



Examining the Effects of Organizational, Strategic, and Environmental Factors on Export Performance with the Mediating Role of Export Innovation in Kalleh Company

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Abstract: *The main purpose of this study is to investigate the effect of organizational, strategic, and environmental factors on export performance as mediating role of export innovation in Kalleh Company. This research is an applied one in terms of the target-based classification and a descriptive survey one in terms of the method-based classification. The studied sample of managers and experts in Kalleh Company consists of 160 people. The sampling method is available and the sample size was calculated 114 using the Cochran's formula. The collected data were analyzed by SPSS and Smart-PLS software and reviewed with the help of structural equation modeling of research hypotheses. The results showed considering the mediating role of innovation, that organizational, strategic and environmental factors, formalization, decentralization, orientation and dynamics of export market have a significant impact on export performance, but the factors of commitment to the export market, information exchange and market competitiveness have no significant impact on innovation and export performance.*

Keywords: *Organizational Factors, Environmental Factors, Strategic Factors, Export Innovation, Export Performance*

INTRODUCTION

Globalization has required business companies to start looking for new opportunities in international markets along with their traditional and domestic markets. Among these, export is more attractive because it has fewer requirements and commitments than other approaches to foreign markets (joint venture, etc.). On the other hand, during the last two decades, among economic activities, exports have had a precipitous growth and has been a critical activity in every economy that contributes significantly to employment, trade balance, economic growth, and higher living standards (Ural, 2009). In today's turbulent environment, export performance plays a key role in accessing to competitive advantage due to improvements in financial position, increase in productivity capacity, building higher standards of technology and access to desired performance (Leonido & Katsikis, 1996). Hence, increasing export performance is one of the most important issues that many countries will have to face (Hajipour et al., 2015).

In a knowledge-based economy, companies operating in international markets and unknown export environments face more environmental uncertainty. Under turbulent conditions, it is more likely that the

company's products are not proportionate to the needs of the customers and competitors, thus reducing the effectiveness of the company's actions. Therefore, in a turbulent export environment, exporting companies typically need a large amount of information (as a tool that increases the recognition of exporting companies of the conditions of the export variable). This level of information-based knowledge on export routes can lead to innovation and creativity in offering export products and thus providing new products to international markets. Indeed, this knowledge enables business to learn how to develop customer needs, goods and services, and improve their internal processes in this direction. As such, a business can succeed and survive in its target market (Ergun and Kuscu, 2013).

The market-oriented export is a strategic application of market-orientation in the export environment. In marketing literature, the effect of market-orientation on the original performance has been accepted and the companies that are at high levels of exports are more knowledgeable about their customers and their wants (Morgan et al., 2009). In this case, they will be able to better understand their competitors' strategies and recommendations and the firm can better position in response to their customers and their market in competitive environments than their competitors (Mohr and Sarin, 2009).

Exports are of importance to the private sector among businesses based in developing economies, and is, in fact, a vital source for development and economic growth and income (Ibeh, 2003). This level highlights the importance of exports in the success of the economy at the micro and macro levels (national-regional and international), the necessity of attention and understanding of effective and supporting factors in this matter (Acedo & Galan, 2011).

With regards to issues in Kalleh Company as a leading firm in food industries, it is important for the enterprise to increase its export innovation compared to its competitors; it is possible through identifying the effective factors on export innovation. Innovation in exports is important because the financial turnover increases and the competitive advantage of the company increases compared to its competitors. In relation to the problem of export performance, the parameters that are less concerned are the low rate of export innovation. As a leading company in the country's food industry, Kalleh Company is seeking to develop its products' export innovation so that it can achieve high export performance. In this thesis, we seek to answer the question "What are the factors affecting the innovation of exports?" to assist the company in achieving this goal.

Theoretical Foundations

Export Innovation

When we think about innovation, we tend to see a picture of a new invention or product that has revolutionized the industry and technology. Of course, it is necessary to accept that most inventions, more than just a revolution, are born and become an evolutionary process. Any changes in the processes, delivery systems, or even the marketing model can be as effective as creating a new product in creating competitive advantage, increasing profit margins, and opening new markets. Examining the experience of Australian SMEs, six types of innovation that improve their exports, show that it can be used as a model for improving innovation in export field for all communities.

- **Innovation in Products and Services**

Kotler (2003) defined the product as: "Everything that can be offered to satisfy a demand or demand for the market. Products that are marketed include physical goods, services, experiences, people, places, assets, organizations, information and ideas" (Kotler, 2003, p. 34).

In the Oslo Directive (2005, p. 20), the final goal of product innovation is that the company can gain a competitive advantage by introducing a new product that allows it to increase demand and its sales price. The product innovation from the look at the Oslo Directive (2005, p. 48) means "the introduction of a product or service that is new in terms of its deliberate features or applications, new or with a significant improvement".

It consists of significant improvements in technical specifications, components and ingredients, continuous applications, its user convenience, or its functional characteristics.

When discussing product innovation, Adams (2004) describes the introduction of new products or services, or with significant modifications to meet the needs of a user or market as product innovation, the effect is what the customer sees. It can be defined as product-related innovation in the three processes of the development process of a new item, the new item itself, and the following process of following the new item (Zaltman et al., 1973). Henderson-Clark (1990) introduced innovations in line with the sharing of knowledge needed to develop new products: component knowledge and link knowledge between components, which they called "architectural knowledge".

- **Innovation in Delivery**

Finding an innovative approach in product distribution or service may also mean success or failure of an export. Cooperation with an overseas partner is one way to start a business in a new foreign market where the parties will enjoy it as soon as possible. A foreign partner provides you a consistent cash flow and a new method of creating value for existing customers while you use a ready delivery channel that is made up of people whose experience is directly related to the tastes and culture of your customers. The use of digital technologies, media, and social networks has also made it easier to access target markets and direct customers. This can be done by a local partner or directly from you (Hafezi, 2013).

- **Innovation in Business Model**

The importance of innovation in the fast-accelerated world is not covered for anyone. Today, all countries in the world seek to increase the productivity and improve the economic situation in the wake of the encouragement and development of creativity and innovation as one of the main advantages of the sustainability of companies. To achieve success, many companies have always sought to innovate in goods, service, market and operations; but despite numerous innovations in these four areas, serious risks were put to the companies, including:

- The share of the companies' markets declined.
- The value curve diagram reflects the weakening of their key business distinctions.
- They did not have enough growth.
- Key customers' needs were not answered.
- It was not easy to identify opportunities to reduce cost and optimal use of resources.

And so on, all of which were out of the ability to focus on different kinds of innovations [5]. However, extensive studies conducted over the past ten years show the growing importance of business model innovation against other types of innovation, and innovation in business models is known as a success key (Manteqi and Saqebi Saeedi, 2013).

- **Innovation in process (Process Innovation)**

According to the Oslo Directive (2005), process innovations are considered to reduce the cost of production or delivery of each unit, increase quality, or delivery of new products or with significant improvements. The ultimate goal of process innovation in this instruction (p. 20) is to strengthen productivity. Process innovations may include such items: input materials, job characteristics, workflow and information (Abernathy and Utterback, 1978). In the case of a variety of process innovations, it is appropriate to note that a process is practically involved, which may be able to provide a better view of process innovation. Davenport (1993) included regular processes in manufacturing companies, including two groups of operational and managerial processes. He considers operational processes, including product development, customer acquisition, identification, integrated support, service management, post-sales service and management processes including monitoring, performance management, asset management, human resource management, planning and resource allocation (Davenport, 1993; p. 8).

- **Innovation in Marketing**

The most essential component of export success is the ability to accommodate company marketing approaches in line with customer requests in different regions. The first step is to examine the different facets and behavior of customers' main part in each target market; then it has to define the brand and marketing process accordingly. Digital technologies and social networks have made the process of marketing products and services easier even at an international level with less cost. For example, a recent study in McKinsey indicated that dealing with existing Facebook commercial networks could be very effective access to different customer communities (Hafezi, 2013).

- **Innovation in Financing**

Reliable financing for many small and medium-sized businesses that have just entered export activities is a fundamental challenge. However, the ways of providing financial support to modern societies are becoming increasingly pervasive and provide new opportunities for companies. For example, in Australia and the United States, many start-ups are funded by the social capital method and directly collect capital from ordinary people, usually via websites and social networks (Hafezi, 2013).

Export Performance

Export performance is the extent to which the objectives of a firm (including strategic and economic goals) for exporting a product are realized through planning and implementation of export marketing strategies. Export performance has various dimensions which an index or factor cannot be explained. Walker and Ruekert (1987) suggested that communication and importance of performance dimensions are different among different stakeholders (investors, employees, customers) and depending on whether the focus is short or long. Researchers have highlighted three major dimensions of performance. The first is a part of the product and business plans for competitors. Markers such as sales growth can show effectiveness. The second dimension is performance that focuses on the deliverables from the business. Profitability is the main indicator that will show this dimension. The third dimension of adaptation is adaptability, which means how businesses respond to changes in the conditions and opportunities of the environment (Spasova et al., 2011).

The effective variables on export performance are also divided into two categories:

1. The variables related to the environment: such as how to choose and in research suggests that "Powell", the versatility of the market conditions to increase the chances of the exporters who want to enter the market recently, must be a country to start choosing which is psychologically closely related to them. The key variable in this case is psychological distance, which includes the sum of factors that prevent the flow of information to market or from market, such as the difference in language, business practices, culture, industrial development, and so on, from the other factors related to the environmental variables of the host country and the economic infrastructure of the host country, which can affect export performance in turn.
2. The variables related to the firm: in this case, one can refer to factors such as the level of commitment to export, the lack of an international perspective on the management, the ability to operate in international affairs, the ability to operate in international affairs, communication and vision management regarding issues such as risk-taking and opportunities in the internal markets (Nateq and Niakan, 2009).

Organizational factors influencing export innovation

There was a positive relationship between the decentralized structure and innovative orientation in the organization. This positive relation consists of high authority, influence and control on organizational resources and enables organization members to launch and test new hazards. Creation and maintenance of decentralized and informal structure, an incentive for granting privileges to low-level managers, increasing the participation of members of the group and consequently, guarantees the innovation (Miles & Arnold, 1991). The fit between organizational structure and innovation plays a significant role in enhancing

organizational performance. To be able to respond appropriately to changes in dynamic environments, organizations need to adopt specific structural features that give them flexibility and appropriate speed in responding to changes that will increase the organization's performance in exploring new opportunities (Covin & Slevin, 1988).

There is a strong and positive relationship between flexible and organic organizational structure with the innovative orientation of the organization; i.e., the more flexibility the organizational structure increases, the degree of risk level of managers and the creation of innovation in the organization, as well as the overall response of the organization against change and environmental conditions become more active and more dynamic (Jogaratnam et al., 2006). In contrast to machine organizations, employees working in organic organizations with less structural complexity are more community-oriented and have more freedom of action (less formal) in their tasks decision-making is led to the lower levels of the organization (lack of focus). Other studies also show that features such as risk, tendency to organizational innovation and being active in the organization are higher in organizations with organic structures than the organization with mechanical structure.

Strategic factors influencing export innovation

- **Export Market Orientation (EMO)**

Cadogan et al. (2004) defined export activities as intelligently production of market regarding the company's export operations; publishing this information between relevant decision-makers and the design and implementation of accountability to guide export customers, export competitors and other external factors of export markets that affect the export company and can provide the value of excellence for the company's export customers (Cadogan et al., 1999).

- **Export Commitment**

Researchers have investigated commitment from two different aspects: attitudinal and behavioral aspects. Commitment is a strategic factor that guides the allocation of organizational resources. From the attitudinal point of view, export commitment can be considered as the manager's willingness to allocate financial, management and human resources to export activity. On the other hand, from the behavioral perspective, the export commitment is the allocation of resources (financial, managerial, and human) available to the operations of foreign trade (Cavusgil and Zou, 1994). This allocation is useful in order to achieve the expected results of the project manager (Evangelista, 1994). On the other hand, both size and growth rate of global export demand an efficient commitment of the manager to allocate resources and design successful strategies in the field of international marketing which causes the company to create, communicate, deliver, and exchange a product that has a great value for customers (Morgan et al., 2004). In fact, the companies that have more commitment to their target markets have more tendency to adapt their marketing elements to the foreign market (Morgan et al., 2006) and the greater the company's commitment to the business, the greater the ability to implement adaptive strategies related to price, product, distribution and promotion (Legs and Chep, 2002). The export commitment of the company can be shown in different ways, but nothing can reveal the company's export commitment as the company's desire to adapt to the wills, needs and the expectations of the customers and the foreign market (Bemish et la., 1993)

- **Information Exchange**

Recent data showed that expanding the range of information from external ideas and technologies allows companies to move wide from information exchange to identify the future market trend and create innovations to invest on them (Rubera et al., 2015; Zhu & Lee, 2012). For example, strong channel communications increase the efficiency of international channels, which reduces transaction costs (Zhang et al., 2003). Furthermore, the information exchange between the manufacturer and the foreign distributor can contribute greatly to the ability of the rapid and effective response partners to the challenges that may arise from the external environment. (Zhang et al., 2003). Through exports, the ability to learn of the company increases as companies do not have access to new information and technical knowledge available on their

domestic market. Companies that participate in an exchange of intense information will naturally increase the process of gathering and analyzing data, which greatly aids their ability to support innovation, creativity, and R&D. Recent empirical evidence underscores an important role in acquiring knowledge about customers and competitors in enhancing the firm's performance through innovation advancement (Ozkaya et al., 2015).

Environmental factors influencing export innovation

- **Export Market Dynamics**

Market dynamics reflect changing client preferences, broad needs and requirements, and the persistent emphasis on offering innovative products and services (Hult et al., 2004). In highly dynamic foreign markets, organizations need to increase their export innovation in order to provide superior customer value (Gatignon & Xuereb, 1997). In particular, the instability in preferences and customer expectations significantly restricts the ability of the firm to meet their needs by doing minor modifications to existing products (Zhu et al., 2005). Empirical evidence suggests that market heterogeneity is related to innovation (Zahra & Nabov, 1998; Zahra et al., 1997). As external market environments become more diverse and perilous than internal market environments, companies may adapt to the environment by adopting innovative solutions. The ability to respond to the changing needs of external customers is particularly important especially in today's most turbulent environment that requires innovation and continuous improvement or service compatibility. Consequently, to succeed in external dynamic environments, it is very important for companies' exports to accept a business culture that supports new ideas and innovations (Makri et al., 2016).

- **Export Market Competitiveness**

Competitiveness refers to the ability and willingness of competitors to change decision making about the marketing mix to gain competitive advantage (Song & Parry, 2009). In extreme competition, consumers have numerous options and can choose a wide range of competitive options (Augusto & Coelho, 2009). Zhu et al. (2005) argue that, to sustain competition and improve performance, companies must be able to create and deliver superior customer value. Innovative companies have the ability to anticipate and respond to consumer needs better than their competitors (Simpson, Siguaw, & Enz, 2006). Innovation means that it is capable of developing an example of new innovative products to achieve international development, diversity and differentiation of elements that are often required in highly competitive environments (Makri et al., 2016).

Conceptual Model

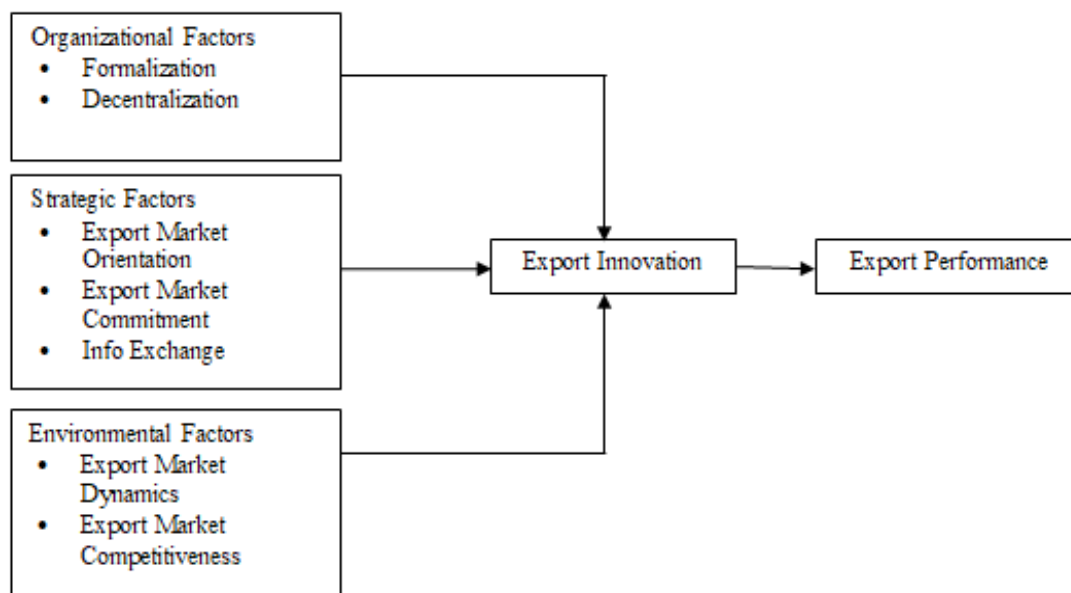


Figure 1: Conceptual Model
Source: Makri et al. (2016)

Theoretical Framework of the Research

Organizational structure (formalization and centralization) and export innovation

Auh and Menguc (2006) implicitly encourage innovation as a process of complex transformation that leads to the creation of organizational culture so that the staff become innovative, thus requiring a certain presence of organizational structural features. Recent studies have shown the importance of the exporter's organizational structure with an emphasis on innovation. In particular, Bosu et al. (2013) empirically demonstrated that under further organizational structure, where more focus and autonomy are encouraged in decision-making, export personnel are more involved in innovative export ideas. Formalization which defines the rules, roles, power relations, connections, norms, and procedures in a certain degree, provides solutions to solve effective issues, remove confusion, and reduce clear interpretations for similar activities, and transfer risk to management and reduce failure (Auh and Menguc, 2007). Hurley and Hult (1998) believe that organizations that have a lower level of formalization, have higher capacity for innovation. In particular, formal formalization is expected to stimulate the development and flexibility in roles, as well as the creation and implementation of new ideas, which are from the preconditions of innovation (Makri et al., 2016).

Decentralization consists of employees who have different positions in the organization and ask managers of mid-level managers to appreciate the value of shopping and dissemination of information. (Pelham and Wilson, 1996). The empirical evidence shows that decentralization has led to a permanent exchange of constructive thoughts and criticism that leads to the emergence of a variety of creative ideas from different categories of employees (Ruekert & Walker, 1987). Moreover, decentralization enables export managers to be more creative and independent in providing innovative products with the new needs of the export market (Bosu et al., 2013). In contrast, decentralization restricts the ability to ignore a variety of cognitive sources of human capital in an organization, making this capital unique to a chosen level. As a result, creative and diverse thoughts are excluded from the decision-making process (Auh and Menguc, 2007). The focus of decision-making power impedes innovation solutions, while power dissipation is essential for innovation (Thompson, 1965). In the eyes of Hurley and Hult (1998), participative decision-making, support and collaboration, and power sharing are important observers of innovation (Makri et al., 2016).

Strategic factors (Export Market Orientation, Export Market Commitment, and Information Exchange) affecting information innovation

The empirical evidence indicates that export market orientation plays an important role in export market institutions and causes marketing capacity (Murray et al., 2011). Marketing researchers also suggest that market orientation is an important predictor of innovation (Han et al., 1998). However, other studies suggest a different perspective, which says that the orientation of the market will also risk recognition for the company, which may lead to a reduction in innovation (Bosu et al., 2006). Therefore, there is an urgent need for further research on the impact of market orientation on innovation. Market orientation encourages members of the organization to continuously have access to the information by cooperating, coordinating, and attempting to integrate, disseminate, and respond to the market. The innovation process also includes activities for the production, dissemination and acceptance of new knowledge (Calantone et al., 2002). Increasing communication and integration in organizational functions form an open and acceptor atmosphere and emphasizes on the production of innovative ideas (Grinstein, 2008). Hence, organizational innovation is based on the level of management intervention on market intelligence (Hult et al., 2004).

The importance of managerial perceptions to expand the company's export activities has been accepted in international marketing literature (Leonido et al., 1998). According to Cavusgil and Zoe (1994), excellent management of commitment levels promotes the ability of the firm to advance export market opportunities and follow up on export marketing strategies in order to improve its export performance. Many recent studies on international marketing show an important role in export market commitment as an international success incentive (Zou et al., 2012). Managerial export market commitment contributes to the detailed planning of entry into that market and the effective allocation of administrative and financial resources. The commitment

of organizational resources to the export market will encourage and facilitate the development of new and creative ideas about product innovations, services or processes that increase the value delivered to the client, leading to situational competitive advantages for the company. Furthermore, Nadkarni and Perez (2007), companies with high levels of export market commitment, are more likely to interact with their foreign exchange partners. This way, it is likely to apply a client-driven approach to foreign markets. Through innovative solutions, they are able to respond to external customers' needs and preferences (Makri et al., 2016).

Innovation requires external learning, including market learning, network learning, and internal learning, including Research and Development (R&D). A company should take advantage of every possible source of information to provide forward innovative products to meet market needs. Recent studies have shown that expanding the range of information from external ideas and technologies allows companies to move wide from information exchange to identify the future market trend and create innovations to invest on them (Rubera et al., 2015; Zhu & Lee, 2012). For example, a strong communication channel increases the efficiency of international channels, which reduces the costs associated with the transaction. Furthermore, the information exchange between the manufacturer and the foreign distributor can contribute to the ability of rapid and effective response partners to the challenges that may arise from the external environment (Zhang et al., 2003). Through exports, the ability to learn the company increases as companies do not have access to new information and technical knowledge available on their domestic market. Companies that participate in an exchange of intense information will naturally increase the process of gathering and analyzing data, which greatly aids their ability to support innovation, creativity, and R&D. Recent empirical evidence underscores an important role in acquiring knowledge about customers and competitors in enhancing the firm's performance through advancing innovation (Ozkaya et al., 2015).

Environmental factors (export market dynamics and export market competitiveness) on information innovation

Market dynamics reflects the changing client preferences, broad needs and requirements, and the persistent emphasis on offering innovative products and services (Hult et al., 2004). In highly dynamic markets, exporting organizations must increase their innovation to provide superior customer value (Gatignon and Xuereb, 1997). In particular, the instability in preferences and customer expectations significantly restricts the ability of the firm to meet their needs by doing minor modifications to existing products (Zhou et al., 2005). Empirical evidence suggests that market heterogeneity is related to innovation (Zahra and Nabov, 1998; Zahra et al., 1997). As foreign market environments become more diverse and hazardous internal environments, agencies may adapt to the environment by adopting innovative solutions. The ability to respond to changing needs of external customers is particularly important, especially in today's most turbulent environment that requires innovation and continuous improvement or service compatibility (Auh and Menguc, 2010). Consequently, to succeed in external dynamic environments, companies' exports, acceptance of a business culture that supports new ideas and innovations is very important (Makri et al., 2016).

Competitiveness refers to the ability and willingness of competitors to change decisions about the mix of marketing to gain competitive advantage (Song & Parry, 2009). In extreme competition conditions, customers have numerous options and can choose from a wide range of competitive alternatives (Augusto & Coelho, 2009). Zhou et al. (2005) argue that companies need to be able to create and deliver superior customer value to sustain competition and sustain performance. Innovative companies have the ability to anticipate and respond to consumer needs better than their competitors (Simpson, Sigauw and Enz, 2006). Innovation means that it is capable of expanding the portfolio of new innovative products to achieve international development, diversity and differentiation of elements that are often needed in highly competitive environments. Empirical findings show the effective role of innovation in obtaining a competitive edge and achieving competitive advantage. For this reason, intense competition on foreign markets makes the adoption of innovation as an

effective response to aggressive competitors and as a means of offering top value for customers (Makri et al., 2016).

Export Innovation and Export Performance

Scholars use innovation as a specific valuable resource that is difficult to transmit or imitate (Hult & Ketchen, 2001). These resources enable companies to increase the brand value of the products and thus gain competitive advantage in export markets (Kim & Park, 2010). A large number of relevant studies show that there is a positive relationship between innovation and firm performance (Damanpour & Evan 1984; Deshpande & Farley, 2004; Han et al., 1998). Innovation leads to a higher customer satisfaction, which will keep existing customers loyal, attract new customers, and contribute to the desired growth and market share. Moreover, based on a meta-analysis by Rubera and Kirca (2012), innovation improves organizational performance, as it allows the company to adapt to changing customer conditions and also strengthen the financial status of the company. Innovation is dependent on the process of vision and process driven benefits that make companies more productive by cutting costs to gain resources and lead to lower costs reduction using manufacturing resources (Morgan et al., 2009). Innovation enables the company to develop certain abilities that are more efficient in the use of resources for innovation. Innovation is not only stimulating product or service creativity, but creativity in manufacturing processes, technologies and administrative processes that can help significantly reduce cost and operational efficiency (Han et al., 1998). Consistent with previous studies that convinced that innovation is important for the success of the organization, we expect that exporting companies achieve superior export performance by taking a direction of innovation on export markets (Makri et al., 2016).

According to the theoretical framework, our hypotheses are as follows:

Research hypotheses:

1. Organizational factors have a significant impact on export performance considering the mediating role of export innovation in Kalleh Company.
2. Strategic factors have a significant impact on export performance considering the mediating role of export innovation in Kalleh Company.
3. Environmental factors have a significant impact on export performance considering the mediating role of export innovation in Kalleh Company.
4. Formalization has a significant impact on export performance considering the mediating role of export innovation in Kalleh Company.
5. Decentralization has a significant impact on export performance considering the mediating role of export innovation in Kalleh Company.
6. Export market orientation has a significant impact on export performance considering the mediating role of export innovation in Kalleh Company.
7. Export market commitment has a significant impact on export performance considering the mediating role of export innovation in Kalleh Company.
8. The information exchange has a significant impact on export performance considering the mediating role of export innovation in Kalleh Company.
9. Export market dynamics has a significant impact on export performance considering the mediating role of export innovation in Kalleh Company.
10. Market competitiveness has a significant impact on export performance considering the mediating role of export innovation in Kalleh Company.

Literature Review

In a research entitled “Axial market of exports as the strategy of success of international organizations with an inter-organizational relations approach”, Marashi and Rahimi (2017) reviewed the core market of exports as a strategy for the success of international organizations and focused on the organizational relationships

approach. The results of this study show that there is a significant and positive relation between inter-organizational relationships, export market orientation and export performance. In a research entitled “the impact of strategic orientation and marketing capabilities on export performance”, Hajipour et al. (2015) examined the impact of strategic orientation and marketing capabilities on export performance. The results show that marketing capabilities have a positive and significant effect on export performance. Propensity to customers, trend to competitors, and tendency to cost has a significant positive impact on marketing capability whereas the propensity to innovate has no significant effect on marketing capability. On the other hand, the trend toward customers and tendency to cost has a significant positive effect on export performance while the propensity to competitors and the propensity to innovation have no effect on export performance. In an investigation entitled “the explanation of competitive strategy and technological innovation on export performance”, Karampour and Ibrahimi (2014) sought to determine the degree of technological innovation and competitive strategy on the performance of small and medium-sized enterprises in the crystal and glass sectors, considering the role of the competitive environment. The results showed that the competitive strategy and innovation of technological knowledge both affect export performance, but the impact of technical knowledge on export performance is greater than the application of strategy. Moreover, the findings indicate that there is a significant relationship between strategy type and innovation. On the other hand, the findings indicated that the environment had a significant effect on the relationship between exogenous variables (types of strategy and innovation) and endogenous variable (export performance), which moderates the relations. In a study entitled “investigating the effect of export market orientation and competitive advantage on export performance (case study: Iranian sample exporters in 2011)”, Mohammadian et al. investigated the potential impact of market orientation and competitive advantage on export performance. The results showed that export market orientation has an impact on export performance and competitive advantage. Furthermore, the competitive advantage, which is the mediator variable of market orientation and export performance, has a positive effect on export performance. In a study titled “the empirical examination of the background and the results of export innovation performance”, Makri et al. (2016) examined a conceptual model of environmental, strategic, and organizational stimuli (drivers). The results showed that the lack of concentration in decision making, exports quality, information exchange and export market dynamics have a significant impact on the rate of export innovation. Moreover, exports have a positive impact on export performance. Azara and Ciabuschi (2016) have carried out a research entitled "Organizational Innovation, technological innovations, and export performance: The effects of radical and extreme innovations". The results show that organizational innovation increases export performance directly and indirectly by supporting technological innovations. Moreover, by a good analysis of the role of mediation in technological innovations, given its radicalness and its prevalence, for organizational innovation, it shows how the radicalism approach increases technological innovations, although, in particular, the only extent is beneficial for export performance. This study helps explore the lack of research in relation to different types of innovation related to export performance and contribute to international business literature and marketing by producing new evidence about the mechanism through which organizational and technological innovations may improve export performance. In a study entitled “the impact of the internal and external environment on the firm innovation, a moderating test”, Dibrell et al. (2015) investigated the impact of internal and external factors on organizational innovation and assumed that the interaction between internal and external motivations is in order to increase external acceptance on organizational innovation. The results showed that there is evidence of a positive relationship between foreign absorption and organizational innovation, and the moderating effect of the internal orientation on firm-firm foreign relations is well observed. In a research entitled “Market orientation, Knowledge competence, and Innovation”, Ozkaya et al. (2015) explore whether the orientation of the client and competition to market-based innovation becomes directly converted into a competitor or client’s knowledge competence. The findings indicated that knowledge competence serves as a

mediator in the relationship between innovation and biases. It also serves as a mediator in the relationship between rival and client competence and firm performance.

Methodology

Statistical Population

The statistical population size of this study is limited. The sampling method used in this study is simple random sampling. Due to the limited statistical population, to estimate the sample size, Cochran’s formula is applied.

$$n = \frac{\frac{z^2 \times p \times q}{d^2}}{1 + \frac{1}{N} \left(\frac{z^2 \times p \times q}{d^2} - 1 \right)} \quad n = \frac{\frac{1.96^2 \times .5 \times .5}{.05^2}}{1 + \frac{1}{160} \left(\frac{1.96^2 \times .05 \times .5}{.05^2} - 1 \right)} = 114$$

Considering the level of confidence 95 % and by accepting 5 % error, the number of required size is 114. To ensure that the questionnaires are available to the researcher and have the capability to be analyzed, 135 questionnaires were distributed among sample members and 125 questionnaires were collected from the respondents.

The research population comprises managers and senior experts in Kalleh Company, which operate in the export sector. The population size is 160.

Resources, Methodology, and Data Collection Tools

The data gathering procedure in this study is from primary and secondary sources. Secondary sources including books, updated articles and valid sites and the most important source of data collection is a standard questionnaire which is one of the primary sources.

In order to collect data and information for analysis, the standard questionnaire of Makri et al. (2016) has been used.

Data Analysis Method

After gathering data, first, by using descriptive statistics techniques, data description is discussed. In this regard, different distribution tables and the calculation of central indices and dispersion such as mean, median, fashion, standard deviation and so on. are used.

In order to generalize the results of the research, deductive statistics have been used. The tests used in deductive statistics include the Kolmogorov Smirnov test, the correlation test and structural equation analysis with Partial Least Square method (the implementation of the Measurement Model + Structural Equation Modeling). In order to analyze the data in this study, the SmartPLS software Version 2.0 and SPSS version 19 under Windows were used.

Research Analysis

According to the companies’ demographic analysis, the results are seen in Table 2; in terms of the age, men, in terms of marital status, married, in terms of age belonged to 31-40 age group, in terms of education had master’s degree, and in terms of income, those who had income between 2-4 million have constituted the statistical samples.

Table 2: The analysis of demographic variables

Gender	Man	Woman	Marital status	Married	Single
	74 % 93 People	(26 %) 32 People		62 % 78 People	38 % 47 People
Age	Less than 30	31-40	41-50	51-60	61 and over
	9 % 11 People	41 % 51 People	32 % 40 People	14 % 17 people	6 % 5 People
Education	BA and lower		MA		PhD and higher
	38 % 48 People		50 % 62 People		12 % 15 People

Income level	between 1 and 2 millions	2-4 millions	4-6 millions	Over 6 millions
	10 % 12 People	54 % 68 People	28 % 35 People	10 % 8 People

The conceptual model of the research is based on the library research method and used to collect data from the questionnaires. In Table 3, the resources formulation and Cronbach’s alpha coefficients were identified for each research variables. A total of 58 questions were used to measure the research variables. The reliability of the questionnaire was measured using Cronbach’s alpha coefficient and composited reliability. The combined validity computes the correlation of the constructs not absolutely, but with respect to the correlation coefficients. If the reliability value for each construct is greater than 0.7, it indicates the proper internal consistency for the measurement models; however, it indicates the lack of reliability if it is less than 0.6. Convergent validity indicates the correlation between the factor loadings and the higher the correlation, the greater the reliability of the questionnaire, which is measured accurately. For convergent validity in this study, the Average Variance Extracted (AVE) is used, whose acceptable level is 0.5.

Table 3: The formulation of questions and Cronbach’s alpha coefficients on the separation of research variables

	AVE	Composite Reliability	Cronbach’s Alpha
Organizational factors	0.623	0.867	0.791
Strategic factors	0.580	0.890	0.849
Environmental factors	0.511	0.859	0.800
Export innovation	0.553	0.881	0.840
Export performance	0.514	0.799	0.749
Formalization	0.655	0.791	0.779
Decentralization	0.859	0.924	0.835
Export market orientation	0.831	0.908	0.797
Export market commitment	0.578	0.728	0.784
Information exchange	0.711	0.831	0.795
Export market dynamics	0.529	0.766	0.732
Export market competitiveness	0.776	0.912	0.855

Measurement Model

Models based on the structural equations consist of two parts of measurement models (external) and structural models (internal). Measurement models represent how the observable variables explain the latent variables, while structural models indicate the relationship between the latent variables. With the factor loading being higher than 0.4 and the statistic *t* higher than 1.96 based on the bootstrapping test, there is a significant correlation between the observable variables and the latent variables. The results of the research measurement model, which are equivalent to the confirmatory factor authentication, are reported in Table 4, based on which the factor loading for all the observable variables is higher than the critical value of 0.4 which is desirable; furthermore, the statistic *t* for all the variables is higher than the critical value of 1.96, which reflects the validation of the external validity of the model and not removing any of the research variables.

Table 4: Confirmatory Factor Validation

Organizational Factors	Factor Loading	Strategic Factors	Factor Loading	Question	Factor Loading	Question	Factor Loading	Question	Factor Loading
1q	0.733	14q	0.570	27q	0.821	39q	0.812	50q	0.524
2q	0.824	15q	0.817	28q	0.724	40q	0.738	51q	0.828
3q	0.514	16q	0.630	29q	0.785	41q	0.868	52q	0.522
4q	0.840	17q	0.783	30q	0.535	42q	0.832	53q	0.718

5q	0.628	18q	0.823	31q	0.558	43q	0.532	54q	0.631
6q	0.566	19q	0.549	32q	0.506	44q	0.688	55q	0.778
7q	0.845	20q	0.825	33q	0.675	Export Innovation	Factor Loading	56q	0.704
8q	0.793	21q	0.679	Environmental Factors	Factor Loading	45q	0.624	57q	0.516
9q	0.875	22q	0.688	34q	0.809	46q	0.660	58q	0.845
10q	0.807	23q	0.852	35q	0.754	Export Performance	Factor Loading		
11q	0.612	24q	0.682	36q	0.815	47q	0.635		
12q	0.638	25q	0.694	37q	0.509	48q	0.840		
13q	0.663	26q	0.829	38q	0.818	49q	0.580		

Structural Model

The fitting of the structural model which represents the impact of the model’s exogenous variables on endogenous variables is determined based on the R² determination coefficient that the three values of 0.19, 0.33, and 0.67 are considered as the weak, medium, and strong model fit criteria.

Table 5: The fitting of the structural model

	R ²
Export innovation	0.484
Export performance	0.643
Formalization	0.785
Decentralization	0.855
Export Market Orientation	0.787
Export Market Commitment	0.747
Information Exchange	0.928
Export Market Dynamics	0.716
Export Market Competitiveness	0.833

According to the explanations, the fit is strong (there is a strong fit).

To measure the fitness of the general portion of the structural equation model, the GOF index (2004) has been applied. This index is calculated with the following formula.

$$GOF = \sqrt{\text{Communalities} \times R^2}$$

Communalities are the shared values reported in the software output.

$$GOF = \sqrt{0.643 \times 0.753} = \sqrt{0.484} = 0.695$$

As observed, the overall fit of the model is in good condition.

Figure 2 and 3 indicate the structural models of the research in significance and Table 6 shows the results of the research hypotheses. The basis of acceptance or rejection of the hypotheses is based on the value of *t*. If the value for a given route is less than 1.96, the hypothesis is then rejected and otherwise confirmed.

Table 6: Analysis of hypotheses

N.	Hypothesis	Impact Factor	Significance Factor	Result
1	Organizational factors have a significant impact on export performance considering the mediating role of export innovation.	0.344	3.0940	Confirmed
2	Strategic factors have a significant impact on export performance considering the mediating role of export innovation.	0.250	8.271	Confirmed
3	Environmental factors have a significant impact on export performance considering the mediating role of export innovation.	0.108	5.104	Confirmed
4	Formalization has a significant impact on export performance considering the mediating role of export innovation.	0.206	4.988	Confirmed
5	Decentralization has a significant impact on export performance considering the mediating role of export innovation.	1.000	7.150	Confirmed
6	Export market orientation has a significant impact on export performance considering the mediating role of export innovation.	1.000	3.516	Confirmed
7	Export market commitment has a significant impact on export performance considering the mediating role of export innovation.	0.000	0.000	Rejected
8	Information exchange has a significant impact on export performance considering the mediating role of export innovation.	0.000	0.000	Rejected
9	Export market dynamics has a significant impact on export performance considering the mediating role of export innovation.	0.075	4.374	Confirmed
10	Market competitiveness has a significant impact on export performance considering the mediating role of export innovation.	0.000	0.000	Rejected

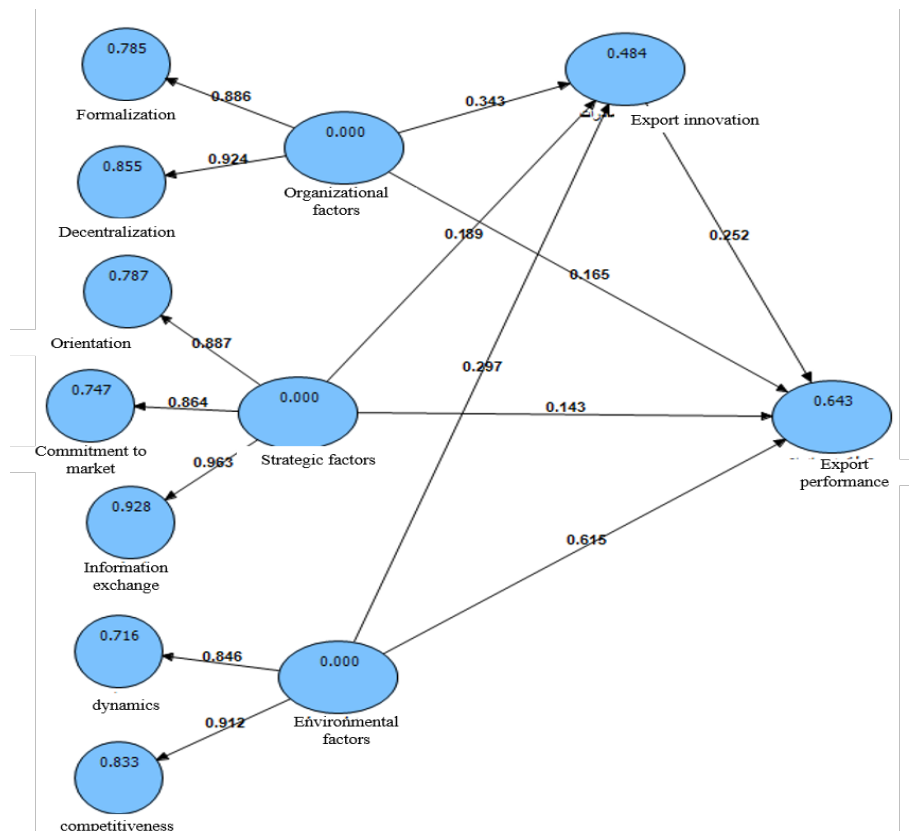


Figure 2: Impact factors of the original model

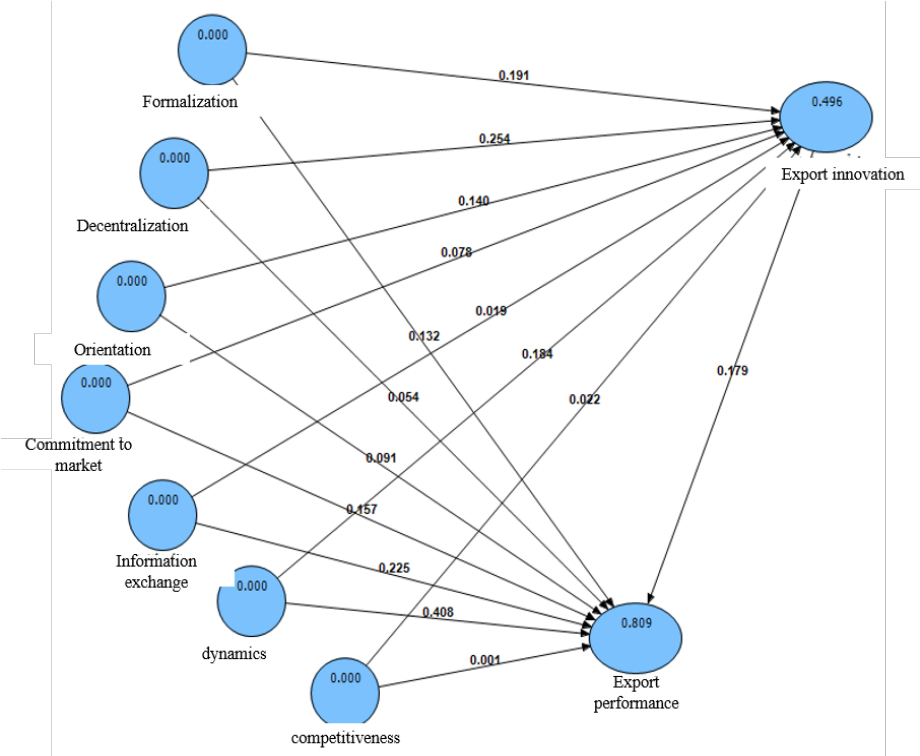


Figure 3: Significance factors of the original model

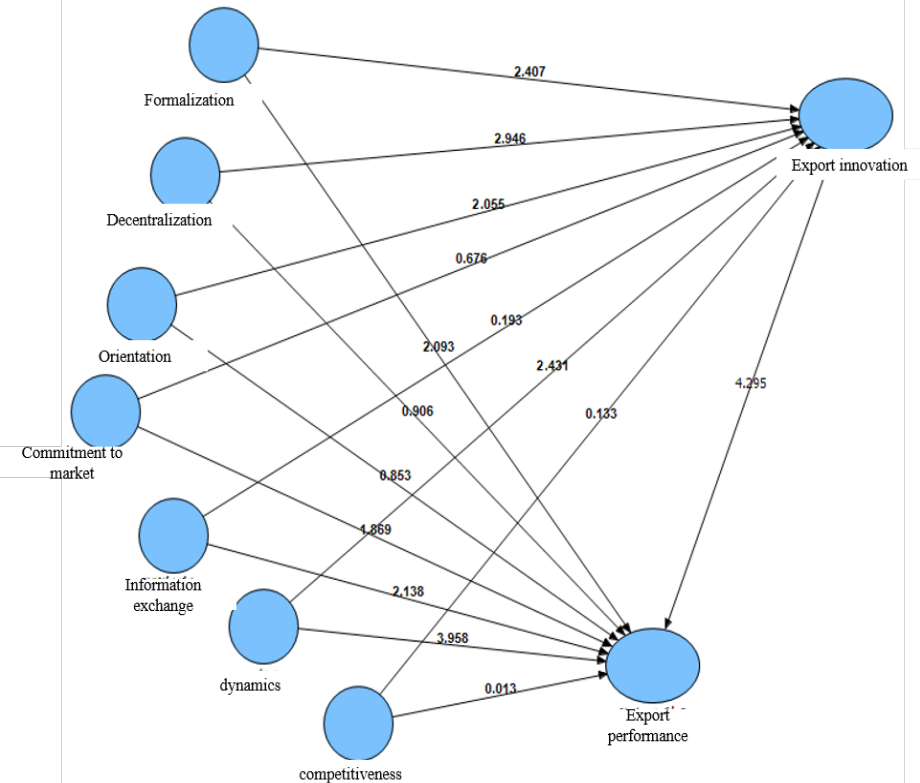


Figure 4: Impact factors of the sub-model

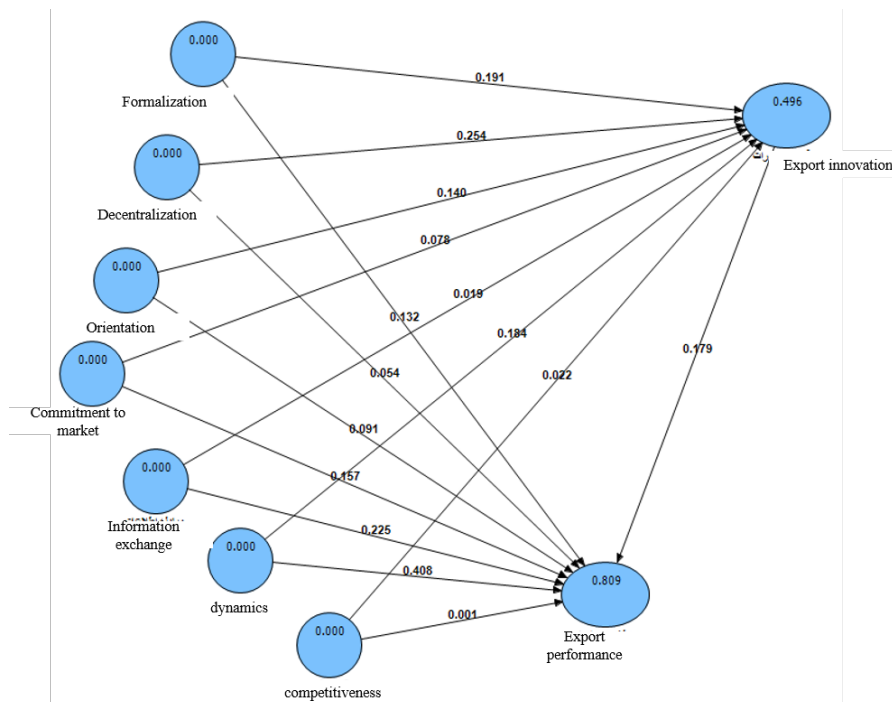


Figure 5: Significance factors of the sub-model

Conclusion

The aim of this study was to identify the impact of organizational, strategic, and environmental factors on export performance with the mediating role of export innovation in Kalleh Company. Based on the analysis of questionnaires distributed among employees of Kalleh Company, most of the hypotheses were confirmed.

According to the results, the first, second and third hypothesis of the research are approved. The significance of these hypotheses indicates that organizational innovations can affect the impact of organizational factors (market orientation, export market commitment, and information exchange) and environmental factors (market orientation, export market commitment, and export market commitment) on export performance or, in other words, the firm's export performance. The present study is in line with the study of Makri et al. (2016) entitled "the empirical examination of the background and results of export innovation performance".

The first, second, third, and sixth sub-hypotheses of the research suggest that formalization, decentralization, export market orientation and the market dynamics of export markets have a significant impact on export performance considering the mediating role of innovation. The significance of these hypotheses indicates that organizational innovations can affect the impact of organizational formalization, decentralization, market orientation and market dynamics on export performance, or the extent of the company's exports, and increasing this effect.

The fourth, fifth, and seventh sub-hypotheses of the research means that export market commitment, information exchange, and market competitiveness is not acceptable at a significant level of 5 percent.

Future researchers are offered to conduct such research among employees of other manufacturing companies as well as among consumers and users of food industries, and the results of this study are compared to provide more accurate results and contribute to the overall development of our dear Iranian food production industry.

According to the hypotheses and the results of the research, some suggestions for researches are presented in this regard:

- ✓ A lot of information from export markets should be available to employees so that they can align their behaviors and goals with their organization's goals and market conditions.

- ✓ Identifying the fundamental changes made in the export environment (e. g. regulation, technology, economy) step by step and over time and refer these developments to influential sectors such as the marketing unit, the strategic unit, the customer relationship, and so on.
- ✓ Careful planning to enter the export market will be set up with the cooperation of the top managers of the organization and the strategic unit and be carefully informed about other sectors.
- ✓ Close communication with customers / distributors is important for improving export capabilities among important factors that should be considered.
- ✓ Customer needs assessment and its cyclical updating in the form of online survey forms, which, in addition to making friendship and loyalty of customers, inform the organization of changes in customer preferences.
- ✓ Providing virtual communication with customers to assure them of service quality.
- ✓ Accepting all loyal customers of the company as members in social networks such as Telegram, Instagram, and so on.
- ✓ Full-scale identification of competitors and its regular update.
- ✓ Launching a management dashboard system in the organization for instant awareness of the organization's export performance.
- ✓ Providing specific, unique, and innovative services to loyal customers, which leads to encouraging promotion among peers and the international community.
- ✓ To solve problems with the market and customers, we offer more creative solutions than conventional solutions.
- ✓ Top managers in the company encourage the development of innovative marketing strategies.
- ✓ Delivery of high-quality and new products and sending them as a gift for permanent and loyal customers in a way that leads to a verbal advertising on their side in the international community.
- ✓ Presenting a letter of commitment from the company to the customer to maintain the quality of products and the implementation of the announced commitments to ensure the customer's trust and willingness to order and buy more.
- ✓ The possibility of ordering products online with an easy and secure access, which in addition to speeding up, is more convenient to communicate.
- ✓ Product production tailored to the needs of international customers.
- ✓ Checking and evaluating the needs of customers and getting feedback from them.
- ✓ Smart production in the marketplace; dissemination of information between relevant decision-makers as well as the design and implementation of accountability to guide export customers, export competitors and other external factors of the export market that impacted the company.
- ✓ Promoting the level of knowledge and technology to produce creative products on the international market.
- ✓ Cooperation with the producers of complementary products and introducing products together with the customers of each product.
- ✓ Recognizing the international competitors and the factors that make them popular among the customers and criticize them.

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