

From market orientation to orientation towards international markets (OIM) of born global firms: evaluating the impact of OIM on born global firms' performance.

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Abstract

Although there is a considerable amount of research on market orientation, research on this concept in the context of born global firms is still lacking a precise definition and full operationalization. This research aims to investigate how the market orientation (MO) concept could be understood for a specific type of firm: the born global firm. The thesis is framed around three studies. First, an exploratory study that was developed by performing qualitative interviews in a sample of five Spanish firms from different sectors which had international activity. The data were analyzed using cross-case analysis. The results suggest that the market orientation concept should be developed into the concept of orientation towards international markets (OIM) for born global firms. It also provides the components for measuring this orientation in this type of firm. Second, using samples of born global firms from the Nordic countries and Spain, we assess the dimensionality of OIM by considering the optimal number of scale items, with the exception of the network construct, and assess the measurement invariance of the construct across the samples. The results support the conceptualization of OIM as a multidimensional construct, using customer orientation, competitor orientation, interfunctional coordination, and innovativeness and technological capability. Measurement invariance was assessed using multi-group confirmatory factor analysis. The factors outlined above have a similar dimensionality and factor structure across countries. Finally the third study, examines how the extended concept of market orientation for born global firms that we have called OIM affects business performance, as measured by customer performance and financial performance, in the context of born global firms, and whether this effect varies between countries. The results show that the OIM components have a positive and significant effect on business performance in born global firms in both contexts (Nordic and Spanish companies) through customer and financial performance. Based on these research findings, the thesis's main theoretical contribution is the suggestion of how MO should be conceptualized for BG firms. Our findings provide evidence that it is necessary to incorporate components that relate to the international scope of this type of firm, with the concept of OIM. From a business practice perspective, this dissertation suggested that the scale we have developed can provide a reliable and valid analytical tool for assessing the orientation towards international markets of these firms. Thus born global managers may adopt the scale for a better understanding of the reality of foreign markets and to develop effective strategies to attract and retain customers in different markets overseas.