



UNIVERSITY  
OF TASMANIA

Articulating the role of marketing and product  
innovation capability in export venture  
performance using ambidexterity and  
complementarity theory

by

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Submitted in fulfilment of the requirements for the Doctor of Philosophy

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# Statement of Originality

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# Statement of Ethical Conduct

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The research associated with this thesis abides by the National Statement on Ethical Conduct in Human Research and the rulings of safety and Ethics of the Human Research Ethics Committee of the University of Tasmania.

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# Abstract

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Exporting is one of the oldest forms of economic activity. It is the most common way for many for firms, especially those in developing economies to enter international markets. Exporting is an important element of international trade and is an attractive foreign market entry strategy and expansion approach for firms (Hultman, Robson & Katsikeas, 2009). At the firm level, exporting is argued to make better utilisation of production capacity, facilitate company growth and improve the firm's financial position (De Loecker, 2007). With increasing the internationalisation of business, exporting firms have been forced to reconsider how to compete as rivalries increasingly extend across multiple markets. When compared to other foreign market entry modes, exporting involves fewer resources, lower risks, and less cost. Export involvement can assist firms in improving their competitive edge and realising financial objectives.

Dynamic capabilities appear to be the key to achieving success in export markets (Morgan, Kaleka & Katsikeas, 2004). To achieve superior performance, a single dynamic capability may not be sufficient for exporting firms (Berthon, Hulbert & Pitt, 1999). The role of complementary capabilities is considered critical for exporting firms. In this sense it is now generally accepted by many scholars, that marketing capability and product innovation capability are two critical capabilities that act as key drivers of export performance (e.g. Berthon et al., 1999; Gatignon & Xuereb, 1997; Noble, Sinha and Kumar, 2002; Song, Droge, Hanvanich & Calantone, 2005). While marketing capability enable exporting firms to link with customers by predicting changes in customer preferences and creating and managing durable relationships with customers and channel members (Day, 1994), product innovation capability enable exporting firms to promote innovative thinking and facilitate successful development, evolution, and execution of product innovations (Siguaw, Simpson & Enz, 2006). As such, both capabilities cannot be considered separately as each offers the other a high degree of complementarity.

This study investigates drivers of export venture performance focusing on two drivers that have direct effects; marketing and product innovation capability and two drivers that have contingency effects; technological innovation and management innovation capability. The investigation couches these capabilities within the domain of complementarity and ambidexterity theory. Specifically, this study attempts to address the significance of complementarity and ambidexterity of these two capabilities in the export domain of a developing economy, Thailand. In picking up on the role of marketing and product innovation capabilities within the context of complementarity and ambidexterity, this study also investigates the role of technological innovation capability and management innovation capability as moderators of the relationship between the firm's capacity to deploy ambidextrous capabilities and also achieve complementarity between capabilities and export venture performance.

The findings provide several important theoretical and practical implications to exporting firms and scholars. The findings show that marketing capability and product innovation capability are drivers of export success when they achieve complementarity and the firm can engage in these activities in an ambidextrous manner. The findings show that complementarity within the firm's functional areas (i.e., exploitative marketing capability and exploratory marketing capability) and complementarity between the firm's cross functional areas (i.e., exploitative marketing capability and exploitative product innovation capability) can drive firms to achieve stronger or enhanced export performance. In addition, technological innovation capability and management innovation capability plays a crucial role to facilitate complementarity of these activities in an ambidextrous manner in driving export performance.

In conclusion, this study responds to the call for greater attention on the role of marketing capability and product innovation capability using ambidexterity and complementarity theory to explain the firm's export performance. Overall, this study articulates the role of these capabilities as the drivers of Thai export ventures performance outcomes.