Export-Related Dynamic Capabilities and Export Success: Absorptive Capacity Moderated Mediating Effect of Ambidexterity

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Abstract:

The success of exporting SMEs depends on their distinctive export-related dynamic capabilities that enable them to survive and grow in international environment. Since these capabilities are knowledge-based, they provide a great advantage for resource-constrained SMEs even with very small investments. This study investigates these specific export-related dynamic capabilities and their effect on export performance in SMEs of an emerging economy. A survey was conducted to 427 exporting SMEs in all over Turkey to test the hypothesis concerning the relations between international orientation, export market orientation, ambidexterity, absorptive capacity and export performance. The results showed that ambidexterity is a mediator between orientations (international orientation, export market orientation) and export performance. Besides, absorptive capacity has a moderating effect on the relationship between ambidexterity and export performance.

Keywords: Ambidexterity, Absorptive Capacity, International Orientation, Export Market Orientation, Export Performance.

Introduction

It has become increasingly prominent interest in the notion that the research efforts for exporting SMEs in emerging economies are noteworthy (Peng and Lin, 2021). These studies profound that the main challenges of exporting SMEs are surviving in export markets and growing internationally (Barbosa et al., 2019). Compared to their more resource-rich larger counterparts, SMEs are generally at a disadvantage due to their lack of resources. RBV tends to classify organizational elements as being either tangible or intangible resources (Shirodkar and Mohr, 2015; Franco and Haase, 2013; Wolff and Reed, 2000; Hall, 1992). While tangible resources need to be increased by large amount of financial investments, intangibles can be increased by even limited financial contributions (L. Radulovich et al., 2018). This is the reason why SMEs with scarce resources should take into consideration the intangible resources to achieve export success.

Intangible resources are stocks of intangible assets and strategic knowledge that the organization can employ as needed in pursuit of its goals (Teece et al., 1997, Das and Teng, 2000). According to RBV, exporting SMEs should focus on investing more in firm-level intangible resources that provide particularly competitive advantage and firm growth in response to the challenges of exporting SMEs (Breuillot et al., 2022). The key intangible resources for resource-constrained exporting SMEs are dynamic capabilities (EDC) through which export market

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knowledge is processed to realize firm activities (Li, 2004; Teece, 2007; Jancenelle, 2020; Keen and Wu, 2011; Das and Teng, 2000; Miocevic, 2021; Hoque et al., 2022).

**Export-Related Dynamic Capabilities**

Survival in the complexity of today's international business environment demands multiple dynamic capabilities for exporting SMEs in emerging economies (Wu et al., 2007; Cavusgil and Knight, 2015) because they are addressed to overcome fundamental challenges of exporting SMEs (e.g. Teece et al., 1997; Li, 2004; Mu, 2015; Peng and Lin, 2021; Hoque et al., 2022). Export-Related Dynamic Capabilities are knowledge-based intangible resources that provide sustainable competitive advantage by tacit organizational elements and adaptation skills to survive in a rapidly changing international environment (Wilden et al., 2013; Samsudin and Ismail, 2019). ‘Dynamic’ refers to adaptation to an ever-changing market environment, and the firm itself has the ability to constantly update (Peng and Lin, 2021). Export-related dynamic capabilities are pointed out to emphasize the capabilities of learning, adapting, integrating and reconfiguring resources compatible with the export environment (Gnizy et al., 2014).

Export market knowledge which is processed through export-related dynamic capabilities has long been certified as an important and critical role in creating competitive advantage and a main component of SMEs’ internationalization (e.g. Ramaswami et al., 2009; Slater and Narver, 1995, Morgan et al., 2003). Knowledge of foreign markets provides understanding the idiosyncrasies and specificities of export customers, minimizes mistakes, reduces operating expenses, adds to the value of the export market offering and improves export performance directly and indirectly (Levinthal and March, 1993; Morgan et al., 2009). Knowledge is generated within the firm as a result of learning capability and hereby it becomes an input of other dynamic capabilities (Mu 2015; Martin and Javalgi, 2019; Hoque et al., 2022). The accumulation of new knowledge helps to update the original knowledge set, changes the structure of knowledge stock and provides to constantly enhance new capabilities to facilitate organizational growth (Peng and Lin, 2021). In this case, we are faced with a question that needs to be answered: Which dynamic capabilities help to eliminate the disadvantages of exporting SMEs, provide sustainable survival in the market and enable to grow internationally at the same time? At this point, it is necessary to clarify 4 key dynamic capabilities that may help to answer the question.

First; SMEs inevitably rely on learning as a knowledge-based capability to adapt to the export market environment (Makri et al., 2017, Miocevic and Morgan, 2018). Learning in an organization is “a system of actions, actors, symbols and processes that enables an organization to transform information into valued knowledge for the use of organizational activities, which in turn increase its long-run adaptive capacity” (Chun Wei et al., 2015). Export firms conduct their learning efforts both in their current and potential new markets (Ho et al., 2020). Applying March’s exploration and exploitation learning view to the domain of exporting (e.g. Vorhies et al., 2011, Lisboa et al., 2013), exploration capability refers to a firm’s market learning focus on new export markets, where exploitation capability refers to a firm’s market learning focus on its existing export markets (e.g. Kim and Atuahene-Gima, 2010, Kyriakopoulos and Moorman, 2004). Focusing on either exploration or exploitation will result in a ‘lock-in’ situation; accordingly firms need to be ambidextrous (Vila et al., 2015). Ambidexterity (AMBI) is conceptualized as an organizational adaptive capability to simultaneously engage both exploration and exploitation learning capabilities within the firm to confront the challenges of dynamic market structures in international markets (March, 1991).

Second; Regarding the information-to-knowledge transformation, developing a market-oriented structure to scan constantly the export environment for information is vital (MacFarlane, 1998). Export Market Orientation (EMO) is a marketing capability that refers to the continuous monitoring of firm’s export markets
and a firm culture that focus on prioritizing the export customers (Cadogan et al., 2001; Narver and Slater, 1990; Kohli and Jaworski, 1990). It provides not only capturing and presenting necessary information to the firm, but also following the transformational journey that begins with its distribution to the necessary units within the firm (Narver and Slater, 1990).

Third; Firms carry out their business activities with a stock of knowledge and enrich this stock of knowledge by processing the new information obtained from external sources. Recognizing, assimilating and utilizing the value of new information from external environment, transmitting it to the necessary organizational units and converting it into business activities are performed by the perspective of existing internal firm knowledge (Escribano et al., 2009, Ibarra-Cisneros et al., 2020). Absorptive Capacity (AC) stands out in this task as an enabler of a firm to realize which information is worth processing among millions in the export market (Daspit et al., 2016). Absorptive Capacity is a dynamic capability (Chaudhary and Batra, 2018) that refers to a firm’s ability to “recognize the value of new, external information, assimilate it, and apply it to commercial ends” (Cohen and Levinthal, 1990).

Fourth; Exporting is an important strategic option for SMEs to internationalize and the most preferred entry method for SMEs in emerging economy due to its cost effectiveness and high flexibility as compared to other foreign market entry modes (Love and Roper, 2015; Mansin and Bausch, 2020). In terms of SMEs international growth, they have to carry out internationalization practices particular for SMEs. Uppsala Model of Johanson, Vahlne (1977) offers an approach to the internationalization of SMEs as gradual process of learning and sustainably increasing knowledge stock by processing acquired export market knowledge. According to the internationalization process model, firms learn new foreign market knowledge incrementally through the commitment of resource to do business in international markets (Johanson & Vahlne, 1977). All export firms are naturally international oriented because they aim to be more involved in international activities, search for new methods of market entries and strive to be permanent in the entered markets (Jantunen et al., 2008). International Orientation (IO) is an entrepreneurial capability that represents motivation of the firm to execute and process firm activities towards an ever-growing international involvement (Singh and Mahmood, 2013).

Each firm’s specific resource portfolio largely determines the type of capabilities that can be leveraged and subsequent value creation (Jancenelle, 2021). According to this study, the aim of exporting SMEs that pursue to be successful in exporting should be based on improving the capabilities of International Orientation (IO), Export Market Orientation (EMO), Export Market Learning Ambidexterity (AMBI) and Absorptive Capacity (AC). They run their tasks depending on each other’s work and naturally create a framework. Studies concerning these capabilities are within the scope of various research areas in the literature (e.g. Barney, 1991, Buccieri et al., 2021, Jancenelle, 2021). However, there are not enough studies in terms of export-related firm capabilities that process export market knowledge and their contribution on export success of SMEs (Ho et al., 2020). In another words, additional research is needed to shed light on the issue, thus, this study investigates the widespread specific export-related dynamic capabilities and their effect on export performance in SMEs of an emerging economy.

Theoretical Background

Firms with limited tangible resources that are inclined to pursue foreign markets may need a strong international posture in order to take the initiative to chase new opportunities in complex markets and to meet the market expectations (Mort and Weerawardena, 2006). More complex, ambiguous and unclear tasks require collaboration between various capabilities within the firm to process new knowledge to arrive at a commercial end (Oldham and Hackman, 2010). The relationship between dynamic capabilities that enable SMEs to achieve export success and
their contribution to export performance will be examined in the following hypotheses.

**International Orientation, Export Market Orientation and EP**

International orientation has been addressed in many studies as it creates a concentration of international connectivity that provides awareness to seize opportunities in export markets (Gerschewski et al., 2015). It leads to a greater capacity to compile and interpret key information concerning export expansion which is one of the important criteria of export success (Sorensen and Madsen, 2012). Furthermore, IO concerns the attitude of the managers about how they see the world as their market place within which to create the motivation to deal with international clients and partners (Barbosa et al., 2019). Managers in international oriented firms are prone to make decisions and use resources towards international business activities (Jin et al., 2018).

Some researchers empirically revealed that there is a positive relationship between IO and EP (e.g. Knight and Cavusgil, 2004; Zahra et al., 2005, Jantunen et al., 2008; Knight and Kim, 2009; Sorensen and Madsen, 2012; Racela and Thoumrungroje, 2014). According to them, the management mentality towards international growth and opportunity seeking for internationalization is a strong factor to increase export performance. Villar et al. (2020), Cadogan et al. (2002), Liu et al. (2002) also concluded that a clear international orientation is expected to favor firm performance, as it should sustain the deployment of resources and organizational structures to ensure proper implementation. Racela and Thoumrungroje (2014), Behyan et al. (2015), Martin et al. (2018), Barbosa et al. (2019) posit that IO is a strong driver of export performance. Accordingly, it is hypothesized in this study that:

**H1a. There is a positive, linear relationship between IO and EP**

Due to the dynamism of international business environments, export firms tend to adapt their processes to the varying preferences of market requirements and the regulatory framework of each country (Barbosa et al., 2019). This tendency enables a firm culture to focus on export market environments (Narver and Slater, 1990; Kohli and Jaworski, 1990). Export market oriented firms have tendency to continuously examine the export markets and willing to acquire the necessary market information for their use (Kohli and Jaworski, 1990; Kohli et al., 1993). EMO is a set of organizational activities comprising the generation, dissemination, and responsiveness to intelligence relevant to current and future customer needs (Kohli & Jaworski, 1990; Cadogan and Diamantopoulos, 1995). Export intelligence generation is collecting the information from export market and creating export market intelligence; Export intelligence dissemination is sharing export market intelligence within the firm; Lastly Export market intelligence responsiveness is responding to the market with regard to the intelligence generated and disseminated (Racela et al., 2007).

Being market oriented is recognized as an essential marketing capability that has the potential to enable a firm being conscious of current and future needs and wants of customers, the plans and capabilities of competitors as well as the changing nature of the business environment (He and Wei, 2011). Fulfilling the market requirements in line with the expectations of the relevant export market is the top priority for export success (Kwon and Hu, 2000). Market-oriented firms become client-centered and offer goods and services that are valued by customers to exceed the expected value of alternative offerings (Singh and Mahmood, 2013). EMO as an aspect of organizational culture which is characterized by values and beliefs aimed at offering superior value to clients (Narver and Slater, 1990). Due to its importance, it should be noted that the most important factor leading to increase the export performance is following the footprint of the customers to whom products and services are offered and also implementing a supply policy oriented to their expectations (Kumar et al., 2008; Narver and Slater, 1990; Berkhout et al, 2010). Besides, EMO enables better understanding of export competitors’ offerings and strategies, so the firm will be better placed.
to respond to competitive actions than its counterparts to reach better results in export activities (Akyol and Akehurst, 2003).

Market Orientation is the most discussed dynamic capability that effect firm performance in the marketing literature (Mamun et al., 2019). Most SME executives highlighted that being oriented to export markets is the key for export success (Knight and Kim, 2007). While studies have found a positive link between EMO and firms’ EP (Kwon and Hu, 2000; Kropp et al., 2006) mixed results have been reported regarding the relationship between them and there are some studies that found no relationship (Chung, 2012; Akyol and Akehurst, 2003). Cadogan et al. (2009), Singh and Mahmood (2013), Mamun et al. (2019) found that firms with a foreign market orientation tend to achieve superior export performance. In accordance with the findings reported by the researchers in the field, the hypothesis is:

\[ H_{1b}. \text{There is a positive, linear relationship between EMO and EP} \]

Ambidexterity as a Mediator

According to organizational learning theory, exploration and exploitation are two adaptive learning capabilities that serve to transform information into firm specific knowledge, coordinated and cooperative business responses that enable adaptation of the firm to the relevant markets (March, 1991; Gupta, 2006). Exploitation is the learning capability focused on existing export markets and produces experience that leads the adaptation in current export markets; similarly, exploration is also a learning capability focused on new export markets and produces market insight that can be used to refine adaptation for new export markets (March, 1991; Gonzales and Melo, 2018). Firms are committed to using adequate exploitation capabilities to ensure current viability and adequate exploration capabilities to ensure future viability (Piao and Zajac, 2016). March (1991) and Tushman and O’Reilly III (1996) were the first to propose the idea of pursuing organizational ambidexterity which allows a firm to simultaneously develop exploration and exploitation in order to achieve superior performance. It enables behavioral or structural modifications within the firm to engage in paradoxical thinking, more capable of understanding new concepts and meanings as well as developing and reinforcing existing quality (Gibson and Birkinshaw, 2004; Peng and Lin, 2021). Ambidexterity in this study represents the capability that conduct learning efforts and adaptability focus on both existing and new export markets simultaneously.

The positive effect of ambidexterity on export performance is based on the contribution of exploration and exploitation to performance (Tamayo-Torres et al., 2014). These capabilities produce mutual support and help each other to leverage the use of resources (Peng and Lin, 2019). Organizational learning theorists argue that without having a clear understanding of the current system in place, it is hard for a firm to explore and search for something new (Gibson and Birkinshaw, 2004). Export firms carry out more effective export activities in existing and new markets by being able to operate simultaneously these two mutually nourishing capabilities within the firm (Allison et al., 2014; Stettner and Lavie, 2014). Managers can detect and understand new export market opportunities via repeated learning about existing export markets while exploration provides an innovative perspective on implementation of exploitation capability (Kyriakopoulos and Moorman, 2004).

Some research has lent support to the positive association between organizational ambidexterity and firm performance (e.g. He and Wong, 2004; Lubatkin et al., 2006, Allison et al., 2014). Others have found a negative influence of such joint effects on performance outcomes (e.g. Atuahene-Gima, 2005; Atuahene-Gima and Murray, 2007; Nerkar, 2003). This study attempts to provide new empirical evidence regarding the effect of export market learning ambidexterity on export performance, thus;

\[ H_{2}: \text{There is a positive relationship between AMBI and EP} \]

As the literature suggests a positive relationship between ambidexterity and firm performance, yet we know little about how ambidexterity
configures with other organizational factors to influence firm performance (Hughes et al., 2018). Wang (2008) argues that a firm’s general proclivity toward learning is a missing link connecting firm’s orientations to firm performance. Noble et al. (2002) also have argued that learning capability mediates the causal path between firm orientations and firm performance.

The stage model of internationalization of SMEs posits the connection between international expansion and learning ability (Johanson and Vahlne 1977; 2003; Noni and Apa, 2015). Studies find that an international orientation provides the ability of a firm to enter international markets (Michel and Hambrick, 1992; Barbosa et al., 2019). The tendency to grow internationally allows a firm to learn more about foreign markets (Barbosa et al., 2019). International growth efforts of export SMEs require adaptation and information processing in existing export markets as well as in new export markets (Nasiri at al., 2020). Although the key action for IO is to enter new export markets, increasing the market share in existing export markets is also within the scope of international expansion goals (Diamontoupulos and Cadogan, 1996; Laghzaoui, 2011). In this respect, an international oriented firm is in a learning effort concerning the targeted market whether for the purpose of entering new markets or for further growth in existing markets. It achieves a greater effect on export performance when international orientation is complemented by export market learning ambidexterity (Barbosa et al., 2019).

On the other hand, having an international orientation implies active observation of international opportunities in both new and existing export markets. It provides a firm culture that encourages managers about willing to assume risks for export market related projects (Kuivalainen et al., 2012; Martin et al., 2018). The firm with more IO has tendency to invest more resources to develop an organizational culture that motivates employees’ behavior in the direction of international activities and these activities require series of adaptive learning processes focused on existing and new export markets (Knight and Cavusgil, 2004; Sørensen and Madsen 2012, Birru et al., 2019). Reducing the potential negative consequences of risks while entering new export markets and gaining strength by providing competitive advantage in existing export markets depend on extracting and processing the market knowledge from export environment. Moreover, market knowledge is necessary to evaluate export opportunities before competitors. Ambidexterity as an information processing and adapting capability is the most efficient firm level capability that can reduce risks for export decisions in both markets (Sorensen and Madsen, 2012; Knight and Cavusgil, 2004; Mort and Weerawardena, 2006).

Knight and Cavusgil (2004) proved that international orientation supports the development of capabilities. Zahra et al. (2000), Keen and Wu (2011) support the idea that learning is the key for firm growth. Cadogan et al. (2002), Liu et al. (2002) demonstrated that IO enhance organizational learning capability by supporting the discovery of new and existing market opportunities. Villar et al. (2020) suggest that International orientation helps firms adapt to new environments by gathering data and using knowledge about both new and existing international markets. Noni and Apa (2015), Huang et al. (2021) posit that firms with stronger international orientation are more able to enter multiple international markets and be exposed to new and different viewpoints which provides a good opportunity to learn. Regarding these studies, the hypothesis is:

**H3a:** There is a positive relationship between IO and AMBI

As well as consumers, competitors and market requirements in one export market differ from those in other export markets, export environments are constantly changing. That’s the reason why firms have to carry out their export activities oriented to the markets to stay up to date (Birru et al., 2019). Export markets are rich sources of information for exporters and EMO has superior market sensing, customer linking, and channel bonding capabilities (Kyriakopoulos and Moorman, 2004). EMO undertakes important tasks in generating firm’s
unique information from export markets and conveying the obtained information to the relevant firm units (Acikdilli et al., 2022). Subsequently a transformative process which is organizational learning is needed to turn the information into knowledge for export decisions and activities (Cadogan, 2002). Ambidexterity entails concurrent occurrence of learning in existing and new export markets to track and meet the market requirements and master market opportunities (Slater and Narver 1995, Peng and Lin, 2021). When organizations place a great deal of importance on market knowledge, they are more likely to learn from both existing and new export markets simultaneously to benefit the cross feeding feature of exploration and exploitation (Ho et al., 2020). Because learning in existing markets will be an experience for activities in new markets, while learning in new markets will enable them to act with an innovative perspective in existing markets (Patky, 2020).

EMO allows the exporting firm to thoroughly understand the idiosyncrasies and specificities of its current and potential new export customers, which minimizes mistakes, reduces operating expenses, adds to the value of the export market offering (Lisboa et al., 2013). Yilmaz et al. (2005) attested that a strong customer focused firm culture supports organizational learning and the whole system of the firm is more effective in improving performance. Kyriakopoulos and Moorman (2004) stated that market orientation facilitates complementarities of exploitation and exploration by providing a unifying frame of reference focused on customer goals, facilitating market information flows between the two learning processes, and integrating the two activities by serving as a dynamic linking capability. Alpkan et al. (2012) demonstrated that market orientation is an antecedent of organizational ambidexterity. Moreover, Abebe and Angriawan (2014), Peng et al (2019), Ramachandran et al. (2019) found a positive relationship between EMO and AMBI. In line with these researches, the hypothesis is;

**H3b. There is a positive relationship between EMO and AMBI**

Absorptive Capacity as a Moderator

Firms achieve a commercial outcome if they have the capability to use knowledge (Toften and Olsen, 2003). When export knowledge is absorbed and assimilated within the firm, it allows the firm to better harness its resources and generate products and services focused on the requirements of the export markets (Hoque et al., 2022). AC is an indicator that represents the degree to which firms benefit from information obtained from the external environment (Broersma et al., 2016). According to Zahra and George (2002), AC is composed of four abilities; “Acquisition” as the firm’s capability to identify and acquire external knowledge; “Assimilation” as the firm’s routines and process to analyze, interpret, and understand acquired information and knowledge; “Transformation” as the firm’s capability to create and adjust routines to combine the new and the existing knowledge, and; “Exploit knowledge” as the application of knowledge. AC is not entirely outward focused; it also encompasses routines for inward-looking learning that facilitate articulation, codification, and dissemination of internal knowledge and experiences (Ho et al., 2020). Better knowledge absorption enables to detect, acquire and internalize new external information, resources and capabilities (Nielsen, 2005).

Some studies argue that firms with high levels of AC are alert to emerging market opportunities, and also proactive in taking advantage of these opportunities by integrating existing and newly acquired knowledge to gain competitive advantage (Cohen and Levinthal, 1990; Jansen et al, 2005). The knowledge integration function of AC facilitates the recognition and combination of seemingly incongruous sets of information, such as the information that arises from exploitation and exploration, to arrive at a new schema (Jansen et al, 2009; O’Reilly and Tushman, 2008; Zahra and George, 2002). According to Ho et al 2020, high levels of AC strengthen knowledge use in marketing exploitation/exploration and establish novel knowledge linkages between these two spheres of activities, resulting in a synergistic combination of resources for simultaneous
pursuits. Such integration is vital to ambidextrous marketing organizations as knowledge from existing export markets may be revisited, reinterpreted, and used while learning in new export markets and vice versa (Jansen et al., 2009).

It is widely accepted in the literature that AC produces positive and significant results in firm performance (Ibarra-Cisneros et al., 2021; Fernhaber and Patel, 2012; Jansen et al., 2005; Lane et al., 2006; Todorova and Durisin, 2007; Tsai, 2001; Zahra and George, 2002). Researchers, investigating other interactions of AC apart from its direct relationship with performance, found that AC had a moderator effect between firm capabilities and EP (e.g. Herath and Mahmood, 2014; Wang and Han, 2011; Yeoh, 2009; Ibarra-Cisneros et al., 2021). According to Herath and Mahmood (2014), Ibarra-Cisneros et al. (2021) the existence of AC as a moderator in the relationship between AMBI and firm performance allows allocation of organizational resources to make this relationship stronger. Lane et al. (2006) assert that AMBI is an external focused adaptive learning capability and it needs to be complemented with the internal knowledge to achieve business activities and financial ends. Pinkse et al. (2010) confirms that absorptive capacity is often seen as a complementary capability to other capabilities of a firm. Peng and Lin (2021) posit that AC utilize external knowledge through organizational learning. Jansen et al. (2005), Garcia-Morales et al. (2007), Zahra and Hayton (2008) found that AC enhance and accelerate organizational learning. Without this capacity, it is impossible to learn and transfer knowledge from other units (Bierly et al., 2009; Lane et al., 2006). Ho et al. (2020) suggest that the payoffs of pursuing AMBI may hinge on firms’ ability to capitalize on market knowledge and AC magnifies the impact of AMBI on performance outcomes. Based on the arguments above the following hypothesis is;

**H4. AC moderates the relationship between AMBI and EP**

**Methodology**

**Data Collection and Sample**

The empirical context for this study is Turkey based export SMEs. 427 export SMEs are included in this study. According to the report of “Small and Medium Enterprises Development Organization of Turkey” (KOSGEB, 2022), the number of exporting SMEs in Turkey is 74,885. A list of 1,500 export SMEs among them was filtered by making use of the algorithm in the computer program developed by The Turkish Exporters’ Association for their own statistical studies. The feature of the list was as follows; (a) Firms which were selected randomly from each city of Turkey (b) the rate of being included in the list will be the ratio of the number of exporting SMEs in the city to the number of exporting SMEs in Turkey as a whole, (c) Firms which have at least 15 employees, (d) Firms with 5 years export experience.

A survey method was employed for data collection and a questionnaire was sent to the senior managers/owners of the firms via both mail and e-mail. A total of 458 responses (132 via mail, 326 via e-mail) were received over 9 weeks by sending reminder e-mails or phone calls and 427 responses were usable.

**Measures**

This study adopted well established measures from existing literature and 5 point likert scale ranging from “strongly disagree” to “strongly agree” was used in the questionnaire. The scales and their psychometric properties for constructs in the hypothesized relationships, as well as several control variables, are described below. The scales used in this study have been tested in the extant literature and they are assumed to have sufficient validity and reliability.

It would be a very narrow perspective to evaluate export success with only financial indicators. Akyol and Akehurst (2003) stated that export performance should be taken into account with both objective and subjective measures. Zou et al. (1998) argues that export performance is an indicator of the export activity success with which the level of satisfaction is expressed. While previous studies tend to define export
performance in terms of firm’s financial activities in international markets (Cadogan et al., 2003), Olimpia et al. (2006) opt to use subjective measures in relation to firm expectations. Some export performance indicators as export intensity, growth of international sales, export profit level, volume of international sales, and market share are suggested by Leonidou et al. (2002). Related to these insights, export performance scale following Toften (2005) and Katsikeas et al. (2000) is used for dependant variable.

For independent variables, International Orientation scale is taken from Sorensen and Madsen (2012), Export Market Orientation scale is from Birru et al (2019), Absorptive Capacity scale is from Ho et al. (2020) and Ambidexterity scale is from Lisboa et al. (2013). In the ambidexterity literature, generating methods of ambidexterity from the exploration and exploitation variables diversify according to the conceptual approach; some researchers use the addition method and take the sum of the variables for total effect, some researchers subtract to isolate the intersection effect, and some researchers take variables’ product to measure the joint effect (e.g. Cao et al., 2009; Gibson and Birkinshaw, 2004; He and Wong, 2004). This study conceptualizes ambidexterity with addition method and takes the sum of exploration and exploitation variables. Firm size and experience are the control variables in this study. After the factor analysis, some items are excluded from the scales because of the low factor loadings.

Results
Measurement Model

The scale structure was created with the explanatory factor analysis (EFA) for the variable scales via SPSS 22.0 and internal consistency analysis was performed to determine whether there is any inconvenience in using the scales in the study.

The suitability of the data for factor analysis can be examined with the Kaiser-Meyer-Olkin (KMO) coefficient and the Barlett Sphericity test. The KMO value is used to determine whether the sample correlation is large enough to ensure its reliability. Values close to 1 indicate the convenience of the sample correlation, and values below 0.5 indicate inconvenience (Klein, G., 2013). The significance value of the Barlett Sphericity test should be less than 0.05 (Klein, G., 2013). In addition, the scale expressions must provide the univariate normality hypothesis and it is evaluated by looking at the skewness and kurtosis coefficients whether the values are between +2.0 and -2.0 (George and Mallery, 2010).

### Table 1. Factor Loadings

<table>
<thead>
<tr>
<th>All Factors</th>
<th>Item</th>
<th>Factor Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>KMO: 0.928</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sorensen and Madsen (2012) KMO: 0.859</td>
<td>The desire for growth is a strong motif for the expansion of international activities</td>
<td>0.613</td>
</tr>
<tr>
<td></td>
<td>The possibility of increased economic profits is a strong motif for international expansion</td>
<td>0.742</td>
</tr>
<tr>
<td></td>
<td>We see the world, not just Turkey, as our firm’s market</td>
<td>0.673</td>
</tr>
<tr>
<td></td>
<td>We find it better to expand our export activities cautious and gradually</td>
<td>0.516</td>
</tr>
<tr>
<td></td>
<td>We have a strong capability to develop and adapt new and existing products/services for international markets</td>
<td>0.584</td>
</tr>
<tr>
<td></td>
<td>We emphasize to all our employees how important it is to succeed with export activities</td>
<td>0.572</td>
</tr>
<tr>
<td></td>
<td>We emphasize the development of human and other resources that may contribute to successful export activities</td>
<td>0.691</td>
</tr>
<tr>
<td>Birru et al (2019)</td>
<td>EMO</td>
<td></td>
</tr>
<tr>
<td>Scale</td>
<td>Description</td>
<td>KMO</td>
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<td>------</td>
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<tr>
<td>KMO: 0,906</td>
<td>We generate a lot of information in order to understand the forces that influence our overseas customers’ need and preferences.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>In this company, we generate a lot of information concerning trends in our export markets.</td>
<td>0.776</td>
</tr>
<tr>
<td></td>
<td>We periodically review the likely effect of changes in our export environment.</td>
<td>0.589</td>
</tr>
<tr>
<td></td>
<td>If a major competitor were to launch an intensive campaign targeted at our foreign customers, we would implement a response immediately.</td>
<td>0.635</td>
</tr>
<tr>
<td></td>
<td>Information that can influence the way we serve our export customers takes little time to reach export personnel.</td>
<td>0.836</td>
</tr>
<tr>
<td></td>
<td>When we find out that our export customers are unhappy with the quality of our product, we take corrective action immediately.</td>
<td>0.682</td>
</tr>
<tr>
<td></td>
<td>Important information about our export customers is conveyed to the relevant personnel/manager without any loss in the intra-company communication chain.</td>
<td>0.489</td>
</tr>
<tr>
<td></td>
<td>We constantly monitor our level of commitment and orientation to serving export customer needs.</td>
<td>0.584</td>
</tr>
<tr>
<td></td>
<td>We rapidly respond to competitive actions that threaten us in our export markets.</td>
<td>0.698</td>
</tr>
<tr>
<td></td>
<td>Information about our export competitors’ activities often reaches relevant personnel in time.</td>
<td>0.516</td>
</tr>
<tr>
<td></td>
<td>We are quick to respond to significant changes in our competitors’ price structures in foreign markets.</td>
<td>0.726</td>
</tr>
<tr>
<td></td>
<td>AMBI</td>
<td></td>
</tr>
<tr>
<td></td>
<td>exploration</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Identify prospective customers</td>
<td>0.561</td>
</tr>
<tr>
<td></td>
<td>Acquire export market-related information about new markets</td>
<td>0.678</td>
</tr>
<tr>
<td></td>
<td>Assess the potential of new markets</td>
<td>0.623</td>
</tr>
<tr>
<td></td>
<td>Research new competitors and new customers</td>
<td>0.821</td>
</tr>
<tr>
<td></td>
<td>Build new overseas distributor relationships</td>
<td>0.718</td>
</tr>
<tr>
<td></td>
<td>exploitation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Enhance the capture of important market information about existing markets</td>
<td>0.627</td>
</tr>
<tr>
<td></td>
<td>Reinforce the monitoring of competitive products in current export markets</td>
<td>0.646</td>
</tr>
<tr>
<td></td>
<td>Enhance understanding of existing overseas customer requirements</td>
<td>0.734</td>
</tr>
<tr>
<td></td>
<td>Reinforce relationships with current overseas customers</td>
<td>0.485</td>
</tr>
<tr>
<td></td>
<td>Reinforce overseas distributor relationships</td>
<td>0.573</td>
</tr>
<tr>
<td></td>
<td>AC</td>
<td></td>
</tr>
<tr>
<td></td>
<td>We frequently look for external sources of new knowledge and skills.</td>
<td>0.684</td>
</tr>
<tr>
<td></td>
<td>We analyze the usefulness of new external knowledge for our existing knowledge.</td>
<td>0.727</td>
</tr>
<tr>
<td></td>
<td>We record and store newly acquired knowledge for future reference.</td>
<td>0.559</td>
</tr>
<tr>
<td></td>
<td>We are proficient in transforming learned knowledge into strategies and actions.</td>
<td>0.614</td>
</tr>
<tr>
<td></td>
<td>We adopt an information platform for employees to share information and practical experience.</td>
<td>0.496</td>
</tr>
<tr>
<td></td>
<td>Our employees often exchange ideas on learned knowledge to improve performance.</td>
<td>0.686</td>
</tr>
<tr>
<td></td>
<td>Operations, marketing, and supply chain functions regularly share information and interpret its implications.</td>
<td>0.508</td>
</tr>
<tr>
<td></td>
<td>The activities of our functional units are tightly coordinated to ensure better use of our acquired knowledge.</td>
<td>0.593</td>
</tr>
<tr>
<td></td>
<td>EP</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Our export sales have been increasing</td>
<td>0.756</td>
</tr>
<tr>
<td></td>
<td>Compared to our competitors, our profits have increased</td>
<td>0.583</td>
</tr>
<tr>
<td></td>
<td>Compared to our competitors, our export volumes seem to be higher.</td>
<td>0.542</td>
</tr>
<tr>
<td></td>
<td>Compared to our competitors, our export products have rapidly penetrated into various foreign markets.</td>
<td>0.677</td>
</tr>
<tr>
<td></td>
<td>Our customers are satisfied with our products</td>
<td>0.698</td>
</tr>
<tr>
<td></td>
<td>We are currently satisfied with the market share in the foreign markets.</td>
<td>0.715</td>
</tr>
<tr>
<td></td>
<td>Our company is satisfied with the rate at which we are entering foreign markets</td>
<td>0.602</td>
</tr>
</tbody>
</table>

As a result, it was determined that all of the scale expressions were within the specified ranges and there were univariate normality with no extreme values. After understanding that the sample size
was sufficient (KMO = 0.928) and the Barlett Sphericity test was also significant ($\chi^2=2974.594$, $p < 0.001$), the results of EFA is shown at Table 1. The scales used in the survey, loadings of the items, KMO values of each variable and the measurement model is found in the table. One item from intelligence generation, one item from innovativeness and one item from risk taking scale was excluded because of very low loadings.

The variables, which are preferred as data collection tools, consist of 43 items in total, and the results of the reliability analysis according to the answers given to the scales are in Table 2. These values show that the scales are reliable and there is no obstacle to use them in the analysis.

### Table 2. Reliability

<table>
<thead>
<tr>
<th>Reliability</th>
<th>Cronbach’s Alpha</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 Factors Model</td>
<td>0.919</td>
<td>43</td>
</tr>
<tr>
<td>IO</td>
<td>0.869</td>
<td>7</td>
</tr>
<tr>
<td>EMO</td>
<td>0.885</td>
<td>11</td>
</tr>
<tr>
<td>AMBI</td>
<td>0.844</td>
<td>10</td>
</tr>
<tr>
<td>AC</td>
<td>0.863</td>
<td>8</td>
</tr>
<tr>
<td>EP</td>
<td>0.828</td>
<td>7</td>
</tr>
</tbody>
</table>

A confirmatory factor analysis (CFA) was conducted via AMOS 22.0 to assess the discriminatory validity of research variables and the variables are different from one another and represent distinct constructs. The fitness of the four-factor measurement model is as follows; the chi-square/degrees of freedom ratio ($\chi^2/df = 1,892$), the goodness of fit index (GFI=0.903), the adjusted goodness of fit index (AGFI=0.883), the root mean square error approximation (RMSEA=0.054), the root mean square residual (RMR=0.041), and the standardized root mean squared residual (SRMR= 0.053). The comparison indicators of the model: the normed fit index (NFI=0.878), the relative fit index (RFI=0.834), and the compared fit index (CFI=0.941). The parsimony indicators of the model: the expected cross-validation index (ECVI=2.295) and the consistent Akaike information criterion (CAIC= 1137.262) (Browne and Cudeck, 1993; Bryne, 2001; Kline, 1998).

Correlations between the variables are shown at Table 3. The highest correlation score is 0.504 (<0.750), indicating there were no high correlation between any of two variables. The variance inflation factors (VIF) are also controlled and found no confounding effects among the variables (highest VIF is 1.938), so multicollinearity is not likely to bias the data. Actually, for the next part of the analysis, mean-centralizing was performed for interactive variables to avoid multicollinearity problem.

### Structural Equation Model

The results of the structural equation analyses are presented in Table 4. International Orientation (IO), Export Market Orientation (EMO), Ambidexterity (AMBI), Absorptive Capacity (AC), Export Performance (EP), control variables (Export Experience and Firm Size) and their relations are shown in the table. Models were analyzed by adding a new variable at each level from zero to three. Model Zero indicates only the relationship between control variables and dependent variable. IO and EMO are included in Model1, ambidexterity as a mediating variable is included in Model2 and AC as a moderator is included in Model3.

### Table 3. Correlations

<table>
<thead>
<tr>
<th>Correlations</th>
<th>IO</th>
<th>EMO</th>
<th>AMBI</th>
<th>AC</th>
<th>EP</th>
</tr>
</thead>
<tbody>
<tr>
<td>IO</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EMO</td>
<td>0.427</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AMBI</td>
<td>0.382</td>
<td>0.496</td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AC</td>
<td>0.319</td>
<td>0.365</td>
<td>0.348</td>
<td>1.000</td>
<td></td>
</tr>
<tr>
<td>EP</td>
<td>0.416</td>
<td>0.504</td>
<td>0.484</td>
<td>0.392</td>
<td>1.000</td>
</tr>
</tbody>
</table>

Correlations are significant at $p < 0.01$ level (2-tailed).

### Table 4. Structural Equation Analyses

<table>
<thead>
<tr>
<th></th>
<th>Model 0</th>
<th>Mode 1</th>
<th>Model2</th>
<th>Model3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Experience-EP</td>
<td>.022**</td>
<td>.019**</td>
<td>.019**</td>
<td>.020*</td>
</tr>
<tr>
<td>Firm Size-EP</td>
<td>.009**</td>
<td>.010**</td>
<td>.009*</td>
<td>NS</td>
</tr>
<tr>
<td>IO-EP</td>
<td>.316***</td>
<td>.174***</td>
<td>.056**</td>
<td></td>
</tr>
</tbody>
</table>
Table 1:

<table>
<thead>
<tr>
<th>EMO-EP</th>
<th>.342***</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMBI-EP</td>
<td>.386***</td>
</tr>
<tr>
<td>IO-AMBI</td>
<td>.196***</td>
</tr>
<tr>
<td>EMO-AMBI</td>
<td>.227***</td>
</tr>
<tr>
<td>AC-EP</td>
<td>.092***</td>
</tr>
<tr>
<td>IO-(AMBIxAC)</td>
<td>.342***</td>
</tr>
<tr>
<td>EMO-(AMBIxAC)</td>
<td>.227***</td>
</tr>
<tr>
<td>(AMBIxAC)-EP</td>
<td>.484***</td>
</tr>
</tbody>
</table>

| x² / sd    | 3.584   | 1.902   | 1.544   | 1.462   |
| RMSEA      | 1.459   | 0.610   | 0.239   | 0.047   |
| GFI        | 0.877   | 0.904   | 0.926   | 0.952   |
| AGFI       | 0.796   | 0.836   | 0.894   | 0.909   |
| CFI        | 0.823   | 0.861   | 0.901   | 0.934   |

NS: Not Significant p <0.001 *** p <0.005 ** p <0.05 *

Model 1 (Figure 1) shows the relationship between International Orientation and Export Performance with H1a, between Export Market Orientation and Export Performance with H1b. According to the model, IO and EMO have positive impact on EP, so H1a and H1b are supported.

![Figure 1. Relationship between International Orientation and Export Performance with H1a](image)

When Ambidexterity is added into the analysis in Model 2, the positive impact of Ambidexterity on Export Performance is observed and H2 is supported. There are also positive impacts of IO on AMBI as H3a and positive impact of EMO on AMBI as H3b, so these hypotheses are supported too. Model 2 (Figure 2) also indicates that AMBI has a partial mediating effect between orientations and export performance. We see that the effects of IO and EMO on EP have decreased in the model than previous one which means that the effects of orientations on performance are partly direct and partly through AMBI.

Absorptive Capacity which is suggested as a moderator on the relationship between Ambidexterity and Export Performance is included in Model 3 (Figure 3). Thus, we see that the direct effects of IO, EMO and AMBI on export performance have decreased considerably. By adding the combined effect of AMBI and AC (AMBIxAC) into the model, the effect of AMBI on EP has also decreased considerably while the effects of IO and EMO on AMBI are no longer significant. H4 which represents the moderating effect of AC is supported in the model. Thus, we can say that there is an AC moderated mediating effect of AMBI on Export Performance. But there is still...
a partial mediating effect because IO and EMO have even very low direct effect on EP.

Figure 2. AMBI’s effect on orientations and export performance

Figure 3. Absorptive Capacity as a moderator on the relationship between Ambidexterity and Export Performance
Discussion

Over the last decades, marketing scholars have intensified their focus on conceptualizing marketing capabilities and try to examine empirically their role in explaining firm performance (Mu et al., 2018). There is still need for theoretical understanding of whether and how the mechanisms link marketing capabilities with performance outcomes in international context especially for SMEs in emerging economies (Skarmeas, 2016). We address this important gap in an effort to clarify thinking and to provide guidance for future research in this theoretically interesting and managerially important area. Drawing on the resource based view of the firm (RBV), this paper examines the role of key export related dynamic capabilities on export performance in terms of SMEs in emerging economies.

This study contributes to the international marketing discipline and extant literature in some ways. First; it extends the literature by examining export market knowledge related dynamic capabilities, their relations and contributions to the export success in SMEs of emerging economy. Second; it has contributed to the understanding of how the gradual learning of SMEs’ internationalization works in the organizational structure as a firm-level capability. Third; empirical evidence reveals that ambidexterity is either positively or negatively associated with export performance (Lisboa et al, 2011, Yan et al., 2021). Examining the simultaneous occurrence of organizational learning in existing and new export markets, demonstrates the empirical link between ambidexterity and export performance in this study. Since ambidexterity is handled within the context of internationalization and market knowledge, the antecedent effects of international orientation and export market orientation are inevitably taken into consideration. On the other hand, absorptive capacity also had to be examined in relation with ambidexterity, as it involved the processing and use of knowledge. So, this study posits that the ambidexterity and performance relationship is contingent on supportive organizational processes, and the omission of such moderators could account for the mixed findings in prior research. It empirically demonstrates the contribution of international orientation, export market orientation and absorptive capacity to the relationship between ambidexterity and export performance.

There are also some contributions for SME managers in this study. Due to the importance of exporting for SMEs’ growth and survival, there is an increasing interest among SME managers in understanding the drivers for export success (Chen et al., 2016; Barbosa et al., 2019). However, there is a possibility of improving firm success by investing in intangible resources for SMEs. This study explains why it is necessary for SMEs to invest in intangible resources that process knowledge rather than tangible resources. Therewithal, managers aim to direct their efforts and firm resources to practices that provide them more efficient results. For this reason, exporting SME managers with scarce resources also want to know which capabilities may increase their export performance more, help to overcome international challenges and ensure sustainability in their business. According to some researchers, export success is to a large extent determined by the uniqueness of the export related dynamic capabilities (Buccieri et al., 2021; Modolo et al., 2021). Development of dynamic capabilities can establish or strengthen a firm’s competitive advantage in a turbulent environment as export markets because dynamic capabilities are valuable, inimitable and nonsubstitutable (Peng and Lin, 2019; Barney, 1991; Knight and Cavusgil, 2004; Knight and Kim, 2009; Sorensen and Madsen, 2012, Morgan et al., 2018). This study provides a perspective on thinking about the working mechanism of export-related dynamic capabilities as in tangible resources available in the firm which does not require high amount of financial investments and provides sustainable competitive advantage in export markets. Besides, this study highlights that the ambidexterity capability of a firm shouldn’t be underestimated because AMBI entails the use of market-based knowledge for
refining and revamping marketing practices (Bierly et al., 2009; Morgan et al., 2003; Wilden and Gudergan, 2015). The most important task for export SME managers is to develop an ambidextrous organizational structure that supports to take the advantage of existing and new export market knowledge and adapts international environments by ambidextrous learning. The findings also offer awareness of managers to develop firm orientations that enable to analyze international environment efficiently and to achieve a higher export performance by feeding existing firm knowledge by outsource information.

Conclusion
Exporting represents the context where firms can enhance their knowledge base and firms are pushed more towards internationalizing since the global marketplace offers a unique context in which firms can leverage and utilize their knowledge-based assets (Miocevic, 2021). The real key to an exporting SME’s success or even to its future development lies in its ability to find or create 'competences that are truly distinctive' in a challenging international environment (Ghobadian and O'Regan, 2008). Internationalization methods proposed specifically for SMEs (e.g. Johanson, Vahlne, 1977) offers important benefits to overcome the main challenges of being in international environment such as survival and growth. In this context this study focused on the gradual learning of SMEs in export markets which is based on market knowledge processing because the most efficient and fruitful resource that exporting SMEs can invest in to ensure their survival in international markets is export market knowledge (Ho et al., 2020; Modolo et al., 2021). SMEs likely have to leverage a collection of firm level dynamic capabilities that process export knowledge, facilitate the use of the knowledge and result export success (Vorhies et al., 2011; Birru et al., 2019). This study investigates the widespread specific export-related dynamic capabilities and their effect on export performance in SMEs of an emerging economy. The empirical analysis realized in the study was based on 427 exporting SMEs located in Turkey which is an emerging economy.

It is noteworthy to mention several limitations of this study that need to be considered and may provide several opportunities for future researches. Firstly, the research object of this study is limited to the export firms only in Turkey. Cross-national studies should be conducted to achieve the overall structure of the relationships and country effects should be taken into consideration. Another consideration is the sample size. According to the information given by Small and Medium Enterprises Development Organization of Turkey, the entire population of exporting SMEs in Turkey is 74,885. This study was conducted with the responses of 427 exporting SMEs. While the sample size allows for statistical analysis, caution should be taken regarding generalizing and further studies should be conducted.

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