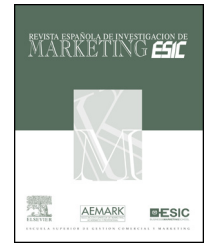




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ARTICLE

How to measure born-global firms' orientation towards international markets?



R. Torres-Ortega^a, A. Rialp-Criado^a, J. Rialp-Criado^{a,*}, M.-C. Stoian^b

^a Departament d'Empresa, Universitat Autònoma de Barcelona, Edifici B, Campus UAB, Barcelona 08193, Spain

^b Brunel Business School, Brunel University, Uxbridge UB8 3PH, United Kingdom

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KEYWORDS

Orientation towards international markets;
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Abstract The purpose of this paper is to explore the concept of orientation towards international markets (OIM) for born global firms (BG) and present a measurement scale of OIM specifically designed for these firms. We propose a scale of OIM based on the literature review and a qualitative study. This proposal is then tested by means of a quantitative research design. The final scale not only considers three constructs of the market orientation concept: customer orientation, competitor orientation and interfunctional coordination; but also incorporates another construct related to the innovation capability of the firm (innovativeness and technological capability). This proposed measurement scale shows invariance across younger and older BG firms and, therefore, constitutes a useful measurement tool to be considered by future research analyzing the impact of OIM of BG firms on their performance.

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PALABRAS CLAVE

Orientación a los Mercados Internacionales;
Empresas "Born global";
Validación de escala

Cómo medir la orientación de las empresas "born-global" hacia los mercados internacionales?

Resumen El objetivo de este trabajo es explorar el concepto de orientación hacia los mercados internacionales (OIM) para empresas Born Global (BG) y presentar una escala de medición de OIM diseñada específicamente para este tipo de empresas. Proponemos una escala de OIM en base a la revisión de la literatura y de un estudio cualitativo. Esta propuesta se testa por medio de una investigación cuantitativa. La escala final considera tres constructos del concepto orientación al mercado: orientación al cliente, orientación a los competidores y coordinación

* Corresponding author at: Departament d'Empresa, Universitat Autònoma de Barcelona, Edifici B, Campus UAB, Barcelona 08193, Spain.
E-mail address: Josep.Rialp@uab.cat (J. Rialp-Criado).

interfuncional; y también incorpora un constructo relacionado con la capacidad de innovación de la empresa (capacidad de innovación y capacidad tecnológica). La escala de medición propuesta es invariante entre las empresas BG más jóvenes y las más maduras y, por lo tanto, constituye una herramienta de medición útil para ser considerada en investigaciones futuras que analicen el impacto de la OIM de las empresas BG en sus resultados.

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Introduction

The purpose of this paper is to explore the concept of orientation towards international markets (OIM) for Born Global (BG) firms and present a measurement scale of OIM specifically designed for this type of early and rapidly internationalizing ventures.

Numerous empirical and conceptual studies on BGs have been conducted since the nineties (Apselund & Moen, 2005; Coviello & Munro, 1997; Freeman, Edwards, & Schroder, 2006; Freeman, Hutchings, Lazaris, & Zyngier, 2010; Freeman, Hutchings, & Chetty, 2012; Hashai & Almor, 2004; Kim, Basu, Naidu, & Cavusgil, 2011; Knight & Cavusgil, 2005; Knight, Madsen, & Servais, 2004; Knight, 1997; McDougall & Oviatt, 1996; McDougall, Shane, & Oviatt, 1994; Moen & Servais, 2002; Oviatt & McDougall, 1994; Rennie, 1993; Spence, Orser, & Riding, 2011). However, the vast majority of the studies have focused on the early internationalization stages of the BG companies, with a few notable exceptions (Blesa, Ripollés, & Monferrer, 2009; Hashai & Almor, 2004; Jones & Coviello, 2005; Kuivalainen, Sundqvist, & Servais, 2007; Luostarinen & Gabrielsson, 2006; Moen, 2002; Monferrer, Blesa, & Ripollés, 2013; Peiris, Akoorie, & Sinha, 2012). In fact, the role of orientation towards international markets in early internationalized firms has not been focused upon in previous born global literature. Peiris et al. (2012) point out that scholars have developed integrative models representing the core concepts and constructs in the entrepreneurial internationalization process. Nevertheless, they see an opportunity to extent research by focusing on those aspects leading to sustainable competitive advantage and higher performance of the firm. In this line, Efrat and Shoham (2012) note that the impact of external and internal factors on the BGs' performance has hardly been analyzed (Almor & Hashai, 2004; Knight & Cavusgil, 2004), while both internal and external performance drivers have been studied previously with regard to gradually globalizing firms (GGs) (Cavusgil & Zou, 1994; Root, 1994; Sarkar & Cavusgil, 1996; Sousa, Martínez-López, & Coelho, 2008; Styles & Ambler, 1994; Zou & Stan, 1998).

Accordingly, we focus this study on one internal driver that firms, in general, and BGs specifically could exploit for obtaining superior performance: the orientation towards international markets (OIM). From our perspective, this orientation should be related to the market orientation (MO) concept, but its content must be broader due to the international dimension of the concept. Therefore, we believe, and that is part of the interest of this research, that the

development of the OIM could initially consider the components of the MO concept, but likely should also incorporate other components that allow firms to extend this market orientation to international markets. In some sense, the type of discussion we present here is similar to the one proposed by Covin and Miller (2014) when they raise the question of "whether Entrepreneurial Orientation (EO) and International Entrepreneurial Orientation are treated as distinct constructs within the International Entrepreneurship (IE) literature or, alternatively, whether international is simply a context in which EO research has been pursued" (p. 13). Taking into account one of the approaches that some IEO research employ, as Covin and Miller (2014) mention, we assume that OIM share the core elements of the MO construct yet includes a additional distinguishing elements—namely, an "international" emphasis.

The concept of MO, understood as "the organization-wide generation of market intelligence, dissemination of the intelligence across departments and organization-wide responsiveness to it" (Kohli & Jaworski, 1990, p. 3) has been increasingly considered an essential driver for achieving superior business performance around the world (Chan & Ellis, 1998; Ellis, 2006; Farrell, 2000; Kirca, Jayachandran, & Bearden, 2005; Lado, Maydeu-Olivares, & Rivera, 1998; O'Sullivan & Butler, 2009). However, despite its reported importance for business performance in general, and for SME performance in particular (Collinson & Houlden, 2005; Kara, Spillan, & DeShields, 2005; Li, Zhao, Tan, & Liu, 2008), the concept of MO has rarely been explored in the context of BGs (Gabrielsson & Kirpalani, 2012; Madsen, Sorensen, & Torres-Ortega, 2015). Efrat and Shoham (2012) indicate that the three aspects of MO identified by Narver and Slater (1990) – customer orientation, competitor orientation and inter-functional coordination – should be encompassed in firms' marketing capabilities to create a solid foundation for competitive advantage.

Cadogan, Diamantopoulos, and Pahud de Mortanges (1999) developed the "export market orientation" (EMO) scale as a measurement of MO for exporting firms because "the shift from a domestic to an export setting suggests that 'merely modifying existing measures by 'internationalizing' their terminology is unlikely to be sufficient. Additional items will most probably be required which are qualitatively very different from those occurring in domestic markets" (Cadogan & Diamantopoulos, 1995, p. 51)" (p. 690–691). Our work wants to contribute to this stream of academic research because it is focused on what could stimulate a company to orientate itself towards international

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