The interplay between market intelligence activities and sales strategy as drivers of performance in export markets

Abstract

**Purpose** – Exporting is a popular foreign market entry mode, especially among small- and medium-sized firms (SMEs). The success of SME exporters depends on their ability to establish and maintain profitable long-term relationships with foreign customers. This study proposes that the development of an effective export sales strategy can contribute greatly towards this aim. The study also demonstrates that export market intelligence generation and export market intelligence dissemination activities are important drivers of export sales strategy. Export sales strategy comprises of three dimensions, which are expected to have a positive influence on export performance.

**Design/methodology/approach** – The study uses survey data obtained from 168 exporting firms based in Greece, to test a set of research hypotheses. Structural equation modelling procedures are employed.

**Findings** – Findings indicate that export market intelligence generation and dissemination activities support and facilitate the development of effective export sales strategies, tailored to serve individual foreign accounts. Furthermore, all strategic dimensions of export sales strategy demonstrate significant positive effects on export performance.

**Research implications** – The research underlines the importance of incorporating export sales strategy in studies that aim to investigate the drivers of export performance. The findings also indicate that exporting firms must actively engage in market intelligence activities to reinforce their strategic decision-making process.

**Originality/value** – The study emphasizes the crucial importance of export sales strategy in achieving superior export performance. The study provides a theory-driven conceptualization and operationalization of export sales strategy and offers an empirical assessment of a comprehensive model that includes the key antecedents and performance outcomes of export sales strategy.

**Keywords:** Export market intelligence activities, export sales strategy, export performance.

**Article Type:** Research paper.

**Acknowledgement**
The authors thank the Associate Editor and the anonymous reviewers for their insightful comments and constructive suggestions.
1. Introduction

The determinants of export performance is a primary issue of concern among international marketing researchers and practitioners (Leonidou et al., 2002). As the field developed, export marketing strategy emerged as a pivotal determinant of export performance (Cavusgil and Zou, 1994; Chen et al., 2016; Morgan et al., 2004). Export marketing strategy provides a firm the means to exploit the strengths and counter the weaknesses that arise from its internal environment, as well as to seize the opportunities and confront successfully the threats that emerge in the external environment, in order to meet its export-related objectives (Cavusgil and Zou, 1994). While many researchers recognize the importance of developing effective marketing strategies that offer superior value to foreign customers, few studies attempted to investigate how firms implement such strategies at the local market level (Morgan et al., 2012). Previous discussions of export marketing strategy resolved around the traditional marketing mix (i.e., product, price, promotion, and distribution), focusing on whether firms should standardize or adapt its elements in foreign markets (Cavusgil and Zou, 1994). A number of review studies/meta analyses on export performance confirm that the investigation of strategic issues in exporting focused primarily on the elements of the marketing mix (e.g., Chen et al., 2016; Leonidou et al., 2002; Zou and Stan, 1998; Katsikeas et al., 2000). In contrast, in none of these studies did export sales management emerge as a major topic of investigation.

The traditional marketing literature posits that companies develop marketing mixes to satisfy the needs and preferences of broad customer segments that result from a meticulous process of market segmentation and targeting (Kotler et al., 2016). However, in the export marketing strategy literature, market segmentation and targeting stages are commonly ignored (Leonidou and Katsikeas, 2010), which is quite surprising considering that segmentation
decisions should precede all marketing-mix decisions (Diamantopoulos et al., 2014). Further research on export segmentation strategies, and particularly the simultaneous investigation of market segmentation/targeting and the development of marketing-mix strategies, can contribute towards filling this notable gap in the literature (Diamantopoulos et al., 2014).

Export market segmentation should be viewed as a two-stage procedure. As part of the export marketing strategy, export market segmentation should initially focus on the identification of broader groups of counties that present attractive opportunities for the firm. Once a decision is made regarding the specific countries to target, the firm should apply a more fine-grained segmentation within each country, in order to identify specific groups of customers (or even individual customers) that should receive marketing effort (Cooper and Kleinschmidt, 1985). Empirical evidence indicates that this micro-level, within-countries, segmentation has the strongest impact on export performance (Diamantopoulos et al., 2014). Drawing a parallel with the (domestic) sales management literature (e.g., Panagopoulos and Avlonitis, 2010), micro-level segmentation should be part of a firm’s export sales strategy, which must be consistent with but distinct from the firm’s export marketing strategy. In particular, the mainstream sales management literature asserts that the main difference between a firm’s sales strategy and its marketing strategy is that sales strategy decisions pertain to how the firm relates to and interacts with individual customers within a market segment, whereas marketing strategy has a broader market level focus (Ingram et al., 2012; Terho et al., 2015). Thus, exporting firms should emphasize the development of an export sales strategy in order to facilitate the establishment of profitable relationships with foreign customers or independent distributors within each targeted

---

1 We thank an anonymous EJM reviewer for assisting us in clarifying the export market segmentation process, and explain its relevance to the export sales strategy.
foreign market. Notably, a significant number of exporting firms, especially small- and medium-sized manufacturers of consumer goods, promote their products in foreign markets through partnerships with independent local distributors (Bello and Lothia, 1995; Zhang et al., 2003). On the other hand, industrial manufacturers, whose potential market in a foreign country comprises only of a small number of industrial customers, may choose to sell directly to these customers. In both cases, exporting manufacturers need to develop an effective export salesforce that will be able to initiate, develop, and expand relationships with foreign end-user customers and independent distributors (Katsikea et al., 2007). Furthermore, to achieve superior performance in export markets, firms must ensure that planned export marketing strategy decisions are effectively executed (Morgan et al., 2012). The present study proposes that export sales strategy (ESS) provides the proper mechanism for implementing export marketing strategy, via planning and performing sales activities within each targeted export market.

As a precursor to this study, the authors conducted an extensive review of the relevant literature, in the areas of international/export marketing, international business, marketing and sales management, aiming to identify studies that focused specifically on ESS or in which ESS was a key topic of investigation. However, despite the anticipated positive contribution of export sales strategy to export success, no previous study has ever attempted to examine the underlying elements of ESS, investigate the factors facilitating its effective development, or empirically establish the link between ESS and export performance. In the broader area of international sales, Panagopoulos et al. (2011) reviewed 97 articles, aiming to identify the key topics addressed and suggest an agenda for future research. Moreover, a recent study by Schrock et al. (2018) reviewed 132 articles in the area of international sales and sales management from a social network analytic perspective, aiming to examine the most influential topics and
understand how they are interconnected. Both studies conclude that existing knowledge on international sales and sales management is limited. Furthermore, the findings reported clearly indicate that international sales strategy issues received scant research attention. Most importantly, however, these studies provide specific directions for future research, identify critical gaps in current knowledge that must be filled, and emphasize specific sales-related tasks and activities that should be effectively conducted in order to lead to successful international sales. Although not explicitly discussed by Panagopoulos et al. (2011) or Schrock et al. (2018), a reasonable extension of the theoretical analysis they provide is that an integrated international/export sales strategy is needed to assist firms in planning, coordinating, directing, and controlling their sales activities in different foreign markets.

In light of these important gaps, the present study aims to contribute to the extant export marketing literature in three important ways. First, drawing on recent studies on the conceptualization and measurement of sales strategy in a domestic sales context, this research study proposes a measurement scale for ESS comprising of three dimensions: foreign customer segmentation, foreign customer prioritization and targeting, and relationship objectives and selling models. Second, the study provides an empirical test for the direct effect of each dimension of ESS on export performance. Finally, the study examines the role of export market intelligence activities, and particularly export market intelligence generation, and export market intelligence dissemination in influencing the development of ESS. In this way, the study also contributes to a growing stream of research in marketing which attempts to establish the exact nature of the relationship between marketing and sales, by suggesting that it is the interplay between market-oriented intelligence activities and ESS effectiveness that drives performance in the exporting context.
The remainder of the article is organized as follows. The next section outlines the theoretical background of the study and develops research hypotheses. Then, section three describes the methodological approach of the study, highlighting sampling and data collection procedures, and construct measurement issues. Section four presents hypothesis testing results, whereas section five explores their implications for academic research and managerial practice. The article concludes with a discussion of study limitations along with suggestions for future research.

2. Research background and hypotheses

This study aims to develop and empirically test a comprehensive model of the antecedents and performance consequences of export sales strategy. Drawing on previous research in the area of export marketing (e.g., Murray et al., 2011) the study examines the role of export market orientation as a potential driver of the development of ESS. A key proposition is that the ‘intelligence’ facet of market orientation (Hult et al., 2005; Özturan et al. 2014) is an important enabler of the internal process that leads to the development of effective ESS. The study focuses on export market intelligence generation and export market intelligence dissemination activities, which provide useful insights regarding customers, competitors and other environmental forces in each targeted foreign market (Cadogan et al., 1999). These activities provide the knowledge grounds for the development of strategic decisions at the export customer level, which are incorporated in the firm’s ESS. This is extremely important for exporting firms whose customer portfolio within each targeted export market may include a small number of end-user customers or independent distributors (hereafter referred to as customers) with diverse needs and purchasing behavior.
Finally, the study proposes that the development of an effective ESS which is informed by the firm’s market intelligence activities will have a positive effect on export performance. Figure 1 presents the conceptual model that guided the execution of the present study.

...Insert Figure 1 about here...

2.1 Previous research on export performance

Exporting is the most popular mode for firms aiming to enter international markets, as it involves low investment requirements and limited financial risks, compared to alternative options (Katsikea et al., 2007). Exporting offers important benefits to both individual companies (e.g., spread business risks, achieve sustainable growth) and nations (e.g., enhance industrialization process, create more job opportunities) (Leonidou and Katsikeas, 2010). Naturally, as a field of research, exporting attracted significant research attention over the past six decades. Recent years have witness not only the exponential growth in the number of published studies on exporting, but also a significant improvement in terms of identifying/developing appropriate theoretical bases for studying export-related phenomena, and adopting robust empirical methods. As expected, the vast majority of these studies focused on identifying the factors that contribute to export success (Chen et al., 2016). Overall, three broad groups of factors that influence export performance emerged: internal variables (e.g., firms characteristics, firm resources/capabilities, managerial characteristics), external variables (e.g., environmental factors, industry characteristics), and strategic factors (e.g., export market segmentation, export marketing-mix standardization/adaptation).

The large number of published studies on export performance encouraged some authors to conduct a number of review studies in order to evaluate and integrate the extant literature (e.g., Chen et al., 2016; Katsikeas et al., 2000; Leonidou and Katsikeas, 2010; Leonidou et al.,
Given the comprehensives of these studies, it would be unfruitful to provide yet another review, considering that export sales strategy (the main topic of investigation in this study) was ignored in previous research. Instead, Appendix 1 provides a summary of empirical studies which have investigated the determinants of export performance in the last four years. A key conclusion that can be derived from Appendix 1 is that no study has attempted to examine the role of export sales strategy in influencing export performance. Thus, the general neglect of this important topic in the export marketing literature continues in more recent studies. Another important conclusion is that the resource-based view of the firm is gaining ground as an appropriate theoretical basis for investigating export performance, since an increasing number of studies attempt to identify the important firm resources and capabilities that lead to export success. Issues relating to export entrepreneurship and innovation are also becoming very popular among export marketing researchers. On the other hand, less research attention is devoted on the role of export marketing strategy, which is quite surprising considering that strategy provides the means for satisfying export customer needs, offering solutions to their problems, and adding value to their businesses (in the case of industrial customers). Overall, the dearth of studies on export sales strategy is still evident.

2.2 Export sales strategy

Sales strategy is concerned with how a firm accomplishes its marketing objectives by allocating sales resources at the individual customer level (Panagopoulos and Avlonitis, 2010). Despite the great importance of the sales function for the success of business organizations (Ingram et al., 2002), previous research has devoted limited attention on the conceptual definition and measurement of this construct, or on identifying the key antecedents and performance outcomes of sales strategy effectiveness (Cron et al., 2014; Terho et al., 2015). In contrast, numerous
studies have focused on the factors that influence the work outcomes and performance of individual salespeople (e.g., MacKenzie et al., 1998; Rich, 1997; Singh, 1998; Verbeke et al., 2011). The lack of attention on sales strategy is quite surprising considering that salespeople should direct their efforts towards accomplishing the performance objectives set by upper management, through implementing a thoroughly designed sales strategy (Terho et al., 2015). Sales strategy drives the customer interaction process, and defines the types of salespeople needed, and the appropriate selling and sales management processes, activities, and technologies (Ingram et al., 2002).

The field of export marketing management has largely ignored the role of the sales function. Empirical evidence indicates that small and medium-sized exporters usually promote their sales through employing travelling salespeople. These individuals are based in the home country of the exporting firm and travel abroad to visit foreign customers and prospects, and perform a broad range of personal selling activities (Katsikea et al., 2007). Therefore, a specific export sales strategy is needed to guide the behavior and efforts of export salespeople before, during, and after their interaction with foreign customers. In the absence of any available definitions of export sales strategy, the current study draws on research conducted in a domestic sales context to conceptualize this construct. In particular, Panagopoulos and Avlonitis (2010, p. 48) propose a definition of sales strategy which can be effectively adapted to the context of export sales strategy: “export sales strategy is the extent to which a firm engages in a set of activities and decisions regarding the allocation of scarce export sales resources (i.e., people, selling effort, money) to manage export customer relationships on the basis of the value of each export customer for the exporting firm” (words in italics added by the authors). According to Panagopoulos and Avlonitis (2010), sales strategy comprises of four dimensions: customer
segmentation, customer prioritization and targeting, relationship objectives and selling models, and use of multiple sales channels. Although no widely accepted conceptualization of sales strategy exists, prior studies also concur that an effective sales strategy must address the segmentation and prioritization of customers, different relationship objectives and selling models and multiple sales channels approaches (Ingram et al., 2002; Ingram et al., 2012). Consequently, an effective ESS should enable the exporting firm to identify individual customers with high value potential within each targeted foreign market, set priorities relating to these customers, develop a specific strategic approach for selling to individual customers, and allocate effectively its available resources in order to initiate and develop profitable relationships.

The definition of export sales strategy proposed by Panagopoulos and Avlonitis (2010), and adapted in this study for the exporting context, draws on various concepts that are well established in the mainstream marketing and sales literatures. The export customer segmentation dimension is consistent with the principles of the “interaction orientation” concept introduced by Ramani and Kumar (2008), and particularly with the “customer concept” component that these authors define as “the belief that prescribed the unit of analysis of every marketing action and reaction to be the individual customer” (Ramani and Kumar, 2008, p. 28). The export customer prioritization and targeting dimensions resembles the “customer prioritization” concept that Homburg et al. (2008, p.114) define “as the degree to which customers are treated differently with respect to marketing instruments according to their importance to the firm”. Finally, the export relationship objectives and selling models dimension reflects the spectrum for market relationships, which ranges from transactional to collaborative exchanges (Day, 2000). Notably, the traditional sales management literature suggests that sales organizations must consider the selling process as a relationship management process (Ingram et al., 2012).
2.3 Export market intelligence activities and export sales strategy

Previous studies in the field of export marketing have explored the role of market orientation as a potential determinant of competitive advantage and superior performance in export markets (e.g., Boso et al. 2018; Cadogan et al. 2009; He et al. 2018; Murray et al., 2011; Rose and Shoham, 2002). Cadogan et al. (1999) define export market orientation as the generation, dissemination, and responsiveness to export market intelligence. Most researchers expect export market orientation to have a positive impact on export performance, since it fosters a thorough knowledge and understanding of foreign customers’ current and future needs and preferences, as well as an effective and systematic firm response to such idiosyncrasies (Cadogan et al., 2002). However, although there is a consensus among researchers regarding the central role of market orientation for the field of marketing, and its potential positive contribution towards achieving marketing objectives, there is a growing debate in the literature regarding the exact process through which market orientation influences performance (Murray et al., 2011). Using the resource-based view of the firm as a theoretical platform, some researchers propose that market orientation is a valuable and rare firm resource (Day, 1994; Hunt and Morgan, 1995) or capability (Zhou et al., 2008). However, the mere possession of market orientation is unlikely to generate competitive advantage and superior performance (Menguc and Auh, 2006). Firms need to take appropriate strategic actions to capitalize on market orientation (Johnson et al., 2003; Ketchen et al., 2007; Murray et al., 2011). The present study proposes that export sales strategy represents such a deployment mechanism that enables exporting firms to exploit the valuable insights gained from export market intelligence activities and transform them into specific actions that facilitate the initiation, development, and strengthening of profitable relationships with export customers. In fact, Day (2011) argues that a strategic perspective in marketing
includes capabilities for managing customer service delivery, customer order fulfillment, sales integration, and capitalization on the customer and brand assets. The sales function plays a pivotal role in developing these capabilities, employing them effectively to perform relevant value-creating tasks, both at a domestic and an export sales context.

Two approaches in export market orientation and performance research exist in the literature. The first, and most commonly encountered, adopts an aggregation process in conceptualizing export market orientation. This approach conceptualizes export market orientation as a higher-order construct, composed of three dimensions: market intelligence generation, dissemination and responsiveness (e.g. Cadogan et al., 1999; Cadogan et al., 2002; Kumar et al., 2011). Based on this conceptualization, researchers combine the three components to form an aggregate score, which they use in further statistical analysis (Cadogan et al., 2009). Some scholars have criticized this approach, underpinning the importance of treating export market orientation at a disaggregate level, arguing that only in this way researchers can obtain a more fine-grained understanding of export market orientation’s outcomes (Cadogan, 2012). Jaworski et al. (2000) suggest that it is useful to distinguish between two approaches to being market oriented: the market-drive approach, as reflected by the intelligence facets, and the driving-markets approach, as reflected by the responsiveness facet.

In support of scholars criticizing the aggregated conceptualization of export market orientation, recent empirical evidence has indicated that the components of export market orientation have varied effects on performance or several antecedents of performance. In particular, Özturan et al. (2014) distinguish between intelligence and dissemination facets of market orientation and indicate their opposing roles in predicting advertising spending. Other studies have also reported that market intelligence activities, generation and dissemination, have
little or no significant effect on export performance (Murray et al., 2007; Rose and Shoham, 2002). On the contrary, market intelligence responsiveness has demonstrated a strong and significant impact on export performance (Chung, 2012; Murray et al., 2007; Rose and Shoham, 2002).

In line with research stream mentioned above, and addressing calls by scholars to model the individual components of export market orientation (e.g. Cadogan, 2012), the current study argues that each component has a different mechanism by which it shapes success, and specifically aims to explore this mechanism by investigating the role of intelligence activities as an antecedent of export sales strategy. The conceptual framework that this study develops, also proclaims that intelligence generation and dissemination per se are unlikely to have a direct effect on performance, unless action is taken by the firm to leverage this knowledge with the adaptation of strategic decisions and implementations.

Market intelligence generation and dissemination are conceptually and empirically closely related (Chung, 2012; Ketchen et al., 2007; Özturan et al., 2014) and they both form the intelligence activities of a company. In particular, the intelligence activities of an exporting company involve the collection and distribution of information it derives from a thorough analysis of foreign markets. Prior research has shown that market information is highly associated with a firm’s ability to effectively select and implement marketing strategies (Noble and Mokwa, 1999) and with the achievement of enhanced performance (Li and Calantone, 1998). Intelligence generation refers to the collection of information relating to customers’ habits, needs and wants, factors that influence customers’ behavior (e.g. market trends, competition forces and socio-cultural trends) and factors that influence the firm’s ability to satisfy customers (e.g. government regulations) (Baker and Sinkula, 2005). In order to collect
information, firms employ a number of approaches, such as secondary market data analysis, customer surveys and focus groups (Li and Calantone, 1998). Within the context of exporting, the above mentioned activities are aimed to create export market intelligence (Racela et al., 2007).

Export market intelligence dissemination involves the dispersal of information across all levels of the firm. In principal, information collection is conducted either by a specialized department within the firm, or by an external market research firm located either in the home country or the foreign country. Disseminating export market intelligence related to customers and competitors within the firm enables the development of an information-sharing platform between employees and top managers. This in turn enhances the creation of greater intelligence through the sharing of collaborative experience across business units, departments and individuals. In addition, quick and open access to export market intelligence leads to improved strategic insights (Auh and Megnuc, 2005). On the other hand, lack of access to information within a firm may limit the effectiveness of strategic decision making and the development of new courses of action (Harmancioglu et al., 2010).

Both intelligence activities are found to help firms respond in an effective way to customers’ current and future needs, and to identify and adapt to foreign market trends more quickly (Chung, 2012; Özturan et al., 2014; Sorensen, 2009). Responsiveness to foreign market needs, in the form of a customer-focused sales strategy implementation, is of great importance to firms aiming to enhance their performance. Hence, both export intelligence activities, information generation and dissemination, are important antecedents of export sales strategy as they are expected to facilitate certain sales strategy tasks such as, effective segmentation of foreign customers, identification and targeting of the most profitable ones, development of
successful relationships and effective allocation of resources across foreign customers of different value. Therefore:

**H1: Export market intelligence generation is positively related to a) export customer segmentation, b) export customer prioritization and targeting, and c) export relationship objectives and selling models**

**H2: Export market intelligence dissemination is positively related to a) export customer segmentation, b) export customer prioritization and targeting, and c) export relationship objectives and selling models**

### 2.4 Export sales strategy and export performance

The export marketing literature posits that to enhance export performance firms should concentrate their efforts on effectively satisfying the needs and preferences of foreign distributors and end-user customers (Cavusgil and Zou, 1994). Given the central role of customer’s satisfaction for the survival and development of any contemporary organization, the urge to elevate sales strategy to a more strategic component with effects on firm’s performance is demanding (Albers et al., 2010; Ingram et al., 2002; Vorhies and Morgan, 2005; Zoltners et al., 2009). Cavusgil and Cavusgil (2012) stress out the importance of creating large segments of homogenous customers, identifying their common needs and seeking of optimal ways to serve them. Additionally, results from a meta-analysis by Leonidou et al. (2002), clearly suggest that the firm’s strategy of segmenting the foreign market and concentration targeting relates positively to export performance, particularly in terms of export sales growth, intensity and profit level. Recent empirical evidence also confirms the existence of a direct effect of market segmentation and targeting on customer satisfaction and strategic export performance.
(Diamantopoulos et al., 2014). Prioritization of foreign customers assists export managers in performing activities such as handling complaints of foreign customers or fulfilling their needs and requirements more efficiently. Furthermore, prioritization facilitates a firm to successfully allocate its resources across distinct customer groups and to enhance its performance (Homburg et al., 2008).

Setting relationship objectives and developing tailored selling models enhance customer loyalty and satisfaction, and allow for a long term relationship with both distributors and end-users. When a strong relationship exists with foreign customers, firms can attain a high level of customer awareness and an increased level of before- and after-sales service (Zou et al., 2003). In cases where strong bonds exist between the exporting firm and the foreign customers or distributors, trust and commitment in the export channel are enhanced and possible opportunistic behaviors are reduced (Morgan and Hunt, 1994). Furthermore, in-depth knowledge of signals of trust, opportunism and distributor loyalty result in greater confidence regarding the future of the relationship, allowing early problem identification and assisting in activating corrective actions, leading to higher levels of relationship quality (Mehta et al., 2006) which in turn contribute towards enhanced export market performance. Thus:

**H3:** Export customer segmentation is positively related to export market performance

**H4:** Export customer prioritization and targeting is positively related to export market performance

**H5:** Export relationship objectives and selling models are positively related to export market performance
3 Research method

3.1 Sample and data collection procedure

This study generates data by means of an online survey. The sampling frame consisted of direct manufacturing exporters operating in Greece. The national export promotion organization provided a list of 1000 firms, which were randomly selected from their database, covering multiple industries. The principal investigator contacted each firm by phone in order to assess its eligibility for inclusion in the study, identify an appropriate key informant (i.e., a person who is highly knowledgeable and can provide accurate and reliable information about all aspects of the firm’s exporting activities), ask for their cooperation and support, and verify contact details. To be eligible for inclusion in our survey, a firm should have been active in direct exporting activities for at least five years and employed less than 250 full-time employees. Of the 1000 firms that were initially approached 216 firms had to be eliminated from the study sample, either because they did not meet the eligibility criteria or because they refused to participate, for various reasons. An e-mail message was sent to the remaining 784 firms that qualified for the survey, addressed to an appropriate key informant, including a cover letter and a URL link that directed potential respondents to the site that hosted the questionnaire. A cover letter explained the purpose and importance of the study, assured complete confidentiality of responses, emphasized the crucial need of obtaining responses from all firms included in the sample, and offered a copy of the study’s findings. A professional website designer developed the site, ensuring that it was visually appealing, user friendly, and easy for respondents to answer each question. The researchers instructed respondents to complete the questionnaire with respect to a specific export venture (of which they had a very good knowledge), defined as the exporting of a specific product or product line to a specific export market (Cavusgil and Zou, 1994; Morgan et
Recent evidence that underlines the risks of a potential inconsistency in the level of theory and the level of data when investigating determinants of export performance (Oliveira et al., 2012), encouraged the adoption of this measurement approach. By focusing on the export venture as the unit of analysis the study avoids possible confounds due to the employment of different export marketing and sales strategies across different export product-markets, as well as variation in performance outcomes.

The data collection process resulted in 168 usable questionnaires, for a response rate of 21.4%. To test for nonresponse bias, the study compared a random sample of 50 non-respondents with respondents in terms of number of full-time employees, number of employees involved in exporting, and export ratio. The results of this test indicated no significant differences between the two groups, suggesting that nonresponse bias was not an issue of concern in this research. Responding firms employ on average 113 employees, have been involved in exporting for 16 years, export to 13 countries, and sell their products to 42 foreign customers. In terms of main product type, 57.4% of respondents are manufacturers of industrial products and 42.6% manufacturers of consumer products. Furthermore, 78% of firms have an export department fully devoted to export operations.

The study followed Huber and Power’s (1985) guidelines with respect to collecting high-quality data from key informants. The key informant in this study is the head of exporting activities (hereafter referred to as export executive). These executives were selected because they are responsible for developing export sales strategies as well as for guiding, directing, and supervising the activities of export sales personnel who implement these strategies at the foreign distributor/customer level. Therefore, they should be knowledgeable about the organizational culture and the level of market orientation pursued by their firms, the export-related capabilities
possessed, and export performance. A demographic analysis of the key informants reveals that the response sample included 116 males (mean age = 41) and 52 females (mean age = 37). In terms of job title, the majority of respondents held the position of international/export manager (35.7%), followed by CEO (23.8%), marketing manager/director (12.5%), and sales manager/director (7.7%). To further reduce the possibility of potential bias attributed to the key informant the last section of our questionnaire included four statements that assessed respondents’: (1) knowledge regarding the exporting activities of the firm; (2) involvement in the exporting activities of the firm; (3) responsibility for the exporting activities of the firm; and (4) confidence in answering the questions of the survey instrument. The average aggregate score for these statements was 6.08 (on a seven-point scale anchored by “Low” and “High”), indicating that respondents were highly qualified to provide accurate information on the issues addressed in the study questionnaire.

3.2 Measures
Measurement of the study constructs involved the employment of preexisting scales, which were identified after a thorough review of the pertinent literature (see Table 1). Some of the constructs examined were empirically assessed in a domestic sales/marketing context, and therefore minor wording adaptations helped to improve their compatibility with the exporting context. The operationalization of the export sales strategy construct is based on the work of Panagopoulos and Avlonitis (2010). These authors developed a four-dimensional scale for measuring sales strategy comprising of customer segmentation, customer prioritization and targeting, relationships objectives and selling models, and use of multiple sales channels. However, since the present study focuses on direct exporters that employ their own export salesforce to approach
customers and perform personal selling activities in export markets, the multiple sales channels dimension was excluded.

The study measures export market intelligence generation and export market intelligence dissemination using the scales developed by Jaworski and Kohli (1993) and their adaptation for use in the export marketing context (Cadogan et al., 2001). The measure of export market performance employed relevant items from Morgan et al. (2004, 2012). The study also controls for the effects of two environmental and three firm-specific variables on export market performance, in order to account for some of the unobserved heterogeneity in the data. Competitive intensity is measured using the scale developed by Jaworski and Kohli (1993). The measure of psychic distance is adopted from Sousa et al. (2010). For the measures of firm export experience and firm size the study uses the natural logarithm of the number of years the firm engaged in exporting activities and the number of full-time employees respectively. Finally, the study measures the actual number of foreign countries in which the firm operates.

...Insert Table 1 about here...

The principal investigator conducted a series of personal interviews with export executives in order to assess the appropriateness of the instructions and data collection procedures before administering the questionnaire to the study sample, and to assess the relevance and appropriateness of measurement scales. Export executives also assisted in rewording and/or rephrasing certain items to make them suitable for the exporting context. Subsequently, the questionnaire was administered to four academic experts in the areas of exporting and sales management, who evaluated its face validity. The final version of the questionnaire was extensively pre-tested with 20 export executives and no specific problems
appeared with respect to the measures, the clarity of the questions or the length of the questionnaire.

### 3.3 Common method bias

The present study collects data from a single key informant, which creates the potentials for common method bias. To control for this issue the study employs both *ex ante* and *ex post* procedures (Chang *et al*., 2010). The design and execution of the survey followed several *ex ante* procedures recommended in the literature (e.g., Posdakoff *et al*., 2003) to mitigate this problem. These included: (i) a systematic measure development procedure to ensure clarity of the scale items; (ii) counterbalancing the order of appearance of various measures on respondents’ screen to neutralize carryover effects; and (iii) ensuring anonymity and confidentiality of responses and emphasizing that there were no right or wrong answers.

With regards to the *ex post* tests, first, a Harman’s one-factor test (Podsakoff and Organ, 1986) involves the estimation of a principal component analysis of all latent constructs examined in this study. The unrotated solution results in eight factors with eigenvalues greater than 1.0, accounting for 73.15% of the variance. No general factor emerges, whereas the first factor explains only 25.57% of the variance. Second, a confirmatory factor analysis (CFA) approach to Harman’s one factor test (Mossholder *et al*., 1995) estimates a CFA model in which all items measuring the eight latent constructs included in the research model are restricted to load on a single factor. Results obtained from this analysis indicate a poor model fit: \( \chi^2 (594) = 3849.89, p < .00; \text{CFI} = .54, \text{NNFI} = .52, \text{RMSEA} = .18 \). Although Harman’s single factor test has several limitations, these findings suggest that common method bias alone is not likely to explain the observed relationships among the study constructs.
4. Analysis and results

4.1 Measurement model evaluation

Appropriate scale purification procedures were employed to assess the validity and reliability of measurement scales. Initially, exploratory factor analysis and item-to-total correlations result in the elimination of certain poorly performing items that exhibit low factor loadings or item-to-total correlations, or load heavily on more than one factors. The retained items are subjected to confirmatory factor analysis (CFA) using EQS in order to assess construct convergent and discriminant validity and reliability. Each item loads only on its a priori specified factor. Furthermore, all factors are allowed to correlate freely (Gerbing and Anderson, 1988). Fit statistics indicate a close fit to the data ($\chi^2_{566} = 1021.51, p < .00; \chi^2/d.f. = 1.80; CFI = .94, NNFI = .93, RMSEA = .068$).

All factor loadings are large and significant, providing evidence of convergent validity (see Table 1). Discriminant validity is established using the Fornell and Larcker (1981) test; for all possible pairs of constructs included in the study the shared variance (i.e., the squared intercorrelation) is lower than the average variance extracted for the individual constructs. Finally, all constructs have alpha values and composite reliabilities scores that exceed .7. Moreover, the average variance extracted for all constructs is equal to or greater than .5, satisfying the recommended thresholds (Fornell and Larcker, 1981). Thus, all measurement scales possess good levels of reliability. Table 2 presents descriptive statistics and intercorrelations among the study constructs.

...Insert Table 2 about here...
4.2 Structural model estimation

The estimation of the structural model in Figure 1 results in a satisfactory fit ($\chi^2_{(691)} = 1504.74$, $p < .00$; $\chi^2$/d.f. = 2.18; CFI = .90, NNFI = .90, RMSEA = .083). Standardized coefficients and corresponding $t$-values reported in Table 3 provide support for all research hypotheses.

In particular, results indicate that export market intelligence generation has a positive influence on export customer segmentation (H1a: $\beta=.50$, $t=5.29$), export customer prioritization and targeting (H1b: $\beta=.58$, $t=5.42$), and export relationship objectives and selling models (H1c: $\beta=.49$, $t=5.38$). Similarly, export market intelligence dissemination has a positive influence on export customer segmentation (H2a: $\beta=.35$, $t=4.13$), export customer prioritization and targeting (H2b: $\beta=.37$, $t=3.99$), and export relationship objectives and selling models (H2c: $\beta=.31$, $t=3.71$). In turn, export customer segmentation (H3: $\beta=.19$, $t=2.06$), export customer prioritization and targeting (H4: $\beta=.24$, $t=2.28$), and export relationship objectives and selling models (H5: $\beta=.18$, $t=2.00$) have a significant positive effect on export market performance. Finally, our results also indicate that competitive intensity has a significant negative impact on export market performance ($\beta=-.19$, $t=-2.48$). On the other hand, firm size ($\beta=.21$, $t=3.00$) and number of export countries ($\beta=.20$, $t=2.80$) have a significant positive influence on export market performance. The levels of explained variances for the dependent variables are as follows: 38% for export customer segmentation; 47% for export customer prioritization and targeting; 33% for export relationship objectives and selling models; and 37% for export performance.

...Insert Table 3 about here...
4.3 Estimation of a partial mediation model

The structural model depicted in Figure 1, as represented by the solid lines, is a full mediation model that captures only the indirect effects of export market intelligence generation and export market intelligence dissemination on export performance, through the mediating effects of the three dimensions of export sales strategy. To investigate whether the two export market intelligence activities have also a direct effect on export performance, the study compares a full mediation with a partial mediation model. The dashed lines in Figure 1 represent the direct influence of export market intelligence generation and export marketing intelligence dissemination on export performance. Results indicate that the partial mediation model has a significantly better fit to the data ($\Delta \chi^2 = 6.30$, $\Delta$ d.f. = 2, p<0.05). This is a reasonable result considering that the partial mediation model includes two additional parameters. Moreover, the correlations matrix presented in Table 2 indicates that both export market intelligence generation and export market intelligence dissemination have significant bivariate correlations with export performance. However, the results obtained from the estimation of the structural model indicates that the direct impact of these two constructs on export performance is not statistically significant (export market intelligence generation $\rightarrow$ export market performance: $\beta = .17$, t=1.30; export market intelligence dissemination $\rightarrow$ export market performance: $\beta = .08$, t=1.07). Furthermore, the explained variance of export market performance increases only slightly, from 37% to 38.4%. These results lead to the conclusion that the proposed full-mediation model reflects more accurately the underlying relationships between export market intelligence activities, export sales strategy, and export market performance.

---

2 We thank the Associate Editor for this suggestion.
5. Discussion and implications

The success of exporting firms depends greatly on their ability to effectively manage every aspect of their operating relationship with foreign distributors and end-user customers (Obadia et al., 2015). Nonetheless, previous research has devoted limited research on the development of effective export sales strategies, which represent the key strategic tool for implementing a firm’s export marketing strategy at the individual account level. Furthermore, while numerous studies have attempted to identify the main antecedents of export performance, they have largely ignored the role of export sales strategy. The present study contributes towards filling this notable gap in the literature by examining the role of export market intelligence activities in forming sales strategies that drive superior performance outcomes in foreign markets. The study findings provide clear evidence that export sales strategy, when properly developed and implemented, can contribute greatly towards export success. Some important implications for theory and managerial practice related to the effective management of long-term profitable relationships with foreign customers, are outlined in the following.

5.1 Theoretical implications

The interface between marketing units and sales units remains a largely unresolved issue in the mainstream marketing literature (e.g., Homburg and Jensen, 2007; Homburg et al., 2008; Ernst et al., 2010). From a strategic perspective, however, a wide consensus exists regarding the nature of the relationship between marketing strategy and sales strategy. In particular, whereas marketing strategy targets broader customer segments, sales strategy focuses on small groups of customers or even individual accounts. Stated differently, sales strategy can be viewed as the implementation of a firm’s marketing strategy at the individual customer level. Drawing on
recent developments in the generally neglected area of sales strategy, the present study proposes that ESS provides the most effective strategic framework for identifying and pursuing opportunities in foreign markets. In particular, ESS corresponds to actual business practice as it embraces the major tasks performed by exporting firms when planning their interactions with foreign customers.

Research studies which aim to identify the key drivers of export performance must acknowledge that SME exporters in particular, use personal selling as a major promotional tool for expanding their sales in export markets and managing relationships with foreign customers. Thus, while export strategy and the elements of the export marketing mix are important determinants of export performance, any empirical investigation will be incomplete if it does not assess how effectively the export strategy is implemented at the individual customer level. Study findings indicate that all three dimensions of the export sales strategy examined have a significant positive influence on export performance. These dimensions (i.e., export customer segmentation, export customer prioritization and targeting, and export relationship objectives and selling models) reflect an evolutionary process for initiating, growing, and expanding relationships with foreign customers which is a key success driver for SME exporters. Thus, scholars in the field should devote more research attention on export sales strategies, which by definition encourage the adoption of an interaction orientation that “reflects a firm’s ability to interact with its individual customers and to take advantage of information obtained from them through successive interactions to achieve profitable customer relationships” (Ramani and Kumar, 2008, p.27).

The findings of the current study have also important implications for the role of export market orientation. As originally conceptualized by Kohli and Jaworski (1990), market
orientation behavior involves activities focusing on the generation and dissemination of, and responsiveness to market intelligence. Based on this conceptualization, the vast majority of researchers have focused on investigating the integrated effect of a firm’s overall export market orientation on its export performance (e.g. Boso et al., 2012; Boso et al., 2013; Cadogan et al., 2002; Murray et al., 2011). However, recent studies have emphasized the importance of treating intelligence activities (generation and dissemination) and responsiveness activities (responding by taking appropriate actions), as two distinct components of market orientation (e.g. Chung, 2012; Özturan et al., 2014). This study contributes to this stream of research by addressing explicit calls to treat strategic orientations in a disaggregated manner (e.g. Cadogan, 2012) and asserts that intelligence activities have a separate influence on strategic decision making, and can therefore contribute differently towards successful exporting operations in foreign markets.

Export market intelligence generation is required to provide comprehensive, relevant, accurate and timely information to serve as input in decision-making. However, the mere gathering of information does not ensure its effective utilization by relevant decision-makers; appropriate procedures must be in place to facilitate information dissemination across different levels and departments within the exporting firm. For this reason, it is important to consider export market intelligence generation and dissemination as distinct constructs. While quality information is a valuable resource for every organization, it is extremely important for exporting firms which operate in diverse and unfamiliar business environments, and need this input in order to customize their offerings and selling approaches to the idiosyncrasies of individual country-markets and foreign customers. Nevertheless, with no proper responsive strategic action from the company’s side, information collection and dissemination become futile (Racela et al., 2007).
The findings of this study are also in line with previous research which suggests that the impact of intelligence activities on performance can only become evident with proper implementation and action (Cadogan *et al.*, 2002; Kwon and Hu, 2000). Specifically, results indicate that market intelligence activities enable exporting firms to effectively develop and implement export sales strategies. Customer segmentation, customer prioritization and targeting, specification of relationship objectives and adoption of appropriate selling models require a deep knowledge and thorough understanding of foreign customers’ needs and purchasing behavior. Therefore, exporting firms that excel in acquiring and processing information about foreign markets, customers, and competitors, become accustomed in using the input obtained from market intelligence in order to develop successful strategies and translate them into action, as well as for initiating, developing, and maintaining profitable relationships with foreign customers.

5.2 Managerial implications

Study findings indicate that firms can enhance their export performance by developing and implementing effective export sales strategies that translate the firm’s export marketing strategy to specific activities and tasks directed to individual foreign customers. An effective export sales strategy enables export sales managers to exploit substantial differences in the characteristics, purchasing behavior, and attractiveness of foreign customers, and adopt an appropriate relationship strategy and selling model that maximizes the firm’s value. Results also reveal that export intelligence activities, generation and dissemination of market information, are significant drivers of the development of export sales strategies. Therefore, upper management in exporting organizations is encouraged to establish formal procedures for the generation and dissemination
of market intelligence within the export organization, thus ensuring the creation of a knowledge basis with open access for both the exporting firm and its foreign partners. Upper management in exporting organizations ought to understand that the acquisition and circulation of export market-oriented information contributes significantly to customized export sales approaches in the foreign markets. In particular, relevant direction, guidance, and support to export sales personnel should be provided by setting appropriate goals and objectives, determining which information is highly valued and rewarded by the organization, delivering training sessions, assigning clear responsibilities, providing cognitive feedback, encouraging team work and promoting interfunctional coordination. Even though formal procedures for the generation and dissemination of market intelligence within the export organization can take time to establish, upper management should devote time in the design of such mechanisms in order to facilitate and enhance customized export sales approaches. In this respect, study findings might sensitize marketing managers to employ proper leadership skills in order to facilitate this process and to assist export managers in delivering customized sales related service to foreign customers.

6. Limitations and future research directions

Findings of this study must be interpreted in light of certain limitations. First, this study investigates only two antecedents of export sales strategy, namely export market intelligence generation and export market intelligence dissemination. Future studies should examine the role of other potential antecedents, including environmental, organizational or strategic factors. Second, a notable limitation concerns the measurement scales employed for measuring export market intelligence generation and export market intelligence dissemination. In particular, for parsimony reasons mostly, a reduced version of these scales developed by Cadogan et al (2001)
was employed, which includes only a limited number of items referring specifically to customers’ needs and preferences. In organizational reality, marketing executives use detailed data on buying behavior to better understand how and why products are purchased within specific markets, as well as to segment and target markets based on the benefits that the buyers seek in purchasing products. Therefore, a more elaborated assessment of the extent to which exporting firms analyze the buying behavior of foreign customers would be more enlightening.

Third, given the direct effects of export sales strategy dimensions on export performance, future research should focus on developing a solid theoretical platform for investigating other factors which might be conducive to more effective use of segmentation, prioritization and targeting and relationship objectives and selling models. For instance, a more holistic approach could consider the broader export marketing strategy of the firm, and particularly the elements of the export marketing mix: export product, price, promotion, and distribution. In this respect, future research could examine the influence of export marketing strategy on the development of effective export sales strategies and attempt to identify differences in orientation between marketing and sales in the export context. Furthermore, the present study does not specifically examine how the export sales strategy translates into specific personal selling activities that should be carried out by export sales personnel during their communications and interactions with export customers. Thus, future research should devote great attention on this important issue.

Fourth, a closer investigation of the role of alternative export distribution channel provides another fruitful direction for further research. For instance, whether a firm enters a foreign markets through collaborations with foreign distributors, or by selling directly to end-user customers, may have a significant influence on other strategic decisions like the development of the export marketing mix, as well as on more tactical, implementation decisions.
Similarly, future studies should investigate potential differences between B2B and B2C exporters in terms of important strategic decisions like export market segmentation and targeting when alternative export distribution channels are employed. Fifth, focusing on SME exporters originating from a single country is a major limitation of this study that might hinder the generalizability of the findings. Future studies should try to replicate findings within different contexts in order to advance theory building around this topic. Sixth, the use of a cross-sectional research design inhibits the extraction of causality conclusions regarding the relationships of the constructs in our research model. Future studies following a longitudinal design could provide a more dynamic perspective and will further contribute to this stream of research. Finally, the cross-sectional research design, along with the fact that data were collected from a single respondent in each participating firm, create the potentials for common method bias. Even though appropriate controls were applied for common method variance through both ex ante and ex post procedures, this possibility can never be completely eliminated.
REFERENCES


Figure 1
A conceptual model of export intelligence activities, export sales strategy and export performance

Export market intelligence generation

Export customer segmentation

Export customer prioritization and targeting

Export relationship objectives and selling models

Export market performance

Control variables:
- Export market competitiveness
- Psychic distance
- Firm export experience
- Firm size
- Number of export countries

Note: Broken lines represent additional structural paths that were included in testing a partial-mediation model.
## Table 1: Measurement Scales, Confirmatory Factor Analysis Results, and Reliabilities

<table>
<thead>
<tr>
<th>Constructs and Measurement items</th>
<th>Standardized Loadings*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Export market intelligence generation</strong> ($\alpha=.89$; CR=.89; AVE=.67)</td>
<td></td>
</tr>
<tr>
<td>(seven-point scale, anchored by “Strongly Disagree” and “Strongly Agree”)</td>
<td></td>
</tr>
<tr>
<td>In our company, we generate a lot of information concerning trends (e.g. regulations, technological developments, political, economic) in our export ventures’ markets</td>
<td>.83$^b$</td>
</tr>
<tr>
<td>We constantly monitor our level of commitment and orientation to serving foreign customer needs</td>
<td>.81 (11.21)</td>
</tr>
<tr>
<td>We periodically review the likely effect of changes in our export environment (e.g. regulation, technology)</td>
<td>.75 (10.08)</td>
</tr>
<tr>
<td>We generate a lot of information in order to understand the forces which influence our foreign customers’ needs and preferences</td>
<td>.88 (12.36)</td>
</tr>
<tr>
<td><strong>Export market intelligence dissemination</strong> ($\alpha=.94$; CR=.94; AVE=.76)</td>
<td></td>
</tr>
<tr>
<td>(seven-point scale, anchored by “Strongly Disagree” and “Strongly Agree”)</td>
<td></td>
</tr>
<tr>
<td>Too much information concerning our export competitors is discarded before it reaches decision makers (R)</td>
<td>.78$^b$</td>
</tr>
<tr>
<td>Information which can influence the way we serve our foreign customers takes forever to reach export personnel (R)</td>
<td>.86 (11.89)</td>
</tr>
<tr>
<td>Important information about our foreign customers is often ‘lost in the system’ (R)</td>
<td>.89 (12.43)</td>
</tr>
<tr>
<td>Important information about our export competitors’ activities often reaches relevant personnel too late to be of any use (R)</td>
<td>.94 (13.43)</td>
</tr>
<tr>
<td>Important information concerning export market trends (regulation, technology) is often discarded as it makes its way along the communication chain (R)</td>
<td>.90 (12.76)</td>
</tr>
<tr>
<td><strong>Export customer segmentation</strong> ($\alpha=.86$; CR=.86; AVE=.50)</td>
<td></td>
</tr>
<tr>
<td>(seven-point scale, anchored by “Not at All” and “To a Great Extent”)</td>
<td></td>
</tr>
<tr>
<td>We identify specific foreign customer groups based on the expected lifetime value/profitability of each customer for our company</td>
<td>.65$^b$</td>
</tr>
<tr>
<td>We identify specific foreign customer groups based on their demographic characteristics (e.g., size, location, industry)</td>
<td>.61 (6.48)</td>
</tr>
<tr>
<td>We identify specific foreign customer groups based on their buying behavior</td>
<td>.81 (8.12)</td>
</tr>
<tr>
<td>We identify specific foreign customer groups based on the customers’ uses/applications of our products/product lines</td>
<td>.71 (7.39)</td>
</tr>
<tr>
<td>We identify specific foreign customer groups based on the benefits that they expect from buying our products/product lines</td>
<td>.70 (7.33)</td>
</tr>
<tr>
<td>We identify specific foreign customer groups based on the value that they expect to receive from buying our products/product lines</td>
<td>.76 (7.75)</td>
</tr>
<tr>
<td><strong>Export customer prioritization and targeting</strong> ($\alpha=.72$; CR=.73; AVE=.58)</td>
<td></td>
</tr>
<tr>
<td>(seven-point scale, anchored by “Not at All” and “To a Great Extent”)</td>
<td></td>
</tr>
<tr>
<td>We target our export selling efforts to different foreign customers</td>
<td>.67$^b$</td>
</tr>
<tr>
<td>We develop specific export selling strategies for each targeted foreign customer</td>
<td>.84 (8.86)</td>
</tr>
<tr>
<td><strong>Export relationship objectives and selling models</strong> ($\alpha=.84$; CR=.84; AVE=.63)</td>
<td></td>
</tr>
<tr>
<td>(seven-point scale, anchored by “Not at All” and “To a Great Extent”)</td>
<td></td>
</tr>
<tr>
<td>We set different relationship objectives for different foreign customers</td>
<td>.78$^b$</td>
</tr>
<tr>
<td>We employ different selling models for selling to different foreign customers</td>
<td>.85 (10.47)</td>
</tr>
<tr>
<td>When we set relationship objectives and develop selling models for a foreign customer, we consider the customer's preferences</td>
<td>.76 (9.33)</td>
</tr>
<tr>
<td><strong>Export market performance</strong> ($\alpha=.93$; CR=.93; AVE=.77)</td>
<td></td>
</tr>
<tr>
<td>(seven-point scale, anchored by “Much Worse” and “Much Better” than major competitor(s))</td>
<td></td>
</tr>
<tr>
<td>Export sales volume</td>
<td>.85$^b$</td>
</tr>
<tr>
<td>Export sales growth</td>
<td>.89 (14.56)</td>
</tr>
<tr>
<td>Export market share</td>
<td>.88 (14.09)</td>
</tr>
<tr>
<td>Export market share growth</td>
<td>.90 (14.71)</td>
</tr>
</tbody>
</table>
### Table 1 (continued)

<table>
<thead>
<tr>
<th>Constructs and Measurement items</th>
<th>Standardized Loadings&lt;sup&gt;a&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Export market competitiveness</strong> (α=.84; CR=.85; AVE=.58) (seven-point scale, anchored by “Strongly Disagree” and “Strongly Agree”)</td>
<td></td>
</tr>
<tr>
<td>Competition in the export venture market is cutthroat</td>
<td>.86&lt;sup&gt;b&lt;/sup&gt;</td>
</tr>
<tr>
<td>There are many ‘promotion wars’ in the export venture market</td>
<td>.90 (12.20)</td>
</tr>
<tr>
<td>Anything that one competitor can offer, others can match readily</td>
<td>.65 (8.55)</td>
</tr>
<tr>
<td>Price competition is a hallmark in the export venture market</td>
<td>.61 (7.88)</td>
</tr>
<tr>
<td><strong>Psychic Distance</strong> (α=.88; CR=.88; AVE=.52) (seven-point scale, anchored by “Very Similar” and “Very Different”)</td>
<td></td>
</tr>
<tr>
<td>Lifestyles</td>
<td>.88&lt;sup&gt;b&lt;/sup&gt;</td>
</tr>
<tr>
<td>Consumer preferences</td>
<td>.73 (10.45)</td>
</tr>
<tr>
<td>Climatic conditions</td>
<td>.72 (10.28)</td>
</tr>
<tr>
<td>Cultural values, beliefs, attitudes, and traditions</td>
<td>.86 (13.51)</td>
</tr>
<tr>
<td>Language</td>
<td>.64 (8.77)</td>
</tr>
<tr>
<td>Level of literacy and education</td>
<td>.60 (8.00)</td>
</tr>
<tr>
<td>Purchasing power of customers</td>
<td>.59 (7.74)</td>
</tr>
</tbody>
</table>

Notes:  
<sup>a</sup>-values are in parentheses.  
<sup>b</sup>Fixed item.
<table>
<thead>
<tr>
<th>Table 2: Descriptive Statistics and Correlation Matrix</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>1. Export market intelligence generation</td>
</tr>
<tr>
<td>2. Export market intelligence dissemination</td>
</tr>
<tr>
<td>3. Export customer segmentation</td>
</tr>
<tr>
<td>4. Export customer prioritization and targeting</td>
</tr>
<tr>
<td>5. Export relationship objectives and selling models</td>
</tr>
<tr>
<td>6. Export market performance</td>
</tr>
<tr>
<td>7. Export market competitiveness</td>
</tr>
<tr>
<td>8. Psychic distance</td>
</tr>
<tr>
<td>9. Firm export experience¹</td>
</tr>
<tr>
<td>10. Firm size (number of full time employees)¹</td>
</tr>
<tr>
<td>11. Number of export countries</td>
</tr>
</tbody>
</table>

Mean: 4.72 4.70 4.60 4.91 4.64 4.39 4.97 4.95 2.52 4.00 13.51
Standard Deviation: 1.35 1.58 1.19 1.38 1.45 1.38 1.39 1.30 .80 1.70 14.46

¹For these variables the natural logarithm was used.
Correlations equal to or greater than 0.15 are significant at the 0.05 level.
Correlations equal to or greater than 0.20 are significant at the 0.01 level.
Table 3
Standardized Path Coefficients and t-values for the Structural Model

<table>
<thead>
<tr>
<th>Hypothesized Paths</th>
<th>Standardized coefficient</th>
<th>t-value</th>
<th>Hypothesis test</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1(a) Export market intelligence generation → Export customer segmentation</td>
<td>.50</td>
<td>5.29**</td>
<td>Supported</td>
</tr>
<tr>
<td>H1(b) Export market intelligence generation → Export customer prioritization and targeting</td>
<td>.58</td>
<td>5.42**</td>
<td>Supported</td>
</tr>
<tr>
<td>H1(c) Export market intelligence generation → Export relationship objectives and selling models</td>
<td>.49</td>
<td>5.38**</td>
<td>Supported</td>
</tr>
<tr>
<td>H2(a) Export market intelligence dissemination → Export customer segmentation</td>
<td>.35</td>
<td>4.13**</td>
<td>Supported</td>
</tr>
<tr>
<td>H2(b) Export market intelligence dissemination → Export customer prioritization and targeting</td>
<td>.37</td>
<td>3.99**</td>
<td>Supported</td>
</tr>
<tr>
<td>H2(c) Export market intelligence dissemination → Export relationship objectives and selling models</td>
<td>.31</td>
<td>3.71**</td>
<td>Supported</td>
</tr>
<tr>
<td>H3 Export customer segmentation → Export market performance</td>
<td>.19</td>
<td>2.06*</td>
<td>Supported</td>
</tr>
<tr>
<td>H4 Export customer prioritization and targeting → Export market performance</td>
<td>.24</td>
<td>2.28*</td>
<td>Supported</td>
</tr>
<tr>
<td>H5 Export relationship objectives and selling models → Export market performance</td>
<td>.18</td>
<td>2.00*</td>
<td>Supported</td>
</tr>
</tbody>
</table>

Control variables:
- Competitive intensity  -.19  -2.48*
- Psychic distance  .07  0.97
- Firm export experience  .04  0.56
- Firm size  .21  3.00**
- Number of export countries  .20  2.80**

Note: Fit statistics for structural model: $\chi^2=1412.69$, p<.01; $\chi^2$/d.f =2.16; CFI=.90; NNFI=.90; RMSEA=.082.

**p<.01
*p<.05
## APPENDIX 1
A Review of Recent Studies on the Antecedents of Export Performance

<table>
<thead>
<tr>
<th>Study</th>
<th>Empirical setting</th>
<th>Antecedent variables considered</th>
<th>Key empirical findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. He, Brouthers, and Filatotchev (2018)</td>
<td>Chinese exporters</td>
<td>- Market orientation (MO) &lt;br&gt;- Export channels &lt;br&gt;- Institutional differences</td>
<td>- Firms with stronger MO capabilities can improve export performance by using hierarchical channels and by exporting to more institutionally distant markets where MO provides greater value</td>
</tr>
<tr>
<td>2. Olabode, Adeala. and Assadinia (2018)</td>
<td>Nigerian SME exporters</td>
<td>- Export market-oriented culture &lt;br&gt;- Export learning capability</td>
<td>- Export market-oriented culture positively influences export performance &lt;br&gt;- Possession of an export market-oriented culture results in the development of high export learning capabilities &lt;br&gt;- Export learning capability mediates the relationship between export market-oriented culture and export performance &lt;br&gt;- Increases in export environment turbulence weaken the positive effect of export learning capability on export performance</td>
</tr>
<tr>
<td>3. Boso et al. (2018)</td>
<td>UK and Nigerian SME exporters</td>
<td>- Export entrepreneurial orientation (EO) &lt;br&gt;- Export market orientation (MO) &lt;br&gt;- Export resource transformational capability</td>
<td>- Export resource transformational capability partially mediates the individual effects of EO and MO on export performance</td>
</tr>
<tr>
<td>4. Jin and Cho (2018)</td>
<td>Korean SMEs</td>
<td>- International entrepreneurial orientation &lt;br&gt;- Domestic market competition &lt;br&gt;- Technological capabilities &lt;br&gt;- Marketing capabilities</td>
<td>- International entrepreneurial orientation and domestic market competition have a positive influence on the development of technological and marketing capabilities &lt;br&gt;- Technological and marketing capabilities fully mediate the impact of international entrepreneurial orientation and export performance</td>
</tr>
<tr>
<td>6. Azar and Ciabuschi (2017)</td>
<td>Swedish exporters</td>
<td>- Organizational innovation &lt;br&gt;- Technological innovation</td>
<td>- Organizational innovation enhances export performance both directly and indirectly by sustaining technological innovation</td>
</tr>
<tr>
<td>7. Gnizy et al. (2017)</td>
<td>UK exporters</td>
<td>- Cross-functional dispersion of influence on export marketing activities</td>
<td>- Export dispersion is beneficial for export performance when: the export customer environment is more turbulent and, simultaneously, the export technological environment is more stable and the firm has lower levels of export information sharing</td>
</tr>
<tr>
<td>Study</td>
<td>Empirical setting</td>
<td>Antecedent variables considered</td>
<td>Key empirical findings</td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>----------------------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>8. Pham, Monkhouse, and Barnes (2017)</td>
<td>Vietnamese exporting firms</td>
<td>- Marketing capabilities</td>
<td>- Relational, marketing intelligence, export pricing, product development and marketing communication capabilities have a direct impact on export performance.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Relational capabilities</td>
<td>- The ability to develop relationships is the most significant predictor of export performance.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Psychic distance, firm international experience, and product positional advantage moderate the effect of discretionary marketing adaptation on export performance.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- International corporate entrepreneurship</td>
<td>- Market orientation enhances export satisfaction through entrepreneurship.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Commitment to learning</td>
<td>- Market orientation has a negative impact on export profits.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Export entrepreneurial-orientated behavior (EOB)</td>
<td>- MOB has an inverted U-shaped relationship with export performance when export EOB takes on higher values.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Coordination flexibility</td>
<td>- The inverted U-shape relationship between MOB and performance becomes more negative when coordination flexibility increases in magnitude.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- The relationship between export EOB and export performance is strengthened when firms are moderately market-oriented and when levels of coordination flexibility are high.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- The influence of domestic institutional attributes on export performance is stronger among exporters characterized by larger size, more experience, foreign market concentration, and direct exporting methods.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13. Navaro-García et al. (2016)</td>
<td>Spanish SME exporters</td>
<td>- Export commitment</td>
<td>- Export commitment has a direct positive effect on export performance (both strategic and operational).</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Marketing-mix adaptation</td>
<td>- Marketing-mix adaptation has a direct positive effect on strategic export performance but not on operational export performance.</td>
</tr>
<tr>
<td>Study</td>
<td>Empirical setting</td>
<td>Antecedent variables considered</td>
<td>Key empirical findings</td>
</tr>
<tr>
<td>-------</td>
<td>-------------------</td>
<td>--------------------------------</td>
<td>------------------------</td>
</tr>
</tbody>
</table>
| 14. Kayabasi and Mtewta (2016) | Turkish exporters | - Marketing capabilities  
- Marketing effectiveness  
- Export market orientation | - Export market orientation has a significant impact on marketing capabilities and marketing effectiveness  
- Marketing effectiveness has a significant impact on export performance  
- Marketing capabilities and export market orientation have no direct influence on export performance |
| 15. Kim and Hemmert (2016) | Subcontracting SME South Korean exporters | - Resources and capabilities  
- Customer network features | - Technological resources and executives’ managerial capabilities are positively related to export orientation and export intensity  
- There is a negative linear relationship between the strength of subcontracting ties and export performance, implying that high dependence on individual customers has a negative effect on export performance |
- International experience | - Both innovation capacity and international experience have a significant positive impact on export performance  
- International experience has a greater impact on export performance than innovation capacity |
| 17. Nemkova et al. (2015) | UK exporters | - Export planning  
- Export improvisation (spontaneity, creativity, action orientation)  
- Export responsiveness | - Export planning is negatively related to export customer performance and positively related to export economic performance  
- There is a strong positive relationship between action orientation and export customer performance  
- The planning–economic performance relationship is stronger and more positive at low levels of spontaneity.  
- There is a positive relationship between export responsiveness and export customer performance |
- Organizational learning capability  
- Entrepreneurial orientation | - The relationship between entrepreneurial orientation and export intensity is mediated by organizational learning capability and innovation performance |
| 19. Navarro-Garcia et al. (2015) | Spanish exporters | - Export entrepreneurship | - Export entrepreneurship depends on various internal (export commitment, resources) as well external (competitive intensity, distance) contingency factors  
- Export entrepreneurship positively affects export performance |