Eyes open and hands on: market knowledge and marketing capabilities in export markets

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Abstract

Drawing on the knowledge-based view of the firm (KBV) and Dynamic Marketing Capabilities (DMC), this paper examines the role of key internationalization knowledge absorption processes as learning strategies, namely market exploitation and market exploration in enabling internationalization knowledge absorption in export-oriented firms involved in manufacturing goods or producing electrical/engineering products. The data were gathered via a cross-sectional survey using a questionnaire (i.e., n = 315) on a sample of Bangladeshi manufacturer firms or electrical/engineering firms exporting in USA and European markets. The findings suggest that an export firm's internationalization absorption strategies are positively associated with export performance. We also found that the mediator, DMC, strengthened the relationship between knowledge absorption and export performance. Moreover, the findings of moderated mediation model revealed that the direct and indirect effects of market exploitation on export performance are more prevalent when competitive intensity is low. While competitive intensity is high, the direct and indirect effect of market exploration on export performance is more prevalent. From a practical perspective, our study provides useful lessons for exporting firms wishing to enhance their performance. Contributions to international management research and practice have been discussed.

Keywords: Internationalization; Knowledge absorption; Dynamic marketing capability; Export Strategy

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Introduction

A fundamental role of an export leader is to design the export strategy to guide the internationalization process and marketing activities of her/his firm (Martin and Javalgi, 2019). To this end, export managers are increasingly realizing the benefits of an effective export strategy which builds on solid market knowledge absorption, transfer of knowledge within intra-organizational units and its utilization for establishing competitive customer value offerings (Murray et al., 2011). These benefits of a firm include both leveraging their internal competencies to attain positional advantage (Tan and Sousa, 2015) and lessening their liabilities of foreignness (Haapanen et al., 2016). For example, Amazon India designed an international strategic goal with its new business model to attract tepid customer response, while several local players (i.e., Flipkart and Snapdeal) were dominating online shopping channels in India. Such internationalization strategy emphasized the "Amazon India" to redefine its marketing strategies that are aligned with internationalization knowledge-based resources, and thereby within two years "Amazon India's" fulfillment infrastructure increased by 300 percent (Yadav and Sagar, 2018). Likewise, international business strategists provided attention to knowledge accumulation processes and knowledge management dynamic capabilities for designing internationalization strategy (Sharma et al., 2018, Weerawardena et al., 2007, Oliva and Kotabe, 2019).

Drawing on the knowledge-based view of the firm (KBV from here onwards), this paper examines the role of key internationalization knowledge absorption processes as learning strategies, namely market exploitation and market exploration in enabling internationalization knowledge absorption within export-oriented manufacturer firms (e.g., textile, electrical/engineering and so on). Whereas an organization's exploration is reflected in experimentation so as to find new alternatives, new market-based knowledge absorption, latest skills and technologies; the role of exploitation is to improve the strength of its stock of existing knowledge, skills and technologies (Sharma et al., 2018). The application of exploration and exploitation has been examined in organizational learning literature since the seminal work of March (1991). However, studies on market exploitation and market exploration in general remain fragmented, and have not as yet culminated in a solid framework to explain how specific aspects of market exploitation and exploration help exporters' achievement of effective internationalization processes and export performance. This study addresses earlier literature gaps in internationalization knowledge absorption processes by investigating the role of market exploitation and market exploration for exporters and their interplay with marketing capabilities (as internationalization process) and export performance in the targeted export markets.

In international business literature there are several models trying to explain how heterogeneous firms' knowledge accumulation strategies and capabilities can be used as a competitive strategy to create greater customer value offerings (Mu, 2015, Martin and Javalgi, 2019). For instance, researchers (Lisboa et al., 2013, Xie et al., 2018) showed direct, separate and ambidextrous effect of market exploitation and exploration on innovativeness and firm level performance. So far, however, the evidence for this relationship is inconclusive as it overlooked the processes through which a firm can transform absorbed market knowledge into knowledge

management processes to effectively deploy its internationalization process. Villar et al., (2014), Weerawardena et al., (2007) and Fletcher et al., (2013) suggested integrating knowledge-based resources with knowledge management dynamic capabilities for establishing a persuasive argument to explain exporter's ability to obtain export competitive advantage.

The concept of knowledge management processes is embedded within the domain of marketing activities (Day, 1994). Recent studies (Lisboa et al., 2013, Tan and Sousa, 2015, Sharma et al., 2018) have recognized the influence of specialized marketing capabilities (i.e., specialized marketing mix competencies) in export markets, but there is limited understanding on how higher-level dynamic marketing capability strategy helps exporters to transfer internationalization knowledge-based resources into customer value enhancement. Dynamic Marketing Capability (DMC from here onwards) strategy as a firm's higher-level knowledge management process not only supports the organization to reconfigure marketing capabilities within functional business units, but also helps the organization to show agility within uncertain market conditions (Morgan et al., 2018). It is evident that efforts to systematically explore the taxonomy of DMC strategy is sparse in the marketing capability literature (Morgan, 2019). In this study we seek to remedy this theoretical limitation by analyzing the power of "underlying constructs of higher-level DMC strategy" itself in the export markets. Therefore, bridging the KBV perspective and DMC literature, the second aim of this research investigates the mediating role of underlying constructs of higher-level DMC strategy through which market exploration and market exploitation influences export performance.

Overall, we propose that an exporting firm's performance is determined, among other, by its international knowledge accumulation processes (exploration & exploitation) and its marketing

capabilities that allow the firm to convert international knowledge into competitive and customer attractive market offering.

In doing so, we contribute to two broad domains of literature: organizational learning and DMC strategy. Our results show that how the two components of international ambidexterity as organizational learning constructs (i.e., market exploration and exploitation) influence knowledge management processes within firms through a firm's possession of a fine configuration of higher-level marketing capability. Our study also theoretically and empirically examine how higher-level DMC strategy can mediate the consequence of international knowledge absorption mechanism on firm export performance.

The paper is structured as follows. In the next section, we provide the detailed literature synthesis of work related to this study followed by the hypothesized relationships. Next, we present the study's methodology and explain the analytical techniques used to test our model. We conclude by discussing our findings and by outlining its theoretical and practical implications alongside recommendation for further research.

The theoretical framework we are testing in this study is depicted in figure 1 below. In the following section we dissect this framework and provide theoretical support for the hypothesized relationships. Next, we present the study's methodology and explain the analytical techniques used to test our model. We conclude by discussing our findings and by outlining its theoretical and practical implications alongside recommendation for further research.

2. Literature Review

2.1 Export Market Strategy and Export Performance

The relationship between export marketing strategies and export performance has been widely studied (Katsikeas et al., 2006, Morgan et al., 2012). However, despite the general consensus of a direct relationship between strategy and performance, it has been argued also that the strength of this relationship in export markets is contingent upon the relative effectiveness of the export marketing strategy implementation (Chen et al., 2016). This heightened, yet much less explored, attention to strategy implementation as a firm-level determinant of export performance resonates well with extant views articulating the need for positional advantage in the export market (Villar et al., 2014). Positional advantage, in turn, is a function not simply of the resources of the firm but its own ability to transform these resources into clear value enhancing propositions and associated offerings (Merrilees et al., 2011). The latter is inextricably linked with the firm's ability to absorb and implement internationalization knowledge (Fletcher et al., 2013) as manifested in the internationalization learning process of the firm (Lisboa et al., 2013, Villar et al., 2014).

In this paper we espouse the views above and make an effort to explore the role on export performance of "international ambidexterity i.e., market exploration and market exploitation (Lisboa et al. 2013; Zhang et al., 2015) at the business unit level of export-oriented firm. To explain the choice of export strategy to pursue in export markets, we capitalize on two established theories in international business, namely knowledge-based view and dynamic marketing capabilities view.

2.2 Accumulating Internationalization Knowledge and the Internationalization Process

The internationalization process is a learning mechanism in international contexts, where an organisation is involved in accumulating internationalization knowledge and managing

knowledge in such a way so that customers' demands can be satisfied competitively in the international markets (Åkerman, 2015, Del Giudice et al., 2017) Critical to understanding organizational learning processes, as well as knowledge management processes (Oliva and Kotabe, 2019) in international business, is the Knowledge Based View of the firm (KBV from here onwards) (Adomako et al., 2019, García-García et al., 2017).

Prior literature on ambidexterity focused on a number of issues such as a cultural inquiry into ambidexterity (Xing et al., 2020), the relationship between HR practices and organizational ambidexterity (Rao-Nicholson et al., 2020), financial incentives and behavioural ambidexterity (Rao-Nicholson et al., 2020), management of organisational ambidexterity (Bresciani et al., 2018). However, we still have limited knowledge about the international ambidexterity. The KBV prescribes that market knowledge acquisition should be conducted in a pre-internationalization phase to simplify the internationalization process (Pla-Barber and Escribá-Esteve, 2006) and mitigate possible threats and uncertain environments. To this end, international business theorists (Weerawardena et al., 2007) have put forward the concept of international ambidexterity as a prime learning mechanism to accelerate internationalization process.

The term 'International Ambidexterity' (IA from here onwards) supports the organization's knowledge-based resource accumulation by emphasizing market exploration and market exploitation simultaneously. A successful organization emphasizes both market exploration and market exploitation learning processes to deal with the adverse competitive nature of export markets (Sharma et al., 2018). From this perspective, this study emphasizes KBV to examine the influence of market exploitation and market exploration processes to support effective implementation of market knowledge.

2.3 Enablers of Knowledge Implementation Process

Export marketing scholars frequently used the Resource Based theory (RBT from here onwards) and KBV to explain complimentary influence of exporters' strategic orientations on export performance (İpek and Bıçakcıoğlu-Peynirci, 2019). A fundamental tenet of the RBT and KBV is that resources per se cannot contribute to the attainment of positional advantage unless the resources transform into the capability for enhancing value offerings. In marketing domain capabilities formation involves in effective utilization of knowledge and skills to take part in value enhancement processes (Makadok, 2001). Though the RBT and KBV showed significance of possessing knowledge-based resources and capabilities within different organizational levels, the theories did not 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). Hence, to address the challenges of RBT and KBV, researchers came out with the theory of "Dynamic Capability" and later on its extension to "Dynamic Marketing Capability" (DMC from here onwards) theory that argued organisations should follow a strategy that adopts and modifies knowledge base resources along with capabilities portfolios to attain competitive advantages in their markets (Eisenhardt and Martin, 2000, Morgan et al., 2018).

Dynamic Capability researchers (Eisenhardt and Martin, 2000, Teece et al., 1997) have argued organizations should arrange their different order capabilities to reflect complementary effects through bringing modification of capabilities. Complementary capabilities can be defined as organizational processes that bring synergistic results when a capability is used collectively with other operational capabilities (Wang et al., 2019). An organization can foster information exchange and improve performance of marketing department's functional units by focusing on strong inter-functional coordination among Marketing Capabilities (MCs from here onwards) (Troy et al.,

2008). This infers an exporter should practice inter-functional coordination and reconfiguration of its knowledge-based resources in a way to deploy MCs and support the development processes of DMC (Martin and Javalgi, 2019).

In a recent study Morgan et al., (2018) categorized the nature of Marketing Capabilities (MCs) into low-level, mid-level and high-level context. Examples of such low-level MCs are involved in implementing marketing mix activities, whereas mid-level MCs are concentrated on an effective alignment of cross functional/strategic marketing capabilities. Researchers introduced of high-level MCs that are characterized by the 'dynamic marketing capability' used to avoid competency traps by continuous modification and inter-functional coordination among mid-level MCs (Morgan, 2012; Morgan et al., 2018). Theoretically, DMC strategy is treated to be an organization's higher-level operational process that combines different order MCs to realize complementary influence at the time of complex market conditions.

To prioritize MCs as underlying dimensions for DMC strategy, here we focus on mid-level MCs that are consistent with both Morgan (2012) cross-functional MCs and Day's (2011) recommendation on the subsets of MCs. We proposed that an organization must prioritize on mid-level MCs to realize better outcomes from the repeated modification of knowledge management processes. This argument is consistent with an earlier study by Srivastava et al. (1999), who stated that combining different MCs can generate better performances than an individual MC alone. As a result, this study focuses here on four mid-level cross-functional MCs. First, proactive market orientation (PMO from here onwards) as a market learning capability is an exporter's ability to transfer unarticulated market knowledge within functional business units for satisfying export customer' current and future needs. Second, customer relationship management capability (CRMC from here onwards) reflects an exporter competency on orchestrating relationship with overseas

B2B along with end-customers through different distribution systems (Kaleka and Morgan, 2017). Third, new product development capability (NPDC from here onwards) underlies an international firm's ability to engage on innovation and new products as well as to bring modification of existing products (Fang and Zou, 2009). Fourth, brand management capability (BMC from here onwards) is an exporter's ability to manage commercial brands in a global scale.

This study examines the extent to which these four mid-level MCs, as underlying dimensions of higher-level DMC strategy, are directly involved in implementing absorbed internationalization knowledge through exploration and exploitation learning mechanisms to an exporter's better profit achievement.

3. Conceptual Model and Hypotheses

The conceptual model used in this study is depicted in Figure 1 below. The model illustrates the hypothesized relationships based on the above-mentioned theories. Overall, it makes the case that firms can manage their export performance by mastering "International Ambidexterity Constructs" and by capitalizing on its higher-level MCs reconfiguration process and implementing its export strategic direction. We further propose that external environmental factors influence the organizational learning mechanisms and in doing so moderate the strength of their influence upon the firm's DMC.

3.1. Deployment of International Ambidexterity Constructs: Market exploitation and exploration

According to KBV, a firm can attain competitive positioning in export markets based on its possession of knowledge-based resources (Martin & Javalgi, 2019). Such accumulated knowledge can help exporting firms to leverage its learning and decision-making process (Lages et al., 2008). Thus, international business theorists propose the "international ambidexterity"

constructs of market exploration and exploitation as crucial to an exporter's internationalization knowledge absorption process (Lisboa et al., 2013; Villar et al., 2014; Weerawardena et al., 2007).

Whereas an organization's exploration capacity manifests itself in experimentation so as to find new offerings along the spectrum of new knowledge, skills and technologies, the role of exploitation capacity improves the strength of its existing knowledge, skills and technologies by adapting the offering, via incremental improvements, to the market conditions (Prange and Verdier, 2011). An exploitative learning process allows an exporter to realize greater learning-curve effects by improving existing internationalization knowledge, which enables the exporter to achieve greater improvement in operational efficiency. This takes place through refinement, production, and in general routines and efficiencies (Raisch and Birkinshaw, 2008). For example, it has been found that through such refinements the exporter can maintain better channel relationship with the distributors in overseas markets and realize greater B2B customer retention rates (Lee et al., 2003).

Apart from market exploitation, the exporter's market exploration process captures new market opportunities for realizing continued growth in the export markets. This knowledge absorption strategy improves the exporter ability to broaden its operations in overseas market (Hsu et al., 2013). However, if the exporter overemphasizes any individual knowledge-absorption process, it can develop core rigidities within its knowledge portfolio. This may lead to cases where an exporter has the right offering but is unable to exploit it in the foreign market place, or the exporter has good reach in the foreign market but is unable to maintain momentum owing to lack of new, innovative offerings.

Thus, when then exporter coordinates exploitative and explorative learning strategies, its leveraging of internationalization knowledge can support retention of existing customers as well

as adding greater customer value propositions for potential new or expanding customer base, thus leading to better export performance. Accordingly, we expect that:

H1a: An export firm's internationalization knowledge absorption strategies, export market exploitation is positively associated with export performance.

H1b: An export firm's internationalization knowledge absorption strategies, export market exploration is positively associated with export performance

3.2. The Mediation Role of Underlying Dimensions of Dynamic Marketing Capability Strategy

The KBV claims that an organization's influential internationalization 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. At the same time as the organization accumulates internationalization knowledge, it is essential to possess higher-level organizational capabilities that can bring significant modification to its business strategies (Fletcher et al., 2013). This implies that higher-level organizational capabilities mediate the relationship between exporters' accumulated internationalization knowledge and better export performance. Theoretically, an organization's recurrent possession of higher-level DMC strategy is an important driver of firm performance, as it strengthens a firm's ability to reconfigure and inter coordinate among mid-level cross-functional MCs and market learning capabilities (Morgan et al., 2018).

Whereas the perspective of international ambidexterity constructs acts as high-level dynamic internationalization capabilities (Prange and Verdier, 2011), an exporter's possession of DMC strategy improves its operational processes within functional business units for better value offering in the target export markets. 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 mid-level cross-functional MCs as crucial constructs of high-level DMC strategy.

Emerging from the KBV, DMC strategy is widely acknowledged as critical to firm-level performance in turbulent market conditions (Morgan 2012, Morgan et al., 2018, Morgan 2019). They provide the ability to integrate and reconfigure mid-level cross-functional MCs so that value can be formulated and delivered to international markets (Weerawardena et al., 2015). In this study, we consider DMC as a higher-level strategy consisting of four marketing capabilities (which are much more operationally conceptualized) namely: proactive market orientation (PMO), customer relationship management capability (CRMC), new product development capability (NPDC) and brand management capability (BMC).

To develop international strategy an exporter's incremental knowledge absorption mechanisms by market exploitation strategy leads it to refine its market specific knowledge portfolio. This enables the exporter to identify new opportunities along with challenges (Wang and Li, 2008). Similar to market exploitation strategy, the exporter can get the benefits of radical knowledge absorption through its market exploration strategy. An international organization'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., 2013). When an exporter's accumulated knowledge through exploration and exploitation draw attention to develop new products for untapped markets or existing markets, it becomes crucial to refine certain skills related to innovation, relationship management with channel members and managing brand leadership program for the new products or services. For instance, the development of the Apple Watch was generated by Apple's intensive market exploration and exploitation strategies (Cui et al., 2014). By modifying its cross-functional MCs, Apple deployed a new product (i.e., the Apple Watch) to

satisfy the needs of international markets. This reflects the fact that Apple's market exploration and exploitation strategies support it to identify new market opportunities, and refine as well as coordinate its cross-functional MCs for satisfying international strategy. Therefore, the exporter needs to strongly engage in higher-level DMC strategy development process by identifying and modifying mid-level MCs through which market exploitation and exploration affects export performance. Based on the above discussion, it is possible to propose following hypothesizes:

H2: Underlying dimensions of higher-level DMC strategy mediates the relationship between export market exploitation and export performance

H3: Underlying dimensions of higher-level DMC strategy mediates the relationship between export market exploration and export performance

3.3. Moderation effects of Competitive Intensity

In the internationalization process, an organization presents a knowledge gap when its accumulated knowledge ignores learning from external environmental factors. To minimize the knowledge gap of external factors, internationalization knowledge is modified by the learning activity of the organization. This study considers the moderating role of competitive intensity (CI) as the external environmental factor. Environmental competitiveness refers to the degree of competition in the industry and reflects situations where an organization is experiencing fierce competition as well as facing scant opportunities for future growth in the chosen market (Auh and Menguc, 2005).

When considering a firm’s exploration and exploitation learning strategies, one would expect their relative influence upon the performance of the firm to differ based on the level of competitive intensity. More specifically, under conditions of high CI firms need to innovate constantly if they

wish to establish sustainable competitive advantage (Grant, 1996). Radical innovations in the market place, motivated by high CI in the industry, may erode abruptly existing competitive advantages and drive down performance. This directs to an exploration learning strategy primary focus which may help the firm to overcome any rapid obsolescence of products and services (Ahuja and Morris Lampert, 2001). Therefore, an exporter's exploration strategy as a response to the presence of high-level competitive pressure will prompt the firm to improve its key cross-functional MCs accordingly. This will direct more attention to new product development capabilities alongside a strong proactive marketing orientation to sense the latent needs of their customers so that they can stay ahead of the competition (Lamore et al., 2013).

Similarly, operating within an environment of low CI firms need to safeguard their positioning through incremental improvements of their existing value offerings as otherwise they may be unable to detect any changes in their industry and/or fail short of market expectations thus undermining, in the long term, the relationship with their customer base (Kaleka and Morgan, 2017). Such a primary focus on exploitation strategy directs more attention to enhancing relationships with their existing customers and supporting their brand image and reputation so that they can protect their competitive positioning. Based on the above discussion, we argue that, when the export market environment is in a state of lower fierce competition, the interaction of low-level competitive intensity and market exploitation is more suitable in the reconciliation of CRMC and BMC as cross-functional MCs for realizing better export performance. Nonetheless, in as state of high CI, the interaction of high-level competitive intensity and market exploration is more prevalent in the formation of PMO and NPDC as underlying dimensions of higher-level dynamic marketing capability (DMC) strategy to respond swiftly for tackling aggressive competition in the emerging export markets. Accordingly, we posit that:

H4: Competitive intensity moderates the effect of export market exploitation on export performance through implementing higher-level DMC's underlying dimensions (a) CRMC, (b) BMC. Specifically, the relationship strengthens under conditions of low level of competitive intensity.

H5: Competitive intensity moderates the effect of export market exploration on export performance through implementing higher-level DMC's underlying dimensions (a) PMO, (b) NPDC. Specifically, the relationship strengthens under conditions of high level of competitive intensity.

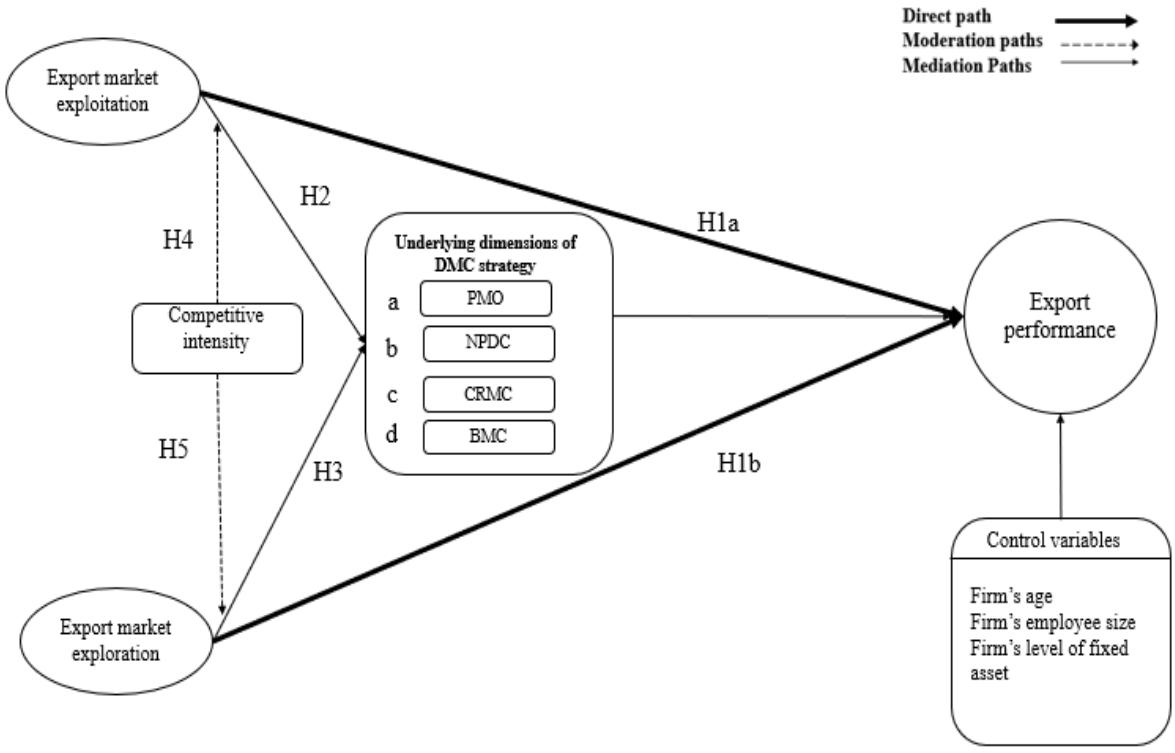

Figure 1: Conceptual model reflects direct, mediation and moderated mediation path

4. Methodology

4.1. Study Setting

To test the proposed hypotheses, this study developed eight first-order constructs using a multi-stage scale development approach (i.e., exploratory, pilot test and quantitative research design) based on Churchill (1979). We chose export-oriented manufacturer firms or producers of electrical/engineering products in Bangladesh as the context for the study for two specific reasons. Firstly, in Bangladesh 75 % foreign exchange earnings are generated from export-oriented manufacturing organizations (Kabeer et al., 2014), in which ready-made garments are playing a dominant role in the economic growth of Bangladesh (Kumar et al., 2020). Secondly, although Bangladesh is second after China on exporting readymade garments, the country becomes more lucrative manufacturing location to the Western organizations for shifting production plants from China to low- labor cost area (Sengupta and Puri, 2020). However, fierce competition in the export markets create challenges for exporters' survival rate. In particular, being dynamic in marketing processes and having superior market knowledge absorption mechanisms are crucial for manufacturers to surpass rivals in domestic and export markets.

4.2. Data collection and sample

The study used a list of export trade associations in Bangladesh to develop the sampling frame. Exporters from eight industry associations (textile, handicraft & furniture, leather goods, electrical/engineering products exporters, plastic goods, finished leather, ceramics, and light engineering) were invited to participate in the study. The cumulative exports made by these eight sectors in 2019/20 is worth roughly 40,535.04 million US$ (EPB, 2020). The multi-industry sample chosen in this study not only ensures generalizability of results but also captures greater

variability in how individual firms develop their DMC strategy without losing idiosyncrasies of individual industries. To ensure that the firms have developed strong export marketing capabilities, established market in foreign countries and export performance, this study sampled firms that have at least 5 years of export credentials (following Morgan et al, 2012). The researchers ensured that firms represented the diversity within their industry in terms of age, size, levels of export and performance (please see Table 1 for the sample composition of firms).

A shortlist of 700 exporting firms was generated from the membership database of these associations. Three trained research assistants contacted each firm multiple time to (1) Identify if they are established exporters (five years or more) (2) Identify a principal informant within the firm knowledgeable about the firm's export ventures (3) Explain the purpose of the study and how this might benefit the firm (4) Explore their willingness to participate in the study. 135 firms refused to participate due to internal company policies, 45 firms could not be contacted, 50 firms have stopped exporting, and 70 firms have been in export business for less than five years making them ineligible as participant. Additionally, to qualify for this study, we excluded joint ventures and included only single business unit exporters for ensuring knowledge exploration as well as exploitation mechanisms were pursing within same business unit (Mehrabi et al., 2019). Although, we included firms involved in electrical/engineering products/parts exporting process, other types of service exporters were excluded as their marketing practices such as NPDC must be different than manufacturer or electrical/engineering products firms.

Following previous study (Gregory et al., 2019) in selecting potential respondents, we contacted over the telephone for realizing their desire to participate on the survey to share knowledge on export strategies in emerging market. Given, the above selection criteria resulting in 300 firms were declined from the list due to 45% showed less interest to disclose information

about their operation, 15% were not reachable, 17 % firms operated locally, and 23% were new export ventures.

The researchers used mailed survey-based questionnaire enclosed with each of the questionnaire contains a return envelope for accumulating data from the remaining 400 firms between July and September, 2015. It was informed that members of export associations must receive invitation letter and incentives to participate in the survey. Each envelop contained an instruction to complete the questionnaire along with an authorization letter from relevant export trade association that explained the significance of this study. Over a six-month period, this study received 315 usable questionnaires after conducting repeated reminder and eliminating survey forms that had scanted information. Key respondents came from different industries with over half of the firms being from textile (42.5%), Handicraft and furniture (18.7%), and Leather goods (14.9%). Beyond this, other industries also reported in Table 1. This confirms export-oriented firms under this study lie in various environmental conditions. In spite of samples were recruited from heterogeneous sectors, we did not consider all types of export-oriented high-tech/IT firm. For instance, born global or new exporters were excluded from the sampling frame as well as firms involved in exporting software/data-processing/consultancy services did not include in the sampling frame. This is because their business strategy for the export markets entirely different from experienced exporter-oriented firms (Mehrabi, Coviello et al. 2019).

We collected data by using key informant approach, and respondents were senior managers as they possess knowledge and skills about international marketing strategic actions within their firm. In the course of survey, it was realized that most of the CEO in export-oriented firms develop and manage marketing strategies, whereas marketing managers involve in implementing marketing strategies. Based on nature of key informants' job description and knowledge of

practicing marketing strategies, we included CEO alongside senior managers within sampling frame. Sample composition is reported in table 1 that shows 37% respondents were CEO and 28.9% of respondents were marketing manager with 72% respondents had more than 10 years of export experience.

TABLE 1 HERE

4.3. Measures

Due to the complicated phenomena of export-oriented manufacturer firms or producers of electrical/engineering products knowledge management processes and their interaction effects with global competitive pressure, we used an explanatory survey that examines relationships among latent variables. This study investigates internationalization knowledge management issues in exporters that are largely, small to medium-sized by nature, so we adopted multi-item measures for obtaining managerial perception. Prior studies were used to adopt relevant scales for measuring variables after receiving valuable insights on items from participants in pilot test stage. To capture information on knowledge accumulation practices, knowledge management marketing capabilities and competitive intensity; the scales of the first-order contextual constructs were calculated based on seven-point Likert scale, where 1 means “strongly disagree” and 7 means “strongly agree”.

Nonetheless, the dependent variable-export performance was positioned differently in the Likert scale, where 1 means “very dissatisfied” and 7 means “very satisfied”. We average the items to obtain score of each latent construct for examining the influence of interaction effects on dependent variable. To assess face validity of the firm-level variables, strategists (Hsieh et al., 2015; Stettner & Lavie, 2014) used typical time frame as a temporal reference point. Accordingly, respondents were asked to consider two distinct time frames for answering their subjective

perception: a) the last five years for answering their perception on independents and exogeneous variables, and b) the last three years for the dependent variable respondents. This allows us to control some of the challenges of cross-sectional data by minimizing the likelihood that the outcome variable occurred at the similar time as the former. The scales used in the survey were pre-tested in pilot test stage by five specialists from academics along with five specialists from export-oriented firms for ensuring face validity of the items. The pre-testing process supported this study to refine the existing items that were aligned with study context. Based on the suggestions of experts on pre-test, we conducted minor changes in wording of the final survey questionnaire.

4.3.1. Main Variables

The proposed model consists of eight first-order constructs – proactive market orientation, customer relationship marketing capability, new product development capability, brand management capability, market exploration, market exploitation, competitive intensity, and export performance as the criteria variable.

The key primary dependent variable in the model shows "Export Performance". Export marketing literature showed divergent relationship between determinants and export performance, but a recent study of Morgan et al., (2018) identified that researchers mostly adopted fragmented measurement to define export performance. In their seminal study Chen et al., (2016) assert that it is crucial to use multiple measures for realizing different aspects of export performance to enhance the effectiveness for key determinants of export performance. Besides that, few researchers (Gruber, et al., 2010; Lubatkin et al., 2006) have been able to report respondents' enthusiasm on perceptual performance measures over objective data due to keeping confidentiality on firms' internal report. Although, using subjective measure of independent together with dependent variables possess limitation related to common method bias (Lee et al., 2020), strategists (Chandler

& Hanks, 1993; Dess & Robinson, 1984) identified high correlation between objective data and perceptual data for measuring firm-level performance. Accordingly, we have used three ways to measure export performance and the process is characterized by subjective views instead of objective views. The subjective measures of export performance are: export profitability, export sales growth and export sales. We adapted existing scale (1= very dissatisfied and 7= very satisfied) from the study by Lu et al., (2010) to measure export performance.

We measured market exploration and exploitation with three items, which were adapted from Lisboa et al., (2013). The items for market exploration assess the extent of newness and diversity in customers, competitors and export markets, while those for market exploitation measure the extent to which the exporters have improved knowledge on existing export markets' potential, competitors' actions and customer relationship competency.

Next, respondents were asked to indicate the degree to which statements were important regarding "To what extent has your export-oriented firm given greater priority on knowledge management marketing capabilities from other exporters within your business group in the last five years". To measure PMO, four-dimensional measurement items were adapted from the study of Atuahene-Gima et al., (2005). We measured NPDC with a four-item scale adapted from the study of Merrilees et al., (2011). CRMC and BMC were measured by using four-items scale adapted from the study of Orr et al., (2011) and Santos-Vijande et al., (2013), respectively. Overall, these items assess the viability of mid-level cross-functional marketing capabilities that supports the transformation of absorbed knowledge-based resources into function business units for implementing knowledge management process. The moderating variable (competitive intensity) measures the extent to which a firm realizes untamed contest in the export market. It was measured by using a three manifest items' scale that were adapted from the study of Bodlaj et al., (2012).

4.3.2. Control Variables:

In recent years, IB strategists used factors that could influence export performance. Similar to past studies (Leonidou, Fotiadis et al. 2015), we also control two firm-level variables in the estimate model. The firm-level variables include the size of the exporter, age of the firm in export operation. We control for firm-size and firm age because small firms and international new venture are more likely to adapt changes (Snihur and Wiklund 2019), whereas larger but mature exporters possess more resources together with skills to modify them to enhance their performance more adequately (Ito and Pucik 1993). We created dummy variables to realize the effect of control variables on the criteria variable.

4.4. Non-response bias test

We performed non-response bias examination in two stages following the study of Armstrong and Overton (1977). Firstly, we divided the overall sample into two groups: late response and early response. Overall, 158 sample were selected to perform further test. Secondly, this study performed t-test to analyze difference between two independent samples on the constructs of mid-level MCs and export performance. We found no significant difference among groups, and thus concluded non-significant difference between early and late responders. The findings identified non-response bias was not problematic in this study.

5. Results

5.1. The Measurement Model Testing

To realize more robust measurement of the latent constructs for the proposed conceptual model, we have used three step approaches by following a seminal study of Santos-Vijande, et al., (2013). These are: firstly, confirmatory factor analysis (CFA) to realize fit indices of the

measurement model; secondly, we performed reliability and validity (i.e., convergent validity and discriminant validity) tests of the psychometric properties; thirdly, we assessed common method variance (CMV) to understand whether or not it is a challenge for this study. The conceptualized model (figure 1) depicts the measurement model comprising of eight first-order latent constructs namely, PMO, NPDC, CRMC, BMC, market exploration, market exploitation, competitive intensity, export performance. To avoid any complications due to non-normality of the data, this study used robust maximum likelihood estimation in two stages CFA examination process (Bentler, 1995) through AMOS 22 package. Mplus version 8 statistical software package was administered to evaluate structural models' direct, mediation, and conditional moderated mediation relationships.

First stage CFA affirms the acceptable model fit by satisfying the benchmark point of the overall fitness indices that includes tolerable misfit as well: CFI=.938, AGFI= .846, $\chi 2/df = 1.630$, RMSEA= .045, TLI= .926. Overall, the results of measurement model examinations support the construct validity of the proposed conceptual model.

5.2. Validity and Reliability of Constructs

The study's tests for reliability and validity are illustrated in tables 2 and 3. Strong evidence of convergent validity of first-order CFA is presented in table 2. We used factor loading, composite reliability and Average Variance Extracted (AVE) to examine convergence validity of the proposed constructs, in which reliability is examined by omega value. The results confirm the convergent validity of the four underlying dimensions of DMC strategy, since the standardized lambda parameters relating to each first-order construct range from 0.47 to 0.84 that are significant at the 95% CI level (table 1). All other first-order constructs' standardized lambda are ranged from 0.64 to 0.91, which are statistically significant at p=0.05 level. Together with standardized lambda

coefficient, validity of all other constructs are evaluated by CR and AVE that are above 0.778 and 0.501, respectively. To measure reliability, this study administered omega (ω) imputation approach for all latent constructs as the (ω) value provides higher level robustness to explain reliability of latent constructs (Hayes and Coutts, 2020). All manifest variables omega (ω) value exceeded 0.77` satisfactory point that confirms strong mutual association among indicators to explain the intended constructs.

To validate the level of isolates relationship of one latent construct to another latent construct, by considering the suggestions of Fornell & Larcker (1981) that compare correlation as well as square root of AVE of each latent construct. We examined discriminant validity for first stage CFA model, in which variance explained by each construct's indicators is greater than shared variance between the latent constructs, and hence the CFA model satisfies discriminant validity assumption.

5.3. Common Method Variance Test

Data collection from single respondent brings challenges by potential common method bias (CMB). To decrease CMB at a priori stage, we have used different response scales for exogenous and endogenous constructs. For instance, "Export Performance" construct is measure by very dissatisfied=1 and very satisfied=7, whereas other latent constructs are measured by strongly disagree=1 and strongly agree=7. At a posteriori level, this study adopted several steps to evaluate whether common method bias is an issue or not. Firstly, following the correlation matrix approach of Tehseen et al., (2017), we have examined latent constructs' correlation for first-order constructs. The result represents all constructs correlation do not exceed 0.9 level and this refers data does not have CMB issue. Secondly, the study conducted a common latent factor analysis, where a measurement model contains all explained constructs are represented by a single factor

(Richardson et al., 2009). The result shows, fit indices (χ^2 / df = 1.712, CFI= 0.93, RMSEA= 0.055) are poor for single factor measurement model compared to first stage measurement model (table 1).

Thirdly, CMB is further assessed by using a "Marker Variable" approach (Lindell and Whitney, 2001), namely "level of strategic flexibility" a four items latent construct that is theoretically unrelated to any other constructs used in the conceptual model are incorporated into the questionnaire. The marker variable is measured by asking following questions to the respondents: "to what extent the firm is able to respond rapidly to enter into new market relative to key rivals (1=hardly at all,7=very easily)". Following the approach of Malhotra et al., (2006), we found low-level dissimilarities between model with marker variable and model without marker variable: χ^2 / df = 1. 732 vs χ^2 / df = 1.712, CFI= 0.945 vs CFI=0.932, RMSEA= .055 vs RMSEA= .055. In addition, chi-square difference test found non-significant difference (P>.05) between a model with equal constrained and a model with zero-constrained. In general, posteriori level analysis confirms this study is free from any common method bias issue.

TABLE 2 HERE

TABLE 3 HERE

5.4.1. Structural Relationship's Estimation and Results:

We assessed multicollinearity to comprehend whether or not the results of CFA models are influenced by multicollinearity. Following the seminal study of Tabachnick and Fidell (2001), we administered a correlation matrix to unravel whether multicollinearity is a problem or not by evaluating correlation between latent constructs are exceeded *r*>.90 level in the CFA models. 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). This infers multicollinearity is not a problem for the CFA models as well as additional test to unravel structural relationships can be administered.

This study has developed several models to examine direct effects, mediation effects, alternate model and moderated mediation effects (i.e., conditional indirect effects) through adopting "Structural Equation Modeling". In order to reveal the hypothesized relationships from H1a to H5b, this study divides the structural model into four subsets. Firstly, this study estimates the direct effect between market exploitation and exploration on export performance in model 1, while stage 2 estimates the mediation role of underlying dimensions (i.e., PMO, NPDC, CRMC, BMC) of higher-level DMC strategy between independent variables (i.e., market exploration and exploitation) and export performance in model 2. Thirdly, model 3 assesses robustness of mediation model by proposing and analyzing an alternate model (show in table 3). From model 1 to model 3, we used reflective measure for evaluating hypothesized relationships. On the other hand, conditional indirect effects of the moderator are analyzed from model 4 to 7 that unravel hypothesized relationships from H4a to H5b. Initially, to analyze the conditional indirect effects we created single item measure of the proposed constructs by averaging manifest items of each construct; namely, market exploration, market exploitation, PMO, CRMC, BMC, NPDC, competitive intensity and export performance, respectively.

The structural models assessed direct, mediation and conditional moderated mediation effects by using maximum likelihood estimation procedure in MPlus 8.0 version by following Hayes (2012) model 8. Table 3 presents several models (i.e., model: 1, 2, and 3) to estimates direct, mediation and alternative model, respectively. The model 1 has an acceptable fit: CFI= .951, AGFI= .872, $\chi 2/df = 1.604$, RMSEA= .044, CAIC=1083.620, AIC= 684.404.

As can be seen in Table 04, model 1 shows explorative knowledge accumulation process is positively and significantly associated with the export-oriented (i.e., manufacturing firms or electrical/engineering products producers) firms export performance (Beta=0.158, P<.05), and exploitative knowledge accumulation is also positively along with significantly associated with the firm's export performance (Beta=0.230, P<.05). This supports H1a and H1b. Other than Yan, et al. (2021) recent findings of knowledge absorption mechanisms on UK based sample, the role of knowledge absorption processes through market exploration and exploitation in supporting exporters' internationalization process within emerging economies context has not been comprehensively studied. The findings of this study extend our understanding of an exporter's ability to explore and exploit knowledge-based resources in a systematic process can boost its export performance. In particular, we state that internationalization knowledge absorption process can be strengthened by an exporter's simultaneous pursuit of knowledge exploration and exploitation mechanism to realize positive return from export markets.

Next, we assessed influence of knowledge management process in the proposed structural model, and we included four mid-level MCs as the mediators within the linkage between internationalization knowledge absorption strategies (i.e., market exploitation and market exploration) and export performance in model 2. Table 4 presents the individual and combined effects of four mediators in the model 2, in which the merit of underlying dimensions of DMC strategy as the mediators leverage the influences of knowledge exploration and exploitation on export performance. We found that adding the hypothesized mediators to model 1, the overall explanatory power (i.e., r^2 value) of "model 2" increased to 49%. The indirect effect of bootstrapping reveals that the link from market exploitation and exploration to export performance are indirect through cross-functional MCs constructs, which are significant at P<.05 level and with

effect size of β=0.161** and 0.179** for market exploitation as well as market exploration learning mechanisms, respectively. The hypothesized relationships from H2 to H3 showed exporters' cross-functional MCs as the mediators strengthened the relationship between knowledge absorption processes and export performance. Hence, this study supports H2 and H3. It is clear from the findings that an exporter's efficiency of absorbed knowledge does not lie in transforming it into knowledge management practices by itself, instead of the exporter needs competency to recombine and modify these knowledge management marketing practices. This infers, the effects of these knowledge absorption mechanisms on the improved export performance are more reliant on the relative magnitude of practicing cross-functional MCs.

TABLE 4 HERE

5.4.2. Alternative Model Evaluation:

Although the results of model 2 indicates that the presence of mediators strengthened the linkage between exogenous and endogenous variables, we examined the robustness of the proposed structural model by adopting along with analyzing an alternate model 3 (shown in table 5). Whereas the parsimonious hypothesized model has examined the mediation effects of underlying dimensions of DMC construct between the linkage of IA constructs and export performance, a non–parsimonious model would be the one that tests indirect effects of international ambidexterity constructs. Indeed, Mu (2015) suggest that exploration and exploitation process of a firm have full mediation role within the linkage of marketing capability and innovation performance. Likewise, in their seminal study Hsu et al (2013) proposed future research agenda should emphasize international ambidexterity as a potential mediator, wherein "dynamic capabilities could be critical for the practice of international ambidexterity ".

Table 4, compares the theoretical model with the rival model by evaluating fit indices and significance level of the structural models. Firstly, overall fit comparison of theoretical model 2 with rival model 3 revealed that the rival model 3 has a lower level of overall fit criteria (χ^2 / df=1.904; CFI= .871), which indicates the rival model does not fit adequately the data. Secondly, this study has used Akaike Information Criterion (Luo and Rui, 2009) to assess the parsimony fit of two models. AIC represents comparison measures of fit (Bentler and Mooijaart, 1989). With respect to parsimony fit, we found the AIC of the theoretical model is better than that of the rival model (AIC = 689.808; vs AIC = 824.058). Thirdly, we compared the percentage of statistically significant parameters between two models. A comparison of the strength of the proposed mediating constructs (underlying dimensions of DMC and international ambidexterity constructs) indicates an important difference between the two models. In the rival model mediation effects are statistically significant at a lower level compared to the theoretical model, whereas the theoretical model attains significance estimation at a level of $P<.01$.

Overall, in the rival model, the mediation effects of market exploration and market exploitation are not equally strong to the mediation effect of higher-order reflective DMC construct in the theoretical model. The comparison results indicate the theoretical hypothesized model is better than the rival model. While previous works did not fully investigate the importance of knowledge management marketing capabilities as key determinants of knowledge absorption process, our investigation encourages future studies to theorize additional knowledge implementation practices for better understanding influence of higher-level DMC strategy on achieving customer value proposition in emerging market business groups

5.4.3. Assessment of Moderated Mediation Models

The theoretical model in this research has proposed moderated mediation relationships among moderators, exogenous variables, mediators and endogenous variable. Following a study of Hayes & Rockwood (2020), we evaluated the hypothesized relationships from H4a to H5b to realize the presence of moderated mediation effects in the structural models. We have developed four additional structural models (i.e., model 4 to 7) to assess moderation effect of competitive intensity in the linkages between exogenous variables (i.e., market exploration and market exploitation) and dependent variables (i.e., underlying dimensions of DMC strategy and Export performance). This study further evaluated conditional direct effects along with conditional indirect effects of the interaction terms on export performance in model 6 and model 7. Table 4 represents the results of moderation effects on export performance and the mediators, while this study reported conditional direct and indirect effects on export performance in table 5. As can be seen in table 5, we used Bootstrapping confidence interval (Boot CI) to examine significance level of the interaction terms' conditional direct and indirect effect on export performance. Following Stride et al., (2015) suggestions of moderated mediation test proposed by Hayes (2012), we bootstrapped 5000 samples for adopting bootstrap estimations and all the significance test in the model 6 and 7.

Firstly, we examined the moderation effects on the mediator constructs. Table 4 reported that in model 4 and 5 the interaction terms between independent variables (i.e., market exploitation and market exploration) and competitive intensity in their effects on mid-level cross-functional MCs constructs were positive and significant (PMO: *β=0.1038 and 0.1077; NPDC: β=0.1726 and 0.1911; CRMC: β=0.2167 and 0.1860, and BMC, β=0.1424 and 0.1543, respectively*). Besides that, in both models the interaction terms of independent variables (i.e., market exploitation and

market exploration) and moderators (i.e., competitive intensity) were positively related to final criteria variable export performance (*model 4: β=0.054; model 5: β=0.073; significant at P < .01, respectively*).

TABLE 5 HERE

Secondly, this study calculated conditional direct and indirect effects for the moderator at three levels, namely low (-1 SD), medium (mean value of moderator) and high (+1 SD). Results for conditional direct effects are reported in table 5 that showed the interaction terms of moderator and market exploitation as well as market exploration had significant positive influence on export performance (*significant at a level of P<.05*). Specifically, when the level of competitive intensity was high compared to low, an exporter's market exploration process generates better significant positive impact on export performance, while the presence of lower competitive pressure strengthens the relationship between market exploitation and export performance. This infers the presence of conditional direct effects of moderators in the linkage between independent variables and endogenous variables.

Finally, we generated two additional models 6 and 7 to examine the proposed hypothesizes' conditional indirect influences of moderators at three level, namely low (-1 SD), medium (mean value of moderator) and high (+1 SD). In model 6, at different level of competitive intensity conditions, we evaluated the conditional indirect effects of market exploitation on export performance through applying two underlying cross-functional MCs, namely CRMC and BMC constructs. The results of Model 6 show that the conditional interaction term of "exploitation and competitive intensity" on export performance is positive and significant through the knowledge management processes of CRMC and BMC at the 0.01 level, respectively. (Model 6: $\beta_{XPT*CI\rightarrow CRMC\rightarrow EXP} = 0.747$ & $\beta_{XPT*CI\rightarrow BMC\rightarrow EXP} = 0.722$, $p < 0.01$).

The indirect effects of market exploitation generate higher export performance through the two underlying constructs of higher-level DMC strategy, where the relationships were moderated by low level of competitive intensity conditions. It indicates that when competitive intensity is low, one standard deviation increase in knowledge exploitation process is associated with 0.747 & 0.722 units increase in export performance through the presence of knowledge management marketing practices, such as CRMC and BMC, respectively.

Similarly, the model 7 found that the positive effects of exploration on export performance is stronger when competitive intensity is high compared to low as accumulated market knowledge is transmitted through the knowledge management process, namely PMO and NPDC. The results of Model 7 show that the conditional interaction term of "exploration and competitive intensity" on export performance is positive and significant through cross-functional MCs, such as PMO and NPDC at the 0.01 level, respectively (Model7: $\beta_{XPR*CI \rightarrow PMO \rightarrow EXP} = 0.194$ & $\beta_{XPR*CI \rightarrow NPDC \rightarrow EXP} = 0.498$, $p < 0.01$). The evidence from this model suggests that when competition is high, one standard deviation increase in exploration is associated with 0.194 and 0.498 units increase in export performance through implementing knowledge management practices of PMO and NPDC, sequentially.

To understand the presence of moderated mediation effects in the proposed models, we tested whether interval range of the 95% Boot confidence contains Zero or not in both moderated mediation models (i.e., model 6 and 7). The results reported in table 6 showed that the coefficient effects of conditional interaction terms (from model 6 to 7) did not include zero in the course of considering underlying constructs of higher-level DMC strategy as the mediators for model 6 and 7. Therefore, we can claim the indirect effect of market exploration as well as market exploitation on export performance through four underlying dimensions of DMC strategy (i.e., PMO, NPDC,

CRMC and BMC) are moderated by individual level of moderation influence of competitive intensity. The results giving strong support to moderated mediation effects from H4a to H5b.

Despite researchers (Fernández-Mesa and Alegre 2015, Chen et al. 2016) showed growing interest on investigating the role of external environmental factors as the determinants of knowledge accumulation and export performance, little is known about the process through which exporters should manage learning from competitive pressure in the internationalization process to stimulate their improve export performance. The findings in model 6 indicates, as a firm invest more in CRMC and BMC, the positive effect of knowledge exploration with high-degree of competitive intensity on export performance will strengthen. Contrary to model 6, we suggest that an exporter's more investment in PMO and NPDC as knowledge management processes in model 7, any learning associated with low-degree of competitive pressure stimulates knowledge exploitation process to generate operational efficiencies as well as enhanced export performance. As the global market is embraced of intensifying competition, what export manufacturer firms' need is practicing strategic flexibility in knowledge management processes in a way that supports exporters to transform absorbed knowledge effectively within knowledge management systems for withstanding uncertainty. In general, therefore, it seems an exporter should remember that to attain superior export performance through knowledge accumulation and strategic flexibility in knowledge management processes, the exporter must engage in the process of implementing higher-level DMC strategy at a different magnitude of competitive pressure.

TABLE 6 HERE

TABLE 7 HERE

6. Discussion and Implications:

Whereas, the concepts of knowledge management (Del Giudice and Maggioni, 2014), knowledge transfer (Ahammad et al., 2016) and dynamic marketing capabilities (Morgan et al., 2018; Hoque et al., 2020), have received considerable attention, there has been little research addressing their interrelationships and associated influence upon the performance of exporting firms. The present study was motivated by this gap and planned to advance our understanding on a). Whether a mid-level conceptualization of cross-functional MCs mediate the relationship between internationalization knowledge absorption processes and export performance, and b). Whether competitive intensity moderates the relationship between internationalization knowledge absorption processes and export performance through considering underlying dimensions of higher-level DMC strategy as knowledge management mechanisms.

To address these objectives, we developed and tested a theoretical model consisting of eight constructs. The ensuing structural model was based on six hypothesized relationship that were evaluated by a cross section of data from 315 companies from export industries involved in manufacturers' firm or producers of electrical/engineering products. All hypotheses were accepted and give rise to the following theoretical and practical contributions.

6.1. Theoretical Contributions

The findings make important contributions to international business literature and to the fields of organizational learning, and dynamic marketing capability view. First, this study empirically demonstrates that international ambidexterity (i.e., market exploitation and market exploration) influence export performance. Thus, our results are in line with Sharma et al., (2018) who stated that an exporter's involvement in market exploitation learning creates an environment that minimize operation risks and expenses through focusing idiosyncratic needs of current export

customers. Findings also resonate well with Lee et al., (2019) proposition that market exploration learning process encourages scoping of new ideas and innovation.

In addition, our study moves our understanding within the black-box of learning to performance path, by delving into the marketing capabilities of the firm required to "activate" market-based knowledge. Indeed, even though the consequence of international ambidexterity as learning constructs have received growing attention from international business strategists, previous works (Denicolai et al., 2016, Mu, 2015) overlooked the processes through which a firm can transform market knowledge (learnt through exploration & exploitation) into knowledge management processes (higher-level marketing capabilities) to effectively navigate the internationalization process. Thereby, our second empirical finding addresses this theoretical limitation by analyzing the power of knowledge management theorized higher-level DMC strategy in the causal linkage of internationalization knowledge absorption processes and export performance. We follow on the steps of researchers' (Fletcher et al., 2013) assertions that a firm's implementation of internationalization knowledge is contingent on its ability to deploy higher-level organizational capabilities within functional business units.

In our study, mid-level cross-functional MCs are treated to be firm level knowledge management processes and crucial underlying dimensions of higher-level DMC strategy. Both marketing and international business scholars argued that at the time of complex and changing environment, firms' cross-functional and specialized marketing capabilities in isolation, cannot satisfy the requirement to compete effectively in the markets (Day, 2011, Morgan et al., 2018). This directed us to a conceptualization of higher-level DMC strategy, in which crucial underlying dimensions are mid-level MCs. By drawing on the KBV and DMC view, we theoretically and empirically examined an array of mid-level cross-functional MCs to capture the conceptualization

of higher-level DMC strategy, and the boundary condition regarding how underlying dimensions of higher-level DMC strategy mediates the consequence of international knowledge absorption processes on export performance. Our empirical findings suggest a full mediating effect of mid-level MCs between the relationship of internationalization knowledge absorption constructs (i.e., exploitation and exploration) and export performance (H2, β = 0.161*** and H3, β = 0.179***). The results of mediation effects are in agreement with Villar et al., (2014) research work that stated knowledge management processes are critical internationalization processes for articulating robust export strategy, in which knowledge management dynamic capabilities are treated to be an influential intermediary between knowledge accumulation and export strategy. An effective alignment of critical marketing capabilities namely, proactive marketing orientation (PMO), new product development (NPDC), customer relationship management (CRMC) and brand management (BMC) under the higher-level DMC strategy, and the successful assessment of its influence upon performance constitutes an important step to theorize the knowledge management process for activating market-based knowledge in export markets.

Finally, our study assessed the conditional moderated mediation effects in the structural model. This is the magnitude of competitive intensity's moderation effect between knowledge absorption processes (exploration & exploitation) and mid-level cross-functional MCs as it directly influences export performance.

The findings of moderated mediation model (i.e., from model 4 to 7) revealed that the indirect effects of market exploitation on export performance through CRMC and BMC are more prevalent when competitive intensity is low. While competitive intensity is high the indirect effect of market exploration on export performance through knowledge management processes of PMO and NPDC are more dominant.

To this end, our study offers some important insights into international ambidexterity and DMC literature as it complements earlier research works that have examined the effects from external environmental factors toward export performance (Ferreras-Méndez et al., 2019). In fact, our findings may be used to explain the surprising findings of Buccieri et al., (2020) whereby ambidexterity was not found affecting an international venture's performance. As Buccieri et al., (2020) speculated this lack of a statistically significant relationship may be explained by the fact that performance is influenced only if ambidexterity is accompanied by marketing capabilities. Our study has provided empirical evidence to support this directly and further enhanced our understanding of how these marketing capabilities are supported or not knowledge management process under different conditions of competitive intensity when internationalization knowledge is absorbed by exploration and exploitation processes.

6.2. Practical Recommendations

From a practical perspective our study provides useful lessons for exporting firms wishing to enhance their performance. First, by introducing a higher-level dynamic marketing capability approach and linking it to ambidexterity constructs (learning though exploration and exploitation), export business professionals should appreciate the full spectrum of mid-level marketing capabilities they need to develop alongside their exploration and exploitation strategies to improve their export performance. Unless they secure this direct link (from market knowledge/learning to dynamic marketing capability) they will not be able to secure the best performance they can get. To do so export professionals need to advance their proactive marketing, new product development, customer relationships and brand management capabilities and align them to their exploration and exploitation effort. They can achieve such an alignment by cultivating an approach for "eyes open and hands on" meaning constantly sensing the market and absorbing

market knowledge (eyes open) while putting in place all the necessary competencies (hands on) required to transform this knowledge into market offerings. In doing so, they can develop unique positional advantages to drive performance.

Secondly, our study directs attention to the competitive intensity conditions the exporting firm is facing. When export business professionals are faced with high-level of competitive intensity in the market, they should establish a clear focus on their exploration learning strategies if they wish to enhance their export performance. Again, if they are faced with a market of low competitive intensity, they should be directing effort and resources primarily on exploitation learning strategies.

Finally, export business professional will find our study useful when trying to establish support for their resources consuming strategies. Ambidextrous learning strategies and mid-level cross-functional marketing capabilities require considerable resources by the firm. The relationships we identified in our study show a clear connection of internationalization learning processes and marketing capabilities as well as clear influence upon the export performance, which in turn can justify the relevant resources for developing the firm accordingly. Indeed the identified relationships therein, direct attention to synergies which may allow export professionals to achieve more with less resources.

From a policy maker's perspective seeking to assist firms facing similar challenges as exporters from Bangladesh, would certainly entail the creation of an infrastructure that supports existing good performers but also motivate others to capitalize on the recommendations of this study. More specifically as policy makers are faced with limited resources, they could utilize our approach to identify different groups of exporters, thus allowing for a focused and highly customized intervention for each group. For example, enabling and relief mechanisms could be

applied seeking to enhance the identification of international market trends in new product for each relevant industry. This would require, among others, government investment for example in exporting institutes in the country (thus *enabling* the collection and dissemination of export information to the country's exporters) and/or the provision of financial support for firms to attend international export trade shows and exhibitions (thus providing considerable *relief* to their limited financial resources). By the same token, exporting firms can be incentivized to improve the very critical higher-level DMC strategy related to their functional/strategic expertise in PMO, NPDC, CRMC and BMC. Regulatory agencies of a government from an emerging market supported training and financial resources to exporters may be diverted to enhance exporters' competencies in managing a fine-configuration of such mid-level cross-functional MCs in the course of turbulent and competitive market conditions.

6.3. Limitations and recommendations for further research

Although this study has provided useful new insights, it has several limitations. First, the scope of this study is limited to firms in one country. Extending the study to other geographic areas may allow researchers to address cultural differences that may act as moderators of the relationship between market based learning and dynamic capabilities, thus leading to conceptual refinement and advancement. Secondly, this article combined market-based learning in MCs to explain performance in export markets. Future studies may build on the taxonomy of higher-level dynamic marketing capability strategy and enrich it by considering other functions important to export performance (e.g., export operations and supply chain management). Third, all data were collected from the same respondent using the same measurement approach. Although common method was tested and results showed it is not a problem, multiple respondents and possible objective measures of performance should be considered in future research to address potential drawbacks. Finally, it

is also important to note that this work is only a small step towards better understanding of the role of environmental dimensions on the relationship between market learning strategies and dynamic of the firm. We recommend researchers to consider other dimensions too as depicted in the work of Meinhardt et al. (2018).

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Table 1: Sample Composition

Type of Industry		Export Market's Experience		Sales Volume from Export		Position	
Electrical/engineering products	(7.6%)	5-10 years	(72%)	Above 90%	(57.5%)	CEO	(37.8%)
Handicraft and furniture	(18.7%)	11-15 years	(14.9%)	75-90 %	(6.3%)	Marketing Manager	(9.2%)
		16-20 years' experience	(8.3%)				
Plastic goods	(6.0%)			60-75%	(4.4%)	International Marketing Manager	(19.7%)
Leather goods	(14.9%)	21-30 years' experience	(3.8%)	30-60%	(10.5%)	Manager Merchandiser	(22.2%)
Finished leather	(5.7%)					Compliance Manager	(11.1%)
Textile	(42.5%)						
Ceramics	(3.2%)						
Light engineering	(1.3%)						

Table 2: Measurement of latent variables, reliability and validity

Items for CFA	Source	Manifest Variables	Standardized parameter	t-value	Reliability		
					Omega	CR	AVE
First order CFA measures	Atuahene-Gima et al., (2005)	*Export Venture Marketing Capabilities constructs* **Proactive Market Orientation**	0.47[a]	---------	.77	.800	.50
PMO 1		PMO1: We continuously try to discover additional needs of our potential customers of which they really value but never disclose to us					
PMO 2		PMO2: We inspect users existing products complication to offer better solution to satisfy needs	0.80	7.645			
PMO 3		PMO 3: We support customers to improve their expectation in the market through our suggestions.	0.73	7.481			
PMO 4		PMO 4: We work closely with lead users who try to recognize customer needs earlier than key competitors' action of understanding customers' needs	0.69	7.282			
CRMC 1	Orr et al., (2011)	**Customer Relationship Management Capability** CRMC 1: We repeatedly focus on meeting long term needs to retain customers in the export markets.	0.84[a]	---------	.84	.841	.57
CRMC 2		CRMC 2: We routinely establish a "dialogue" by attending in international fairs to meet with target customers	0.80	15.32			
CRMC 3		CRMC 3: (-) We hardly invest on developing IT infrastructure to enhance quality of relationship with attractive customers.	0.69	12.76			
CRMC 4		CRMC 4: We apply innovative marketing and promotion methods to maintain loyalty among potential buyers compared to the rivals	0.67	12.59			
BMC 1	Santos-Vijande et al., (2013)	**Brand Management Capability** BMC 1: Our brand decisions are a very important element in the firm's business strategy	0.78[a]	---------	.78	.782	0.55
BMC 2		BMC 2: We have a well-coordinated, multidisciplinary team to manage its brand	0.69	11.34			
BMC 3		BMC 3: (-) We hardly invest in managing and promoting the reputation/image of our firm compared to key rivals	0.73	11.82			
NPDC 1	Merrilees et al., (2011)	**New Product Development Capability** NPDC 1: We rapidly respond to solve customer's problems by presenting new solution package	0.76	---------	.85	.845	0.58
NPDC 2		NPDC 2: We frequently upgrade capacity utilization process to reduce order lead time of product development	0.63	15.12			
NPDC 3		NPDC 3: We focus on improving plant efficiency to reduce production cost of product development	0.79	11.45			
NPDC 4		NPDC 4: We are better at adopting new technology to commercialize new ideas to satisfy buyers' standards	0.83[a]	14.46			
EP 1	Lu et al., (2010)	**Performance in the Export Market** EP 1: How satisfied you are with the growth level in the export markets (Growth profitability)	0.87[a]	---------	.84	.842	.57
EP 2		EP 2: How satisfied you are with the market share position in the export markets (market share profitability)	0.81	16.42			
EP 3		EP 3: How satisfied you are with the return on investment level through export sales (return on investment performance)	0.64	12.41			
EP 4		EP 4: How satisfied you are with the increase in customers satisfaction level in the export markets (customer satisfaction performance)	0.68	13.60			
CMI 1	Bodlaj et al., (2012)	**Competitive Intensity** CMI 1: We are facing aggressive competition in this industry	0.91[a]	----------	.896	.896	0.74
CMI 2		CMI 2: In our industry anything that one competitor can offer, others can match readily	0.86	19.42			

CMI 3		CMI 3: In our industry price competition is a hallmark of our export market	0.81	17.94			
First order CFA measures XPL 1	Lisboa et al., (2013)	**Market Exploitation** XPL 1: We conduct deep examination to capture important information about existing export markets operation	0.80[a]	---------	. 78	0.77 8	0.54
XPL 2		XPL 2: We continuously review customer relationship management process to strengthen contacts with customers in current export markets	0.70	10.77			
XPL 3		XPL 3: We strictly monitor competitive products to bring improvement in our new solution packages	0.69	10.76			
XPR 1	Lisboa et al., (2013)	**Market Exploration** XPR 1: We repeatedly enhance our knowledge about new export market opportunity	0.71[a]	---------	.78	0.78 1	0.54
XPR 2		XPR 2: We frequently assess feasibility of doing business in new export markets	0.79	11.00			
XPR 3		XPR 3:(-) We never research new competitors and customers of new export markets	0.70	10.41			
First stage CFA: CFI=.938 AGFI= .846, $\chi 2/df$ = 1.630, RMSEA= .045, PCLOSE=.923, TLI= .926, CAIC=1507.569, AIC= 1155.752							

Key: *PMO= Proactive market orientation, RMO= Responsive market orientation, PMO= Ambidextrous 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, CMI= Competitive intensity, CR= Construct reliability, AVE= Average variance extracted. *a= In order to set the construct initial factor loading constraint to 1.*

Table 3. Discriminant validity of first-order measurement model

Note: PMO= Proactive market orientation, RMO= Responsive market orientation, PMO= Ambidextrous 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, CMI= Competitive intensity. The table above represented squared root of AVE for the construct of each column along the diagonal, whereas other figures shows the standardized correlation between each pair of latent constructs

	Mean	SD	BMC	NPDC	RMC	CMI	XPL	XPR	EXP	PMO
BMC	4.94	1.54	**0.739**							
NPDC	4.77	1.45	0.566	**0.761**						
RMC	4.69	1.49	0.552	0.485	**0.756**					
CMI	4.85	1.25	0.161	0.231	0.158	**0.862**				
XPL	4.75	1.65	0.379	0.377	0.430	0.038	**0.735**			
XPR	4.85	1.67	0.353	0.375	0.517	0.149	0.292	**0.738**		
EXP	4.58	1.39	0.571	0.579	0.618	0.205	0.563	0.570	**0.758**	
PMO	0.701	1.62	0.642	0.446	0.369	0.275	0.279	0.268	0.521	**0.780**

Table4: Hypothesized Effects in the Structural Model

Models	Structural Relationships	Standardized Loading (Robust-t value)		
		Direct Effect on EP (standard error, Z value)	*Mediation Effect (standard error, Z +value)*	
			Underlying Dimensions of DMCs	
			Specific Indirect Effect Model	*Full Indirect Effect Model*
	Control Effect Paths:			
	Dummy Employee Size→EP	-0.113 ns		-0.074 ns
	Dummy Medium Firm→EP	-0.128 ns		-0.079 ns
	Dummy Small Firm→EP	-0.002 ns		0.075 ns
	Dummy Micro Firm→EP	-0.076 ns		0.027 ns
	Dummy age2→EP	-0.009 ns		-0.006 ns
	Dummy age1→EP	0.006 ns		-0.073 ns
Model 1: $R^2 = 0.133$	H1a: Export Market Exploitation→ Export Performance	0.230 ** (0.073, 2.944)		
	H1b: Export Market Exploration→ Export Performance	0.158 ** (0.074, 2.140)		
Model 2: $R^2 = 0.497$	*Mediation relationships:* *Export Market Exploitation→ DMC's underlying dimensions →Export Performance*			0.161** (0.057, 2.796)

	H2a: XPL→PMO→EP H2b: XPL→NPDC→EP H2c: XPL→CRMC→EP H2d: XPL→BMC→EP				.018* (0. 017, 1.042) 0. 062** (0.029, 2.171) 0. 053* (0.0.030, 1.763) 0. 028* (0. 029, 0.966)		
	Export Market Exploration → DMC's underlying dimensions →Export Performance H3a: XPR→PMO→EP H3b: XPR→NPDC→EP H3c: XPR→CRMC→EP H3d: XPR→BMC→EP				0. 019* (0.018, 1.042) 0. 063** (0. 029, 2.412) 0. 071** (0.038, 1.861) 0. 026* (0.027, 0.970)	0.179** (0. 061, 2.943)	
Model	*Model's Estimation*	S-B χ^2	df	CFI	RMSEA	AIC	Significance Level of Estimations
2: Theoretical	XPL→EP (with mediator DMC's underlying dimensions) XPR→EP (with mediator DMC's underlying dimensions)	561.808	261	0.911	0.055	689.808	P<.01
3: Rival model	DMCs→EP (with mediator XPL and XPR constructs)	696.058	261	0.871	0.073	824.058	ns

Key: *MKT=Market uncertainty; XPR= Export Market Exploration; XPL= Export Market Exploitation; CMI= Competitive Intensity; EP=Export Performance; PMO= Proactive Market Orientation, NPDC=New Product Development Capability, BMC= Brand Management Capability, CRMC= Customer Relationship Management Capability.*
P values in parentheses; ***, **, * denote significance at the level of ***P<.001, *P<.05; ┼P<.10; ns=non-significant.

Table 4: Regression results of moderation effects on dependent variables

Model	**Interaction terms**	**Moderation Effect on Endogenous variable**	**Moderation Effects on Mediators** *Beta coefficient* **(***standard error, t value)*			
		Export Performance	PMO	NPDC	CRMC	BMC
Model 4	XPL x CMI	*0.054** (.043, 1.253)*	0.1038 * (.057, 1.83)	0.1726*** (.048, 3.53)	0.2167*** (.046, 4.62)	0.1424** (.047, 3.00)
Model 5	XPR x CMI	*0.073** (.046, 1.607)*	0.1077* (.074, 1.125)	0.1911*** (.048, 3.90)	0.1860*** (.049, 3.79)	*0.1543** (.047, 3.23)*

Key: *XPR= Export Market Exploration; XPL= Export Market Exploitation; CMI= Competitive Intensity; EP=Export Performance; PMO= Ambidextrous Market Orientation, NPDC=New Product Development Capability, BMC= Brand Management Capability, CRMC= Customer Relationship Management Capability.* P values in parentheses; ***, **, * denote significance at the level of ***P<.001; **P<.01 *P<.05; +P<.10; ns=non-significant.

Table 5: Conditional Direct and Indirect Effects of Interaction Terms

Model	**Conditional Interaction Terms**	**Conditional Moderation Effect on Endogenous variable**		
		Export Performance *Beta coefficient* **(***standard error)*	Boot 95% CI	
			LCI	UCI
Model 6: Direct X on Y	XPL x CMI			
	Low (-1 SD)	0.1685 (0.0131)	0.060	0.276
	Medium	0.2412 (0.0093)	0.162	0.320
	High (+1 SD)	0.2848 (0.0092)	0.179	0.390
Model 7: Direct X on Y	XPR x CMI			
	Low (-1 SD)	.2066 (.0562)	.1220	.3279
	Medium	.2136 (.0403)	.1530	.3066
	High (+1 SD)	.2206 (.0536)	.1278	.3415

Model	**Conditional Interaction Terms**	**Conditional Indirect Effects (Mediators)**											
		NPDC	Boot 95% CI		CRMC	Boot 95% CI		BMC	Boot 95% CI		PMO	Boot 95% CI	
			LCI	UCI		LCI	UCI		LCI	UCI		LCI	UCI
		Beta coefficient **(***standard error)*			*Beta coefficient* **(***standard error)*			*Beta coefficient* **(***standard error)*			*Beta coefficient* **(***standard error)*		
Model 6	XPL x CMI												
	Low (-1 SD)				0.747 (0.283)	0.029	0.112	0.772 (0.289)	0.283	1.236			
	Medium				0.669 (0.229)	0.283	1.039	0.694 (0.234)	0.298	1.071			
	High (+1 SD)				0.591 (0.177)	0.276	1.204	0.615 (0.179)	0.313	0.907			
Model 7	XPR x CMI												
	Low (-1 SD)	0.447 (.0175)	0.154	0.727							0.136 (0.074)	0.026	0.276
	Medium	0.473 (.0148)	0.096	0.834							0.165 (0.097)	0.019	0.347
	High (+1 SD)	0.498 (.0188)	0.031	.0.938							0.194 (0.120)	0.012	0.415

Key: *XPR= Export Market Exploration; XPL= Export Market Exploitation; CMI= Competitive Intensity; EP=Export Performance; NPDC=New Product Development Capability, BMC= Brand Management Capability, CRMC= Customer Relationship Management Capability*

*n = 315, Conditions for moderator (knowledge ambiguity) are the mean and plus/minus one standard deviation from the mean. UCI = upper 95% confidence interval. LCI= lower 95% confidence interval. Standardized results are reported. Bootstrap sample size = 10000. M = mean value of market turbulence and competitive intensity (market turbulence and competitive intensity were mean centered); −1

SD = one standard deviation below the mean value of market turbulence and competitive intensity; +1 SD = one standard deviation above the mean value of market turbulence and competitive intensity. CI=confidence interval; LL=lower limit; UL=upper limit; Estimates were calculated from model 5 to 8 by using the suggestions of Hayes (2013) model 8 procedure.

Table 6: Results of Moderated Mediation Analyses

Model	**Conditional Interaction Terms**	**Endogenous variable**	**Mediators**									
			NPDC	Boot 95% CI		CRMC	Boot 95% CI		BMC	Boot 95% CI		PMO	Boot 95% CI	
			Index **(***standard error)*	LCI	UCI	*Index* **(***standard error)*	LCI	UCI	*Index* **(***standard error)*	LCI	UCI	*Index* **(***standard error)*	LCI	UCI
Model 6	XPL x CMI	EP	0.032 (0.011)	0.025	0.212	0.020 (0.013)	0.028	0.261	0.021 (.013)	0.024	0.244	0.019 (.004)	0.012	0.052
Model 7	XPR x CMI	EP	0.007 (0.013)	0.017	0.348	0.069 (0.012)	0.031	0.186	0.015 (.014)	0.012	0.045	0.053 (.005)	0.003	0.017

Note. SE=standard error; CI=confidence interval; LL=lower limit; UL=upper limit.

Table 7: Summarization of al hypothesizes results

Hypothesizes	See Table	Support
H1a: Export Market Exploitation→ Export Performance	4	Accepted
H1b: Export Market Exploration→ Export Performance	4	Accepted
H2: Underlying dimensions of higher-level DMC strategy mediates the relationship between export market exploitation and export performance	4	Accepted
H3: Underlying dimensions of higher-level DMC strategy mediates the relationship between export market exploration and export performance	4	Accepted
H4: Competitive intensity moderates the effect of export market exploitation on export performance through implementing higher-level DMC's underlying dimensions (a) CRMC (b) BMC Specifically, the relationship strengthens under conditions of low level of competitive intensity.	6	 Accepted Accepted
H5: Competitive intensity moderates the effect of export market exploration on export performance through implementing higher-level DMC's underlying dimensions (a) PMO (b) NPDC Specifically, the relationship strengthens under conditions of high level of competitive intensity.	6	 Accepted Accepted