

Explorative Study of Proactive and Responsive Export Market Orientation: An In-Depth Interview

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Abstract

This paper explores the existence of proactive and responsive export market orientation in the fieldwork through a series of semi-structured interview conducted among five Malaysian exporting managers involving 15 export ventures. While this is done to obtain a ground case to rationalize further investigation over the dual dimensions in the export market orientation, findings have also contributed to not only enough support for a proper research on the issue to be conducted, but also pave the way to many possible researches of the field. The newly explored area therefore is believed will in many ways advance new perspective on the development of market orientation theory and practice.

Keywords: Proactive export market orientation, responsive export market orientation, export market orientation.

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Introduction

Without doubt, the export market orientation (EMO) is derived from the integration and internationalization of two seminal streams of market orientation (MO) championed by Kohli and Jaworski (1990) and Narver and Slater (1990) (see Cadogan and Diamantopoulos, 1995). Consequently, the theoretical development of the concept is very much akin to the development of the two streams of MO. While the current development of the MO today and in the past several years is partly on the existence of the proactive and responsive MO behaviors, it is therefore not surprising to have researchers and international marketing community to illustrate an elevated interest on the existence of the behaviors in the EMO theory. Added with the fact that the topic of EMO is increasingly gaining popularity among researchers (Sousa, Martinez-Lopez and Coelho, 2008), researchers should be aware of the dual dimensions existence in the theory, if any, before further enquiries is explored. Do the different behaviors referring to the proactive and responsive dimensions exist in the EMO?

Purposes

Answering the question will somehow provide paths for further development and expansion of the theory. Therefore, it is very important for the answer to be valid and reliable, inasmuch as the theory will further be developed and expanded on a strong and sound basis in the future. As this question rise the possibility of further expanding the existing theory, methodical work of studying, collecting and comparing existing researches and published papers on the topic in the literature field has been conducted to ground relevant propositions on the subject, and assessing the real situation in the fieldwork of exporters and international marketers. The availability of propositions on the subject allows a theoretical orientation to guide the assessment on the fieldwork (Yin, 1994) and hence strengthen the validity and reliability of the proof collected through the work. The methods conducted are parallel to the development and expansion of new theories in the field, in which propositions are made based on existing studies and later confirmed through a series of qualitative and quantitative assessment (e.g., Atuahene-Gima, Slater and Olson, 2005; Cadogan and Diamantopoulos, 1995; Kohli and Jaworski, 1990; Narver, Slater and MacLahlan, 2004).

Noting the importance of export as a common and popular method of entering international (foreign) markets (Leonidou *et al.*, 2007; Murray *et al.*, 2007), and how it is affected in the current economic turbulence, this theory (dual dimensions of EMO) can contribute to help exporters and international marketers to improve their export activities through strategic implementation of the EMO. On the other hand, the theory development can contribute to further conceptual and empirical investigations among researchers of the topic, and hence add more variation to the literature field. As such, this paper placed itself as an initial step in examining the existence of the dual dimensions of EMO. The objective of the interview is therefore to gauge the existence and the influence of the proactive and responsive EMO among the exporters. From that point, propositions made can be developed into a strong theory that can support future researches

of the topic. Before further process can be delved, the issue of lack of ground propositions must first be addressed.

To come out with the ground propositions, existing papers discussing the proactive and responsive MO and EMO (i.e. Cadogan and Diamantopoulos, 1995; Diamantopoulos and Cadogan, 1996; Jaworski, Kohli and Sahay, 2000; Narver *et al.*, 2004) have been compared and integrated. Apart from these seminal papers on the issue, other relevant and important insights on the theory have been examined through issue-associated papers such as Atuahene-Gima *et al.* (2005), Connor (1999), and Kyriakopoulos and Moorman (2004), to name a few. Through this process, it is proposed that proactive EMO is referring to the organization-wide generation and dissemination of, and responsiveness to, the export market intelligence that taps to the export customer's *latent potentials* in the absolute market structure of an export environment either specifically or as a whole. On the other hand, responsive EMO is proposed as the organization-wide generation and dissemination of, and responsiveness to, the export market intelligence that taps to the export customer's *expressed potentials* in the absolute market structure of an export environment either specifically or as a whole.

In a part of efforts investigating and confirming the existence of the dual dimensions (proactive and responsive) in the EMO, a series of an in-depth interviews have been conducted with five managers of Malaysian exporting firms and two government officers responsible to oversee foreign trade. Table 1 illustrates the information of the database.

Table 1: Database Information

Exporting Firm	Export Venture	Export Experience	Firm's Employees	Export Sales (Million)	Industry	Foreign Subsidiary
F1	2	> 20	<200	> RM100	Shipyard	No
F2	1	8	580	> RM120	Manufacturing	No
F3	5	15	<10	< RM5	Service	Yes
F4	2	3	>20	< RM1	Garments	No
F5	5	17	850	> RM50	Forestry	Yes

Methodology

We first contacted an executive officer of Terengganu State Entrepreneur Development Agency to inquire about the progress of exporting activities among the state's entrepreneurs. A state entrepreneurs directory was given, with which we used to contact qualified and interested entrepreneurs for the interview. From this process, an entrepreneur with two export ventures was willing to participate. Later, an interview was conducted with a senior director of MATRADE responsible for the export development for the Eastern Region of Malaysia. The interview yielded some useful insights on the exporters' progress in Malaysia generally and in the Eastern region, in particular. The director also gave us a directory of Malaysian Export Product and Services, from which we managed to get another four exporting firms willing to participate provided that they were given assurance, including a letter of confirmation that the information disclosed will be treated as private and confidential. These four firms presented another 13 export ventures. In the semi-structured interview, three protocols were asked to the informants. The protocols are:

1. Are you aware of the expressed and latent needs of your export or foreign customers?
2. Which needs are you serving now? Why?
3. Are there any differences in generating, disseminating and responding to the export market intelligence of expressed and latent needs? Why?

The semi-structured interview allows interview process to be more fluent as it guide the interviewer and the interviewee throughout the process, especially in inquiring new perspectives (Cavana, Delahaye and Sekaran, 2001; Yin, 1994). Interview is not limited to only the prepared protocols, but conversation is allowed to expand alongside the issue. Each interview took from about an hour to almost three hours to complete, depending on the number of export ventures involved. This can be attributed to the differing strategies applied and performance shown by different export ventures, therefore required more time to be explained and hence support the notion by Lages and Montgomery (2005), and Morgan *et al.* (2003), among others. Even though the single unit of analysis (Yin, 1994) is used in this interview, informants were requested to give information on more than one export venture, particularly focusing on the served foreign markets. The credibility of the informants was assessed through their capability of obtaining direct information and making decisions regarding their export activities in the different markets served, and hence referring to the different export ventures. Table 2 illustrates the informants' profile.

Table 2: Informants' Profile

Exporting Firm	Title/Post/Position	Years of Experience in the Company	Knowledge Regarding Export Activities
F1	Marketing Executive (Commercialization)	> 5	Excellent
F2	Business Development Manager	8	Good
F3	Owner and CEO	15	Excellent
F4	Owner and President	29	Excellent
F5	Overseas Sales Director	> 10	Excellent

Findings and Discussions

As the focus for the interview is to assess the situation of export market orientation dimensions among exporters, several findings have been gathered. First, through the first question in the protocol, it is found that the exporters are aware of the dimensions in the EMO. The exporters who applied EMO are aware of the different needs among their export customers in their foreign market, supporting the idea for the research on proactive and responsive EMO. The awareness is not only oriented towards customers, but also towards competitors and market structure. This is evident from citation of several informants:

We generate a lot of data on our export customers. In fact, we believe that those who are exporting but did not know who their customers or competitors are and their foreign markets are going to fail in the activity... As for the company, we even hired special lawyers to investigate about our potential customers financial background, especially on first-timers. Dealing with those who cannot pay you in the end might cause you uncovered

loss in this industry, like our competitor Company X who is still struggling to recover...Knowing your competitors also enables you to know the industry's current and future situation.

Firm 1

We developed special relationship with our customers in the foreign markets, even when there is no need for us to do so, such as when it involves our regular customers or clients with contracts to abide by. It allows us to have insights on their needs and wants over time, and even enables us to predict the needs in the near future. That means ongoing business relationship...Understanding the market in which we are dealing with, the language, the society structure, sensitive issues of the population, that will definitely help us in the business. Also, to know with whom we are dealing with, who are they in their own market. Being in the consulting industry requires us to know more than simple information...

Firm 3

This finding, which confirmed the propositions for further research on the dimensions of EMO, also paved ways for researches on investigation of why exporters behave differently in catering their export market. As embedded in the second protocol, exporters deal with different level of dimensions in their export activity. Nevertheless, from the interview, it is possible to find exporters catering to either both needs (expressed and latent) or only on expressed needs, but it is nearly unfeasible to find exporters catering to only latent needs forever in their business. For example, as suggested by the MATRADE regional director,

It is possible for exporters to cater to new (latent) needs, with less or no competitors, such as Company Q, but after times the technology will be imitated and improved by others, turning it into an expressed one. However, as for the case of Company Q, because it is well patented and the industry requires specific conditions to fit in, especially on the environmental factors, it is still enjoying high demand until today with a very few competitors to compete with, even internationally. Besides, its success is because of the risks endured by the owners, as it is a new industry with little information for others, but sufficient to them as they learnt about it while they were studying abroad - factor of chances and experience, as we can safely conclude.

Other than that, several other exporters also direct the reasons behind their different attributes towards the needs to some other points, such as different clients catered (Firm 1), different products offered (Firm 3), and different industry in which they are engaging (Firm 2, Firm 4), which opens more interesting insights on the question. For example, Firm 2 mentioned that they are catering to only the expressed needs for the time being, as they are in the industry with long product-cycle period. Therefore, abrupt changes are not necessary. Besides, they are also positioned as the third-tier supplier in the value chain, and thereby their activities are limited to only materials supplying and processing, and not designing, which is an important activity to recognize the latent needs. Firm 4, on the other hand, cited the limited adjacent foreign markets to penetrate as an important reason for their limited foreign expansion activity. This is because the unique product they are offering is also offered in the said market even with little variation, limiting the needs from foreign customers. Worsening economic situation also forced them to hold their foreign expansion plans. These important insights allow specific investigation to be

conducted in inquiring why exporters behave differently in their activity of generating, disseminating and responding to the export market intelligence.

In the third protocol, informants were asked to detail about their activities of generating information, disseminating and responding to their foreign market intelligence. Since the level of dimensions of their EMO were assessed beforehand through the second protocol, their generic EMO activities can be regarded as resembling the activities of the proactive or responsive export market-oriented firms. While the study is not in the hunt of a total proactive or total responsive export market-oriented export ventures, the level of dimensions was assessed through the export ventures' readily favored catered dimension. This is so as profit-based organizations such as business ventures are aiming for making profits and hence exploiting the knowledge and information gathered, and in the same time doing investment to recognize the latent needs and solutions in the market through explorative skills (see Kyriakopoulos and Moorman, 2004). This situation puts business ventures such as an exporting firm with profit-based objectives to apply both explorative and exploitative skills in the business, making them proactive and responsive at a time. To this aspect, there are differences in catering to the different dimensions, as explained previously. Certain conditions put certain export venture to favor a dimension over another, but these ventures are not going to ignore the less favored one. The EMO activities are found to be influenced by many factors which are affected by the dimensions served. In other words, the dimension served influences the activities of generating, disseminating and responding to the export market intelligence.

Conclusion and Future Direction

The series of an in-depth interview is conducted to assess the existence of the proactive and responsive EMO among the practitioners in the fieldwork. From the interview, it has been found that, as argued in the literature, the existence of proactive and responsive dimensions or behaviors in the MO concept is also an issue in the EMO. With the proposed propositions of proactive and responsive EMO is now available, it is believed that the research gap for further investigations of the issue has been filled. Therefore, further research that specifically investigate the issue in the international marketing background, particularly in export, should be conducted for the benefit of the international marketing community. Researchers might want to explore the reasoning behind exporters' MO behaviors, the consequences of the dimensions applied or perhaps situations in which this proposition is not going to work. This is believed to be able to bring valuable insights to the researchers, policy makers and marketers.

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