 2	We periodically attend in international fair to meet with foreign attractive/potential customers.	Based on pilot study
CRMC 3	(-)We hardly invest on developing IT infrastructure to enhance relationship with customers.	Based on pilot study
CRMC 4	We apply innovative marketing and promotion methods to attract potential buyers compared to the rivals	Based on pilot study
BMC 1	We systematically maintain a reliable brand meaning among customers mind through our image and reputation	(Bentler, 1995)
BMC 2	We have a corporate brand that creates a seamless umbrella for all the brands in our products portfolio	(Bentler, 1995)
BMC 3	(-)We hardly invest in managing and promoting the reputation/image of our organization/firm	(Aaker, 1992, Matear et al., 2004)
NPDC 1	We rapidly respond to solve customer's problems by presenting new solution package	(Merrilees et al., 2011)
NPDC 2	We frequently upgrade capacity utilization process to reduce order lead time of product development	Based on pilot study
NPDC 3	We focus on improving plant efficiency to reduce production cost of new product development	(Merrilees et al., 2011)

Constructs	Statements	References
NPDC 4	We adopt new technology to improve products quality and fulfill buyers standards	Based on pilot study
Constructs	**Statements**	**References**
EP1	Our growth level in the export markets (Growth profitability)	(Lu et al., 2010)
EP2	Our market shares position in the export markets (market share profitability)	(Lu et al., 2010)
EP3	Our return on investment level through overseas sales (return on investment performance)	(Lu et al., 2010)
EP4	Our foreign customers satisfaction level about our products and services (customer satisfaction performance)	(Lu et al., 2010)
Constructs	**Statements**	**References**
XPL1	We conduct deep examination to capture important information about existing export markets operation	(Lisboa et al., 2013)
XPL2	We continuously review customer relationship management process to strengthen contacts with customers in current export markets	(Lisboa et al., 2013)
XPL3	We strictly monitor competitive products to bring improvement in our new solution packages	Based on pilot study
XPR1	We repeatedly enhance our knowledge about new export market opportunity	(Lisboa et al., 2013)
XPR2	We frequently assess feasibility of doing business in new export markets	(Lisboa et al., 2013)
XPR3	(-)We never research new competitors and customers of new export markets	(Lisboa et al., 2013)
Constructs	**Statements**	**References**
MKT1	In our kind of business customer requirements vary significantly across different customer segments	(Jaworski and Kohli, 1993, Bodlaj et al., 2012)
MKT2	In our kind of business, customers' product preferences change slightly over time.	(Jaworski and Kohli, 1993, Bodlaj et al., 2012)
CMI1	We are facing aggressive competition in this industry	(Jaworski and Kohli, 1993, Bodlaj et al., 2012)
CMI2	In our industry anything that one competitor can offer, others can match readily	(Jaworski and Kohli, 1993, Bodlaj et al., 2012)

Key: PMO= Proactive market orientation, RMO= Responsive market orientation, NPDC=New product development capability, BMC= Brand management capability, CRMC= customer relationship management capability, XPL= export market exploitation, XPR= Export market exploration, EP= Export performance, MKT== Market uncertainty, CMT= Competitive intensity.

4.5.2.3.3. Control Variables

The present study adopted two control variables to better understand the causal effects of the structural model. Malhotra and Dash (2010) claim that a "statistical control variable is involved in measuring the effect of extraneous variable and hence it is imperative to interpret the effects of control variables for adjusting statistical analysis". In a study which set out to determine the influence of dynamic capability and performance, Li and Atuahene-Gima (2001) reported age and size of the business as control variables. In the same vein, the first systematic study of DMC

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proposed by Fang and (2009) used these two control variables to show the effect of DMC on international joint venture performance.

In international marketing studies these control variables have the potential to affect an exporters' performance. An organisation's resources adoption and deployment capacities are influenced by its age and size. The age of an organisation (i.e. new, growth and mature) has a potential role to determine its performance (Loderer and Waelchli, 2010). In particular, an older organisation has more productive capacities by using resources than new organisations (Majumdar, 1997). This is because the organisation's knowledge-based resource accumulation capacities and knowledge management competencies are developed over time. This implies that a mature exporter has more competencies compared to new organisations. Therefore, this research controlled for an exporter's age. In addition, marketing scholars (Voss et al., 2008, Boso et al., 2012) argue that resources and capabilities requirement for larger organisations are higher relative to small or medium organisations. All of this indicates that the organisation's size has high-level influence on export performance. Hence, this study also controlled the influence of exporters' size on export performance.

In this research respondents the age of a company is categorised as new, growth and mature to avoid difficulties during data analysis. Organisations between 0 to 25 years were treated as a new organisations, those between 26 and 55 years old were considered as growth companies, and all older than 55 were treated as mature. Next, the researcher created dummy variables for age to generate more realistic causal effects among latent constructs. In essence, two dummy variables were formed for controlling the influence of mature and growth organisations' age on export performance. However, this study did not create a dummy for new organisations category, as the organisations in this category were the highest frequency during the selection of possible dummies within the three age groups. Thus, the new organisations group act as a reference group for age. The age of the first dummy variable is to equal 1 (i.e. mature=1, others=0) when the organisation is in the mature group, otherwise the value of dummy age was considered as zero. Conversely, the second dummy variable for growth age group is equal to 1 (i.e. growth=1, others=0), or else the value of dummy age is zero.

This thesis includes organisation's size as its second control variable, in which organisation's size is measured by number of employees and its fixed assets level. Data of organisation size was collected in a categorised format, rather than the absolute size of the organisation. The reason for this is that it was challenging to learn the actual size of the organisation from respondents. In addition, the central bank of Bangladesh has acknowledged both these categories as valid to interpret the size of the organisation (BB, 2011). This study created a single dummy variable to represent employee size, in which the value of dummy employees' size was formed to equal 1 for larger organisations. (i.e. large employees=1, others=0). Additionally, the fixed asset level consists of micro, small, large and medium. In this research large organisations was treated a representative group, hence three dummy variables were formed to denote the fixed asset level of the organisation. Overall, this thesis formed six dummy variables to control the influences of business age and business size on export performance.

4.6. Sample Size and Respondent Selection

It is essential to determine a proper sampling frame so that data collection can be conducted from a good sample size. This is because the adequacy of factor analysis is contingent on the sample size, in which data collection from more than 300 sample represents the strength of factor analysis (MacCallum et al., 1999). Hair, Tatham et al. (1998b) pointed out sample size reflects the value of factor loading, which showed that the significant factor loading must be above.30 for a sample size above 300, whereas a .70 factor loading is necessary for small sample size around 60. It is clear that small sample size leads to high factor loading, and large sample size leads to acceptable low factor loading. MacCallum et al. (1999), claims that solid data represents high communalities of the measurement items. In addition, to operationalize multiple regression analysis or structural equation modeling the rule of thumb of selecting appropriate sample size is identifying the number of parameters (i.e. measurement items) that should be multiplied with 5 or 10 (Kline, 2015). As this study has 35 observations, the estimated sample size for this study would be 35*5= 175 or 35*10=350. This study claims that the estimated sample size between 175 and 350 is reliably strong to collect sufficient information for analysing this conceptual model.

In this study, primary data collection was done by personal interviewing in a home or office of the respondents. To conduct the survey, three paid survey assistants helped the primary data

collection process. Prior to sending the surveyors to the exporters address, researchers conducted telephone calls to the exporters to provide pre-notification of the survey's purpose, verify their address and eligibility as well as gauge respondents' intention to participate in the survey. Since most of the manufacturing export-oriented organizations are located near the capital city of Bangladesh, all the respondents were selected from the Dhaka division of Bangladesh. This allowed the researcher to find 400 potential participants available within Dhaka division (i.e. Dhaka is the capital city of Bangladesh). The researcher was unable to reach remaining selected exporters because of some had changed their contact details, some organizations ceased their manufacturing operation, and a few organizations were not qualified as exporters due to legal issues. Moreover, it was confirmed during the telephone interview that participants' information shall not be disclosed publically, and this research will maintain a high-level of confidentiality. The researcher explicitly discussed the statements of the final survey questionnaire among the three surveyors, and guided them to complete the survey questionnaire without any missing statements. By following the rotation schedule, the researcher also visited exporting organizations to support the completion of survey process. This study followed the Morgan et al. data collection procedure, which guides the respondents to indicate their perception based on their largest five export markets. In order to collect more accurate perception from the respondents, this research developed two versions of final survey questionnaire, namely, Bengali and English (See appendix F). At the time of each interview a cover letter was presented to the interviewee, in which researcher explained the aim of this research to encourage the representative sample to participate in the survey (See appendix D). In addition, as motivational tools respondents were assured by the interviewer that an executive summary of this research will be delivered at the end of this research. Thereby, the first filter question asked whether the participants were interested in receiving a summary of this research.

In all cases of data collection top executives were selected because they hold a high-level of experiential knowledge regarding developing and implementing marketing strategy. Even though initially 400 respondents showed interest in becoming potential respondents' for this survey, in the course of survey process 85 participants were unavailable to reach to complete the questionnaire. This research initiative suitably collected 315 completed questionnaires. Most of the potential participants who changed their decision to participate in the survey did so because of

their organizations' strict policy of sharing information with external entities. The details of respondents demographic profile is presented in the subsequent section.

4.6.1. Respondents' and Organizations' Descriptive Statistics

The data analysis chapter starts with demonstrating the demographic status of respondents and their attached organizations. In this research, the aim of discussing the demographic profile is drawing the perception of experienced export professionals in terms of soliciting respondents' organizations' attitude towards the marketing strategy implementation process. This demographic profile demonstrates respondents profile, industry size, industry type, industry age, export status of the organization and so on. The demographic information confirmed that 315 survey questionnaire were completed by the respondents of exporting organizations which listed in table 4.4 and table 4.5, respectively. From table 4.4, it can be seen that the respondents possess many years of export experience. The demographic profile of respondents indicated that 40% of respondents have 0 to 5 years' export experience; whereas 32.1% respondents have 6 to 10 years of export experience. Most of the respondents were between 36 and 40 years of age (i.e. 21.9%). The demographic profile showed five types of respondents who participated in the survey to provide information. These are: chief executive officer, marketing manager, international marketing manager, compliance manager and merchandiser. Most of the respondents were chief executive officers (i.e. 37.8%). In other groups, 22.2% were merchandisers, 11.1% of respondents were compliance managers, 19.7% were international marketing managers and only 9.2% were marketing managers. Besides that, the findings from respondents' demographic profile confirm that roughly half of the export managers completed their undergraduate degree, whereas 42.2% respondents had finished a post-graduation program.

To ensure the generalisability of this study, data was collected from multiple industries. It is imperative to discuss industry information because this study applied industry information as control variables to comprehend that the causal relationships of the constructs are managed by the control variables. Table 4.5 covers age of the business, industry type, size of the firm in term of fixed assets and employee size. The sample consisted of 'eight' different types of industries, and the survey drew large respondents from textile sector (42.5%). Moreover, a significant proportion of respondents were from Handicrafts & furniture's (18.7%) along with leather goods (14.9%).

Among eight industries, 38% of exporting organizations had on average 6 to 15 years business operation experience, close to 30% of exporting organizations within the sample had on average 16 to 25 years business operation experience. Furthermore, 58% of revenue is generated from exporting process for roughly 90% organizations. In accordance with the industry size, this study demonstrates that about 41% of exporting organizations have more than 499 employees, but most of the organizations (i.e. 59%) within the sampling frame have between 1 and 499 employees.

Table 4.4: Respondent Demographic Information:

Respondents' information	Responses	Percent	Respondents' information	Responses	Percent
Job Title			**Export experience**		
CEO	119	37.8	0-5 years' experience	126	40.0
Marketing managers	29	9.2	6-10 years' experience	101	32.1
International marketing manager	62	19.7	11-15 years' experience	47	14.9
Merchandiser	70	22.2	16-20 years' experience	26	8.3
compliance manager			21-30 years' experience		
	35	11.1		12	3.8
Total	*315*	*100.0*	*Total*	*315*	*100.0*
Respondents age			**Respondents' highest education**		
18-25 years old	2	.6	Graduate	159	50.5
26-30 years old	61	19.4	Post graduate	133	42.2
31-35 years old	66	21.0	Below graduation	23	7.3
36-40 years old	69	21.9	*Total*	*315*	*100.0*
41-50 years old	85	27.0			
51-60 years old	28	8.9			
61+ years old	4	1.3			
Total	315	100.0			
Light engineering	4	1.3			
Total	*315*	*100.0*			

Table 4.5: Respondent Organization Information:

Organization information	Responses	Percent	Organization information	Responses	Percent
Age of the business			**Size of the firm# Fixed assets**		
76+ years	1	.3	1 to 50 million	22	7.0
66 to 75 years	4	1.3	above 5 million to 100 million	127	40.3
56 to 65 years	2	.6	above 100 million to 300 million	28	8.9
46 to 55 years	5	1.6	above 300 million	138	43.8
36 to 45 years	14	4.4	*Total*	*315*	*100.0*
26 to 35 years	32	10.2	**Size of the firm# Employees**		
16 to 25 years	96	30.5	1 to 499 employees	185	58.7
6 to 15 years	121	38.4	above 499 employees	130	41.3
0 to 5 years	40	12.7	*Total*	*315*	*100.0*
Total	*315*	*100.0*			

Industry type			Sales Percentage from Export		
IT	24	7.6	.5 to 4.99 %	13	4.1
Handicrafts & furniture's	59	18.7	5 to 14.99 %	21	6.7
Plastic goods	19	6.0	15 to 29.99 %	33	10.5
Leather goods	47	14.9	30 to 44.99 %	28	8.9
Finished leather	18	5.7	45 to 59.99%	5	1.6
Textile	134	42.5	60 to 74.99%	14	4.4
Ceramics	10	3.2	75 to 89.99%	20	6.3
Light engineering	4	1.3	Above 90 %	181	57.5
Total	*315*	*100.0*	*Total*	*315*	*100.0*

4.7. Quantitative Data Analysis Techniques

In social science research two contexts are required for research methodology; one is identifying the research design and another one is selecting an appropriate data analysis process for validating the results (Brannen, 2005). To understand the data analysis procedures, this study followed the recommendation of Anderson and Gerbing (1988), which claimed that multivariate data analysis must cover two stages. Firstly, researchers should verify the psychometric properties of manifest variables (i.e. Measurement items), and thereafter the examination of the direction of hypotheses should be operationalized. In this sense, this study has conducted an extensive literature review to evaluate the taxonomy of DMC and identify relevant measurements items of external environmental factors, two constructs of international ambidexterity and export performance. Before proceeding to examine the hypotheses, this study followed several data examination processes. These are correlation examination, exploratory factor analysis, reliability and validity test of the constructs, and measurement model test by confirmatory factor analysis. Once this study confirms the reliability and validity issues of the measurement model, this study addressed structural equation model test to analyze the proposed hypotheses. To examine the conceptual model, this study used SPSS AMOS 22 statistical package for eliciting the causal relationships among the constructs. Furthermore, this study used the Mplus 7.3 statistical software package to analyze the effects of moderating variables on the relationship between exogenous constructs and endogenous constructs.

4.7.1. Structural Equation Model Test

The measurement model of this study is analysed by following the approach of Churchill Jr (1979), and Slater et al. (2010). Their studies pointed out three conditions of measuring the structural model. Firstly, model fitness was measured by administrating multi stage confirmatory factor analysis. Secondly, psychometric properties were presented by examining reliability and validity of the latent constructs. A common method variance test was also conducted to avoid any misleading measurement errors.

Once validity of the measurement model was achieved, this research carries out a structural equation modeling (SEM from here onwards) test. In recent years SEM is a widely used data

analysis process that enables the researcher to assess a set of hierarchical regression equations and a factor analysis concurrently. A SEM study by Cheong and Lecken (2004) asserted that the overall causal conceptual model must assess by operationalizing structural equation modeling. Following the three equations from Baron and Kenny (1986) this study used SEM to examine the mediation effect of DMC. The equations are (a) an examination of the relationship between the exogenous construct and the mediator while identifying the linkage between mediator and endogenous construct; (b) the analysis of the connection between exogenous and endogenous constructs without including the mediator; (c) investigating the direct relationship between exogenous and endogenous constructs along with presenting the influence of the mediator within the structural model. This research is additionally interested in analyzing the moderation effects after completing a robust examination of the mediation effect. Extant researchers addressed the role of moderators to understand the relative change of connection between exogenous variables and endogenous variables. An influential study by Muller et al. (2005) reported two types of moderation effects, which are 1) mediated moderation and 2) moderated mediation.

Mediated moderation implies that the effect of moderation exists between exogenous variables and dependent variables. In such case an interaction term (i.e. the multiplication of moderator and independent variables) exists. The effect of an interaction term on endogenous variable exists through the mediation process (Wegener and Fabrigar, 2000). In contrast to mediated moderation, moderated mediation refers to the presence of a moderator influencing the relationship of mediator and dependent variables (Muller et al., 2005). In explaining the moderated mediation effect, Preacher et al (2007) introduced five models to reveal that the level of indirect effect on dependent variables is caused by one or more moderators. Based on the conceptual model, this study conducted mediated moderation analysis to realize the relative effects of external environmental constructs on the relationship between international ambidexterity constructs and export performance through implementing DMC.

Prior to operationalising SEM, several fit-indices were assessed for understanding the quality of the measurement model. These are: comparative fit index, goodness of fit indices, adjusted goodness of fit index, chi-square/degree of freedom, root mean square residual, P Close, standardized root mean square residual. The generation and analysis of SEM was confirmed by the estimation approach of robust maximum likelihood for evading the challenges that are

associated with non-normality of the data (Bentler, 1995). Within the SEM causal model the proper fit indices for the measurement model were again tested, and the result of SEM the model is reported in chapter 5.

4.8. Summary of the Chapter

This chapter has explained the methodology for exploring the research questions that are embedded in the conceptualised model. In order to describe the methodological context, this chapter explained the philosophical positioning of this research, and the selection of a deductive approach for undertaking this study. Then this section discussed an overview of the research design and research method, which emphasised the justification of using the quantitative research method to analysis the linkages between the constructs of the conceptual model. Following that the researcher explained the development of measurement items for the questionnaire. It also covered the selection of the target population, designing the sample frame, and the validation of sample size. This study applied a pilot-test before undertaking the actual survey process to examine the robustness of the measurement items and improve the questionnaire. The final section of this chapter briefly discussed the data analysis processes that was used to examine the hypotheses.

5. Chapter Five: Data Analysis

5.1. Introduction

This chapter explains the statistical techniques used in this study to reveal the findings of this study. This chapter reports the findings of the study in four sections. The first section explains the data screening procedures that were applied in this study. The second section describes how this research confirms the reliability and validity of the constructs. Under the heading of the second section, this study shows the insights of multi-level structure of DMC. The third section of this chapter points out the mediation role of DMC on export performance, hence this section shows the findings of hypotheses H1a to H2b. The fourth section represents the third research objective, in which the researcher explains the significance of mediated moderation role in this causal model. This section highlights the outcomes by testing the hypotheses H3a, H3b, H4a and H4b. The moderation effects were tested within several models (i.e. from model 1 to model 4) by using MPlus 7.3 statistical package.

5.2. Data screening

5.2.1. Non Response Bias

The notion of nonresponse bias showed whether or not respondents' perception differs significantly from non-respondents. This process is considered as non-sampling error that was incurred in the course of collecting data from the respondents who were rejected to participate in the survey or unable to provide sufficient information. The test of non-response bias reflects the strengths of data validity. The researcher differentiated perceptions of early respondents and late respondents on the measurement items to examine non-response biasness. The present study takes into account Armstrong and Overton's (1977) approach for examining potential nonresponse bias. This research has separated the entire sample into two groups of early and late respondents. One group consisted of 25% of questionnaires which were received in the early stage of the interview based survey, whilst another group was 25% of questionnaires which were completed at the later stage of survey. In total 158 respondents were selected by splitting respondents into two groups

for examining nonresponse bias. This study conducted a Mann-Whitney U-test to identify whether or not the perception between early and late respondents differed significantly.

This study selected six constructs of the conceptual model for examining non-response bias, namely, export performance, responsive market orientation, brand management capability, new product development capability, export market exploitation and market uncertainty. From the data reported in table 5.1 it can be seen that there is non-significant difference exist (P>.05) between early and late respondents for those six constructs. From this it can be concluded that non-response bias is not a significant issue in this study.

Table 5.1. Non response bias test statistics from Mann-Whitney's U test

Measurement constructs	Early and late Respondents	Sample (n)	Mean Rank	Mean difference	Asymptotic significance (2-tailed)
Export performance	Late	79	84.89		
	Early	79	74.11	10.78	.138*
RMO	Late	79	81.60		
	Early	79	77.40	4.2	.562*
BMC	Late	79	85.74		
	Early	79	73.26	12.48	.086*
NPDC	Late	79	85.41		
	Early	79	73.59	11.82	.104*
XPL	Late	79	82.06		
	Early	79	76.94	5.12	.481*
MKT	Late	79	81.04		
	Early	79	77.96	3.08	.667*

*Key: RMO= Responsive market orientation, NPDC=New product development capability, BMC= Brand management capability, capability, XPL= export market exploitation, EP= Export performance, MKT== Market uncertainty; *P<.05*

5.2.2. Factor Adequacy Test

Prior to beginning the factor analysis the researcher confirmed the factor adequacy test. The Purpose of factor adequacy test is comprehending whether the observed variables are adequate to conduct exploratory factor analysis or not (Kaiser, 1970, Cerny and Kaiser, 1977). This study used Kaiser-Meyer-Olkin examination to measure sampling adequacy for each observed variable in the conceptual model. The KMO test represent the comparison of observed and partial correlation coefficients. The standard score of KMO sampling adequacy is existed between .50 and 1 (Malhotra, 2008). Additionally, this study assesses the Bartlett's Test of Sphericity within factor adequacy test to understand correlation matrix is not an identity matrix. The rule of thumb for Bartlett's Test of Sphericity is the value of this test should be significant at P<.05 level (Malhotra and SPSS, 2013). The factor adequacy test for the complete conceptual model has revealed a .868 KMO statistic, which is significant at less than .05 levels of Bartlett's Test of Sphericity. This refers at a significant level of KMO statistic allows this study to identify the measurement items that are used to evaluate the constructs.

5.2.3. Multivariate Normality

In terms of explaining multivariate normality of the data, the present study has assessed multivariate kurtosis and critical ratio. The manifest variables have high kurtosis value, in which Mardia's coefficient is 58.524 and the critical ratio is 11.133. The rule of thumb for assessing normality is the kurtosis should be between -7 to +7 (Curran et al., 1996) and critical ratio for non-significant kurtosis value must be existed between +1.96 and -1.96(Ullman, 2006). Mardia's coefficient is more suitable process to understand multivariate normality of the data, which should not exceed the value that is obtained from the formula of $p(p+1)$ (where p is the manifest variables in the conceptual model) (Khine, 2013). This study computed a Mardia's coefficient of (58.524) which is less than the value of 1088, and that is computed by above mentioned formula. Hence, it can be argued that the data satisfies the assumption of multivariate normality. To assess multivariate normality, researchers addressed other measurement criteria such as test for linearity along with multicollinearity of the data.

5.2.3.1. Linearity and Multicollinearity

The present study performs a linearity test for realising whether the latent constructs are linear for conducting further statistical tests. After conducting the curve linear examination of the latent construct, this study has attempted to that explain all independent constructs are sufficiently linear by maintaining the significant level of P<.001, P<.01 and P<.05. Table 5.2 has highlighted the linear relationship between the independent latent construct and the endogenous latent construct. The table below reflects that all constructs are suitably linear to conduct further statistical tests, specifically the SEM analysis.

Furthermore, the present study checks multicollinearity of the observed constructs by using a composite score. In order to define multicollinearity, Gujarati (2014) argued that single linear relationship between variables can be asserted as collinearity, while more strong correlation in a linear relationship can be can be treated as a multicollinearity issue. The term multicollinearity is the degree to which a measure that tests high inter-correlation among observed constructs. Multicollinearity is assessed by checking the tolerance and variance inflation factor. A tolerance level less than .10 is treated as problematic. The variance inflation factor (VIF from here onwards) is the reciprocal of tolerance and the rule of thumb is VIF should be less than 10 (Hair et al., 2009). The presence of multicollinearity (i.e. high degree of relative magnitude of multiple correlations) increases the complexity of regression analysis. As this study possess multiple independent and dependent constructs, it is crucial to verify the multicollinearity of the observed variables. To estimate the multicollinearity issue of the measurement items within first order latent construct, this study has reported the VIF and tolerance level. The tolerance level of all independent constructs are found above.60, which satisfies the cutoff level .10. In addition, the VIF statistics revealed that all constructs are less than 10 and that confirms the non-multicollinearity matter of the measurement items.

Table 5.2. Summary of linearity statistics for all predictor

Relationship		Linearity statistics (R^2)
Dependent variables	*Independent variables*	
Export performance	Proactive market orientation	.153***
Export performance	Responsive market orientation	.068***
Export performance	Export market exploration	.221***
Export performance	Export market exploitation	.219***
Export performance	Brand management capability	.212***
Export performance	New product development capability	.216***
Export performance	Customer relationship management capability	.247***
Proactive market orientation	Export market exploration	.029***
Responsive market orientation	Export market exploration	.032***
Brand management capability	Export market exploration	.072***
New product development capability	Export market exploration	.076***
Customer relationship management capability	Export market exploration	.179***
Proactive market orientation	Export market exploitation	.042***
Responsive market orientation	Export market exploitation	.015**

Brand management capability	Export market exploitation	.083***
New product development capability	Export market exploitation	.093***
Customer relationship management capability	Export market exploitation	.110***

***P<.001 and **P<.01.

5.2.4. Correlation

It is important to estimate the correlation coefficient prior to starting the factor analysis and hierarchical regression (Rietveld and Van Hout, 1993). The correlation findings draw attention to internal consistency of the constructs rather than external consistency. This study subsequently has addressed factor analysis to understand the structure of the constructs and identify the number of latent constructs (Nunnally Jum and Bernstein Ira, 1978, Kline, 1983). A considerable amount of studies have used a Pearson correlation coefficient test, however this test is not adequate enough when the manifest variables have realised excessive kurtosis. Whereas the measurement items should follow a ratio or interval scale data for conducting Pearson correlation coefficient (Hauke and Kossowski, 2011), ordinal scale data needs to be examined by Spearman correlation coefficient. The Spearman correlation coefficient test is a non-parametric measure that reflects the strength of monotonic relationship between paired data; where an absolute value of r_s .40 to .59 is defined as a moderate monotonic relationship, r_s .60 to .79 calls for a strong monotonic relationship, and a very strong monotonic relationship is existed at .8 to 1 r_s (Hauke and Kossowski, 2011). This study follows ordinal scale data, in which within the construct moderate to strong correlation has been found. Unlike the ordinal data, between the items of latent constructs the relationships are not strong. In order to comprehend the monotonic relationship of the inter-items, this study has considered the benchmark value of .40. Past studies have reported that items with a correlation value below the level of .40 indicates weak correlation (Surhone et al., 2010), hence that item should be discarded for facilitating further analysis. In appendix 'G' (Table 5.0) an inter-items correlation matrix is presented so as to initially understand whether the latent constructs are inter-correlated or not. In the course of scrutinising the strength of monotonic relationship, it can

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be observed that a responsive market orientation item (i.e. RO2) was unable to reach the cut off value of .40. As a result this item is discarded from further exploratory factor analysis, confirmatory factor analysis and SEM analysis.

5.3. The rationale behind the selection of Exploratory Factor Analysis

Researchers suggest that in order to analyse data and examine the structural model. A positivist research design must have a robust theoretical background. This encourages marketing scholars to use confirmatory factor analysis as a measurement tool of the structural model. Nonetheless, proponents of EFA argue that the application of CFA is not adequate, and an inductive research should focus also on exploratory analysis so as to "uncover and understand what lies behind phenomenon about which little is known"(Mitrega et al., 2012). The attributes of EFA is exploratory as the researcher does not have prior knowledge regarding the relationship between latent constructs together with the latent variables (Golay and Lecerf, 2011). EFA must be used when the relationship between latent constructs are unknown, and in this research it is shown that the relationship between higher-order marketing capabilities and other constructs such as market exploration and market exploitation is doubtful.

In addition, EFA allows the researcher to understand the properties of the initial measures by which a researcher can comprehend whether certain manifest variables of a first-order factor in a measurement model load well or poorly in terms of magnitude on the intended factor (Netemeyer et al., 2003). The application of EFA is most suitable for generating scale for a newly developed construct, whereas confirmatory factor analysis (CFA from here onwards) is more appropriate to verify that a well-developed theoretical foundation leads to the measurement model. Researchers also used CFA when they have priori information about the relationship between latent constructs. In general, when a research can identify priori hypotheses and a precise theoretical clarification can be provided the application of CFA is suitable for the research. Nonetheless, several studies applied the factors analysis so as to identify measures and validate the measurement model. According to Jöreskog (1974) "many investigations are to some extent both exploratory and confirmatory, since they involve some variables of known and other variables of unknown composition". The foremost distinction between EFA and CFA is that EFA allows the researchers

to identify the number of factors prior to conducting measurement model's goodness of fit assessment. Both these factor analysis techniques are complementary. Quantitative researchers used eigenvalues from EFA so as to understand the dimensionality of the proposed constructs, and these results are important as they provide a more perfect picture of manifest variables. In this sense, it is critical to adopt both these complementary techniques in evaluating a scale and its manifest variables.

5.3.1. Application of Exploratory Factor Analysis

In the marketing literature, an exploratory factor analysis (EFA from here onwards) is used to reduce the number of indicators into manageable dimensions. This allows the researchers to generate a meaningful scale for a newly developed theoretical construct, because EFA is an influential analysis at the initial stage for identifying new latent constructs (Gerbing and Anderson, 1988). Although previous studies provided theoretical support for the first-order factors (BMC, CRMC, NPDC, PMO and RMO), no higher-order factor analyses were conducted to validate multilevel structure of a higher-order factor of DMC. Note that because the initial goal of this research is to obtain a higher-order DMC factor; thus, this study conducts EFA to represent adequate interrelation between the first-order constructs and then the CFA shows that to what extent the measurement model fits the data. In order to explore the dimensionality of higher-order marketing capabilities together with other first-order constructs in the measurement model, this study firstly conducted EFA. In the first phase of factor analysis, this study administered EFA for summarizing large numbers of DMC instruments into a manageable set of underlying dimensions as well as identifying crucial measurement items of other constructs of the conceptual model. This EFA test has shortened the 32 attributes into a manageable set of underlying factors. This study revealed that the measurement items are qualified within the conceptualised latent constructs.

To perform the EFA test, it is essential to select proper rotation method so that the researcher can get the information about appropriate factor loading. Orthogonal rotation is more suitable for uncorrelated factor solution, while oblique rotation is a highly appropriate method for correlated factors (Gerbing and Anderson, 1988). Tabachnick and Fidell, (2007) asserted that if the correlation among the factors can achieve the value of .32, then it is more appropriate to choose

an orthogonal rotation for EFA. In the first phase of factor analysis this research has performed the EFA for understanding the distinction among the constructs of the conceptual model. This study has applied principal axis factoring for extracting the factors, which uses an oblique rotation technique so that the researcher can receive an appropriate structure of the underlying dimension of the latent constructs. This study used eigenvalues >1 for detecting the number of constructs that were explored in the conceptual model.

Table 5.3 shows that the result of EFA has extracted 32 measurement items, from which the researcher has drawn ten factors. These are: proactive market orientation, responsive market orientation, brand management capability, customer relationship management capability, new product development capability, export market exploitation, export market exploration, market uncertainty, competitive intensity and export performance. The ten key constructs accounted for roughly 59% of the total variance. This study follows the standard factor loading criteria of .30 for the sample size of greater than 300 which was reported in the salient study of Hair et al. (1998). The table shows no cross loading issue exists among the factors. The correlation analysis pointed out that internal consistency among the measurement items of RMO2 (i.e. RMO2= our sales staffs rarely share their customers handling experiences with others) is lower than the threshold value of .40. In the same way, the EFA test has drawn that low factor loading and cross loading issues existed in RMO2, hence the researcher dropped this measurement item after examining the results of EFA. The table below reflects that factors were loaded adequately within the conceptualised constructs, and EFA allows the researcher to identify factor loading (Churchill Jr, 1979).

Table 5.3. Validity statistics of all factors of conceptual model

Factors		Percentage of Variance explained	Principal Axis Factor Loading									
			F1	F2	F3	F4	F5	F6	F7	F8	F9	F10
DMC	NPDC1	25.814%	.759									
	NPDC2		.823									
	NPDC3		.722									
	NPDC4		.665									
	CRMC1	7.406%		.736								
	CRMC2			.793								
	CRMC3			.731								
	CRMC4			.710								
	PMO1	4.531%			.509							
	PMO2				.740							
	PMO3				.740							
	PMO4				.571							
	RMO1	3.973%					.744					
	RMO3						.812					
	RMO4						.819					
	BMC1	2.429%								.589		
	BMC2									.709		

	BMC3								.818		
Export market exploitation	XPL1	3.558%					.786				
	XPL2						.752				
	XPL3						.620				
Export market exploration	XPR1	2.956%						.707			
	XPR2							.728			
	XPR3							.708			
Market uncertainty	MKT1	2.177%								.616	
	MKT2									.884	
Competitive intensity	CMI1	1.968%									.734
	CMI2										.764
Export performance	EP1	4.164%			.724						
	EP2				.613						
	EP3				.598						
	EP4				.724						

Key: PMO= Proactive market orientation, RMO= Responsive market orientation, NPDC=New product development capability, BMC= Brand management capability, CRMC= customer relationship management capability, XPL= export market exploitation, XPR= Export market exploration, EP= Export performance, MKT== Market uncertainty, CMT= Competitive intensity

The first dimension of exploratory factor analysis reflects NPDC, and this factor comprises 4 measurement items. This factor accounted for 25.814% of total variance. Factor two represented CRMC, and this factor accounted for 7.406% of the total variance. PMO, a first order dimension of DMC anatomy, is presented in factor three and consists of four measurement items. This factor accounted for 4.531% of the total variance. The table 5.3 reflects that factor five and factor eight are other dimensions of DMC anatomy. The fifth factor is RMO, and that is another first order dimension of the DMC structure. The three measurement items of this factor accounted for 3.973% of the total variance. Factor eight has elicited three measurement items for BMC dimension and it accounted for 3.758% of the total variance. Four subjective measurement items compose the fourth factor export performance, and the explained variance of this factor is 4.164%. Factor six and factor seven are two dimensions of international ambidexterity constructs. Whereas factor six has showed three attributes of export market exploitation, factor seven indicates export market exploration and consists of three measurement items. Factor six has drawn 3.558% of explained variance, while factor seven has showed 2.956% of explained variance. Market uncertainty was captured as factor nine and is composed of two items. The explained variance of market uncertainty is 2.177%. Factor ten reflects competitive intensity attributes, and the two items of this factor explained 1.968% of the total variance.

Researchers have measured the construct validity by correlating the manifest variables of a given construct, and the assumption of construct validity provides a systematic argument regarding the correlation pattern of measurement items (Westen and Rosenthal, 2003). On the basis of this view, the researcher can confirm the construct validity of the measurement model by reporting correlation value in the inter-factor-correlation matrix. Inter-factors-correlation confirms the robustness of the construct and the crucial connection between the constructs. In order to confirm the demarcation of the factors, this study examined the inter-correlation of the constructs that has been highlighted in table 5.4. This correlation matrix table confirms that all the first order latent factors maintain positive correlations between factors of the conceptual model. Accordingly, this inter-constructs-correlation matrix satisfies the validity statement. As the aim of EFA is exploring the factors instead of confirming the validity of the factors, this influences the researcher

to perform further validity tests after conducting confirmatory factor analysis of the measurement model.

This chapter highlighted separately the reliability and validity issue of the latent constructs. In isolation reliability could not satisfy validity of the construct, so it is important to conduct separate validity tests. To confirm the validity of the conceptual model, marketing researchers showed the importance of additional validity measures such as convergent validity, discriminant validity and the construct validity. By satisfying the construct validity, the researcher can finalise the accuracy of measurement model (Malhotra, 2008). Researchers also asserted that variance and theory dependency is the underlying assumption of construct validity, and the inaccuracy in theoretical assessment makes the construct validity invalid (Cronbach and Meehl, 1955). Hence, in the subsequent section this study emphasises confirming the factor analysis, which validates the constructs of the measurement model. To ensure the validity issues of the conceptual model and examine the solid strength of the constructs, the present study followed a three step approaches that was used in the studies of Churchill Jr (1979), Gerbing and Anderson (1988) and (Santos-Vijande et al., 2012). Firstly, this study performed confirmatory factor analysis for first order latent constructs, second order and third order latent constructs. In marketing research confirmatory factor analysis (CFA from here onwards) is treated as a widely used method for validating the measurement model, which supports internal and external consistency of latent constructs. Secondly, this study conducted reliability and validity checks of the manifest variables. By examining properly the validity steps, the researcher can determine whether the selected measurement items are performing properly as estimated. Thirdly, the present study performed a common method variance test to realise whether this is a potential problem for this research or not.

Table 5.4. Inter-constructs-correlation examination from EFA

Factor	NPDC	CRMC	PMO	EP	RMO	XPL	XPT	BMC	MKT	CMI
NPDC	1.000									
CRMC	.459	1.000								
PMO	.332	.323	1.000							
EP	.434	.504	.409	1.000						
RMO	.274	.187	.541	.340	1.000					
XPL	.389	.400	.237	.470	.137	1.000				
XPT	.329	.469	.182	.495	.183	.275	1.000			
BMC	.465	.466	.504	.535	.423	.329	.288	1.000		
MKT	.093	.065	.101	.088	.081	.057	.044	.157	1.000	
CMI	.309	.258	.243	.290	.335	.170	.270	.245	.151	1.000

Key: PMO= Proactive market orientation, RMO= Responsive market orientation, NPDC=New product development capability, BMC= Brand management capability, CRMC= customer relationship management capability, XPL= export market exploitation, XPR= Export market exploration, EP= Export performance, MKT== Market uncertainty, CMT= Competitive intensity.

5.4. Confirmatory Factor Analysis

To begin with factor analysis, scholars often use the exploratory method to define factors. Nonetheless, at a later stage researchers adopt the confirmatory factor analysis to get more robust measurements of the latent constructs. Because of this, the present study administered confirmatory factor analysis to check the validity of DMC as a higher-order latent construct along with the efficacy of other constructs that are presented in the conceptual model. Malhotra and Dash (2010) suggested that theoretical foundation of a model lead to select the dimensions of reflective higher-order latent construct, in which subordinate latent constructs are treated as observed variables of higher-order latent constructs. The direction of reflective latent constructs leads to the manifest variables (Jarvis et al., 2003). The conceptualised model shows DMC is a four dimensional third order reflective latent construct that is comprised of three first order latent constructs and one second order latent construct (shown in figure 5.1). The present study has

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constrained the higher-order error variance for DMC to a value of 1 while analyzing the influences of moderating variables. In favor of a model identification of higher-order latent constructs, it is important for higher-order latent constructs to constrain the error variance by 1 (Hair et al., 2009, Byrne, 2013, p.135). This study has adopted several steps of CFA to qualify the construct validity of the measurement model. By satisfying construct validity the researcher can finalise precision of the measurement model (Malhotra 2008).
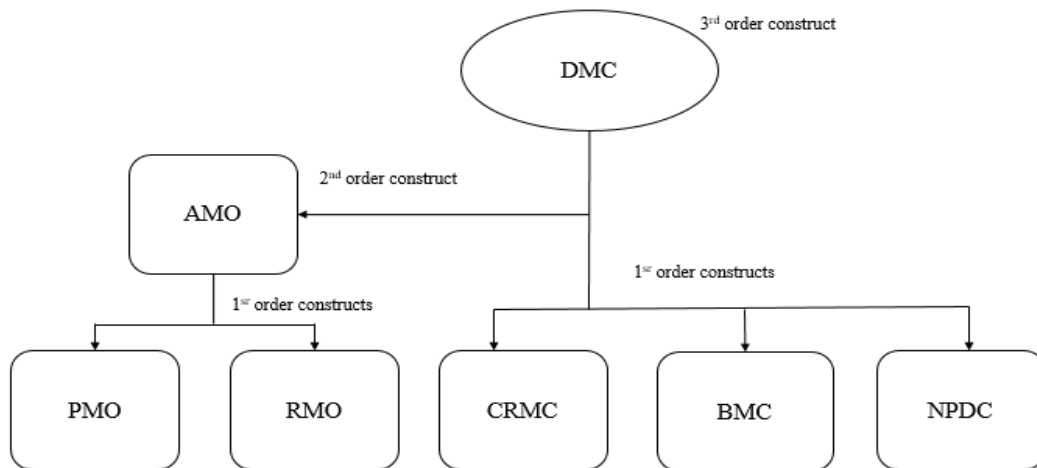
Figure 5.1: Internal dimensions of DMC taxonomy

5.4.1. Measurement Model Analysis through Construct Validity

The researcher adopted CFA as a technique that examine construct validity of the measurement model (Merrilees et al., 2011). This study used robust maximum likelihood estimation to avoid any complications that are associated with non-normality of the data (Bentler, 1995). The researcher uses several fit indices to understand the strength of the measurement model. Hu and Bentler (1999) stated that the threshold of the measurement model must fit indices, and these are comparative fit index (>.90), goodness of fit indices (>.95), adjusted goodness of fit index

(>.80); tucker-lewis coefficient (>.90) and the tolerable misfit index in the measurement model are chi-square/degree of freedom (<3), root mean square residual (.05 to .10), PClose (>.05), and standardised root mean square residual (.09). Furthermore, the sample size directs a researcher to select the threshold level of fit indices for the measurement model. For instance, for more than 250 samples and more than 30 measurement items, it is imperative to confirm greater than .90 CFI, less than .08 SRMR and RMSEA must be below .07 (Hair et al., 2013). Therefore, the present study focuses on following fit indices: CFI, AGFI, RMSEA, PCLOSE, CMIN/DF and SRMR. Besides that, the CFA divides the measures into two divisions of the constructs to evaluate the validity issues of the measurement models. These are: (1) the sub-dimensions of DMC (i.e. AMO, BMC, CRMC and NPDC); and (2) export market exploitation, export market exploration, market uncertainty, competitive intensity and export performance. Hence, the first division identifies the multi-dimensional properties of the DMC constructs and examines three stages of CFA models as well as psychometric properties of the constructs. Likewise, the second division focuses on evaluating reliability and convergent validity issues of other constructs within the measurement models.

The first set of CFA has examined the goodness of fit of the measurement model, which included all 32 items that were used in the EFA. First order CFA affirms the acceptable model fit by satisfying the benchmark point of the overall fitness indices: CFI =.938 and AGFI= .846. Similarly, a tolerable misfit is achieved in the measurement model, where RMSEA= .045, PCLOSE=.923, CMIN/DF= 1.630 and SRMR= .0464. Throughout the examination of the second stage CFA model, it can be seen that two first order constructs (i.e. PMO and RMO) compose a second order latent construct (i.e. AMO) which is another concrete sub-dimension of DMC. The estimated second stages CFA model consists of NPDC, AMO, BMC, CRMC, export market exploitation, export market exploration, export performance, market uncertainty and competitive intensity. The overall second order CFA model showed satisfactory fitness indices for the measurement model (CFI= .936, AGFI= .846, CMIN/DF= 1.631, RMSEA= .045, PCLOSE= .922 and SRMR= .0475). The third set of CFA assessed DMC as a separate higher-order latent construct of the measurement model. Within the final stage of the CFA model, six constructs comprise in the measurement model, and these are DMC (i.e. higher-order latent construct), export market

exploitation, export market exploration, export performance, market uncertainty and competitive intensity. Using CFA it is clear that the underlying constructs of DMC converges into a single higher-order latent factor. At the time of the third stage CFA, this study has pointed out no significant misfit (RMSEA= .046, PCLOSE=.886, CMIN/DF= 1.656, SRMR=.0539), and the acceptable fit indices have been achieved in the measurement model (CFI=.931, AGFI= .845).

To check the DMC's reflective scale, this study followed the research of Pérez López et al. (2005) and Santos-Vijande et al. (2012).These researches emphasised the three stages measurement model and explained that higher-order reflective constructs can be confirmed by achieving satisfactory fit indices in all stages of CFA. Prior to examining convergent and discriminant validity of third order factor models of DMC, this study examined the fit indices that are elicited from three stages of CFA (shown in table 5.5). The measurement models achieved satisfactory fit indices in all three stages, though there were minor differences in the fit indices. Santos-Vijande et al. (2012) suggested that it is imperative to report higher degrees of Consistent Akaike's Information Criteria (CAIC) to show the merit of higher-order reflective latent constructs in first stage and second stage CFA compared to third stage measurement model. The present study elicited lower CAIC (1307.584) in third stage measurement model compared to first stage (1418.844) and second stage CFA (1383.743). This study confirmed that the third stage CFA model has achieved satisfactory fit indices, and overall the measurement models support construct validity. Based on the CFA results, the present study proves that the DMC is a reflective third-order measure.

Table 5.5. Reflective measure of dynamic marketing capability

Measures of the constructs	Standardised lambda	Robust t-value	Reliability and convergent validity statistics		
			Cronbach's alpha	CR	AVE
First order CFA measures					
PMO 1←Proactive market orientation	0.755[a]	---------	.798	0.801	0.503
PMO 2←Proactive market orientation	0.639	10.372			
PMO 3←Proactive market orientation	0.753	12.054			
PMO 4←Proactive market orientation	0.682	11.05			
RMO 1←Responsive market orientation	0.815[a]	---------	.812	0.832	0.623
RMO 3←Responsive market orientation	0.841	14.367			
RMO 4←Responsive market orientation	0.706	12.5			
CRMC 1←Customer relationship management capability	0.845[a]	---------	.841	0.841	0.571
CRMC 2←Customer relationship management capability	0.800	15.344			
CRMC 3←Customer relationship management capability	0.686	12.76			
CRMC 4←Customer relationship management capability	0.679	12.599			

BMC 1←Brand management capability	0.777[a]	---------	.782	0.782	0.545
BMC 2←Brand management capability	0.700	11.332			
BMC 3←Brand management capability	0.736	11.829			
NPDC 1←New product development capability	0.835	14.471	.842	0.845	0.579
NPDC 2←New product development capability	0.796	13.89			
NPDC 3←New product development capability	0.631	10.853			
NPDC 4←New product development capability	0.767[a]	---------			

Second order CFA measures

PMO←Ambidextrous market orientation	.868[a]	---------	.829	.749	.603
RMO← Ambidextrous market orientation	.672	6.879			

Third order CFA measures

AMO←Dynamic marketing capability	.651	6.919	.879	.806	.511
NPDC← Dynamic marketing capability	.708[a]	-------			
BMC← Dynamic marketing capability	.775	8.283			
CRMC← Dynamic marketing capability	.720	8.374			

*First stage CFA :*CFI=.938 AGFI= .846, CMIN/DF= 1.630, RMSEA= .045, PCLOSE=.923, and SRMR= .0464, TLI= .926, CAIC=1418.844

Second stage CFA: CFI= .936, AGFI= .846, CMIN/DF= 1.631, RMSEA= .045, PCLOSE= .922 and SRMR= .0475, TLI= .926, CAIC =1383.743

Third stage CFA: CFI=.931, AGFI= .845, CMIN/DF= 1.656, RMSEA= .046, PCLOSE=.886, and SRMR=.0539, TLI= .923,

CAIC=1307.584. ASV= .280[b]

Key: PMO= Proactive market orientation, RMO= Responsive market orientation, NPDC=New product development capability, BMC= Brand management capability, CRMC= customer relationship management capability, DMC= Dynamic marketing capability

a= In order to set the construct initial factor loading constraint to 1. *b= Average shared variance value of DMC.

5.4.2. Convergent Validity

Strong evidence of convergent validity of third-order CFA is presented in table 5.5, which illustrates the standardised lambda value (i.e. factor loading), construct reliability and average variance extracted of DMC sub-dimensions. Convergent validity implies that the manifest variables of latent constructs should share a high degree of variance. The measurement item should correlate positively with other items of that construct to define the convergent validity of a latent construct. To estimate convergent validity of the constructs, researchers used these three methods: factor loading, average variance extracted, and composite reliability.

Factor loading of constructs exhibits the validity of latent variables. The high degree of factor loading indicates an acceptable convergent validity and all factor loading must be statistically significant (Malhotra, 2008). The rule of thumb of satisfactory factor loading is 0.7. However, factor loading is largely related to sample size, therefore a small sample size leads to high factor loading, and a large sample size leads to acceptable low factor loading. Hair et al. (1998) pointed out that factor loading is dependent on sample size, stating a sample size above 300 the significant factor loading must be above.30. In this study, the factor loading of DMC's lower-order constructs ranges from .651 to .775, which are statistically significant at the P=.05 level.

This study has addressed composite reliability and the average variance extracted to explain the internal adequacy of latent variables as well as satisfy the convergent validity issue. Hair, Black et al. (2014) suggested that the internal consistency of measurement items are located within a high degree of composite reliability. It is clear from past studies that the rule of thumb for accepting composite reliability is above .60 (Bagozzi, 1984). Another measurement process of convergent validity is average variance extracted. This has been used to explain the shared and common variance of the latent constructs in a measurement model, and more specifically identify error-free variance. Fornell and Larcker (1981) suggested that to measure the convergent validity of latent constructs the AVE must cross a 0.50 threshold value. Whilst AVE explains the average variance in the manifest variables of a latent construct, average shared variance of a latent construct clarifies the amount of average shared variance in measurement items which pertains to other latent constructs. From the data in table 5.5, this research pointed out the composite reliability and AVE

of DMC are .806 and .511 respectively. The measurement items' composite reliabilities within the three stages measurement model ranged from .749 to .845, the AVE values ranged from .503 to .623, and the estimated standardised lambda values (i.e. factor loading) ranged between .631 and .868. In all stages of the measurement models the factor loading is significant at p=.05 level. In addition, this table summarises the convergent validity statistics of AMO that have been identified by examining the second stage measurement model. The standardised lambda value of PMO and RMO are .868 and .672 respectively for representing AMO. From table 5.5 it is clear that the CR and AVE (i.e. additional convergent validity tests) of AMO exceeds the benchmark value of .60 and .50 respectively. The results obtained from second order CFA have qualified the existence of the AMO concept that comprises two sub dimensions. The fit-indices of the aforementioned measurement models and the convergent validity statistics summarise that DMC can be treated as a higher-order reflective measure, in which the lower-order factors of DMC are united into a single higher-order latent construct.

Additionally, at the time of examining the first stage measurement model this study consists other constructs (i.e. XPL, XPR, MKT, CMI, and EP). Table 5.6 presents the values of reliabilities and convergent validities of other measures of first-order CFA. It is evident from the table that the standardised lambda (i.e. factor loading) of all measurement items exceed the desired point (i.e. above .30 for more than 300 sample size), and are statistically significant at a level of 95%. Strong evidence of convergent validity found in table 5.5 and 5.6 shows the composite reliability of all latent constructs surpass the acceptable level 0.60 (Bagozzi, 1984). In addition, this table reflects that the AVE of the latent constructs are ranged between .541 and .586.

Table 5.6. First-order CFA: Other constructs' measurement testing

Measures of the constructs	Standardised lambda	Robust t-value	Reliability and validity statistics		convergent
			Cronbach's alpha	CR	AVE
First order CFA measures					
XPL 1←Export market exploitation	0.804[a]	---------	. 774	0.779	0.541
XPL 2←Export market exploitation	0.700	10.77			
XPL 3←Export market exploitation	0.697	10.734			
XPR 1←Export market exploration	0.706[a]	---------	.779	0.781	0.544
XPR 2←Export market exploration	0.799	11.038			
XPR 3←Export market exploration	0.703	10.397			
MKT 1←Market uncertainty	0.675[a]	---------	.712	0.719	0.564
MKT 2←Market uncertainty	0.820	2.933			
CMT 1←Competitive intensity	0.698[a]	---------	.729	0.737	0.586
CMT 2←Competitive intensity	0.827	6.695			

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EP 1←Export performance	0.873ᵃ	---------	.841	0.842	0.575
EP 2←Export performance	0.795	16.417			
EP 3←Export performance	0.647	12.402			
EP 4←Export performance	0.697	13.696			

Key: XPL= export market exploitation, XPR= Export market exploration, EP= Export performance, MKT== Market uncertainty,

CMT= Competitive intensity, CR= Construct reliability, AVE= Average variance extracted

5.4.3. Discriminant Validity

In a measurement model it is essential to validate the level of isolates relationship of one latent construct to another latent construct. This refers the researcher should ensure discriminant validity of the latent constructs, and the measurement model may arise validity issue if a researcher is incapable to ensure discriminant relationships among constructs (Fornell and Larcker, 1981). By following the suggestions of Fornell and Larcker (1981) this study tests the discriminant validity of first-order CFA and second-order CFA measures. In this test the researcher examines whether a latent variable's squared root of AVE is larger than the standardised correlation of every pair of latent variables. To analyse the discriminant validity in third stage CFA model, this research administered a chi-square difference test. Even though in the literature AVE is often used to measure convergent validity, Malhotra and Dash (2010) claim that AVE is more critical measure of validity. Given these findings, this study operationalised a chi-square difference test in the third stage CFA model for analyzing discriminant validity. Table 5.7 and table 5.8 presents the discriminant validity of first-order and second-order measurement models respectively. Fornell and Larcker (1981) found that a discriminant validity test applied to both CFA models, and that the square root of the AVE for each construct is more than the standardised correlation between a pair of latent constructs. This confirms that a given latent construct (i.e. first order and second order) is distinct from other latent constructs.

Table 5.7. Discriminant validity of first-order measurement model

	MKT	NPDC	CRMC	PMO	BMC	XPL	XPR	RMO	CMT	EXPORT
MKT	**0.751**									
NPDC	0.062	**0.761**								
CRMC	0.061	0.486	**0.756**							
PMO	0.080	0.376	0.342	**0.709**						
BMC	0.180	0.565	0.552	0.568	**0.738**					
XPL	0.043	0.377	0.431	0.261	0.379	**0.735**				
XPR	0.078	0.375	0.517	0.223	0.353	0.292	**0.737**			
RMO	0.094	0.331	0.208	0.583	0.422	0.153	0.207	**0.790**		
CMT	0.176	0.310	0.244	0.278	0.288	0.177	0.311	0.359	**0.765**	
EXPORT	0.132	0.579	0.618	0.482	0.571	0.563	0.570	0.296	0.382	**0.758**

Note: The table above represented squared root of the AVE for the construct of each column along the diagonal,

whereas other figures shows the standardised correlation between each pair of latent constructs.

Table 5.8. Discriminant validity of second-order measurement model

	BMC	XPL	XPR	CMT	MKT	EXPORT	CRMC	AMO	NPDC
BMC	**0.738**								
XPL	0.379	**0.735**							
XPR	0.353	0.292	**0.738**						
CMT	0.293	0.180	0.314	**0.763**					
MKT	0.179	0.042	0.078	0.180	**0.752**				
EXPORT	0.572	0.563	0.570	0.382	0.132	**0.758**			
CRMC	0.552	0.430	0.517	0.248	0.061	0.618	**0.756**		
AMO	0.647	0.280	0.272	0.384	0.106	0.523	0.370	**0.776**	
NPDC	0.565	0.377	0.375	0.316	0.062	0.579	0.485	0.451	**0.761**

Note: The table above represented squared root of AVE for the construct of each column along the diagonal,

whereas other figures shows the standardised correlation between each pair of latent constructs.

Besides that, this research reported both AVE and average shared variance in the third stage CFA model (shown in table 5.5). The results reflect that the AVE is greater than the average shared variance that partially supports the presence of the discriminant validity among the constructs of the third stage CFA model. This study has administered a chi-square difference test in the third stage CFA model for comprehending discriminant validity issue, and thus this research has followed Anderson and Gerbing (1988) and Parasuraman's et al.(2005) discriminant validity approach. Based on the third stage measurement model, this research develops an additional fifteen CFA models (shown in table 5.9). In the measurement models inter-factor correlation is estimated as 1 for each pair of latent constructs, whereas other latent factors correlations were freely estimated within each model. The chi-square values yield from each constrained models are found, and then compared to the chi-square values of unconstrained measurement models. In table 5.9, it can be seen that a high chi-square value is achieved in each constrained model compared to the chi-square value of unconstrained models. This implies that each pair of latent factors are not perfectly correlated. This works well because this study shows that within third stage measurement model all latent constructs are perfectly separate from each other. As the latent variables within the third stage measurement model satisfy the discriminant validity assumption, it can be argued that the latent constructs within the aforementioned measurement models are different from each other.

Table 5.9. Third-order CFA: Discriminant validity check by chi-square different test

CFA model constrained correlation of the latent factor	Model constrained set to 1 Chi-square (CMIN/DF)	Model unconstrained Chi-square (CMIN/DF)	Δ Chi-square = Models unconstrained - Model constrained to 1	Discriminant validity
DMC <-> EP	736.316 (1.658)	733.615(1.656)	-2.701	✓
DMC <-> XPL	734.945 (1.655)	733.615 (1.656)	-1.33	✓
DMC <-> XPR	737.492 (1.661)	733.615 (1.656)	-3.877	✓
DMC <-> MKT	769.991 (1.734)	733.615 (1.656)	-36.376	✓
DMC <-> CMI	748.822 (1.687)	733.615 (1.656)	-15.207	✓
EP <-> XPL	737.433 (1.661)	733.615 (1.656)	-3.818	✓
EP <-> XPR	734.397 (1.654)	733.615 (1.656)	-0.782	✓
EP <-> MKT	755.437 (1.701)	733.615 (1.656)	-21.822	✓
EP <-> CMI	739.798 (1.666)	733.615 (1.656)	-6.183	✓
XPL <-> XPR	739.572 (1.666)	733.615 (1.656)	-5.957	✓
XPL <-> MKT	757.146 (1.705)	733.615 (1.656)	-23.531	✓
XPL <-> CMI	752.713 (1.695)	733.615 (1.656)	-19.098	✓
XPR <-> MKT	767.069 (1.728)	733.615 (1.656)	-33.454	✓
XPR <-> CMI	748.581 (1.686)	733.615 (1.656)	-14.966	✓
MKT <-> CMI	764.132 (1.721)	733.615 (1.656)	-30.517	✓

Key: DMC= dynamic marketing capability, XPL= export market exploitation, XPR= Export market exploration,

EP= Export performance, MKT=Market uncertainty, CMI= Competitive intensity

5.4.4. Reliability Statistics

In addition to the importance of validity addressed in the literature is the crucial role of reporting the reliability of a latent construct. In order to define reliability, Gerbing and Anderson (1988) claim that reliability shows the accuracy of measurement items, thus the latent constructs must endorse stability, internal consistency, and equivalence characteristics. By ensuring the reliability of latent constructs, the researcher can precisely confirm that the measurement items of a latent construct are not heterogeneous. The accuracy of construct validity result in perfect reliability, and weak reliability of the constructs reflect poor construct validity. Researchers claim that the standard Cronbach's alpha value is 0.7, but a score greater than 0.60 is also accepted as a reliability coefficient (Dunn et al., 2014). This research has addressed Cronbach's alpha to assess the internal consistency of the measurement models latent constructs. From the data in table 5.5 and table 5.6 it is clear that in all latent constructs within the aforementioned CFA models, Cronbach's alpha ranged from 0.712 to 0.842. The Cronbach's alpha of DMC's sub-dimension were 0.798 (PMO), 0.812(RMO), 0.841 (CRMC), 0.782 (BMC), and .842(NPDC). After combining all latent constructs of the DMC's sub-dimensions the Cronbach's alpha became .873 for explaining the reliability of DMC. Besides that this study produce a 0.829 value of Cronbach's alpha for AMO after incorporating underlying dimensions of AMO.

Two constructs of international ambidexterity, export market exploitation and export market exploration, achieved high Cronbach's alpha value of 0.774 and 0.779. Furthermore, market uncertainty and competitive intensity are two moderators in the conceptual model. Each of these constructs are comprised of two measurement items. Market uncertainty value was 0.712, and competitive intensity achieved a .729 Cronbach's alpha value. The final dependent variable is export performance, comprised of four measurement items, and it also passed the threshold level by achieving .841 Cronbach's alpha value.

5.4.5. Multicollinearity Test of the Latent Constructs within Third Stage CFA Model

Multicollinearity is a crucial tool to discuss the pattern of correlation within factors. This study previously reported the assessment of multicollinearity for first-order factors. Along with the assessment already conducted for multicollinearity issues of first order factors using the VIF and tolerance level, it is necessary to conduct another multicollinearity check for the latent constructs that are used in the third stage CFA model. This section discusses the notion of multicollinearity to comprehend whether or not multicollinearity is influencing the results of the third stage CFA and the proposed hypotheses. This study administered a correlation matrix to unravel whether multicollinearity is a problem or not between latent constructs in the third stage CFA model. This examines the level of correlation between each pair of latent constructs to unravel the robustness of each pair of latent constructs (Hair et al., 2013). In accordance with the correlation based approach, Tabachnick and Fidell (2001) asserted that r>.90 can be considered as a multicollinearity issue, whilst another study reported r>.95 indicated the presence of multicollinearity between constructs (Gujarati, 2014).

Table 5.10 presents a standardised inter-construct correlation test. The result of the inter-construct correlation analysis demonstrated that each pair of latent constructs is positively correlated, and each pair of latent constructs are below the cutoff point of multicollinearity (i.e. r>.90). The most fascinating result that emerged from this correlation matrix the high-level of correlation between DMC and export performance (i.e. r=.802). The correlation between DMC and export performance is not a possible multicollinearity issue because r<.90 Based on this result multicollinearity is not a problem for third stage CFA model, and higher-order latent constructs can be used to examine the proposed hypotheses.

Table 5.10. Inter-latent construct standardised correlation

	CMT	XPR	DMC	MKT	EXPORT	XPL
CMT	1.000					
XPR	0.315	1.000				
DMC	0.418	0.541	1.000			
MKT	0.174	0.075	0.129	1.000		
EXPORT	0.382	0.571	0.802	0.121	1.000	
XPL	0.182	0.292	0.522	0.024	0.564	1.000

Key: DMC= dynamic marketing capability, XPL= export market exploitation, XPR= Export market exploration,

EP= Export performance, MKT== Market uncertainty, CMT= Competitive intensity. r= Correlation

5.4.6. Common Method Variance Test

Before proceeding to examine the proposed hypotheses, this study operationalised a post-hoc verification of common method variance of the first-order factors in the measurement model. Following the recommendation of previous studies (Richardson et al., 2009, Podsakoff et al., 2003) this study used (a) Harmon-single factor test and (b) common latent factor analyses so as to comprehend whether a single latent factor shared a significant common variance more than 50%. In the first stage this study has used the Harmon-single factor test by operationalising the unrotated solution of the factors. The result of this solution elicited 10 factors which had more than 1 Eigen value. This Harmon-single factor test explained roughly 27% of shared variance out of total 71% variance extracted. In the second instance, This study followed Richardson et al.'s (2009) suggestion of the unmeasured latent marker construct to investigate common method bias, in which used a first-order latent variable that is an aggregate of all items applied in the structural model with no unique observed indicators. In particular, in this research a common latent construct was created for comprehending the effects of this construct on all 32 first-order measurement items. The result of the common latent factor shows that all measurement items have approximately 23% of shared variance, which is below the threshold point of Harmon-single factor

test. In general, this study assures that the data for testing the hypotheses is not highly influenced by the common method variance effect.

5.5. Structural Model testing: Estimation and Results of the Causal Model

In response to the research questions and the Hypotheses H1b to H4b, the present study has administered structural equation modeling (SEM) for comprehending the causal effects among latent variables of the third stage measurement model. Prior to testing the hypotheses the statistics in earlier sections confirmed the appropriateness of operationalising SEM to help the researcher in examining the proposed hypotheses. The application of SEM analysis is appropriate for this study to examine the causal effects between exogenous and endogenous variables, mediation effect and moderation effect.

In order to reveal the hypotheses from H1 to H2b, this study divides the structural model into three subsets. In the first stage, this study estimates the direct effect between DMC and export performance, while stage 2 and 3 estimate the mediating role of DMC between exogenous variables (i.e. international ambidexterity constructs) and export performance. The generation of the structural models for analysing the hypotheses from H1 to H2b was conducted by the SPSS AMOS 22 statistical software package. This study uses robust maximum likelihood estimation. Finally, to assess the influence of the moderators this research generates four additional models (model 1 to model 4), which comprise four hypotheses (i.e. H3a to H3b). This study used the MPlus 7.3 statistical software package to examine the strength of mediated moderation effect.

5.5.1. Direct Effect: Testing the Causal Linkage between DMC and Export performance

In the first phase of the SEM analysis, this study tested hypothesis (H1) the causal relationship between DMC and export performance. From the data in table 5.11 it can be seen that the structural model has achieved satisfactory fit indices and a tolerable misfit that confirms the data fits adequately in the structural model (i.e. CFI= .905, AGFI. 832, RMSEA= .058, CMIN/DF= 2.054, SRMR=.0693).

As discussed earlier, until recently past studies showed little interest in DMC interface, specifically because there is scant research that examines the influence of DMC towards the achievement of export performance. The present study has identified the causal effect of DMC on export performance. The table 5.11 shows that DMC has direct and positive effect on export performance (H1). The parameter estimates for H1 showed a strong effect of DMC on export performance (i.e. standardised path coefficient= 0.803) that is statistically significant at the P<.001 level. Hence, it can be concluded that the higher-order latent construct DMC has a strong and positive influence on organization's export performance.

5.5.2. Mediation Test: Stage 2 and Stage 3

The second objective of this research is to identify the role of DMC in influencing the relationship of international ambidexterity constructs (i.e. export market exploration and export market exploitation) and export performance. From previous research very little is known the effective implementation mechanism of exporting process. Recently few studies (Lisboa et al., 2013, Villar et al., 2014) have noted the imperative role of dynamic capability as a tool of implementing IA constructs, whereas both studies suggested the importance of additional empirical studies on IA constructs and the implementation process. It is clear from the literature review chapter that IA constructs (i.e. export market exploration and export market exploitation) require an appropriate atmosphere for executing the exporting process. Thus, this study postulated that DMC acts as a mediator of the export market exploitation-DMC-Export performance relationship as well as the export market exploration-DMC-export performance relationship. The hypotheses H2a and H2b were proposed in chapter 3: section 3.4.

Table 5.11. Structural model's results from examining stage 1, stage 2 and stage 3

Stage		Estimated path specified	Control variables	Standardised path coefficient (Bootstrapping)	Robust t statistics	Result	Expected sign
1	H1	Dynamic marketing capability→Export performance	DEmsze→ -.008 ^{ns} DMedium→ .001 ^{ns} DSmall→-.005 ^{ns} DMicro→.023 ^{ns} D_age2→.044 ^{ns} D_age1→-.001 ^{ns}	.803***	8.868	Significant	Positive
2	H2a	Export market exploitation → Dynamic marketing capability →Export performance	DEmsze→ 0.043 ^{ns} DMedium→. 0.041 ^{ns} DSmall→0.017 ^{ns} DMicro→0.016 ^{ns} D_age2→0.018 ^{ns} D_age1→-0.37 ^{ns}	(.257***)	----------	Significant	Positive
3	H2b	Export market exploration → Dynamic marketing capability →Export performance	DEmsze→ 0.043^{ns} DMedium→. 0.041 ^{ns} DSmall→0.017 ^{ns} DMicro→0.016 ^{ns} D_age2→0.018 ^{ns} D_age1→-0.37 ^{ns}	(.271***)	----------	Significant	Positive

H1 fit indices:

CFI=.905, AGFI= .832, RMSEA= .058, CMIN/DF= 2.054, SRMR=.0693

H2a fit indices:

CFI=.904, AGFI= .822, RMSEA= .052, PCLOSE=.271, CMIN/DF= 1.846, SRMR=.0672

H2b fit indices:

CFI=.904, AGFI= .822, RMSEA= .052, PCLOSE=.271, CMIN/DF= 1.846, SRMR=.0672

Key: DEmsze= Dummy employee size; DMedium= Dummy medium size organization; DSmall= Dummy small size organization;

DMicro= Dummy micro size organization; D_age2= Dummy growth organization; D_age1= Dummy mature organization; ns= non-significant

The structural model is divided into two stages (i.e. stage 2 and stage 3) for exploring the mediating effect of DMC. During each stage of mediation tests, this study followed Baron and Kenny's (1986) three equation approaches that are reported in Appendix H. In stage 2, the structural model concentrates the linkages among export market exploitation-DMC-export performance; whereas stage 3 represents the structural relationship among export market exploration-DMC-export performance. In each investigation DMC is treated as a third-order reflective latent construct.

Prior to analysing the causal effects in stage 2, this study assessed the model fitness. As shown in table 5.11, it is clear that the data adequately fits the structural model, and the model achieved satisfactory fit indices (CFI=.904, AGFI= .822, RMSEA= .052, PCLOSE=.271, CMIN/DF= 1.846, SRMR=.0672). The first condition of Baron and Kenny (1986) suggested that the effect of exogenous variables on dependent variables must be affected by the mediator, and in that case no direct relationship exists between exogenous variable and endogenous variable. As shown in Appendix H (i.e. table 5.11.1: model 1a), export market exploitation has a positive effect on DMC (β=.499), which is statistically significant at P<.001 level, while DMC has a strong significant impact on export performance (β=.853, P<.001). The second condition of Baron and Kenny's (1986) approach showed that exogenous variables have direct positive significant effects on dependent variable. The present study finds that (shown in Appendix H-table 5.11.1: Model 1b) export market exploitation has a significant positive effect on export performance (β=.490, P<.001). The structural model also examines if the exogenous variable has a significant influence on the dependent variable then the causal model should expect a significant effect of the mediating role (shown in Appendix H-table 5.11.1: Model 1c). This study found a positive significant relationship between export market exploitation and export performance during the presence of DMC as a mediator. By applying the final approach of Baron and Kenny (1986) this study shows that the influence of export market exploitation towards export performance drops as DMC became the mediator. Based on these findings, this study shows the strength of DMC as mediator between export market exploitation and export performance.

This study operationalised the bootstrapping and Sobel test (shown in Appendix H- table 5.11.2) to realise the strength of indirect effects. Shrout and Bolger (2002) recommend that in a study the researcher should conduct bootstrapping for understanding the suitability of the indirect

effect when the research has small sample size. Similarly, researchers administered the Sobel test as a seminal approach for testing the mediation effect. This research uses the Sobel test to measure the importance of DMC as a mediator within the relationship of international ambidexterity constructs and export performance. This study has applied the Sobel test by following the studies of Preacher and Hayes (2008), and Shrout and Bolger (2002). The result showed that the threshold value of Sobel test estimation is greater than 1.96 critical ratio.

In the current study, the indirect effect of bootstrapping reveals that the link from export market exploitation to export performance is indirect through DMC, which is significant at P<.001 level and with an effect size of (β=.257**). Finally, to verifying the results from bootstrapping, this study also administered Sobel test. The results obtained from the Sobel test (shown in Appendix H- table 5.11.2) shows that the indirect effect is 0.256 and the critical ratio statistics is 3.59, which exceeds the cutoff point 1.96 at significant level (P<.001). Accordingly, the results from stage 2 indicate the merit of DMC as a mediator that supports the relationship between export market exploitation and export performance, hence this confirm the Hypothesis 2a.

Following the approach used in stage 2, the researcher then examined the mediation effect in stage 3. To assess the causal relationship, the first approach of Baron and Kenny (1986) provided strong evidence that export market exploration has a positive significant effect on DMC (β=.520***, P<.001) and DMC has a positive influence on export performance (β=.853***, P<.001). Secondly, this study verified the direct effect of export market exploration and export performance, which identified a positive standardised path coefficient (β=.482***) at a significance level of P<.001 (shown in Appendix H- table 5.11.3- model 2b).

The relationship between export market exploration and export performance is examined by showing the strength of mediating effect. This study includes DMC as a mediator within the structural model. As can be seen by the information in Appendix H (table 5.11.3: model 2c) the standardised path coefficient between export market exploration and DMC is positively significant (β=.462, P<.001). The path between DMC and export performance also has drawn positive effect (β=.585) at a significant level of P<.001. Nonetheless, the standardised path coefficient between export market exploration and export performance dropped (β=.215) radically in the final approach of Baron and Kenny (1986), which is significant at P<.01 level. In the final approach of Baron and Kenny, this preliminary result represents that the presence of a mediating effect weakened the

direct effect between export market exploration and export performance. Similar to stage 2, the bootstrapping and Sobel test were conducted in stage 3. From the data in Appendix H (table 5.11.4), the indirect effect is positive and statistically significant by the application of bootstrapping analysis for the structural model. In the same vein, the Sobel test statistics reveals that the critical ratio (i.e. 4.21) is statistically significant at the P<.001 level, which indicates the existence of the mediating effect in stage 3. This means that in practice the DMC strengthens the linkage between export market exploration and export performance. This result also confirms the hypothesis H2b.

5.5.2.1. Evaluating the rival model

This study has formed a rival model, in which the mediating role of international ambidexterity constructs (i.e. market exploration and market exploitation) are used to investigate the antecedents and outcomes of the internationalisation knowledge absorption process. The DMC is not allowed to mediate any of the relationships in the rival mode, and market exploration as well as market exploitation are considered as mediators within the structural model. This study tests the overall fit of the proposed theoretical framework as compared to the rival model (shown in figure 3.3) using four criteria as suggested by Morgan and Hunt (1994). The four essential criteria to measure the proper structural model are: "overall fit, parsimony, models' parameters that were statistically significant, and explanatory power of the endogenous construct."

Table 5.11.01 depicts the results of a statistical test to compare the theoretical model with the rival model. Firstly, overall fit comparison of theoretical model with rival model 1 reveals that the rival model 1 has a lower level of overall fit criteria (χ^2 / df=1.904; CFI= .897), which indicates that the rival model does not fit the data. Secondly, this study has used Akaike Information Criterion (AIC) along with Consistent AIC to assess the parsimony fit of two models. AIC and CAIC represent comparison measures of fit (Bentler and Mooijaart, 1989). With respect to parsimony fit, the AIC and CAIC of the theoretical model is better than that of the rival model (AIC= 1112.661; CAIC= 1559.402 vs AIC= 1141.936; CAIC= 1583.925). Thirdly, this thesis compared the percentage of statistically significant parameters between two models. A comparison of the strength of the proposed mediating constructs (DMC and International ambidexterity constructs) indicates an important difference between the two models. Both the models have two

paths that are significantly related to the key mediating construct at the level of P <.001. In the rival model two indicators are connected to the export performance, whereas the theoretical proposed model's mediator has one path to the export performance. Similar to the theoretical model's statistical significant paths, the paths in the rival model was statistically significant at P<.001 level. This implies that in the rival model the mediation effects of market exploration and market exploitation are equally strong to the mediation effect of DMC in the theoretical model. Finally, this thesis concentrates on comparing explanatory power of export performance, and the results showed that a slight increment of SMC was achieved from the theoretical hypothesised model (.677 vs .603). The standardised weight of the rival model shows that the mediation effects were slightly better than the proposed model. However, the theoretical hypothesised model was better than the rival model based on overall model evaluations including SMC, parsimony fit, and better overall model fit indices.

In order to better test our proposed theoretical model, this study compare it with a rival model. The statistical significant values in the rival model's paths were better than the proposed theoretical model. Even though both models showed significant amount of variance in export performance, the proposed theoretical model achieved better goodness of fit measures than the rival model. While the literature did not validate empirically the mediation role of international ambidexterity constructs between DMC and export performance relationship, the testing of a rival model confirms that the DMC construct should be treated as a higher-order reflective construct. More importantly, market exploration and market exploitation have been proven to influence export performance through the mediator DMC by analysing the rival model's fitness criteria. This investigation encourages future studies to develop additional models that identify more knowledge implementation constructs so as to understand DMC's influence in satisfying customers within the international context.

Table 5.11.01. Comparison of theoretical model with rival models

Overall fit	Theoretical hypothesised model→ shown in figure 3.3	Rival model (This has two mediators and examined the mediation effects)→ Shown in figure 3.4
χ^2 / df	1.846	1.904
CFI	.904	.897
AIC	1112.661	1141.936
CAIC	1559.402	1583.925
SMC (export)	.677	.603
Percentage of significant paths (p <.001)	100%	100%
Significant paths to mediator (p < .001)	2	2
Significant paths from mediator (p < .001)	1	2

Note: SMC= squared multiple correlations

5.5.3. Moderation effect examination

To assess the moderation effect this study developed and analyzed four separate models (i.e. model 1, model 2, model 3 and model 4). In thinking about how to operationalise these models, this study has used the Mplus 7.3 statistical software package. The syntax used to test the moderating effects of the four separate models is reported within appendix I. The hypotheses of mediated moderation effects were developed in chapter three, and at the end of this chapter a summary of all hypotheses reported in table 5.13.

This research examined the mediated moderation influence of market uncertainty on the relationship between international ambidexterity variables (i.e. export market exploration and export market exploitation) and export performance within model 1 and model 2. In the first phase of model 1(shown in figure 5.2), the interaction term was generated by market uncertainty and export market exploration. This result reflects (see table 5.12.1) that the interaction effect has non-significant impact on DMC as well as export performance. Nevertheless, the results reveled that

market uncertainty positively effects export performance through the implementation of DMC (β=0.401***). This model indicates that the mediated moderation effect has a strong influence on export performance compared to the direct influence of the interaction term either on DMC or export performance. Consequently, this study supports hypothesis 3a.
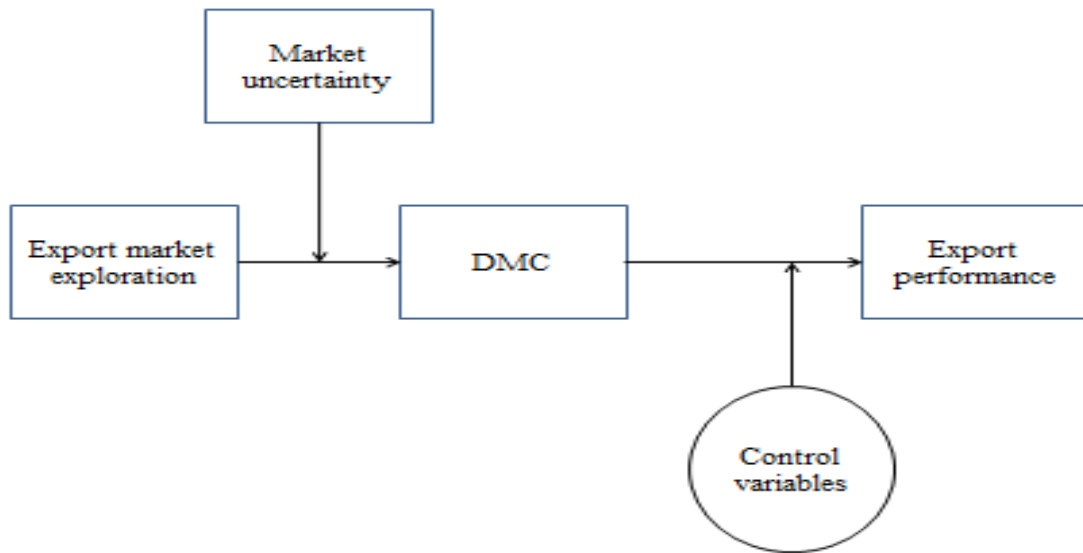
Figure 5.2: Mediated moderation effect of market uncertainty on the relationship between export market exploration and export performance

Table 5.12.1: Model 1. (Market uncertainty x Export market exploration→ DMC→Export Performance)

Variables	Mediated variables	Moderator	Interaction effect	Export performance	Mediated moderation effect
	Dynamic marketing capability	MKT	XPR x MKT		
Export market exploration	.547***			.284***	.401***
Dynamic marketing capability		.108(ns)	.062(.ns)	.660***	
Interaction effect					
XPR x MKT				-.112(ns)	
Dummy employee size				-.018(ns)	
Dummy medium firm				-.009(.ns)	
Dummy small				-.029(.ns)	
Firm					
Dummy micro				.021(.ns)	
Dummy firm age2				.081(.ns)	
Dummy firm age1				-.129(.ns)	

AIC=24950.133; BIC=25389.184

Key= MKT (Market uncertainty); XPR= Export market exploration; ***P<.001;**P<.01 *P<.05; †P<.10; ns=non-significant.

In model 2 (shown in figure 5.3), this study examined the influence of market uncertainty as a moderator on the linkage between export market exploitation and export performance. This research shows another interaction term between market uncertainty and export market exploitation in model 2. The result from model 2 reveals that the moderation effect of market uncertainty has negative non-significant influence on the connection between export market exploitation and DMC. The table 5.12.2 provides an overview of interaction effects. The result reported that the direct relationship between the interaction term and export performance has a non-significant result (β= 0.084 ns). It can be seen in the second model that due to the existence of the mediator (i.e. DMC) the interaction term has a positive influence on export performance (β= 0.327**). Thus this study accepts the hypothesis H3b.
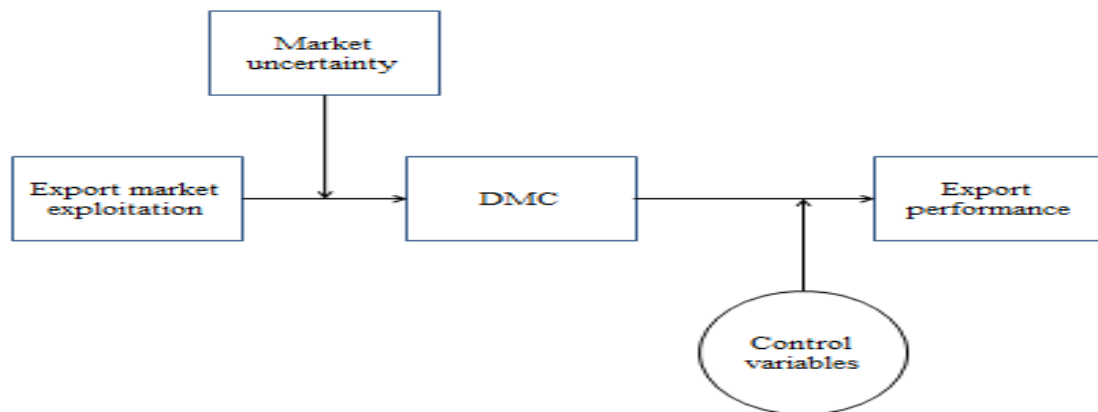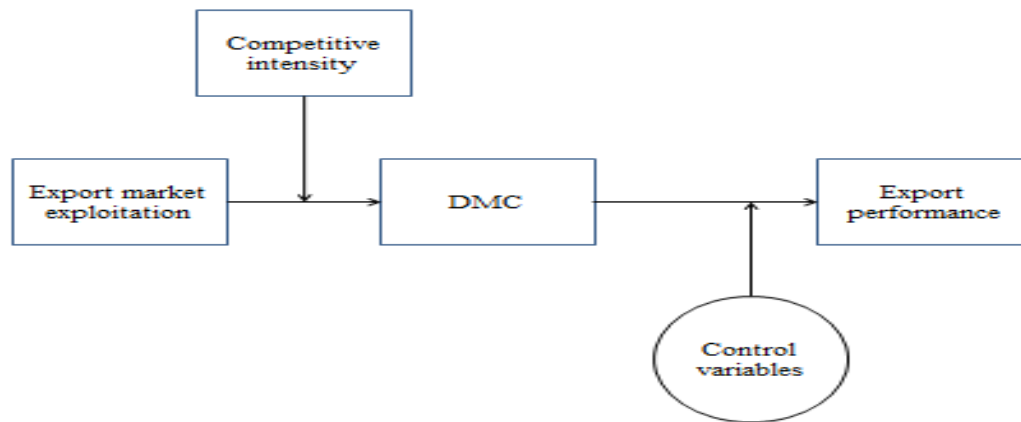

Figure 5.3: Mediated moderation effect of market uncertainty on the relationship between export market exploitation and export performance

Table 5.12.2: Model 2. (Market uncertainty x Export market exploitation→ DMC→Export Performance)

Variables	Mediated variables	Moderator	Interaction effect	Export performance	Mediated moderation effect
	Dynamic marketing capability	MKT	XPL x MKT		
Export market exploitation	.528***			.326***	.327**
Dynamic marketing capability		.156^{+}	-.001(.ns)	.619***	
Interaction effect				.084(ns)	
XPL x MKT					
Dummy employee size				.086(ns)	
Dummy medium firm				.168(.ns)	
Dummy small				.071(.ns)	
Firm					
Dummy micro				.075(.ns)	
Dummy firm age2				.089(.ns)	
Dummy firm age1				-.165(.ns)	

AIC=24950.133; BIC=25389.184

Key= MKT (Market uncertainty); XPL= Export market exploitation; ***P<.001;**P<.01, **P<.01, *P<.05; $^{+}$P<.10; ns=non-significant.

The third step examined the moderation effect of competitive intensity on the relationship between export market exploration and export performance by developing model 3 (shown in figure 5.4). It can be seen from the data in table 5.12.3 that the interaction term of competitive intensity and export market exploration generates a non-significant impact on DMC, and the interaction term also generates a statistically non-significant results for export performance (β= 0.046 ns). Nonetheless, this study found strong evidence of significant moderating effects of competitive intensity on the links between export market exploration and export performance thorough the mediation effect of DMC. This result demonstrates that the role of CMI strengthens the effect of export market exploration on export performance through applying the mediator (β=.362**, P<.001). The result influences this study to accept the hypothesis 4a.
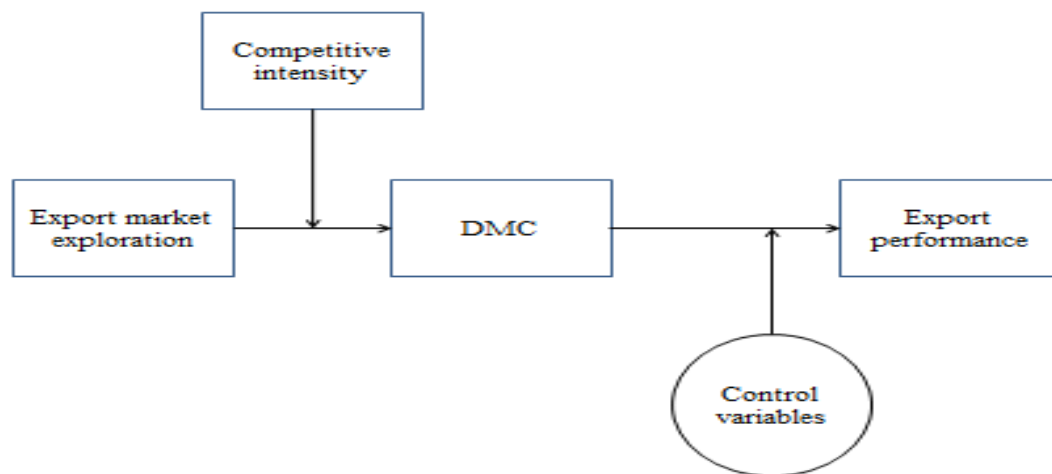
Figure 5.4: Mediated moderation effect of competitive intensity on the relationship between export market exploration and export performance

Table 5.12.3: Model 3. (Competitive intensity x Export market exploration→ DMC→Export Performance)

Variables	Mediated variables	Moderator	Interaction effect	Export performance	Mediated moderation effect
	Dynamic marketing capability	CMI	XPR x CMI		
Export market exploration	.501***			.271**	.362**
Dynamic marketing capability		.269**	.078(.ns)	.626***	
Interaction effect				.046(ns)	
XPR x CMI					
Dummy employee size				-.031(ns)	
Dummy medium firm				-.036(.ns)	
Dummy small				-.056(.ns)	
Firm					
Dummy micro				-.043(.ns)	
Dummy firm age2				.135(.ns)	
Dummy firm age1				.028(.ns)	

AIC=24950.133; BIC=25389.184

Key= CMI (Competitive intensity); XPR= Export market exploration; ***P<.001;**P<.01, **P<.01 *P<.05; †P<.10; ns=non-significant.

In step 4 this research has applied competitive intensity as a moderator to examine the association between export market exploitation and export performance. The interaction term comprises CMI and export market exploitation (shown in figure 5.5). The result from this model is reported in table 5.12.4. From this model it is shown that the effect from interaction term to DMC is not significant However, the direct effect from the interaction term to the export performance yields a significant outcome (β is 0.180 and P<.05). Besides that similar to model 3, this research finds that the interaction term has a strong positive influence on export performance by implementing DMC, and the result is significant at P=.05 level. As can be seen by the information in model 4, this study supports the presence of mediated moderation effect by DMC (β=0.283***). Therefore, hypothesis 4b is supported.

Figure 5.5: Mediated moderation effect of competitive intensity on the relationship between export market exploitation and export performance

Table 5.12.4: Model 4. (Competitive intensity x Export market exploitation→ DMC→Export Performance)

Variables	Mediated variables	Moderator	Interaction effect	Export performance	Mediated moderation effect
	Dynamic marketing capability	CMI	XPL x CMI		
Export market exploitation	.438***			.274***	.283***
Dynamic marketing capability		.337***	.028(.ns)	.608***	
Interaction effect				.180*	
XPL x CMI					
Dummy employee size				.064(ns)	
Dummy medium firm				.088(.ns)	
Dummy small				.020(.ns)	
Firm					
Dummy micro				-.028(.ns)	
Dummy firm age2				.150(.ns)	
Dummy firm age1				.041(.ns)	

AIC=24950.133; BIC=25389.184

Key= CMI (Competitive intensity); XPL= Export market exploitation; ***P<.001, **P<.01 *P<.05; †P<.10; ns=non-significant.

The tables above presents an overview of interaction terms effects, in which all four structural models reflect the significant explanatory power of the moderators. Taken together, the findings from the above models strongly support the influence of the interaction terms on export performance via implementing DMC.

5.6. Conclusion of the Chapter

Table 5.13. Hypothesis Table→ Outcome of the hypothesis assumptions

Hypothesis	Assumption	Outcome
H1	Dynamic marketing capability has a positive influence on the export performance of firms.	Accept
H2a	Dynamic marketing capability mediates the relationship between export market exploitation and export performance.	Accept
H2b	Dynamic marketing capability mediates the relationship between export market exploration and export performance.	Accept
H3a	Market uncertainty strengthens the effect of export market exploration on export performance through DMC.	Accept
H3b	Market uncertainty strengthens the effect of export market exploitation on export performance through DMC.	Accept
H4a	Competitive intensity strengthens the effect of export market exploration on export performance through DMC.	Accept
H4b	Competitive intensity strengthens the effect of export market exploitation on export performance through DMC.	Accept

The data analysis chapter set out to determine whether the proposed hypotheses are supported or rejected for the structural model. This study follows advanced data screening processes by applying several statistical techniques to draw results from hypotheses. Thus, after analysing the measurement model fitness this study conducted reliability and validity checks to realize the anatomy of DMC. In the course of checking reliability and validity, this study used convergent and discriminant validity within the aforementioned CFA models. Initial EFA tests revealed one of the manifest variables (i.e. RMO 2) had a low factor loading and cross loading issue. The reliability statistics illustrated in table 5.5 and 5.6 shows that mostly the measurement items exceed the cutoff point .70 as well as three stage CFA models have adequately confirmed the convergent validity and discriminant validity of the latent constructs. Overall, the findings from the third stage CFA model has showed the reflective measure of higher-order DMC construct.

Prior to analysing the influence of the moderators, this study examined direct and mediation effects within the structural model. The present study used SEM for examining the causal relationships for testing the hypotheses from H1 to H2b through applying the SPSS AMOS 22 statistical software package. The structural model in all stages found satisfactory fit indices. In the course of executing SEM models dummies of two control variables were taken into account. In general, this study found significant conditional indirect effects between the relationships of independent variables (i.e. export market exploitation and export market exploration) and export performance through the implementation of mediation process. In addition, as can be seen by the information of moderation tests, all four hypotheses were accepted.

6. Chapter Six: Discussion of the Results and Theoretical Implications

6.1. Introduction

The aims of this chapter are to explain the findings of this research. In addition, the researcher will demonstrates how the results attempt to answer the research questions as identified in the introduction (chapter 1). Past research has established the role of DMC on performance of firms (Fang and Zou, 2009). However, the structure and a suitable combination of individual constructs that generate DMC are not well established, specifically in the context of export. Therefore, the first objective of the study is to demonstrate the generation process of DMC along with its role in supporting the export performance. The results show that the underlying dimensions of DMC are ambidextrous market orientation (AMO), customer relationship management capability (CRMC), brand management capability (BMC) and new product development capability (NPDC).

By applying knowledge based view (KBV) and the theory of DMC, the second aim of this research is to evaluate the mediation role of DMC in executing exporting processes and achieving superior export performance. Specifically, the second research objective depicts the consequence of international ambidexterity constructs on export performance through DMC. The finding in this context revealed that DMC has a crucial mediating role in the connection between international ambidexterity constructs and export performance. Despite the rising number of studies showing that external environmental factors are essential to understating the relationship between marketing capabilities and international performance, there is scant understanding about how export organisations should manage the external environmental moderators in the internationalisation process to improve their export performance. Accordingly, the third aim of this study offers some important insights into examining the influence of external environmental moderators on the relationship between international ambidexterity constructs and export performance. The findings showed the presence of strong significant mediated moderation effects, in which the researcher found that the moderation role of market uncertainty and competitive intensity enhances the association between IA, constructs and export performance through the mediator DMC. Overall, the next sections provide a detailed interpretation of the results that have been drawn in the course of evaluating the hypotheses.

6.2. Discussion of Research Question 1

What are the constructs that constitute dynamic marketing capability, and how can they be utilised to achieve better export performance?

In light of the dynamic capability view, past marketing researchers explored the role of either a specialized marketing capabilities batch or identifying the consequence of higher-order marketing capabilities in an isolated manner. Taking into consideration market based knowledge and knowledge management practices, previous marketing studies (Morgan et al., 2009a) mostly focused on the specialized marketing capabilities (i.e. product management capability, pricing management capability, channel management marketing capability, marketing communication capability, selling capability and marketing research capability). As pivotal constructs in marketing, the specialized capabilities are considered to be the middle-order marketing constructs that reflect the effectiveness of a stable market condition. The implication of specialized marketing capabilities are dependent on the implementation level of higher-order marketing capabilities. This has influenced a few scholars in recent years to draw a DMC view in marketing strategy literature.

Since the nature of the export market has a high degree of market uncertainty and a high-level of competitive pressure (Cadogan et al., 2003), exporting organisations should possess DMC as an important driver for managing knowledge within the exporting context. The selection of an exporting process is the first step for a firm that wants to begin growing internationally. Therefore, it is highly imperative that the exporter understand the mechanism of DMC to raise its chances of survival and growth in the export markets. This encourages exporters to understand how organisations can generate DMC to achieve a competitive advantage. Unfortunately, little effort has been made to validate the structure of DMC. For instance, two theoretical studies (Morgan, 2012, Barrales-Molina et al., 2013) conceptualised the structure of DMC, however no attempt has been made to endorse the key sub-dimensions of DMC.

In addition, past empirical evaluations of DMC in Fang and Zou's (2009) work elicited supply chain management capability as a construct of DMC. Nonetheless, in the marketing domain supply chain management capability is not considered to be a marketing construct, rather this capability is embedded in the operation management field (Morgan, 2012, Barrales-Molina et al., 2013). On the other hand, previous marketing studies largely ignored market orientation concept to be a crucial construct of DMC. In particular, researchers showed scant understanding about

different levels arrangement of market orientation. As the nature of export markets create impediments for exporting organisation growth and survival, the possession of effective marketing capabilities of a potential exporter should satisfy foreign customers' requirements more perfectly than key rivals. Hence, the formation of an ambidextrous market orientation process is pivotal for the exporter to reflect strong market oriented behavior that can be executed by balancing both proactive market orientation and responsive market orientation. Nevertheless, a review of export market orientation literature reveals that most businesses used the responsive view of measurement scale (Cadogan et al., 1999), and overlooked the necessity of proactive market orientation in the exporting context. It is to some extent surprising that no prior studies in DMC to date have focused on the significance of ambidextrous market orientation. This means previous researchers indecisively reported the generation process and crucial constructs of DMC. Overall, this implies that previous studies provide limited understanding about what types of higher-order marketing capabilities can be considered to be the sub-dimensions of DMC. With this in mind, it is essential to determine the multi-level dimensions of DMC.

The term multidimensional structure seeks to identify an association of several sub-dimensions (Santos-Vijande et al., 2013). In other words, in a reflective multidimensional latent construct the higher-order latent constructs are caused by the changes in the sub-dimensions, and the measurement items lead to the sub-dimensions (Jarvis et al., 2003). The DMC scale that has been conceptualised in this study as a third order reflective construct comprises three first-order and one second-order construct. This means that DMC follows a multi-level reflective structure. The multi-level structure of DMC (shown in figure 6.1) means that DMC involves the higher-order marketing capability in a way that follows the simultaneous knowledge accumulation and deployment process. This indicates that the sub-dimensions of DMC should interact with each other. This enables the DMC to be a key driver of improving export performance. This research postulates that if the exporter has the competency to develop and interact with higher-order marketing capabilities simultaneously, it would be beneficial to the exporter for generating DMC.
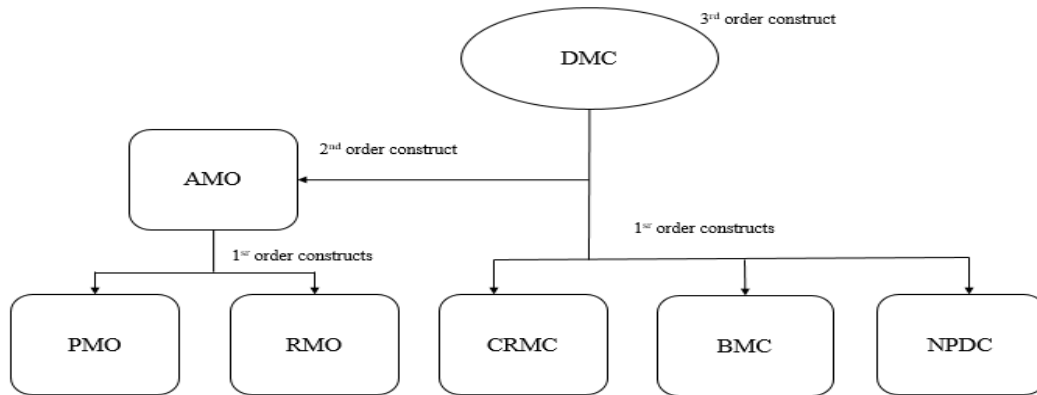
Figure 6.1: Internal dimensions of DMC taxonomy

With the aim of confirming the measurement structure of the DMC scale, the present research has followed a three step confirmatory factor analysis (CFA) approach that was applied in the works of Pérez López et al. (2005) and Santos-Vijande et al. (2012). In those studies, researchers verified the construct validity assessment of third-order latent construct by following a three step CFA approach. The current thesis performed a first stage and second stage CFA for realising the presence of DMC sub-dimensions along with other subsets of constructs. In the first stage CFA this study has drawn ten first-order constructs, while the second stage CFA model has drawn seven first-order constructs and one second-order construct. In both stages the researcher confirmed the adequate fit indices and construct validity of the measurement models. Afterwards, the researcher conducted a validity test of third stage measurement models for understanding the internal pattern of DMC. The third stage CFA model was used to verify whether the four sub-dimensions (i.e. AMO, NPDC, CRMC and BMC) are involved in generating DMC as a higher-order reflective construct. As posited by Santos-Vijande et al. (2013), the reflective nature of higher-order latent constructs can be determined by examining positive inter-construct correlation. In this case, the methodological approach elicited the latent construct's standardised correlation statistics from three stage measurement models. The researcher claims the existence of positive inter-construct correlation between DMC sub-dimensions and other subsets of latent constructs after analysing the standardised correlation matrix of the latent constructs. This means the methodological approach that has been used in this study confirms the multidimensional reflective nature of DMC construct.

In order to determine whether the multidimensional reflective DMC construct is unique from other subsets of latent constructs within the third stage measurement model, this study has used the convergent validity and discriminant validity test. Both of these validity tests were performed in the third stage measurement model. The results show that multidimensional DMC construct and other subsets of constructs have complied with the cutoff value of construct reliability and AVE. Discriminant validity tests of first stage and second stage CFA models illustrated that the sub-dimensions of DMC are strongly distinct from other variables. The researcher argues that each latent variable squared root of AVE is larger than the standardised correlation of every pair of latent variables within the first stage and second stage measurement models. On the other hand, the researcher has performed discriminant a validity examination of the constructs within third stage measurement model by administering Chi-Square difference test because AVE is a strict measurement process (Malhotra and Dash, 2010). The results obtained from Chi-Square difference test revealed that DMC is distinct from other latent constructs within the measurement model. Based on above results, this research claims that when the higher-order marketing capabilities effectively interact with each other, the organisation ultimately generates DMC under the lens of an exporting context. Unlike the previous empirical evaluation, few marketing scholars (Barrales-Molina et al., 2013) attempted to conceptualise the interface of DMC. Compared to previous conceptualisation about DMC sub-dimensions, this study broadens their conceptualisation by identifying an association of impressive marketing capabilities as the sub-dimensions of DMC. This study draws conceptual contributions by validating the multidimensional structure of DMC. The key strength of this study is proving the generalisability of the multidimensional reflective measure of DMC. To confirm the multidimensional reflective measure of DMC, this study collects data from more than 300 export organisations that are operating their businesses across many different industries.

The present study asserts that DMC is not simply a general marketing capability, but that it is a continued reconfiguration mechanism of the higher-order marketing capabilities. Past evaluations failed to demonstrate the manner in which DMC works in the export oriented organisation. This study reflects the value of higher-order marketing capabilities that possess a coherent knowledge management culture in a repeated manner. Since previous researchers (Fang and Zou, 2009, Bruni and Verona, 2009) did not fully illustrate the structure of DMC, the results of this study fill a research gap by showing the development process of DMC in export oriented

manufacturing and information technology related organisations. The research outcomes suggested that DMC include different types and level of higher-order marketing capabilities in such way of organisation's cross-functional business process that allow the exporter to adopt perfectly to its market environment. This study is the first that has used crucial higher-order marketing capabilities to explore the foundation process of DMC. The researcher argues that through the interaction of DMC sub-dimensions exporters can effectively carry out their knowledge accumulation and deployment processes within the exporting context.

In a theoretical study that set out to determine an organisation's knowledge management process, Durst and Runar Edvardsson, (2012) revealed that the application of a knowledge management system was improperly researched in the past. In particular, past researchers did not investigate the chain relationship of the knowledge development system, knowledge storage, and knowledge deployment in an exporting context. Even though there is empirical evidence that showed the role of marketing capability towards the achievement of positive export performance (Tan and Sousa, 2015, Day, 1994), the scope of those studies were limited because they overlooked the importance of DMC's in the exporting context. For instance, Tan and Sousa (2015) conducted a meta-analysis on marketing capability, and did not address the role of DMC in the international context. In that study, researchers suggested that future marketing works should take into account marketing capabilities in such a way that would enrich the view of dynamic capability. Overall, this implies that limited empirical results have focused on identifying a group of marketing capabilities that are embedded in knowledge management practices within uncertain market conditions. Consequently, this indicates that the research on DMC is in its early stage. In order to address this research gap, this study elicited the DMC view to interpret its relevant impact on export performance. DMC is the organisation's most valuable higher-order capability, since the nature of DMC is absorbing and disseminating knowledge through effective interactions between the sub-dimensions of DMC.

This research advances the application of DMC that Fang and Zou (2009) proposed to show the significance of DMC in enhancing international joint venture performance. In this thesis the researcher hypothesised that (H1) DMC has an influential effect on export performance. In accordance with this, structural equation modeling (SEM) was applied to determine the causal effect of the proposed hypothesis (H1). The results obtained from the hypothesis (H1) revealed

that DMC as a higher-order reflective construct has a significant positive effect on export performance controlling for firm age and firm size. Firm size was controlled in terms of exporters' asset level and exporters' employee size. The finding of research question1 is marked as the evidence of the knowledge adoption and knowledge management role of DMC. Specifically, the results pointed out that the application of DMC helps the exporter from time to time to achieve superior export performance. The results revealed that through the practice of DMC, export managers regularly modify higher-order marketing capabilities to secure better export performance. This extends the application of DMC into exporting domain, and offer new empirical insights by showing DMC is an important element of knowledge management system that connects with the performance of exporting organisations in Bangladesh.

6.3. Discussion of Research Question 2

To what extent does dynamic marketing capability influence the relationship between international ambidexterity constructs and export performance?

The essence of internationalisation knowledge exists within the concept of the internationalisation process. This encourages the present thesis to utilize the international ambidexterity concept as a mechanism for accelerating the internationalisation process. In this case, this research focuses on exporting process. In reviewing the international business literature, it can be seen that researchers extensively focused on determining a proper method of absorbing internationalisation knowledge. International marketing literature pointed out that internationalisation knowledge adoption process is two types, and these are: the incremental knowledge adoption process and radical knowledge adoption process. In recent years the concept of international ambidexterity has emerged to explain the international knowledge absorption process, and researchers have listed some caveats for the widely used Uppsala model to explain internationalisation process (Andersen, 1993, Luo and Rui, 2009, Hsu et al., 2013).

International ambidexterity (IA) is considered to be an accelerated internationalisation process that absorbs internationalisation knowledge by balancing knowledge exploration and the exploitation method (Prange and Verdier, 2011). This means an international organisation can strengthen internationalisation knowledge absorption by a simultaneous pursuit of knowledge exploration and exploitation. Each of the IA constructs follows separate knowledge absorption

criteria (Hsu et al., 2013, Prange and Verdier, 2011). The organisational arrangements are different for exploration and exploitation. For instance, export market exploration emphasises a radical knowledge adoption approach to become a growth oriented organisation. In contrast, market exploitation prioritises the incremental knowledge acquisition process for its survival in the market. The concept of export market exploration and export market exploitation are embedded in the knowledge based view, since these two elements deal with the knowledge based resources. Even though the consequence of IA received growing attention from theoretical researchers, limited empirical research has showed the effect of IA constructs on international performance. This can be seen in the study of Hsu et al. (2013) that examined the joint effect of the IA construct on foreign direct investment. In addition, a study of Lisboa et al. (2013) showed the export performance implication of IA constructs. In spite of this little is known about the process through which export market exploration and export market exploitation stimulate export performance. These previous works did not fully investigate the implementation process of export market exploration and export market exploitation. The current paper seeks to remedy this theoretical limitation by analysing the market knowledge implementation process within the causal linkage of internationalisation knowledge and export performance. The second objective emphasises the identification of an effective knowledge management mechanism that supports the implementation process of IA constructs as well as impacts on export performance.

According to the resource-based theory (RBT) the performance implication of an organisation is contingent on acceptable processes of resources endowment. Nonetheless, a crucial criticism of RBT is that it is not the portfolio of resources per se that can attain competitive advantages. Instead, organisations are required to concentrate on identifying better utilisation process for gaining a competitive advantage (Newbert, 2007).This influences this thesis to acknowledge the knowledge-based view and dynamic marketing capability view to unravel research question 2.The reason to select DMC is that the underlying dimensions of DMC consist of higher-order marketing capabilities, where the potential significance of integrating higher-order marketing capabilities is embedded in knowledge management process. International marketing researchers (Fletcher et al., 2013) assert that higher-order organisational capabilities enable the implementation of internationalisation knowledge. The organisation can effectively manage market based knowledge adoption and the reconfiguration process through generating DMC that can improve its value offerings. Nonetheless, previous researchers overlooked the potential role of

DMC in implementing internationalisation knowledge. In line of the knowledge-based view, the development of dynamic capability is contingent on an organisation's specific learning mechanism (Kogut and Zander, 1992). This implies the development and robustness of DMC is dependent on the learning processes of the organisation.

While previous studies pointed out the importance of DMC within an uncertain business environment, researchers to date have not focused on export market exploration and export market exploitation as the crucial determinants of strengthening DMC activities. The significance of DMC is important to effectively utilise knowledge-based resources. The present study formulates the conceptual framework to unravel how internationalisation knowledge adoptions through IA constructs could be implemented by DMC in the exporting context. The second aim of the conceptual model is disclosing the chain of relationships in international ambidexterity constructs, DMC, and export performance. Having discussed the worthwhile role of export market exploration and export market exploitation in the internationalisation process, this study postulated two hypotheses for understanding the findings of second research objective. The present thesis disclosed the important mediating role of DMC in the linkage between export market exploitation and export performance in hypothesis 2a. This study concentrates on the influence of DMC as a mediator in the connection between export market exploration and export performance in hypothesis 2b.

The current study found that hypothesis 2a is significant. The results of H2a support the idea that by practicing export market, exploitation exporters realise positive export performance. However, its effect on the improved export performance depends on the relative magnitude of practicing DMC. An exporter can understand existing market needs by following the exploitation process, in which the connection of exploitation with a relative degree of DMC assists in its value maximization process. In essence the findings have shown that exporters tend to follow an incremental knowledge accumulation process for survival in the export market, whereby DMC acts as an enabler of the knowledge implementation process. Results in the hypothesis H2a have demonstrated that the direct effect of export market exploitation towards export performance dropped remarkably after the join of DMC. This thesis shows that the use of export market exploitation alone is not sufficient to attain higher long term export performance if the organisation does not frequently reconfigure DMC sub-dimensions. This indicates the DMC acts as a mediator

that promotes an exporter's incremental knowledge implementation process in such a way that exporters can realise superior export performance.

The results of H2b revealed that export market exploration is a crucial IA construct, and has a positive significant effect on export performance both directly and indirectly through the mediation role of DMC. In particular, the causal effect of stage 3 in this thesis confirmed that the standardised path coefficient dropped sharply (i.e. from .571 to .191) after including the DMC in the linkage of export market exploration and export performance. The findings highlight that DMC as a mediator is a strong predictor of better export performance because it helps to manage the export implementation process. This result is in contrast to the result of Lisboa et al. (2013), in which no significant relationship was detected between export market exploration and export performance. The current evaluation highlights that the strong evidence of significant indirect effect is present between export market exploration and export performance. This indirect effect is in agreement with the conceptualisation of Weerawardena et al. (2007) that proposed the imperative role of DMC in supporting the implementation of an accelerated internationalisation process. This hypothesis provides important insight into the idea that exporters can realise better export performance via practicing DMC, because exporter's internationalisation knowledge can be implemented by DMC.

The result of the hypotheses H2a and H2b prove that two constructs of IA contribute to better export performance but do so indirectly due to the presence of DMC. In particular, the total mediation effect reflects that market exploration and exploitation are beneficial for the exporter's internationalisation knowledge absorption process, but are not sufficient for realising sustainable performance. This is because the ability of IA constructs depend on the competency of a knowledge implementation mechanism. The nature of DMC emphasises continual reconfiguration of a knowledge portfolio for maintaining survival and growth in export markets. In essence this result strengthens the notion that DMC is not just a generic dynamic capability concept. Rather, DMC is the enabler of a knowledge implementation mechanism that bridges the gap between IA constructs and export performance. The results of both hypotheses seem to be consistent with the suggestions of previous researchers (Villar et al., 2014, Lisboa et al., 2013) who found that the contribution of an organisation's adopted internationalisation knowledge is contingent on effective utilisation of the knowledge portfolio. Consequently, the findings of the export implementation process

enhances our understanding of the knowledge-based view and dynamic marketing capability view in the exporting context. Since the empirical investigation in the IA context is still in an early stage, the results enhance empirical insight in the context of export studies of Villar et al.(2014), Lisboa et al. (2013) and Morgan et al. (2012). This research objective demonstrates that an exporter from emerging market can confirm its position in implementing an exporting process through DMC. By possessing DMC the exporter can show its ability to utilise internationalisation knowledge in such ways that impact the achievement of higher level export performance. Overall, the application of DMC in export implementation process eventually enriched the view of IA constructs towards the attainment of better export performance.

6.4. Discussion of Research Question 3

What is the influence of external environmental factors (market uncertainty and competitive intensity) on the relationship between international ambidexterity constructs and export performance through dynamic marketing capability?

An organisation's knowledge absorption process can be enhanced by learning from different external sources. For example, the organisation can improve its learning processes through monitoring a competitor's movement or market trends. The uniqueness of each external environmental factor has significant impact on organisational performance due to the rapid fluctuation of external environmental factors. This implies that to manage a smooth long-term business operation, organisations should not overlook the influence of external environmental factors. The influence of external environmental factors received growing attention from international marketing researchers for its role in developing and implementing export strategy. For instance, Hsu and Pereira (2008) assert that an organisation's learning process is affected by external sources such as market learning and technological learning that might have an impact on the capability advancement process. If the exporter is emphasising learning from external sources, the organisation can generate a valuable internationalisation knowledge portfolio for designing its operational strategy.

An exporter's inability to obtain proper knowledge have generated knowledge gap. This gap between internationalisation knowledge absorption and knowledge requirements is creating challenges for international organisations to survive and grow (Petersen and Pedersen, 1999).

Hence, exporters should enhance their scope of learning by paying particular attention to the nature of external moderators. The interaction between learning processes and external environmental factors can minimise the knowledge gaps and enable them to react assertively within an uncertain market environment. Exporters face a high degree of competitive pressure and market uncertainty in foreign markets compared to domestic market operation (Sundqvist et al., 2012). This encourages marketing scholars to use two types of external environmental factors as the moderators within their causal models. These are competitive intensity and market uncertainty. It can be seen from the work of Murray et al. (2011) that market uncertainty and competitive intensity are influential external factors in the linkage between market orientation and marketing capability. That research found that responsive-based market information can be obtained by practicing market orientation as a learning mechanism, and the design of marketing capabilities are contingent on the interaction between market specific knowledge and external environmental moderators. Other researchers (Raju et al., 2011, Jaworski and Kohli, 1993a) applied these two external environmental moderators within the relationship of market orientation and performance. Generally, researchers (Raju et al., 2011) argue that if an organisation can manage its operational strategy based on learning about customer preferences and threats of key rivals, then the organisation will survive in the long run. In this sense, the present study hoped that if exporters are able to reconfigure their learning processes under adverse environmental conditions, they can generate a high-level of profitability.

Although extensive research has showed the interaction effect of external factors within the market orientation process, Madsen (2005) argued that limited empirical evidence exists to measure the influence of adverse external moderators within the internationalisation process. For instance, with regard to internationalisation knowledge, there have been few empirical discussions on whether market uncertainty and competitive intensity have a significant influence on international ambidexterity constructs and export performance. In particular, previous marketing researchers have often overlooked the role of competitive intensity as a moderator in the linkage between IA constructs and export performance. Even though recent work of Lisboa et al. (2013) revealed that the relationship between export market exploration and export performance is relatively strong under a high degree of market uncertainty, they did not find any significant relationship between export market exploration and export performance under low degrees of adverse market condition. Such clarifications are unsatisfactory because they did not investigate

the important role of the knowledge implementation process within their causal model. Marketing researchers (Morgan et al., 2009a, Vorhies and Morgan, 2005) proposed that the knowledge adoption and knowledge implementation mechanism are essential for supporting the value creation process. Nonetheless, if exporters simply emphasise the knowledge adoption process and ignored knowledge implementation mechanisms, they will find many barriers to satisfy customers' demands in the export markets. Export market exploitation and export market exploration are important parts of accumulating internationalisation knowledge, however exporters should adopt a proper implementation mechanism for utilising the knowledge-based resources. This implies that it is imperative for IA research to identify a knowledge implementation mechanism within adverse environmental conditions. Overall, past researchers did not provide a clear understanding of what types of marketing capabilities are essential for implementing internationalisation knowledge under various adverse condition in the market.

Even though marketing literature has addressed external environmental factors provide valuable knowledge base resources, this has not been integrated within the framework of IA or DMC. At the point of different types of adverse market condition, it is essential for exporters to formulate marketing strategy in such ways that allow them to adopt to their environment. While the marketing literature reveals that the nature of DMC is that it enhances potential value within adverse market conditions, the external environmental factors have been largely ignored by the DMC and IA researchers. This means the past studies fail to explain the importance of selecting DMC between the relationships of IA constructs and export performance to adapt to exporters' environment. Despite the limited number of studies drawing attention to external moderators in the IA context, the present study brings external moderators that have been incorporated in the causal model to realise the moderator's influence on the export implementation process. The third objective of this paper attempts to show the relationship between IA constructs, DMC and export performance under the lens of market uncertainty and competitive intensity.

This research objective extends previous findings of IA constructs by examining how learning from external environmental factors influences the export implementation process and enables the exporter to attain better export performance. The current study postulated four additional hypotheses from H3a to H4b so that this research can clearly explain research question 3. With this in mind, the researcher developed four causal models to examine the presence of the

mediated moderation effect, following the recommendation of Wegener and Fabrigar (2000). The proposed hypotheses in this research question argues that market uncertainty and competitive intensity changes the form of linkages between IA constructs and export performance through the mediator DMC. Because of this the researcher created four product terms by multiplying IA constructs by external environmental moderators. For instance, in hypothesis H3a the researcher explored the relationship between export market exploration and export performance through DMC under the condition of market uncertainty. In this case the researcher created the first product term by multiplying export market exploration by market uncertainty. In a similar way, export market exploitation multiplied by market uncertainty created the second interaction term for examining the hypothesis H3b. The researcher generated the third interaction term by multiplying exploration with competitive intensity, and the final interaction term by multiplying exploitation and competitive intensity.

This study first conducted a mediated moderation analysis for the market uncertainty construct, and thus developed two models (model 1 and model 2) for solving the results of the proposed hypotheses H3a and H3b. The results of model 1 confirm the presence of the mediated moderation effect. Within the model 1, the standardised path coefficient value of 0.401 (P<.001) suggests a strong link between the interaction term and export performance via the mediator DMC. The finding from H3a is in agreement with Lisboa et al. (2013) who that showed high or low degree of market uncertainty influences the relationship of export market exploration and export performance. Furthermore, the researcher analysed how the moderation effect of market uncertainty influences the linkage between export market exploitation and export performance in model 2. The interaction term in this model reflects that it does not have a direct effect on the mediator, though it is clear that the interaction term has a significant indirect effect on export performance, specifically through implementing DMC. This result agree with the suggestion of other studies (Boso et al., 2012, Lisboa et al., 2013), in which researchers argued that within a certain degree of external environmental influences, international performance of exporters is contingent on their strategic actions and the capabilities development process.

Both the findings in model 1 and model 2 are supported by the research of Hilmersson and Jansson (2012). They asserted that the scope of improving internationalisation knowledge is dependent on learning about market uncertainty and that the application of accurate learning processes minimises the risk of market uncertainty. Due to market uncertainty, the exporter is

realising substantial changes in customers' preferences. Therefore, the exporter knowledge portfolio can be enhanced by learning from market uncertainty. The results of this investigation show that the interaction of market uncertainty and IA constructs reduce the internationalisation knowledge gap. These findings suggest that in general the exporter realises superior performance by reconfiguring its DMC sub-dimensions to capitalise on learning about market uncertainty. Overall, this results support the idea that the interaction term helps the exporter to realise the importance of reconfiguring its knowledge management capabilities for minimising uncertainty and satisfying its potential value offerings.

Similar to earlier moderation models this study formed model 3 and model 4 for testing the hypotheses 4a and hypothesis 4b, respectively. This study found strong evidence of mediated moderation in model 3, in which the researcher found that competitive intensity has mediated moderation influence between the export market exploration and export performance relationship. This model produce a positive significant indirect moderation effect in spite of the interaction term having an insignificant impact on DMC. Likewise, in model 4 the interaction term of competitive intensity and export market exploitation does not show any significant influence on DMC. But model 4 does yield significant mediated moderation (i.e. indirect effect) effects in spite of the non-significant moderation effect between the linkage of export market exploitation and DMC.

It becomes obvious from model 3 and model 4 that at facing competitive pressure the exporter can advance its learning through the export market exploration and export market exploitation process. In summary, the interaction terms have significant influence on export performance through the mediator DMC. This findings follows the work of Murray et al (2011) that suggested it is valuable to adopt a competitor's information for tackling threats, specifically at the time of existing significant competitive pressure within export markets. The results of this study affirm that information about competitive pressure supports the exporter to comprehend its product offering compared to the major rivals. Consequently, this leads to the enhancement of knowledge absorption and the marketing capabilities reconfiguration process. The present study revealed market exploration and market exploitation processes can be strengthened by the learning of competitive pressure, which further pushes the exporter to follow the actions of key rivals. This interactive learning process reinforces the necessity of modifying the exporter DMC sub-dimensions to respond effectively in the markets and achieve better export performance.

Overall, the results provide strong support of the hypothesised models that were made to examine the effects of moderating variables. Based on our results, the influence of moderating variables (i.e. market uncertainty and competitive intensity) support the notion that export market exploration and export market exploitation can generate superior export performance through pursuing DMC. Specifically, this thesis found the presence of mediated moderation effects within the causal models. The effects of market uncertainty and competitive intensity between the relationships of IA constructs and export performance are realised by implementing DMC within that organisation's operational processes. The present study has important insights into the international ambidexterity research of Villar et al. (2014) as well as Prange and Verdier (2011), in which researchers suggested that an exporter's long term growth is contingent on their proper management of the absorbed internationalisation knowledge. Nevertheless, past studies did not evaluate what kinds of external environmental factors have played a crucial role in furthering the internationalisation knowledge absorption process. The findings of the current study enriched the previous research of (Lisboa et al., 2013, Hsu et al., 2013, Villar et al., 2014) by addressing the claim that if the exporter is facing market uncertainty and fierce competition, the potential significance of DMC drives the attainment of superior export performance.

This study indicates that exporters can improve their scope of external learning by monitoring substantial changes in customers' preferences along with competitors' strategic actions. In this case, the researcher argues that the improvement of internationalisation knowledge level through market exploration and market exploitation are dependent on learning from market uncertainty and competitive intensity. Nonetheless, if exporters do not pursue DMC within their organisational process, they will likely not realise long term growth in the market due to inadequacy of implementing knowledge management marketing capabilities. This means that external environmental factors are the facilitator of exporters' learning mechanisms. Based on the knowledge portfolio, the exporter is flexible to bring changes within its international operation strategy; and this leads to the reconfiguration of the knowledge management processes. Consequently, exporting managers should interpret carefully customers' perceptions and competitors' strategic actions to further support the refinement of knowledge management marketing capabilities for satisfying the fluctuated market demands.

6.5. Summary of this Chapter

An overview of the results are presented in this chapter, in which the researcher explicitly demonstrated the findings of the three research questions. At the beginning of this chapter, the researcher explained the significance of higher-order marketing capabilities to generate higher-order DMC construct. In this case, the researcher showed how this study evaluates the multi-dimensional structure of DMC as well as examines its direct influence on export performance. The second section of this chapter emphasises the mediation role of DMC, as the research gap in the internalisation process encouraged the researcher to scrutinise how adopted internalisation knowledge can be deployed by marketing capabilities to achieve better export performance. In the final section, the researcher identified the impacts of crucial external environmental factors on the relationship between internationalisation knowledge absorption and export performance. This section revealed that exporters can successfully deploy the absorbed market knowledge by implementing DMC under various adverse environments.

Besides that, this chapter also discusses how this study views the theoretical contribution of the results for each research question. The findings of this study have shown three notable theoretical contributions. These are: (a) an assessment of the DMC development process has identified the sub-dimensions of DMC. This first objective validated the multi-dimensional reflective nature of DMC constructs that were not verified in the previous studies; (b) an examination of the meditation effect revealed that the knowledge absorption process is not sufficient to realise sustainable export performance. Instead, the impact of DMC on the export implementation process strengthens the achievement of better export performance; (c) this thesis extends earlier work in the context of adverse market environments by verifying the weight of DMC as a knowledge implementation process that balances the linkage between IA constructs and export performance. Specifically, the third research question concludes that the practice of DMC is an important process in driving exporters' success under the lens of various types of adverse market environments.

7. Chapter Seven: Conclusion, Managerial Implications, Limitations and Future Research Schedule

7.1. Conclusion

Even though the research in marketing organisation includes different sets of marketing capabilities, this thesis explains the key strength of practicing dynamic marketing capability (DMC), and how it is a robust managerial practice in export organizations. The findings of this research explain the internal structure of DMC, because previous marketing researchers have often overlooked to identify the measurement scale of DMC. This research sheds light on DMC literature by conducting an empirical investigation in the generation process of DMC and its effect on reaching better export performance.

The conceptual framework of this research provides a precise outline of the internationalization knowledge absorption process that subsequently transfers to repetitive knowledge refinement capabilities. This research proposes that in order to execute an effective exporting process, the exporter should have a well-structured internationalisation knowledge absorption process and knowledge management process. This thesis shows that the role of DMC supports the implementation of the internationalisation process. The results indicate that export managers should be aware of the knowledge implementation mechanism for offering commercially valuable products and services in export markets rather than simply accepting their current internationalization knowledge.

This study also found that organisational international learning processes must be linked with external environmental factors for improving the knowledge portfolio. The findings of this study suggest that when facing market uncertainty and competitive pressure, the exporter attains superior export performance by implementing DMC that acts as an enabler of the internationalization knowledge implementation process. Overall, the results confirmed the general agreement of DMC theory and the view of IA constructs. Based on the results, the subsequent sections in this chapter explain the managerial contributions, limitation and future research agenda. Within the section of managerial implications, this study explains how managers of exporting organizations benefit by pursuing DMC.

7.2. Managerial Contribution

These research findings are crucial for exporting organizations survival and growth in export markets. The outcome of this research conveys essential information to export managers. The results that have been produced from this study bring several managerial implications and these are:

(1) Marketing studies frequently reported that marketing performance is dependent on implementing marketing strategy properly. The reason for this is that an organisation possesses limited resources, establishing the importance of a suitable set of marketing capabilities to improve its value offerings. This encourages the current research to draw attention to development process of DMC under export market conditions. This research clarifies the internal structure of DMC, which means the researcher clearly demonstrates the anatomy of DMC. By following the anatomy of DMC, export managers can configure the DMC sub-dimensions in such a way that enable them to surpass value offerings of main rivals within an adverse business environment. It is therefore possible that the findings allow the export manager to understand the DMC as a higher-order organisational process, in which a structural set of higher-order marketing capabilities should receive importance for long term growth and survival in the markets. With this information, export managers should make its priority to focus on higher-order marketing capabilities for long-term growth and survival in the market.

(2) Recent evidence on the knowledge-based view (KBV) emphasises that export managers should practice market orientation processes to deal with the articulated needs of the customers. In spite of this studies did not investigate the importance of identifying customers' unarticulated needs. In the present research, attempts have been made to comprehend the status of ambidextrous market orientation (AMO) capability in the exporting context instead of concentrating either on proactive market orientation or responsive market orientation alone. This study empirically verifies AMO as one of the core elements of the multi-dimensional DMC construct. The present study has noted the importance of managing express and unarticulated needs in such a way that can form an AMO capability. This study suggests that by practicing an AMO process, exporters can perfectly manage market specific knowledge by simultaneously adopting express and unarticulated needs of the customers.

(3) The reflective nature of DMC scale can be an influential diagnostic measurement process for exporters, whereby exporters can understand the proper processes for absorbing and

deploying market knowledge. This means that exporters can monitor whether they have the competency to organise higher-order marketing capabilities for reacting assertively during uncertainty. Overall, this higher-order DMC scale supports the export manager by indicating the necessary investment requirements in marketing capabilities to support the export implementation strategy.

(4) The KBV depicts that knowledge is an organization's intangible resource that needs a systematic transformation process to enhance the economic value of exporters. Weerawardena et al. (2007) pointed out that international organisations realise challenges to effectively implement the internationalisation process because of their inadequacy to manage the adopted knowledge. The conceptual model that has been proposed in this research supports the assumption that international organisations should possess a well-structured model that can lead to the rapid execution of exporting processes. Export managers can comprehend the mechanism of absorbing internationalisation knowledge by examining the causal structure of the conceptual model. Specifically, this research claims that when the exporter focuses equally on the market exploration and exploitation processes, this leads to the enhancement of its internationalisation knowledge portfolio. In general, it seems that export managers should not focus on seizing opportunities in existing overseas operations, and rather search for opportunities in new export areas. The exporter can also benefit from the causal model by realising that the possession of higher-order marketing capabilities supports the commercialisation of adopted knowledge in such a way that adjusts to the market demand.

(5) The findings of this research are in agreement with Murray et al. (2011) who said that without considering the learning from external environmental factors, it would be challenging to confirm the superiority of an exporter's international strategy. This study's findings provide a clear indication that under the lens of fierce competition and uncertain business conditions, export managers should carefully identify a systematic mechanism of designing and implementing the exporting process. This process helps the exporter to minimise the knowledge gap and strengthens the international learning process. The evidence from this study suggests that the export manager should be concerned with different types of external environmental factors to enhance their knowledge-based resources which further impact export performance through DMC.

7.3. Limitation of this Research

The generalisability of all research requires attention to the limitations. Nonetheless, the researcher of this thesis carefully considered the boundaries in such a way to minimise the implications of limitations. The researcher illustrates the constraints of this study in the following section:

Firstly, this study followed a cross sectional research design instead of a longitudinal study. It would be difficult to argue that systematically the accuracy of these results will not vary over time because the nature of a cross sectional study. Besides that, the data was collected in a four month period, however for certain industries the selected time frame may not the best time to be examined the export market exploration and export market exploitation statements. For instance, when information was gathered from the textile industry, most of the exporters showed an in-depth concentration on compliance issues so as to satisfy foreign buyers' new guidelines. In this sector, the researcher found that exporters mostly overlooked seeking new market opportunities, and spent their core attention satisfying current market demand of the customers. Since 42.5% data was accumulated from the textile sector, this may create some effects on the data set.

Secondly, while the conceptual model showed the role of DMC in attaining better export performance, it did not investigate benefits of DMC in achieving a competitive advantage in the export market. Recently scholars criticised DMC, saying that competitive advantage does not generate from the accomplishment of dynamic capability (Ali et al., 2010). Rather than viewing the dynamic capability as valuable on its own, it requires a complete connection with the competitive strategy. Following the approach of the competitive advantage achievement process, Porter (1980b) claims that the implementation of a competitive strategy (i.e. cost leadership and differentiation strategy) promotes a competitive advantage enhancement process. In a competitive market, organisational capabilities are required to be transformed into competitive strategy that differentiates the organisation from key competitors (Hult and Ketchen, 2001). This demonstrates that the causal relationship in the conceptual model may fluctuate if the researcher includes the constructs of competitive strategy. This study does not argue that exporters can implement the internationalisation knowledge to attain a competitive advantage in the export market. The reason is that the current study excludes the influence of IA constructs and DMC on the exporter's competitive strategy. Moreover, based on the theory and literature gap the proposed conceptual

model in this thesis analysed the chain relationship of IA constructs, DMC and export performance under two adverse environmental conditions. This indicates that the causal model has not treated the influence of other internal sources such as cost leadership strategy or financial resources on marketing capability development. In short, the current investigation was limited by examining the relationship of IA constructs, DMC and export performance.

Thirdly, the data analysis procedures followed both Harmon-single factor test and common latent factor analysis to figure out whether there are significant issues of common method bias. However, the researcher obtained information from a single respondent of each export organization. This may create an indication of a common method bias issue, because several researchers showed importance of collecting data from multiple sources to eliminate potential bias within an organization. It should be noted that in the course of the data collection process using multiple sources could have created challenges and reduced the response rate. That would have caused other problems, as in terms of confirming generalisability a low response rate limits the research scope and output. In order to increase the response rate, this thesis focuses on the perception of a single respondent within an exporting organization.

Finally, it would be difficult to ensure that respondents understood all the statements in such manner that the researcher predicted at the time of collecting information. Thus, the researcher assumes the presence of a certain degree of difference between respondents' statements and reality. Nonetheless, in this study the researcher has followed several scientific procedures for ensuring the reliability and validity of data. The results showed that all the statements successfully passed the benchmark reliability and validity value.

7.4. Future Research Avenues

This research has drawn several limitations which need to be overcome by future research, especially because this research is some of the first concrete data within the field of IA constructs and DMC theory.

First, until now DMC based studies largely focused on large-scale organisations. It seems that additional empirical investigation on the role of DMC should be undertaken in the context of small and medium enterprises (SME from here onwards). In this sense, future research should

focus on whether the DMC sub-dimensions of SME are similar to large-scale organizations. Another possible future line of research includes investigating the significance of DMC in service related organizations. Further work needs to be done to establish whether DMC development process in service related industries are similar to those in the manufacturing sector. Besides that, this study collected data from multiple industries to analyse the conceptual model, however this makes the sample more heterogeneous. It follows that the current study is unable to identify the real effect of the proposed model for a specific single industry. With this aim, future empirical analysis within DMC and IA contexts should concentrate on a particular industry.

Second, this research demonstrates that the combination of higher-order marketing capabilities are the dominant constructs of DMC development process in Bangladesh. Thus future studies should replicate the application of DMC in emerging economies or developed countries to comprehend whether the measure is accurate. Additional investigations in different regions can improve the validity of DMC's multidimensional reflective measure. Furthermore future investigations must emphasise whether there is any similarity between the reflective and formative method of the DMC construct. Since the culture of DMC sub-dimensions may change now and then, further investigations should take into account the longitudinal data to examine whether the causal relationship between variables differ considerably.

Third, a logical expansion of this research would be to follow a case study research deign to unravel how successful organisations in the high tech sector or the automotive industry execute their internationalisation process. In this study to collect data the researcher focused on the view of a single respondent within each export organization. Hence, further empirical examination should emphasises multiple respondents' view within each export organisation for minimising the issue of common method bias. Moreover, future researchers may collect objective data regarding performance, so that researchers can cross-check the accuracy of the respondent information.

Fourth, past studies showed that across organisations and industries the possession of marketing capabilities varies significantly. To date, there has been no reliable evidence that investigates the difference in DMC sub-dimensions across organizations and industries. In this study, the model developed for identifying multi-level structure of DMC would work in future study to comparing the different degrees of DMC taxonomy. This implies that future research should include a cluster analysis as a best suitable research design to better understand the DMC

configuration process. This will enable further study to assess how separate levels of DMC vary among the clusters. Further research into DMC taxonomy needs to be done to reveal whether variation in DMC sub-dimensions brings significant influence on performance.

Fifth, a limited amount of research to date has focused on identifying the relationship between DMC and performance In this limited sample, researchers did not evaluate how organizations could execute DMC to achieve a competitive advantage. Besides that, recent work of Hughes et al. (2010) showed that by implementing a competitive strategy in the host countries export ventures, innovation ambidexterity provides a guidance to design positional advantages. Nonetheless, past studies were unable to examine the linkage between IA and competitive strategy. Several studies (Morgan et al., 2004, Morgan et al., 2009) claim that organisations can generate competitive advantage by adopting Porter's competitive strategy model. Whilst Porter's (1980a) competitive strategy theory did not emphasise either approach of competitive strategy simultaneously, few scholars (Morgan et al., 2012, Santos-Vijande et al., 2012) found that together the combinations of cost leadership strategy and differentiation strategy can generate better customer values compared to any single competitive strategy. Hence, future research should extend our knowledge by evaluating the role of competitive hybrid strategy (i.e. simultaneously pursuing cost and differentiation strategy) in the field of international ambidexterity and dynamic marketing capability.

Overall, the findings of this research have opened additional research directions, in which further investigations can examine the role of IA constructs, DMC taxonomy and the influence of competitive strategy within the chain relationship of internationalization process. Despite these potential limitations, it is hoped that the findings of this study are a first step towards a better realisation of DMC taxonomy and the impact of adopted internationalization knowledge on export performance.

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Appendices

Appendix A: Authorisation letter from the export associations

Figure: Bangladesh Finished Leather, Leather Goods and Footwear Exporter's Association

Figure: Bangladesh Engineering Industry Owner's Association

Figure: Bangladesh Garment Manufacturers and Exporters Association

Figure: Bangladesh Plastic Goods Manufacturers & Exporters Association.

Appendix B: Interview guideline

Introduction:

- This interview is organized for supporting a PhD research. Your information and perception regarding your firm's business practices will be taken into account for framing the questionnaires which will be administered in the later part of this research design.
- Your participation is appreciated for designing this research, and the outcome from this research will develop benchmark guideline for exporting organization. So that in the long run exporters can leverage their export performance.
- I would like to discuss with you about your perception either as an owner or a manager regarding business practice of your firm for foreign market operation".
- This Interview Session will take utmost half an hour and consist with short questions. Finally, you can get the chance of providing feedback or suggestion on the topics we will discuss so far during the interview process. Do you have enough time now?
- This should take only 30 minutes. Do you have time now?

Primary questions:

- What is your current business and what type of products are involved in you manufacturing process?
- How long you have been involved in this manufacturing business and how long you are involved with exporting process?
- How much revenue you have generated from exporting in terms of percentage?
- What is your highest educational qualification and do you have any technical qualification prior to starting this business?
- How many countries do you export your products each year?

Overall questions:

1. Would you please describe precisely the core capabilities that you needs for facilitating manufacturing processes?

2. *What do you think how can you adopt certain resources and capabilities at the time of highly uncertain condition?*

3. *Do you prefer market knowledge importance for capabilities enhancement?*

4. *What are the available resources and capabilities your organisation possesses to acquire the market knowledge?*

   - *Can you explain the hierarchical structure of your marketing capabilities?*
     - A. *How these marketing capabilities influence your business during highly adverse environment?*

Market Orientation question:

- *Can you describe the culture of your market orientation process? Is it proactive or responsive?*

5. Can you please highlight the degree of risk absorption for new idea generation inside your organisation?
6. Does your organisation support customers for upgrading their prediction in the market?
7. Can you please give some examples that related to your market orientation practice?

→ Do you want to include any further information regarding market orientation that should take into account for this research

New product development capability related questions:

- *Could you please precisely explain about your strategy about new product development capability?*

8. What are the challenges your organisation realises in order to develop new products?
9. How important your management seeks for new idea generation and innovation?
10. How your organisation does manages cost related issue for innovating new products and disseminating products in in markets?

→ Do you want to include any other information regarding NPDC that should take into account for this research

Customer relationship management capability related questions:

- *How important for your organisation to manage customer relationship process to satisfy customers query?*

11. What is the level of your investment in enhancing customer relationship management capability (CRMC)?
12. What is the networking process to connect with your potential and existing customers?
13. How your CRM processes do motivates your customers to revisit your organisation?

→ Do you want to include any other information regarding CRMC that should take into account for this research?

Brand management capability related questions:

- *What do you think about the significance of brand management capability (BMC) for your organisation survival in international market?*

14. What is the level of your investment in BMC development process?
15. How your organisation concentrates on customers' loyalty program?
16. What is the general procedure your organisation follows to identify external perception about your brand?
17. How do you manage your BMC with CRM function to leverage your brand in the market?
18. How do you manage your brand within diverse cultural groups?
19. Do you manage the balance between domestic brand and international brand for the purpose of supporting successful export?
20. How do you manage the finance and cost that are associated with brand management system at the time of executing overseas operation?

➔ Do you want to include any other information regarding BMC that should take into account for this research?

Internationalisation process related questions

- Would you please explicitly explain how your organisation manage internationalisation process?

21. Do you prefer accelerate internationalization or incremental internationalization process?
22. How do you treat with export market exploration (new market searching) mechanism?
23. What is the level of engagement of your firm export market exploitation (market knowledge reconfigure capabilities) process?
24. How do you consider impacts from adverse market conditions? Do you realise learning from external factors are pivotal for supporting internationalisation process?

So far, I have asked you overall forty one questions up till now, so if you feel you can include further questions which are not asked yet but will be helpful for me or my research!!!

Appendix C: Synopsis from all qualitative interviews

Resources and capabilities related questions:

General questions**:** Interviewer clearly explain the questions to the interviewee if they face challenges to understand

Would you please describe precisely the core capabilities that you needs for facilitating manufacturing processes?

- ➔ Capabilities: experiential knowledge, IT capability, key account management capability, branding capability, market orientation, selling, market communication, market implementation, channel management capability, pricing capability, customer relationship capability (include after sales service).

What do you think how can you adopt certain resources and capabilities at the time of highly uncertain condition?

    <u>Resources:</u>

- ➔ Raw materials are collected from local and international markets. However, for handicraft industry most of the key raw materials are collected from local markets. Other sector depends on the foreign buyers' requirements. If overseas buyers mentioned the list of raw materials that should be used in the production process, then the manufacturers mostly follow buyers' guideline to satisfy them.
- ➔ Financial resources are essential to provide continuous support for production units. Successful exporters can easily get the loans from lease financing authorities and commercial banks, whereas less successful exporters experienced trouble to achieve financing facilities either from bank or NGOs. In addition, few sectors received addition attention to Government, and thus get certain amount of tax exemption facility to encourage export.

Do you prefer market knowledge importance for capabilities enhancement?

- ➔ To enhance the export almost all exporters are emphasising market knowledge acquisition but their success depends on market knowledge dissemination process.
- ➔ Exporting organisations are flexible to reconfigure their capabilities on the basis of market knowledge if they have sufficient fund.
- ➔ Organizations' international market knowledge acquisition process depends on their internationalisation strategy. Several organisations are highly motivated to acquire new information while other organisations focus on incremental information gathering process.

What are the available resources and capabilities your organisation possesses to acquire the market knowledge?

- ➔ Experienced marketing personnel provide support about obtaining market related information
- ➔ Entrepreneurs' orientation about international trade skills support the organisation to accumulate reliable information.

➔ Highly successful exporters are maintaining carefully their financing department. However, if they require credit in certain situations they can get the loan more easily than less successful exporters.

➔ Great exporters are knowledgeable about the importance of information technology. They invest on the development of IT infrastructure in such a way that helps the exporter presence in the social media to interact with B2B and B2C customers more effectively.

Can you explain the hierarchical structure of your marketing capabilities?

Answer: Marketing capabilities varies among the manufacturing organisations, and here I outline the most usable marketing capabilities that were mentioned during the interview process: Market orientation (Proactive and Responsive), New Product Development Capability, Customer Relationship management capability, Brand management Capability, market strategy planning capability, marketing strategy implementation capability, product dissemination capability, channel management capability, sales capability, after sales service capability and relationship management quick response capability.

How these marketing capabilities influence your business during highly adverse environment?

Answer: Interviewees requested to interviewer for clarifying the questions about marketing capabilities along with they requested to specify them a list of marketing capabilities so that they can easily pointed out most potential marketing resources and capabilities. Otherwise, respondents' claim that were inadequate to answer all capabilities related questions within a limited time period.

Market Orientation question:

Can you describe the culture of your market orientation process? Is it proactive or responsive?

- Can you please highlight the degree of risk absorption for new idea generation inside your organisation?
- Does your organisation support customers for upgrading their prediction in the market?
- Can you please give some examples that related to your market orientation practice?

  o Do you want to include any further information regarding market orientation that should take into account for this research

Highly successful manufacturing exporters follow a combination of proactive and responsive market orientation, which means they exhibit ambidexterity MO strategy. However, organisation's focus on PMO and RMO differs highly. Following section highlights export-oriented organisations' market orientation processes:

➔ Highly experienced employees or staffs gather market specific knowledge such as customers' current and future needs.

➔ Market orientation function provides valuable suggestions to foreign buyers about product design. In order to customise products exporter often provide consultation facilities by pursuing market orientation process.

➔ Export-oriented exporters take high-level risk to design new products, although there have some risk of current products and technology become obsolete.

➔ Market orientation enables the exporter to deal with social media for improving its knowledge about prospective needs of the customers.

➔ Frequently examine key competitors' products and pricing strategy, and thus highly successful exporters can take quick action after realising any changes incurred in rivals operation.

➔ As a part of responsive market orientation (RMO) exporters tend to share customer related information within business units to support financing, quality improvement and bring changes in innovation processes.

➔ This practice strongly encourage customers to share their opinion either on social media or complete the hardcopy in feedback form. This helps the exporters to improve their knowledge-based portfolio.

➔ A great mission of successful exporter is exploring new opportunities and reconfigure existing capabilities in an advance; so that organisation can sustain in the long run.

New product development capability related questions:

General questions:

Could you please precisely explain about your strategy about new product development capability?

1. What are the challenges your organisation realises in order to develop new products?
2. How important your management seeks for new idea generation and innovation?
3. How your organisation does manages cost related issue for innovating new products and disseminating products in in markets?

➔ Do you want to include any other information regarding NPDC that should take into account for this research?

   ➔ To capture attractive foreign customers, exporters continuously seek new ideas. Employees from different business units bring commercially innovative ideas for supporting new product development.

   ➔ Manufacturing exporters realise financial challenges to make innovative idea into commercially valuable products.

→ Workforce are well qualified and skilled to design customised products according to the requirements of foreign buyers.

→ In order to customise products often organisations received suggestion from product designers provide which enable the organisation to attract overseas customers.

→ Most of the organisation uses automated machineries, which reduces lead time of manufacturing goods as well as takes initiative to improve quality of products.

Customer relationship management capability related questions:

General questions:

How important for your organisation to manage customer relationship process to satisfy customers query?

1. What is the level of your investment in enhancing customer relationship management capability (CRMC)?
2. What is the networking process to connect with your potential and existing customers?
3. How your CRM processes do motivates your customers to revisit your organisation?

→ Do you want to include any other information regarding CRMC that should take into account for this research?

→ Organisations frequently attend the international fairs to communicate with attractive customers. This gives opportunity to marketing personnel to deal with foreign buyers. By attending international fairs exporters gain valuable information about manufacturing process, production flexibility and cost minimisation issue.

→ Highly successful manufacturing organisation invests significant amount of money on IT infrastructure development, whereas less successful manufacturing exporters are more likely to communicate with foreign buyers through intermediaries or correspondents.

→ As a part of CRM process exporters send gifts to foreign buyers on occasions such as religious occasions or New Year celebrations.

→ Routinely inspire attractive customers to complete feedback draft either online version or hardcopy. However, only successful organisations have high IT investment and presence in social media so online version is available to them.

→ In order to retain attractive customers, mostly exporters try to provide rapid after sales service, which enables them to compete with large scale organization.

Brand management capability related questions:

What do you think about the significance of brand management capability (BMC) for your organisation survival in international market?

1. What is the level of your investment in BMC development process?
2. How your organisation concentrates on customers' loyalty program?
3. What is the general procedure your organisation follows to identify external perception about your brand?
4. How do you manage your BMC with CRM function to leverage your brand in the market?
5. How do you manage your brand within diverse cultural groups?
6. Do you manage the balance between domestic brand and international brand for the purpose of supporting successful export?
7. How do you manage the finance and cost that are associated with brand management system at the time of executing overseas operation?

➔ Do you want to include any other information regarding BMC that should take into account for this research?

➔ Exporters mostly communicate with foreign buyers through intermediaries, therefore they emphasis Business2Business branding. However, less successful exporters do not consider branding issue and relationship management process.

➔ Highly successful exporters try to maintain a reliable brand meaning among customers mind though their image and reputation management processes.

➔ For supporting brand management system, exporters considered brand equity by their brand image and brand reputation in export markets.

➔ Have a corporate brand that creates a seamless umbrella for all the brands in organization portfolio.

➔ Mostly an Organisation's brand management system is managed by its owner, thus they ensure that brand managers are aware of all of the marketing activities that integrates its brands.

➔ It is ensured that all people involved in managing the marketing activities for a brand are aware of one another.

➔ Exporters manage customer-driven boundaries for their brand extensions.

➔ To develop brand in international markets, responsive market orientation select customers based approach for positioning valuable brand meaning ➔ We select customers based approach on valuable brand positioning in the export sector (CS)

➔ Reconfigure brand equity on the basis of foreign market culture and customers choices (Exploitation).

➔ Proactive market orientation help exporters to examine geographically distance areas brand positioning process, that enable organisations' to redeploy branding process beforehand of key

competitors approach. Besides that organisations' brand redeployment policy supports them to become more customized which in turn leads to attract potential buyers toward them.

Internationalisation process related questions

Would you please explicitly explain how your organisation manage internationalisation process?

1. Do you prefer accelerate internationalisation or incremental internationalisation process?
2. How do you treat with export market exploration (new market searching) mechanism?
3. What is the level of your organisation's engagement in export market exploitation (market knowledge reconfigure capabilities) process?
4. How do you consider impacts from adverse market conditions? Do you realise learning from external factors are pivotal for supporting internationalisation process?

→ Highly successful exporters are following rapid internationalisation strategy compared to low growth exporters.

→ As a part of accelerating internationalisation concept, organisations conduct market exploration process by their skilled workforce. Mostly organisations try to employ highly experience workforce in international trade. Furthermore, owner of export-oriented organisations are involved in international trade job, by which they accumulate international operation knowledge

→ Market exploration process supports to understand customers' future needs, introduce new product requirement and market opportunity.

→ Market exploitation process supports organisations' to review their operational capabilities in such a way that enable them to identify solution for foreign customers' needs.

→ In order to achieve an effective exporting process, organisations periodically reconfigure their capabilities. This supports organisations to tackle adverse market movements and major competitors' aggressive foreign strategy.

→ In order to satisfy foreign market demands, mostly outstanding exporters installed new machineries within their production channel for deploying commercially valuable products in export markets.

→ In consideration of accumulating internationalisation knowledge, exporters' frequent review of customer relationship management process helps them to improve their contact with customers. Consequently, exporters can retain foreign buyers.

→ Exporters' are treated brand redeployment as a consequence of market exploitation process. Exporters adjust their brand within marketing program to keep changes in accordance with consumer taste. A successful organisation is conducting periodic brand audits for verifying the "quality" of its corporate brand.

→ Only rich and dynamic exporters are taken into account the external factors influence in their business. A successful exporter focus on learning from rapid market movements and competitors strategies in order to improve its stock of internationalisation knowledge.

Appendix D: Cover letter explains this survey purpose

Survey Purpose:

In Bangladesh manufacturing and IT organizations are realising significant challenges at the time of their entry into overseas market. Marketing capabilities are needed to improve firms' export performance is one of the most important one. This study will explore your perceptions on this issue as the manager/ owner of an exporting firm. The findings of the study will help you to improve your marketing activities to target the export market. Please note that the information collected is strictly confidential and will be used only for research purposes. The identity of you or your company will never be disclosed. Please do not hesitate to ask the interviewer if you need further clarification. Your participation in this study is highly appreciated. As a token of gratitude, we will send you a summary copy of the report with the findings. If you have any questions, please contact to anyone from following contact details:

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Appendix E: Measurement items for pilot study

Section A

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*"Taking the perspective of your most profitable segment in the export markets, how would you compare your business's market orientation practices to your major nearest competitors on the following attributes. Please **select** your opinion between 1 to 7 to indicate the level of your agreement or disagreement on following statement: where 1= **Strongly disagree** and 7= **Strongly agree".***

Constructs	Statements	References
MO 1	We continuously try to discover additional needs of our potential customers of which they really value but never disclose to us	(Atuahene-Gima et al., 2005, Narver et al., 2004, Lamore et al 2013, Hu and Bentler, 1999)
MO 2	We inspect users existing products complication in order to offer better solution to satisfy needs	(Atuahene-Gima et al., 2005, Narver et al., 2004, Lamore et al., 2013, Hu and Bentler, 1999)
MO 3	We support customers to improve their expectation in the market through our suggestions.	(Atuahene-Gima et al., 2005, Narver et al., 2004, Lamore et al 2013, Hu and Bentler, 1999)
MO 4	We work closely with lead users who try to recognize customer needs earlier than key competitors action of understanding customers' needs	(Atuahene-Gima et al., 2005, Narver et al., 2004, Lamore et al 2013, Hu and Bentler, 1999)
MO 5	We conduct cohesive examination of market trends to draw future needs of potential users.	(Atuahene-Gima et al., 2005, Narver et al., 2004, Lamore et al 2013, Hu and Bentler, 1999)
MO 6	We constantly monitor our level of commitment and orientation to serving customer needs (intelligence generation)	(Farrelly and Quester, 2003, Merrilees et al., 2011b, Cadogan 1999)
MO 7	(-)Our sales staffs rarely share their customers handling experiences with others. (intelligence dissemination)	(Farrelly and Quester, 2003, Merrilees et al., 2011b, Cadogan 1999)
MO 8	Our export business strategies are driven by our beliefs of enhancing value for export customers. (Responsiveness)	(Farrelly and Quester, 2003, Merrilees et al., 2011b, Cadogan 1999)
MO 9	(-)We are slow to detect changes in our overseas customers' product preferences (intelligence generation)	(Cadogan et al., 1999, Armario et al., 2008)
MO10	(-)Foreign customer complaints hardly listen in this company (Responsiveness)	(Farrelly and Quester, 2003, Merrilees et al., 2011, Cadogan e 1999)

Section B

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*"Taking the perspective of your most profitable segment in the export markets, how would you compare your business's marketing capabilities to your major nearest competitors on the following attributes. Please __select__ your opinion between 1 to 7 to indicate the level of your agreement or disagreement on following statement: where 1= **Strongly disagree** and 7= **Strongly agree".***

Constructs	Statements	References
MC 1	Identifying and targeting attractive customers in new and current markets--> *We repeatedly identify attractive/potential customers in the export markets.*	(Orr et al., 2011)
MC 2	We periodically attend in international fair to meet with foreign attractive/potential customers.	Based on semi-structured interview study
MC 3	(-)We hardly invest on IT infrastructure development to facilitate relationship with overall customers→ *(-)We hardly invest on IT infrastructure development to enhance relationship with customers.*	Based on semi-structured interview study
MC 4	We apply innovative marketing and promotion methods to attract potential buyers compare to the rivals	Based on semi-structured interview study
MC 5	We send gifts to existing attractive customers on religious and new year occasions to upgrade relationship with them	Based on semi-structured interview study
MC 6	(-) We are slow to provide after sales service efficiently	Based on semi-structured interview study
MC 7	Focus on meeting customers' long term needs to ensure repeat business	(Orr et al., 2011)
MC 8	(-) We are slow to provide after sales service efficiently	Based on semi-structured interview study
MC 9	We systematically maintain a reliable brand meaning among customers mind through our image and reputation	(Bentler, 1995)
MC 10	We have a corporate brand that creates a seamless umbrella for all the brands in our products portfolio	(Bentler, 1995)
MC 11	We ensure that all people involved in managing the marketing activities for a brand are aware of one another.	(Bentler, 1995)

MC 12	(-)We hardly invest in managing and promoting the reputation/image of our organization/firm	(Aaker, 1992, Matear et al., 2004)
MC 13	More able to respond swiftly to solve customer problems by presenting package of total solution→ *We rapidly respond to solve customer problems by presenting new solution package*	Merrilees et al., 2011,
MC 14	We frequently upgrade capacity utilization process to reduce order lead time of product development	Based on semi-structured interview study
MC15	We emphasise on improving plant efficiency to reduce production cost of new product development	Merrilees et al., 2011,
MC16	We adopt new technology to improve products quality and fulfill buyers standards	Based on semi-structured interview study
MC 17	Management actively seeks innovative ideas either from staff or from customers	(Hult et al., 2004, Hurley and Hult, 1998, Menguc and Auh, 2006b)
MC 18	(-)Employees are heavily penalized for new ideas that do not work	(Hult et al., 2004, Hurley and Hult, 1998, Menguc and Auh, 2006)
MC 19	(-)We are worse in managing to keep costs down of new product development processes	(Menguc and Auh, 2006b, Hooley et al., 2005)

Section C

To indicate your satisfaction level about export performance please select your opinion between 1 to 7, where "1= very dissatisfied and 7= very satisfied".

Constructs	Statements	References
EP1	Our growth level in the export markets (Growth profitability)	(Lu et al., 2010)
EP2	Our market shares position in the export markets (market share profitability)	(Lu et al., 2010)
EP3	Our return on investment level through overseas sales (return on investment performance)	(Lu et al., 2010)
EP4	Our foreign customers satisfaction level about our products and services (customer satisfaction performance)	(Lu et al., 2010)

Section D

*"Taking the perspective of your most profitable segment in the export markets, how would you compare your business to your major nearest competitors on the following attributes. Please __select__ your opinion between 1 to 7 to indicate the level of your agreement or disagreement on following statement: where 1= **Strongly disagree** and 7= **Strongly agree"**.*

Constructs	Statements	References
XPL1	We enhance understanding of important information about current export markets and strictly monitor competitive products on those markets→ *We conduct deep examination to capture important information about existing export markets operation*	(Lisboa et al., 2013)
XPL2	Frequently review CRM process and IT system to strengthen contacts with customers in current export markets→ We continuously review customer relationship management process to strengthen contacts with customers in current export markets	(Lisboa et al., 2013)
XPL3	Enhance understanding of existing overseas customer requirements and their dislike about our brand	(Lisboa et al., 2013)
XPR1	We enhance the knowledge about new export market opportunity→ *We repeatedly enhance our knowledge about new export market opportunity*	(Lisboa et al., 2013)
XPR2	We examine the feasibility of doing business in new export markets→ *We frequently assess feasibility of doing business in new export markets*	(Lisboa et al., 2013)
XPR3	(-) We never allow our marketing team to monitor newly emerge competitors and customers to find out trends→ *(-)We never research new competitors and customers of new export markets*	(Lisboa et al., 2013)

		References
MKT1	Customer needs and wants are changing fast→ *In our kind of business customer requirements vary significantly across different customer segments*	(Jaworski and Kohli, 1993, Bodlaj et al., 2012)
MKT2	In our kind of business, customers' product preferences change slightly over time.	(Jaworski and Kohli, 1993, Bodlaj et al., 2012)
MKT3	New customers tend to have product-related needs that are different from those of existing customers.	(Jaworski and Kohli, 1993, Bodlaj et al., 2012)
CMI1	Aggressive competition exists in our industry → *We are facing aggressive competition in this industry*	(Jaworski and Kohli, 1993, Bodlaj et al., 2012)
CMI2	Competitors' products similarity is mostly differ in our industry→ *In our industry anything that one competitor can offer, others can match readily*	(Jaworski and Kohli, 1993, Bodlaj et al., 2012)
CMI3	Frequency of new competitors entrants is high in our industry	(Jaworski and Kohli, 1993, Bodlaj et al., 2012)

Appendix F: English and Bengali version of the survey questionnaire

English version of Questionnaire for survey

The survey consists of five parts. In section **A** we would like to ask you few questions regarding your firm marketing orientation practices and give you the option to answer each statement by showing your level of agreement and disagreement. In section **B** we would like to ask you few questions regarding your firm practices of marketing capabilities and there you will get the option to answer each statement by showing your level of agreement and disagreement. In section **C** we give you the option to choose your satisfaction level about global market operation. In section **D** we invite you to answer your business globalization process, and also this section encompasses information regarding your realized business risk for external environmental pressure. Finally, in section **E** we will request you to provide demographic information of your business. In each statement your level of agreement and disagreement will measure in a scale of 1 to 7, where 1= strongly disagree and 7=strongly agree. For answering performance you have the option to show your agreement in a scale of "1=very dissatisfied and 7=very satisfied"**.**

Are you interested to receive the findings part of this issue→Choose an item.

Section A

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*"Taking the perspective of your most profitable segment in the export markets, how would you compare your business's market orientation practices to your major nearest competitors on the following attributes. Please __select__ your opinion between 1 to 7 to indicate the level of your agreement or disagreement on following statement: where 1= **Strongly disagree** and 7= **Strongly agree"**.*

Constructs	Statements	Level of agreements						
		Strongly disagree			Neutral		Strongly agree	
		1	2	3	4	5	6	7
MO 1	We continuously try to discover additional needs of our potential customers of which they really value but never disclose to us	☐	☐	☐	☐	☐	☐	☐
MO 2	We inspect users existing products complication in order to offer better solution to satisfy needs	☐	☐	☐	☐	☐	☐	☐
MO 3	We support customers to improve their expectation in the market through our suggestions.	☐	☐	☐	☐	☐	☐	☐
MO 4	We work closely with lead users who try to recognize customer needs earlier than key competitors action of understanding customers' needs	☐	☐	☐	☐	☐	☐	☐
MO 5	We constantly monitor our level of commitment and orientation to serving customer needs (intelligence generation)	☐	☐	☐	☐	☐	☐	☐
MO 6	(-)Our sales staffs rarely share their customers handling experiences with others. (intelligence dissemination)	☐	☐	☐	☐	☐	☐	☐
MO 7	Our export business strategies are driven by our beliefs of enhancing value for export customers. (Responsiveness)	☐	☐	☐	☐	☐	☐	☐
MO 8	(-)We are slow to detect changes in our overseas customers' product preferences (intelligence generation)	☐	☐	☐	☐	☐	☐	☐

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Section B

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*"Taking the perspective of your most profitable segment in the export markets, how would you compare your business's marketing capabilities to your major nearest competitors on the following attributes. Please __select__ your opinion between 1 to 7 to indicate the level of your agreement or disagreement on following statement: where 1= **Strongly disagree** and 7= **Strongly agree"**.*

Constructs	Statements	Level of agreements						
		Strongly disagree			Neutral		Strongly agree	
		1	2	3	4	5	6	7
MC 1	We repeatedly identify attractive/potential customers in the export markets.	☐	☐	☐	☐	☐	☐	☐
MC 2	We periodically attend in international fair to meet with foreign attractive/potential customers.	☐	☐	☐	☐	☐	☐	☐
MC 3	(-)We hardly invest on developing IT infrastructure to enhance relationship with customers.	☐	☐	☐	☐	☐	☐	☐
MC 4	We apply innovative marketing and promotion methods to attract potential buyers compared to the rivals	☐	☐	☐	☐	☐	☐	☐
MC 5	We systematically maintain a reliable brand meaning among customers mind through our image and reputation	☐	☐	☐	☐	☐	☐	☐
MC 6	We have a corporate brand that creates a seamless umbrella for all the brands in our products portfolio	☐	☐	☐	☐	☐	☐	☐
MC 7	(-)We hardly invest in managing and promoting the reputation/image of our organization/firm	☐	☐	☐	☐	☐	☐	☐
MC 8	We rapidly respond to solve customer's problems by presenting new solution package	☐	☐	☐	☐	☐	☐	☐
MC 9	We frequently upgrade capacity utilization process to reduce order lead time of product development	☐	☐	☐	☐	☐	☐	☐
MC10	We focus on improving plant efficiency to reduce production cost of new product development	☐	☐	☐	☐	☐	☐	☐
MC11	We adopt new technology to improve products quality and fulfill buyers standards	☐	☐	☐	☐	☐	☐	☐

Section C

To indicate your satisfaction level about export performance please select your opinion between 1 to 7, where "1= very dissatisfied and 7= very satisfied".

Constructs	Statements	Very dissatisfied			Neutral			Very satisfied
		1	**2**	**3**	**4**	**5**	**6**	**7**
EP1	Our growth level in the export markets (Growth profitability)	☐	☐	☐	☐	☐	☐	☐
EP2	Our market shares position in the export markets (market share profitability)	☐	☐	☐	☐	☐	☐	☐
EP3	Our return on investment level through overseas sales (return on investment performance)	☐	☐	☐	☐	☐	☐	☐
EP4	Our foreign customers satisfaction level about our products and services (customer satisfaction performance)	☐	☐	☐	☐	☐	☐	☐

Section D

*"Taking the perspective of your most profitable segment in the export markets, how would you compare your business to your major nearest competitors on the following attributes. Please __select__ your opinion between 1 to 7 to indicate the level of your agreement or disagreement on following statement: where 1= **Strongly disagree** and 7= **Strongly agree"**.*

Constructs	Statements	Level of agreements						
		Strongly disagree			Neutral			Strongly agree
		1	**2**	**3**	**4**	**5**	**6**	**7**
IA1	We conduct deep examination to capture important information about existing export markets operation	☐	☐	☐	☐	☐	☐	☐
IA2	We continuously review customer relationship management process to strengthen contacts with customers in current export markets	☐	☐	☐	☐	☐	☐	☐
IA3	We strictly monitor competitive products to bring improvement in our new solution packages	☐	☐	☐	☐	☐	☐	☐
IA4	We repeatedly enhance our knowledge about new export market opportunity	☐	☐	☐	☐	☐	☐	☐
IA5	We frequently assess feasibility of doing business in new export markets	☐	☐	☐	☐	☐	☐	☐
IA6	(-)We never research new competitors and customers of new export markets	☐	☐	☐	☐	☐	☐	☐

		Level of agreements						
		Strongly disagree			Neutral			Strongly agree
		1	2	3	4	5	6	7
ER1	In our kind of business customer requirements vary significantly across different customer segments	☐	☐	☐	☐	☐	☐	☐
ER 2	In our kind of business, customers' product preferences change slightly over time	☐	☐	☐	☐	☐	☐	☐
ER 3	We are facing aggressive competition in this industry	☐	☐	☐	☐	☐	☐	☐
ER 4	In our industry anything that one competitor offers, others can match readily	☐	☐	☐	☐	☐	☐	☐

Section E

Profile of Interviewee's:

1. Job title:Click here to enter text.
2. Date of interview: Click here to enter a date.
3. Age of respondent:Click here to enter text.
4. Overall year of job experience:Click here to enter text.
5: Number of years handling exporting:Click here to enter text.
6. Highest Education level of respondent:Click here to enter text.

Profile of the firm:
7. Number of manufacturing product categories: Click here to enter text.
9. Percentage (%) of sales from exporting (approximate):Click here to enter text.
10. Year of starting the business:Click here to enter text.
11. Please state the year of your firm first foreign market entry:Click here to enter text.
12. Numbers of exporting countries:Click here to enter text.
13) Number of employees in this firm**: 1 to 499**➔Choose an item.

Level of fixed asset (except building & land):

14)1 Lacs to 50 Lacs➔ Choose an item.

15)50 Lacs to 10 Core ➔ Choose an item.

14)10 Core to 30 Core ➔ Choose an item.

17) Above 30 Core➔ Choose an item.

Bengali version of questionnaire for survey

জরিপের প্রশ্নাবলীর সারসংক্ষেপঃ

এই জরিপটির ছয়টি ভাগ রয়েছে। প্রথম পার্ট "ক" তে আমরা কিছু প্রশ্ন করব আপনার ফার্মের মার্কেটিং অরিয়েনটেশন সম্পর্কিত। আপনি প্রশ্নর সাথে একমত অথবা দ্বিমত কিনা তা জানার জন্য, সেখানে আপনাকে অপশন দেওয়া হবে আপনার মতামত জানাবার।

পার্ট "খ" তে আমরা আপনাকে অনুরধ করব আপনার মার্কেটিং সক্ষমতা/ক্যাপাবিলিটি সম্পর্কিত মতামত প্রদানের জন্য। পার্ট "গ" তে আমরা আপনাকে অনুরধ করছি, আপনাকে আরও কিছু মতামত জানাবার জন্য যা কিনা আপনার রপ্তানী বাজারে প্রতিদ্বন্দ্বীদের সাথে প্রতিদ্বন্দ পরিচালনা সম্পর্কিত। পার্ট "ঘ" তে আমরা আপনাকে আপনার বিজনেসের রপ্তানী বাজার পরিচালনায় সন্তুষ্টির পরিমান প্রদানের জন্য অনুরধ করছি। পার্ট "ঙ" তে আমরা আপনাকে অপশন দিব, আপনার ফার্মের আন্তর্জাতিকায়ন সম্পর্কিত এবং আন্তর্জাতিক বিজনেস করার ক্ষেত্রে আপনারা কি ধরনের ঝুঁকি গ্রহন করে থেকন তা সম্পর্কিত। সর্বশেষ পার্ট "চ" তে আপনার এবং আপনার ফার্মের ডেমোগ্রাফিক তথ্য দেবার জন্য অনুরধ করা হবে।আপনার মতামত জানাবার জন্য প্রতি ক্ষেত্রে, আপনি আপনার একমত এবং দ্বিমত প্রদান করতে পারবেন ১ থেকে ৭ স্কেলে। যেখানে ১= সম্পুরনরুপে দ্বিমত এবং ৭= সম্পূর্ণরুপে একমত।কিছুটা ভিন্নতা আছে আপনার পারফরমেন্স স্কেলে, যেখানে ১= খুবই নিরাশামূলক এবং ৭= খুবই আশানুরুপ। তাছারা আপনি আপনার রপ্তানী বাজারের প্রতিদ্বন্দ্বীদের সাথে প্রতিদ্বন্দ করার একশন সম্পর্কিত মতামত জানাতে পারবেন প্রতিদ্বন্দ্বীদের থেকে খারাপ এবং প্রতিদ্বন্দ্বীদের থেকে ভাল স্কেলে, যেখানে "১= খুবই খারাপ প্রতিদ্বন্দ্বীদের থেকে এবং ৭=খুবই ভাল প্রতিদ্বন্দ্বীদের থেকে"।

সেকশন ক

পদবিন্যাস	মতামত সম্পর্কিত প্রশ্ন	মতামতের লেভেল						
		সম্পুবনরুপে দ্বিমত			নিরপেক্ষ		সম্পূর্ণরুপে একমত	
		১	২	৩	৪	৫	৬	৭
এমও১	আমরা প্রতিনিয়ত উদ্ভাবন করে থাকি সম্ভাব্য গ্রাহকদের বাড়তি প্রয়োজনীয়তা বের করার জন্য, যা কিনা গ্রাহকরা অনুধাবন করতে পারে না, এবং তা সরবারহকারীদের কাছে প্রকাশ করা থেকে বিরত থাকে।	☐	☐	☐	☐	☐	☐	☐
এমও২	আমরা তত্ত্বাবধান করে থাকি আমাদের পণ্য ব্যাবহারকারীদের বর্তমানে পণ্য ব্যাবহারের সমস্যা বের করার জন্য, যাতে করে ভবিষ্যতে সর্বাধিক ভাল সমাধান দেয়া যায়।	☐	☐	☐	☐	☐	☐	☐

এম০৩	আমরা গ্রাহকদের সহযোগিতা করে থাকি ভাল পরামর্শ প্রদানের মাধ্যেমে, তাদের বাজার সম্পর্কিত আসা/অনুমানকে উন্নত করার জন্য।	☐	☐	☐	☐	☐	☐	☐
এম০৪	আমরা খুব কাছ থেকে মূল গ্রাহকদের সাথে কাজ করে থাকি, তাদের চাহিদা অনুধাবন করার জন্ন, জাতে করে আমাদের প্রধান প্রতিদ্বন্দ্বীদের আগেই আমরা তা পুরন করতে পারি।	☐	☐	☐	☐	☐	☐	☐
এম০৫	আমরা প্রতিনিয়ত পর্যবেক্ষণ করি আমাদের বাজার সম্পর্কিত অঙ্গীকার ঠিক মত পালন হচ্ছে কিনা, যাতে করে গ্রাহকদের ভবিষ্যতে উন্নত সেবা প্রদান করা যায়।	☐	☐	☐	☐	☐	☐	☐
এম০৬	আমাদের বিক্রয়কর্মীরা খুব কমই গ্রাহকদের সাথে তাদের সম্পর্কের অভিজ্ঞতা ভাগ করে থাকে, আমাদের ফার্মের অন্যান্য ডিপার্টমেন্টের স্টাফদের সাথে।	☐	☐	☐	☐	☐	☐	☐
এম০৭	আমাদের রপ্তানীর পরিকল্পনা পরিচালিত হয় আমাদের বিশ্বাসের উপর ভিত্তি করে এবং তা হল কিভাবে আমরা মূল্যবান পণ্য/সেবা দিতে পারি বিদেশী গ্রাহকদের জন্য।	☐	☐	☐	☐	☐	☐	☐
এম০৮	আমরা খুবই ধীর গতিতে গ্রাহকদের পণ্যের চাহিদা পরিবর্তনকে অনুধাবন করে থাকি	☐	☐	☐	☐	☐	☐	☐

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পদবিন্যাস	মতামত সম্পর্কিত প্রশ্ন	মতামতের লেভেল						
		সম্পূর্ণরূপে দ্বিমত			নিরপেক্ষ		সম্পূর্ণরূপে একমত	
		১	২	৩	৪	৫	৬	৭
এমসি১	আমরা প্রতিনিয়ত সম্ভাব্য গ্রাহকদের চিহ্নিত করতে পারি নতুন এবং পুরাতন রপ্তানী বাজারে।	☐	☐	☐	☐	☐	☐	☐
এমসি২	আমরা চেষ্টা করি প্রতিনিয়ত আন্তর্জাতিক মেলাতে অংশগ্রহণ করার জন্য যাতে করে গ্রাহকদের সাথে সম্পর্ক উন্নয়ন করা যায়।	☐	☐	☐	☐	☐	☐	☐
এমসি৩	আমাদের গ্রাহকদের সাথে সম্পর্ক বারাবার জন্য খুব কমই তথ্যপ্রযুক্তিখাতে বিনিয়োগ করে থাকি।	☐	☐	☐	☐	☐	☐	☐
এমসি৪	আমরা গ্রাহকদের আকর্ষণ করার জন্য, আমাদের উদ্ভাবনি মার্কেটিংয়ের প্রয়োগ প্রতিদ্বন্দ্বীদের থেকে।	☐	☐	☐	☐	☐	☐	☐
এমসি৫	আমরা সিস্টেমেটিক্যালি আমাদের ব্র্যান্ডকে একটি বিশ্বাসযোগ্য ব্র্যান্ড হিসেবে সম্ভাব্য দেশী এবং বিদেশী গ্রাহকদের হৃদয়ে স্থান তৈরী করার জন্য কাজ করে থাকি।	☐	☐	☐	☐	☐	☐	☐
এমসি৬	আমাদের কর্পোরেট ব্র্যান্ড একটি ছাতার মত আমাদের সকল পণ্যের ব্র্যান্ডকে রিপ্রিসেন্ট করে থাকে রপ্তানী বাঁজারে।	☐	☐	☐	☐	☐	☐	☐
এমসি৭	আমরা খুব কমই বিনিয়োগ করে থাকি আমাদের সুনাম মেনেজ এবং তা প্রমসন করার ক্ষেত্রে।	☐	☐	☐	☐	☐	☐	☐
এমসি৮	আমরা খুব দ্রততার সাথে নতুন পণ্য বা সেবা প্রদানের মাধ্যমে গ্রাহকদের সমস্যার সমাধান করে থাকি।	☐	☐	☐	☐	☐	☐	☐

পদবিন্যাস	মতামত সম্পর্কিত প্রশ্ন							
এমসি৯	আমরা অর্ডারক্রিত পণ্য উৎপাদন এবং তা গ্রাহকদের কাছে পৌঁছে দেবার জন্য, আমরা আমাদের সক্ষমতা/ ক্যাপাবিলিটি উন্নত করে থাকি।	☐	☐	☐	☐	☐	☐	☐
এমসি১০	আমরা আমাদের মেনুফেকচারিং প্ল্যান্টের কর্মক্ষমতা বারাবার লক্ষ্যে কাজ করে থাকি উৎপাদন ব্যয় হ্রাস করার জন্য।	☐	☐	☐	☐	☐	☐	☐
এমসি১১	আমরা পর্যায়ক্রমে নতুন প্রযুক্তি নিয়ে আসি আমাদের উৎপাদনর থাতকে উন্নতর এবং বিদেশী গ্রাহকদের চাহিদা মোতাবেক উৎপাদন করার জন্য।	☐	☐	☐	☐	☐	☐	☐

সেকশন গ
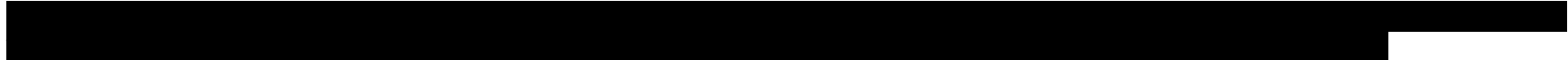
পদবিন্যাস	মতামত সম্পর্কিত প্রশ্ন	মতামতের লেভেল						
		খুবই নিরাশামূলক		নিরপেক্ষ		খুবই আসানুরূপ		
		১	২	৩	৪	৫	৬	৭
ইপি১	আমাদের রপ্তানী বাজারের উন্নয়ন→	☐	☐	☐	☐	☐	☐	☐
ইপি২	আমাদের রপ্তানী বাজের মার্কেট শেয়ার কাভারেজ নিয়ে আমরা→	☐	☐	☐	☐	☐	☐	☐
ইপি৩	আমরা আমাদের রপ্তানি বাজারের উপর বিনিয়োগক্রিত সম্পদের রিটার্ন নিয়ে→	☐	☐	☐	☐	☐	☐	☐
ইপি৪	আমাদের পণ্য বা সেবার প্রতি বিদেশী গ্রাহকদের সন্তোষের পরিমান বেড়েছে →	☐	☐	☐	☐	☐	☐	☐

পদবিন্যাস	মতামত সম্পর্কিত প্রশ্ন	মতামতের লেভেল						
		সম্পুবনরুপে দ্বিমত			নিরপক্ষ		সম্পূর্ণরুপে একমত	
		১	২	৩	৪	৫	৬	৭
আইএ১	আমরা আমাদের বর্তমান বাজারের গুরুত্বপূর্ণ তথ্য সম্পর্কিত জ্ঞানকে প্রতিনিয়ত বৃদ্ধি করার জন্য, খুব গভীরভাবে বর্তমান বাজারকে মনিটর করে থাকি যাতে করে বিদেশী গ্রাহকদের ভবিষ্যৎ চাহিদা সম্পর্কিত তথ্য বের করা যায়।	☐	☐	☐	☐	☐	☐	☐
আইএ২	আমরা সর্বদা রিভিউ করে থাকি আমাদের গ্রাহকদের সম্পর্ক মেনেজের প্রক্রিয়াকে, যাতে করে বর্তমান রপ্তানী বাজারের গ্রাহকদের সাথে যোগাযোগ বৃদ্ধি লাভ করে।	☐	☐	☐	☐	☐	☐	☐
আইএ৩	আমরা সতর্কতার সাথে আমাদের প্রতিদ্বন্দ্বীদের পন্য মনিটর করে থাকি, যাতে করে আমাদের নতুন পন্য/সেবার ক্ষেত্রে উন্নয়ন আনা যায়।	☐	☐	☐	☐	☐	☐	☐
আইএ৪	আমরা আমাদের জ্ঞানকে বৃদ্ধি করে থাকি নতুন রপ্তানী বাজার সম্পর্কিত তথ্য খুঁজে পাবার জন্য।	☐	☐	☐	☐	☐	☐	☐

আইএ৫	আমরা পরীক্ষা করে থাকি নতুন রপ্তানী বাজারে বিজনেসের সম্ভাব্যতা কতখানি তা বের করার জন্য।	☐	☐	☐	☐	☐	☐	☐
আইএ৬	আমরা পরীক্ষা করে থাকি নতুন রপ্তানী বাজারে বিজনেসের সম্ভাব্যতা কতখানি তা বের করার জন্য।	☐	☐	☐	☐	☐	☐	☐
আইএ৭	আমরা কখনই নতুন গ্রাহক এবং নতুন প্রতিদ্বন্দ্বীদের কার্যক্রম নিয়ে গবেষণা করি না।	☐	☐	☐	☐	☐	☐	☐

	মতামত সম্পর্কিত প্রশ্ন	মতামতের লেভেল						
		সম্পুবনরুপে দ্বিমত			নিরপক্ষ		সম্পূর্ণরুপে একমত	
		১	২	৩	8	৫	৬	৭
ইআর১	আমাদের এই বিজনেসের কাস্টমারদের পণ্যের চাহিদা পরিবর্তনশীল হয় খুবই প্রয়োজনীয়তার ভিত্তিতে যা কিনা এক গ্রাহক থেকে অন্য গ্রাহক থেকে আলাদা।	☐	☐	☐	☐	☐	☐	☐
ইআর২	আমাদের এই বিজনেসের কাস্টমারদের পণ্যের চাহিদা সময়ের সাথে সাথে একটু করে পরিবর্তন হয়ে থাকে।	☐	☐	☐	☐	☐	☐	☐
ইআর৩	আমাদের এই শিল্পের রপ্তানিমুখী বাজারে খুবই আক্রমণাত্মক প্রতিযোগিতা বিদ্যমান।	☐	☐	☐	☐	☐	☐	☐
ইআর৫	আমাদের শিল্পের রপ্তানিমুখী বাজারে একজন প্রতিদ্বন্দ্বীর পণ্য আরেকজন খুব দ্রুত দ্রুততার সাথে বাজারে নিয়ে আসতে পারে।	☐	☐	☐	☐	☐	☐	☐

সেকশন চ

Profile of Interviewee's:
1. Job title:
2. Date of interview:
3. Age of respondent:
4. Overall year of job experience:
5: Number of years handling exporting:
6. Highest Education level of respondent

Profile of the firm:
7. Number of manufacturing product categories:
9. Percentage (%) of sales from exporting (approximate):
10. Year of starting the business:
11. Please state the year of your firm first foreign market entry:
12. Numbers of exporting countries:

13) **Number of employees in this firm:** 1 to 499→

Level of fixed asset (except building & land):

14)1 Lacs to 50 Lacs→

15)50 Lacs to 10 Core→

14)10 Core to 30 Core→

17) Above 30 Core→

Appendix G: Inter-item correlation matrix

Table 5.0. First-order constructs' inter-items correlation matrix from EFA

Constructs	Manifest variables			
Proactive market orientation	PMO1	PMO2	PMO3	PMO4
PMO1	1.000	.454**	.503**	.598**
PMO2	.454**	1.000	.612**	.375**
PMO3	.503**	.612**	1.000	.511**
PMO4	.598**	.375**	.511**	1.000
Responsive market orientation	RMO1	RMO2	RMO4	RMO4
RMO1	1.000	.213**	.687**	.554**
RMO2	.213**	1.000	.236**	.272**
RMO3	.687**	.236**	1.000	.622**
RMO4	.554**	.272**	.622**	1.000

PMO= Proactive market orientation, RMO= Responsive market orientation,

*Significant correlation at the level **P<.01 and *P<.05*

Constructs	Manifest variables correlation matrix			
Brand management capability	BMC1	BM2	BMC3	
BMC1	1.000	.490**	.523**	
BM2	.490**	1.000	.514**	
BMC3	.523**	.514**	1.000	
Customer relationship management capability	CRMC1	CRMC2	CRMC3	CRMC4
CRMC1	1.000	.653**	.532**	.512**
CRMC2	.653**	1.000	.499**	.550**
CRMC3	.532**	.499**	1.000	.543**
CRMC4	.512**	.550**	.543**	1.000
New product development capability	NPDC1	NPDC2	NPDC3	NPDC4
NPDC1	1.000	.608**	.493**	.566**
NPDC2	.608**	1.000	.479**	.602**
NPDC3	.493**	.479**	1.000	.459**
NPDC4	.566**	.602**	.459**	1.000

Key: NPDC=New product development capability, BMC= Brand management capability, CRMC= customer relationship management capability, XPL= export market exploitation, XPR= Export market exploration, EP= Export performance, MKT== Market uncertainty, CMT= Competitive intensity.

*Significant correlation at the level **P<.01 and *P<.05*

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Constructs	Manifest variables			
Market uncertainty	MKT1	MKT2		
MKT1	1.000	.465**		
MKT2	.465**	1.000		
Competitive intensity	CMT1	CMT2		
CMT1	1.000	.564**		
CMT2	.564**	1.000		
Export market exploration	XPL1	XPL2	XPL3	
XPL1	1.000	.526**	.547**	
XPL2	.526**	1.000	.473**	
XPL3	.547**	.473**	1.000	

KEY: XPL= export market exploitation, MKT== Market uncertainty, CMT= Competitive intensity.

*Significant correlation at the level **P<.01 and *P<.05*

Constructs	Manifest variables			
	XPR1	XPR2	XPR3	
XPR1	1.000	.545**	.497**	
XPR2	.545**	1.000	.555**	
XPR3	.497**	.555**	1.000	
	EXPORT1	EXPORT2	EXPORT3	EXPORT4
EXPORT1	1.000	.705**	.477**	.589**
EXPORT2	.705**	1.000	.493**	.485**
EXPORT3	.477**	.493**	1.000	.491**
EXPORT4	.589**	.485**	.491**	1.000

KEY: XPR= Export market exploration, EP= Export performance,

Significant correlation at the level **P<.01 and *P<.05

Appendix H: Three Stages of Testing Mediation Effect

Table 5.11.1: Stage 2→Mediation effect of DMC between export market exploitation and export performance

	Model 1a			Model 1b	Model 1c		
	Export market exploitation →DMC→Export performance			Export market exploitation →Export performance	Export market exploitation →Export performance (with mediator DMC)		
	Export market exploitation (Robust-t value)	DMC (Robust-t value)	Export performance (Robust-t value)	Export performance (Robust- t value)	Export market exploitation (Robust-t value)	DMC (Robust-t value)	Export performance (Robust-t value)
Export market exploitation	-----------	.499*** (6.181)	--------	.490*** (7.418)	--------	.438*** (5.467)	.227*** (3.401)
Dynamic marketing capability	----------	------------	.853*** (5.467)	----------------------------------	.438*** (5.467)	-----------------	.585*** (6.012)
Model Fit	CFI=.901, AGFI= .821, RMSEA= .052, PCLOSE=.216, CMIN/DF= 1.864, SRMR=.0711			CFI=.938, AGFI= .896, RMSEA= .060, PCLOSE=.080, CMIN/DF= 2.135, SRMR=.0664	CFI=.904, AGFI= .822, RMSEA= .052, PCLOSE=.271, CMIN/DF= 1.846, SRMR=.0672		

***P<.001; **P<01; *P<.05, ns= non-significant

Table 5.11.2: Analysing the indirect effect of Export market exploitation→Dynamic marketing capability→Export performance

		Model 1d: Bootstrapping	Model 1e: Sobel test
		Export market exploitation→Dynamic marketing capability→Export performance	Export market exploitation→Dynamic marketing capability→Export performance
		Export performance	Export performance
Export market exploitation		.257***	.256***
Sobel test statistics		--	Critical ratio: 3.59 (p<.001).
Control variables:	Dummy employee size	0.043 ^{ns}; Robust t value: (.637)	
	Dummy medium firm	0.041 ^{ns}; Robust t value: (.782)	
	Dummy small Firm	0.017 ^{ns}; Robust t value: (.243)	
	Dummy micro	0.016 ^{ns}; Robust t value: (.294)	
	Dummy firm age2	0.018 ^{ns}; Robust t value: (.397)	
	Dummy firm age1	-0.37 ^{ns}; Robust t value: (-0.806)	
Effect		---	Indirect effect: Partial mediation
Model Fit		CFI=.904, AGFI= .822, RMSEA= .052, PCLOSE=.271, CMIN/DF= 1.846, SRMR=.0672	CFI=.904, AGFI= .822, RMSEA= .052, PCLOSE=.271, CMIN/DF= 1.846, SRMR=.0672

***P<.001; **P<01; *P<.05, ns= non-significant

Table 5.11.3: Stage 3→ Mediation effect of DMC between export market exploration and export performance

	Model 2a			Model 2b	Model 2c		
	Export market exploration →DMC→Export performance			Export market exploitation →Export performance	Export market exploitation →Export performance (with mediator DMC)		
	Export market exploration (Robust-t value)	DMC (Robust-t value)	Export performance (Robust-t value)	Export performance (Robust-t value)	Export market exploration (Robust-t value)	DMC (Robust-t value)	Export performance (Robust-t value)
Export market exploitation	---------------	.520*** (6.368)	----------------	.482*** (7.391)	---------------	.462*** (5.685)	.215** (3.159)
Dynamic marketing capability	---------------	---------------	.853*** (8.834)	----------------------------------	.462*** (5.685)	------------	.585*** (6.012)
Model Fit	CFI=.901, AGFI= .821, RMSEA= .052, PCLOSE=.216, CMIN/DF= 1.864, SRMR=.0711			CFI=.938, AGFI= .896, RMSEA= .060, PCLOSE=.080, CMIN/DF= 2.135, SRMR=.0664	CFI=.904, AGFI= .822, RMSEA= .052, PCLOSE=.271, CMIN/DF= 1.846, SRMR=.0672		

***P<.001; **P<01; *P<.05, ns= non-significant

Table 5.11.4: Analysing the indirect effect of Export market exploration →Dynamic marketing capability→Export performance

		Model 2d: Bootstrapping	Model 2e: Sobel test
		Export market exploration →Export performance (with mediator DMC)	Export market exploration →Export performance (with mediator DMC)
		Export performance	Export performance
Export market exploration		.271***	.270***
Sobel test statistics		---	Critical ratio: 3.58(p<.001).
Control variables:	Dummy employee size	0.043^{ns}; Robust t value: (.637)	
	Dummy medium firm	0.041^{ns} ;Robust t value: (.782)	
	Dummy small Firm	0.017^{ns}; Robust t value: (.243)	
	Dummy micro	0.016^{ns}; Robust t value: (.294)	
	Dummy firm age2	0.018^{ns}; Robust t value: (.397)	
	Dummy firm age1	-0.37^{ns}; Robust t value: (-0.806)	
Model Fit		CFI=.904, AGFI= .822, RMSEA= .052, PCLOSE=.271, CMIN/DF= 1.846, SRMR=.0672	CFI=.904, AGFI= .822, RMSEA= .052, PCLOSE=.271, CMIN/DF= 1.846, SRMR=.0672
Effect			Indirect effect: Partial mediation

***P<.001; **P<01; *P<.05, ns= non-significant

Appendix I: MPlus syntax for mediated moderation test

Syntax of the moderation models that are applied in MPlus 7.3 statistical software package

Model 1. Syntax used in MPlus for analysing the mediated moderation effect

Data:

File is MPStandard.csv;

Variable:

Names =   EP1 EP2 EP3 EP4

RO1 RO3 RO4

PO1 PO2 PO3 PO4

BM1 BM2 BM3

NP1 NP2 NP3 NP4

RMC1 RMC2 RMC3 RMC4

XPR1 XPR2 XPR3

XPL1 XPL2 XPL3

MKT1 MKT2 COM1 COM2

Dage1 Dage2

DMic DSma DMed DEms;

Usevariables = EP1 EP2 EP3 EP4

RO1 RO3 RO4

PO1 PO2 PO3 PO4

BM1 BM2 BM3

NP1 NP2 NP3 NP4

RMC1 RMC2 RMC3 RMC4

XPR1 XPR2 XPR3

XPL1 XPL2 XPL3

MKT1 MKT2 COM1 COM2

Dage1 Dage2

DMic DSma DMed DEms;

Analysis:

  Type = random;

  Estimator = MLR;

  ALGORITHM = INTEGRATION;

  !Integration = monte;

Model:

  EP   by EP1   EP2   EP3   EP4;

  XPR   by XPR1   XPR2 XPR3;

  XPL   by XPL1 XPL2   XPL3;

  RMO   by RO1 RO3   RO4;

  PMO   by PO1 PO2   PO3   PO4;

MKT by MKT1 MKT2;

CMI by COM1 COM2;

BMC by BM1BM2 BM3;

NPDC by NP4NP2 NP3 NP1;

CRMC by RMC1 RMC2 RMC3 RMC4;

!IAM by Xploit Xplore;

AMO by RMO PMO;

DMC by CRMC NPDC BMC AMO;

DMC@1;

 MOD1| MKT XWITH XPL;

 !MOD2| CMI XWITH XPl;

 !MOD1| MKT XWITH XPR;

 !MOD2| CMI XWITH XPR;

 DMC on XPL (a);

 DMC on MKT;

 DMC on MOD1(b);

 EP on DMC (c);

 EP on XPL;

 EP on MKT;

 EP on MOD1;

EP   on Dage1   Dage2   DMic   DSma DMed DEms;

Model constraint:

New (IND1);

IND1 = (a+b)*c;

!Output: stdyx MODINDICES(3.84);

Model 2. Syntax used in MPlus for the mediated moderation effect.

Data:

 File is MPStandard.csv;

Variable:

 Names =   EP1 EP2 EP3 EP4

       RO1 RO3 RO4

       PO1 PO2 PO3 PO4

       BM1 BM2 BM3

       NP1 NP2 NP3 NP4

RMC1 RMC2 RMC3 RMC4

XPR1 XPR2 XPR3

XPL1 XPL2 XPL3

MKT1 MKT2 COM1 COM2

Dage1 Dage2

DMic DSma DMed DEms;

Usevariables = EP1 EP2 EP3 EP4

RO1 RO3 RO4

PO1 PO2 PO3 PO4

BM1 BM2 BM3

NP1 NP2 NP3 NP4

RMC1 RMC2 RMC3 RMC4

XPR1 XPR2 XPR3

!XPL1 XPL2 XPL3

MKT1 MKT2

!COM1 COM2

Dage1 Dage2

DMic DSma DMed DEms;

Analysis:

    Type = random;

    Estimator = MLR;

    ALGORITHM = INTEGRATION;

    !Integration = monte;

Model:

    EP   by EP1   EP2   EP3   EP4;

    XPR   by XPR1 XPR2   XPR3;

    !XPL   by XPL1 XPL2   XPL3;

    RMO   by RO1   RO3   RO4;

    PMO   by PO1   PO2   PO3   PO4;

    MKT   by MKT1   MKT2;

    !CMI   by COM1   COM2;

    BMC   by BM1 BM2   BM3;

    NPDC   by NP4   NP2   NP3 NP1;

    CRMC   by RMC1   RMC2   RMC3   RMC4;

    !IAM   by Xploit Xplore;

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AMO   by RMO PMO;

DMC   by CRMC NPDC BMC AMO;

DMC@1;

 !MOD1| MKT XWITH XPT;

 !MOD2| CMI XWITH XPl;

  MOD1| MKT XWITH XPR;

 !MOD2| CMI XWITH XPR;

DMC   on XPR (a);

DMC   on MKT;

DMC   on MOD1(b);

EP   on DMC (c);

EP   on XPR;

EP   on MKT;

EP   on MOD1;

EP   on Dage1 Dage2   DMic   DSma DMed DEms;

 Model constraint:

 New (IND1);

 IND1 = (a+b)*c;

!Output: stdyx MODINDICES(3.84);

Model 3: Syntax used in MPlus for the mediated moderation effect.

Title: Tayeen MODE-

Data:

File is MPStandard.csv;

Variable:

Names =   EP1 EP2 EP3 EP4

RO1 RO3 RO4

PO1 PO2 PO3 PO4

BM1 BM2 BM3

NP1 NP2 NP3 NP4

RMC1 RMC2 RMC3 RMC4

XPR1 XPR2 XPR3

XPL1 XPL2 XPL3

MKT1 MKT2 COM1 COM2

Dage1 Dage2

DMic DSma DMed DEms;

Usevariables = EP1 EP2 EP3 EP4

RO1 RO3 RO4

PO1 PO2 PO3 PO4

BM1 BM2 BM3

NP1 NP2 NP3 NP4

RMC1 RMC2 RMC3 RMC4

!XPR1 XPR2 XPR3

XPL1 XPL2 XPL3

!MKT1 MKT2

COM1 COM2

Dage1 Dage2

DMic DSma DMed DEms;

Analysis:

Type = random;

Estimator = MLR;

ALGORITHM = INTEGRATION;

!Integration = monte;

Model:

EP   by EP1   EP2   EP3   EP4;

!XPR   by XPR1 XPR2   XPR3;

XPL   by XPL1 XPL2   XPL3;

RMO   by RO1   RO3   RO4;

PMO   by PO1   PO2   PO3   PO4;

!MKT   by MKT1   MKT2;

CMI by COM1 COM2;

BMC by BM1 BM2 BM3;

NPDC by NP4 NP2 NP3 NP1;

CRMC by RMC1   RMC2 RMC3 RMC4;

AMO by RMO PMO;

DMC by CRMC NPDC BMC AMO;

DMC@1;

 !MOD1| MKT XWITH XPT;

 MOD2| CMI XWITH XPl;

 !MOD1| MKT XWITH XPR;

 !MOD2| CMI XWITH XPR;

DMC on XPL (a);

DMC on CMI;

DMC on MOD2(b);

EP on DMC (c);

EP on XPL;

EP on CMI;

EP on MOD2;

EP on Dage1 Dage2 DMic DSma DMed DEms;

Model constraint:

New (IND1);

IND1 = (a+b)*c;

!Output: stdyx MODINDICES(3.84);

Model 4. Syntax used in MPlus for the mediated moderation effect.

Title: Tayeen MODE-

Data:

File is MPStandard.csv;

Variable:

Names =   EP1 EP2 EP3 EP4

RO1 RO3 RO4

PO1 PO2 PO3 PO4

BM1 BM2 BM3

NP1 NP2 NP3 NP4

RMC1 RMC2 RMC3 RMC4

XPR1 XPR2 XPR3

XPL1 XPL2 XPL3

MKT1 MKT2 COM1 COM2

Dage1 Dage2

DMic DSma DMed DEms;

Usevariables = EP1 EP2 EP3 EP4

RO1 RO3 RO4

PO1 PO2 PO3 PO4

BM1 BM2 BM3

NP1 NP2 NP3 NP4

RMC1 RMC2 RMC3 RMC4

XPR1 XPR2 XPR3

!XPL1 XPL2 XPL3

!MKT1 MKT2

COM1 COM2

Dage1 Dage2

DMic DSma DMed DEms;

Analysis:

Type = random;

Estimator = MLR;

ALGORITHM = INTEGRATION;

!Integration = monte;

Model:

EP   by EP1   EP2   EP3   EP4;

XPR   by XPR1   XPR2   XPR3;

!XPL   by XPL1   XPL2   XPL3;

RMO   by RO1 RO3   RO4;

PMO   by PO1 PO2   PO3   PO4;

!MKT   by MKT1   MKT2;

CMI   by COM1   COM2;

BMC   by BM1 BM2   BM3;

NPDC   by NP4 NP2   NP3 NP1;

CRMC   by RMC1   RMC2   RMC3   RMC4;

!IAM   by Xploit Xplore;

AMO   by RMO PMO;

DMC   by CRMC NPDC BMC AMO;

DMC@1;

!MOD1| MKT XWITH XPT;

!MOD2| CMI XWITH XPl;

!MOD1| MKT XWITH XPR;

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MOD2| CMI XWITH XPR;

DMC   on XPR (a);

DMC   on CMI;

DMC   on MOD2(b);

EP   on DMC (c);

EP   on XPR;

EP   on CMI;

EP   on MOD2;

EP   on Dage1   Dage2   DMic   DSma DMed DEms;

  Model constraint:

  New (IND1);

  IND1 = (a+b)*c;

!Output: stdyx MODINDICES(3.84);