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Entrepreneurial implications of export market orientation: Unveiling proactive and responsive market orientation's differential role in exporting firms

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ABSTRACT

This study delves into the critical role of export market orientation (EMO) in business-to-business (B2B) industrial marketing, with a particular focus on B2B exporting firms. While previous research emphasizes the positive impact of EMO on firm performance, this research examines its entrepreneurial implications, highlighting the overlooked dimensions of opportunity recognition and exploitation in an international business context. By differentiating between proactive and responsive EMOs, this study elucidates how each dimension uniquely contributes to opportunity recognition and exploitation. Although moderating effects of environmental dynamism were hypothesized, no significant moderation was found. Importantly, only opportunity exploitation translates into international performance, whereas opportunity recognition does not- thereby refining current understandings of EMO's role in international entrepreneurship.

1. Introduction

Industrial marketing management researchers emphasize the significance of export market orientation (EMO) in business-to-business (B2B) firms (Cadogan et al., 2009; Chen et al., 2012; Faroque et al., 2022; Nasution et al., 2011), with empirical research consistently highlighting EMO as a key driver of export performance (Acikdilli et al., 2022; Boso et al., 2018; Faroque et al., 2022; Noya et al., 2025; Tran et al., 2024). The concept of EMO was pioneered by Cadogan et al. (2003), who provided its conceptualization and operationalization. According to their framework, EMO refers to market-oriented activities specifically targeting export customers and export markets and characterized by three core export market information-processing activities: (1) export market information generation; (2) dissemination; and (3) responsiveness. While Cadogan and colleagues further elaborated that 'export market information responsiveness has a focus both on current market environments (e.g., responding to information generated about export customer's expressed desires) and future market environments (e.g., responding to export customer's latent needs and desires)' (Cadogan et al., 2012, p. 1422), this interpretation may not fully capture the complexity of the construct. A closer examination of the construct's operationalization suggests a potential gap in its scope: the measures predominantly reflect a responsive orientation, with comparatively limited evidence of proactive behavior. The 'export market responsiveness' dimension, in particular, underscores this responsive focus. Items such as 'we would respond immediately', 'we are quick to respond to', and 'we rapidly respond to' suggest a strong emphasis on reactive rather than proactive orientation, which may pose challenges in fully addressing the conceptual claim of addressing latent needs. This observation indicates an opportunity for further refinement in the conceptualization and operationalization of EMO as currently defined. In particular, it may be beneficial to conceptualize and operationalize EMO as comprising two distinct orientations: proactive and responsive. A proactive orientation emphasizes the anticipation of latent customer needs and emerging market trends, focusing on shaping market dynamics rather than merely responding to them. In contrast, a responsive orientation reflects a firm's ability to react swiftly and effectively to expressed customer needs and current market conditions, as emphasized in the existing measures of EMO.

Extant research on market orientation (MO) in the mainstream

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marketing literature has acknowledged and emphasized the distinction between proactive and responsive orientations (e.g., Atuahene-Gima et al., 2005; Narver et al., 2004; Schulze et al., 2022; Tsai et al., 2008). Notably, Schulze et al. (2022) identify a curvilinear relationship between proactive and responsive MO, suggesting that their effects on performance may be nonlinear and interact in complex ways. Supporting the independent operationalization of these dimensions, Tsai et al.'s (2008) market orientation matrix offers a strategic framework for analyzing how firms balance proactive and responsive orientations across customer and competitor domains. Collectively, these contributions reinforce the theoretical and empirical justification for treating proactive and responsive MO as distinct constructs, rather than merging them into a single unidimensional framework.

In contrast, studies on EMO have largely overlooked this critical distinction, as evidenced by the absence of dual-dimension studies in the review by İpek and Bıçakcıoğlu-Peynirci (2020). This oversight has limited the theoretical and practical advancements in understanding how firms engage with export markets in both reactive and forward-looking ways. Incorporating this differentiation into EMO research is essential for a more nuanced conceptualization and for capturing the dynamic capabilities required to succeed in increasingly complex and competitive international markets. While responsive EMO enables exporting firms to address demand variability in international markets (Cadogan et al., 2016; Miocevic et al., 2023), proactive EMO is equally critical for identifying emerging customer needs and trends. This dual focus is essential for both short-term survival and long-term success in dynamic international markets (Bodlaj & Čater, 2022; Herhausen, 2016; Wilden et al., 2018). We contend that separately analyzing the distinct dimensions of EMO will reveal deeper insights into EMO's nature and role within exporting firms, as addressing current customer needs ensures short-term gains, but detecting emerging trends is vital for long-term advantages (Bhandari et al., 2020). Responsive EMO is a market-driven approach that focuses on discovering, understanding, and satisfying the expressed needs of customers (Bodlaj & Čater, 2022; Cadogan et al., 2016; Chen et al., 2012; Narver et al., 2004). In contrast, proactive EMO is a market-driving approach aimed at uncovering, understanding, and meeting the underlying, often unexpressed, needs of customers (Bodlaj & Čater, 2022; Chen et al., 2012; Narver et al., 2004). To the best of our knowledge, existing studies (e.g., Baker & Sinkula, 2009; Cadogan et al., 2016; Faroque, Mostafiz, et al., 2021; Ishii & Kikumori, 2024; Ishii & Yuki, 2025; Lin et al., 2014; Navarro-García et al., 2024) predominantly focus on responsive EMO, while largely neglecting proactive EMO.

Numerous studies in marketing have established a positive relationship between MO and firm performance, with strong empirical support (Hult et al., 2005; Powers et al., 2025; Sett, 2018; Shoham et al., 2005). However, scholarly discourse continues to question the specific mechanisms through which MO contributes to performance, raising a critical issue: 'In what manner does market orientation truly contribute to performance?' (Hult et al., 2005, p. 1173). In the context of exporting firms, this discourse has extended to EMO, prompting attempts to uncover the complexities of its relationship with international firm performance. Extant studies have identified various mediating and contextual factors that facilitate this relationship, such as information access (Noya et al., 2025), marketing capabilities (Bodlaj & Čater, 2022), output controls (e.g., performance-based evaluations) (Ishii & Yuki, 2025), resource coordination flexibility (Cadogan et al., 2016), competitive and technological environments (Acikdilli et al., 2022; Cadogan et al., 2003), communication quality with overseas partners (Ishii & Kikumori, 2024; Racela & Thoumrungroje, 2014), and managerial ties (Chung, 2012). Despite substantial research on EMO and international performance (e.g., He et al., 2018; Lin et al., 2014; Nakos et al., 2019; Noya et al., 2025), little is known about EMO's role in enabling firms to identify and exploit entrepreneurial opportunities to enhance international performance. Prior studies have largely overlooked the entrepreneurial implications of EMO, particularly the critical concepts of opportunity exploitation and opportunity recognition (Faroque, 2015; Kakapour et al., 2016; Mathafena & Msimango-Galawe, 2023). Opportunity exploitation focuses on the capitalization and transformation of expressed customer needs, while opportunity recognition emphasizes the identification and recognition of unmet needs for value creation. As an entrepreneurial activity within the domain of International Entrepreneurship (IE), EMO goes beyond developing superior products compared to competitors; it also involves leading the industry by identifying and addressing changing customer needs. EMO's strategic emphasis on understanding both overt and underlying customer needs underscores its inherently entrepreneurial nature (Faroque, Mostafiz, et al., 2021; Nasution et al., 2011; Slater & Narver, 1995). However, there exists a noticeable disjoint between fields of marketing and IE on entrepreneurial opportunity recognition and opportunity exploitation. Marketing literature often assumes the presence of value creation opportunities as a foundation for marketers' efforts but provides limited investigation into their nature and dynamics. Conversely, IE literature, while rich in entrepreneurial insights, has not sufficiently integrated marketing concepts like EMO and its proactive and responsive dimensions to examine how they influence international performance. To bridge this divide, a cross-disciplinary approach is essential to enhance our understanding of the role of entrepreneurial opportunities in the firm's ability to achieve superior international performance from responsive and proactive dimensions of EMO.

Evidence shows that EMO behavior is generally beneficial for exporters, often enhancing their ability to adapt to market demands and improve performance. However, its effectiveness depends on environmental context. While high levels of EMO are advantageous in dynamic, competitive markets, they may have limited or negative effects in stable environments (Cadogan et al., 2003; İpek & Bıçakcıoğlu-Peynirci, 2020), indicating EMO is not a universal solution (Cadogan et al., 2002; Faroque, Mostafiz, et al., 2021). Even within EMO, the responsive and proactive dimensions introduce additional nuances, as their effectiveness may vary depending on the environmental conditions and the firm's ability to balance short-term responsiveness with long-term opportunity anticipation. Given the significant investment EMO requires (İpek & Bıçakcıoğlu-Peynirci, 2020; Ishii & Kikumori, 2024; Slater & Narver, 1994), firms must weigh its benefits against opportunity costs and consider alternative strategies like exploration or exploitation of opportunities while capitalizing on responsive and proactive dimensions of EMO. There is a clear need to advance theory to identify the conditions under which EMO behavior is most effective (Cadogan et al., 2012), especially EMO's proactive and responsive dimensions and their corresponding effects on opportunity recognition and opportunity exploitation across varying levels of environmental dynamism.

We argue that a firm's ability to achieve superior international performance from its EMO depends not only on the strength of its EMO, as suggested by previous research (e.g., Akyol & Akehurst, 2003), but also on its entrepreneurial opportunity recognition and opportunity exploitation, considering both the responsive and proactive dimensions of EMO. This paper examines how these dimensions contribute to international opportunity recognition and opportunity exploitation- two core concepts in IE- to explore the entrepreneurial implications of EMO. Furthermore, we investigate the moderating role of environmental dynamism in these relationships, providing a comprehensive understanding of EMO's entrepreneurial impact in international markets. To situate our investigation within the existing literature, we present Table 1, which synthesizes key studies on EMO and helps clarify where our contribution lies. As the table shows, most prior research conceptualizes EMO in a unidimensional way- typically focusing on responsive EMO alone. Only a few studies, such as Bodlaj and Čater (2022) and Faroque et al. (2022), consider both proactive and responsive dimensions, and even then, they stop short of exploring the entrepreneurial processes linked to these dimensions. We argue that this dual conceptualization is necessary because responsive EMO and proactive EMO reflect fundamentally different entrepreneurial logics: reacting to

Table 1
Prior literature on export market orientation and study positioning.

Study	MO in the context of export-oriented firms (EMO)	Conceptualization of EMO (unidimensional/dual)	Entrepreneurial implication of EMO: Opportunity exploitation	Entrepreneurial implication of EMO: Opportunity recognition	Performance
Acikdilli et al. (2022)	✓	Unidimensional (Responsive EMO)	×	×	✓
Birru et al. (2019)	✓	Unidimensional (Responsive EMO)	×	×	✓
Bodlaj and Čater (2022)	✓	Dual (Responsive EMO and proactive EMO)	×	×	✓
Boso et al. (2018)	✓	Unidimensional (Responsive EMO)	×	×	✓
Cadogan et al. (2016)	✓	Unidimensional (Responsive EMO)	×	×	✓
Cadogan et al. (2003)	✓	Unidimensional (Responsive EMO)	×	×	✓
Chung (2012)	✓	Unidimensional (Responsive EMO)	×	×	✓
Faroque et al. (2022)	✓	Dual (Responsive EMO and proactive EMO)	×	×	✓
Faroque, Mostafiz, et al. (2021)	✓	Unidimensional (Responsive EMO)	×	×	✓
Faroque (2015)	✓	Unidimensional (includes both responsive EMO and proactive EMO, but merged)	×	✓	×
He et al. (2018)	✓	Unidimensional (Responsive EMO)	×	×	✓
Ishii and Yuki (2025)	✓	Unidimensional (Responsive EMO)	×	×	✓
Kakapour et al. (2016)	× (MO in local business context)	Unidimensional (Responsive EMO)	×	× (Opportunity recognition in local business context)	×
Lin et al. (2014)	✓	Unidimensional (Responsive EMO)	×	×	✓
Makri et al. (2017)	✓	Unidimensional (Responsive EMO)	×	×	✓
Miocevic et al. (2023)	✓	Unidimensional (Responsive EMO)	×	×	×
Mathafena and Msimango-Galawe (2023)	× (MO in local business context)	Unidimensional (Responsive EMO)	✓	×	✓
Nakos et al. (2019)	✓	Unidimensional (Responsive EMO)	×	×	✓
Navarro-García et al. (2024)	✓	Unidimensional (Responsive EMO)	×	×	×
Noya et al. (2025)	✓	Unidimensional (Responsive EMO)	×	×	×
Racela and Thoumrungroje (2014)	✓	Unidimensional (Responsive EMO)	×	×	✓
Tran et al. (2024)	✓	Unidimensional (Responsive EMO)	×	×	✓
Positioning of our study	✓	**Dual (Responsive EMO and proactive EMO)**	✓	✓	✓

expressed customer needs versus anticipating latent opportunities. Collapsing them into a single construct risks obscuring these distinct mechanisms. In particular, the mechanisms of opportunity recognition and opportunity exploitation have received little attention in this line of work, and prior studies have not examined them in tandem. Our study directly responds to this gap by treating responsive EMO and proactive EMO as distinct constructs and linking them to these core entrepreneurial mechanisms and performance outcomes. This dual lens provides a more granular and theoretically informed understanding of EMO's entrepreneurial role, particularly in export-oriented firms. The research questions guiding this study are:

- What is the effect of the proactive and responsive dimensions of EMO on international opportunity recognition and opportunity exploitation?
- What is the role of environmental dynamism in these relationships?
- What is the effect of opportunity recognition and opportunity exploitation on the performance outcomes in exporting firms?

By integrating EMO into the broader framework of IE, this research offers a fresh perspective on how market-oriented capabilities translate into entrepreneurial action and international performance outcomes. This research makes two specific contributions valuable for industrial marketing researchers and managers in B2B context. First, it responds to calls for a deeper examination of the MO-performance relationship (Baker & Sinkula, 2009; Crick et al., 2025), by extending the inquiry to B2B apparel exporting firms in Bangladesh and distinguishing between responsive EMO and proactive EMO. In Bangladesh, a major player in the global apparel value chain, manufacturers exemplify responsive EMO by adapting production and supply chains to the demands of major brands such as Victoria's Secret, Levi's, Uniqlo, H&M, Marks & Spencer, Gap, JC Penney, and Abercrombie & Fitch (Azmeh & Nadvi, 2014). Conversely, these clothing manufacturers demonstrate proactive EMO by proactively adopting information technologies- such as ERP systems, production planning tools, and automation equipment- to anticipate customers' needs and predict trends (Park-Poaps et al., 2021). By treating responsive EMO and proactive EMO as distinct dimensions, this study addresses conceptual and operational limitations in earlier EMO research (Cadogan et al., 2003) and contributes to a more accurate and comprehensive understanding of EMO's dual nature. This approach aligns EMO with broader MO frameworks that emphasize both reactive and proactive behaviors for long-term market success (Narver et al., 2004), and clarifies how firms can balance meeting current customer needs with anticipating future opportunities.

Second, this study advances B2B industrial marketing and EMO research by integrating opportunity recognition and opportunity exploitation- concepts central in entrepreneurship but underexplored in B2B industrial marketing, particularly opportunity exploitation (Faroque, Morrish, et al., 2021; Knight & Liesch, 2016; Kraus et al., 2017; Zucchella, 2021)- within the dual dimensions of EMO. By examining these opportunity-related processes (exploration and exploitation) within the dual dimensions of EMO, this study bridges a critical gap and demonstrates EMO's inherently entrepreneurial role in international markets. This cross-disciplinary approach clarifies how EMO supports firms in strategically identifying and capitalizing on international opportunities, extending the exploration–exploitation logic (March, 1991) into the industrial marketing domain. Importantly, our aim is not to analyze the dynamics or balance between exploration and exploitation, but to use this framework to conceptualize two foundational aspects of EMO: opportunity recognition as the exploratory element, and opportunity exploitation as the exploitative element guiding our theoretical model.

Furthermore, recognizing the need to advance theory by identifying the conditions under which EMO is most effective (Cadogan et al., 2012), this study contributes to this line of inquiry by examining proactive and responsive EMO and their respective effects on opportunity recognition and opportunity exploitation, while incorporating environmental dynamism as a potential boundary condition. This comprehensive framework offers a nuanced understanding of how B2B export-oriented firms can leverage EMO to strengthen their international entrepreneurial activities and improve international performance, particularly in volatile and competitive environments.

2. Theoretical background and hypotheses

2.1. Export market orientation and entrepreneurial opportunity

Our theoretical framework integrates two complementary perspectives. The Resource-Based View (RBV) is used to conceptualize EMO as a firm-level capability, reflecting how market-oriented behaviors act as strategic resources that support internationalization and performance. Separately, we draw on entrepreneurship theory- specifically the Schumpeterian and Kirznerian schools of thought- to interpret the processes of opportunity recognition and opportunity exploitation. This dual-theoretical lens enables us to understand how EMO as a capability (RBV) influences entrepreneurial opportunity-related capabilities (entrepreneurship theory) in export contexts.

Entrepreneurial opportunity can manifest as a new business idea or an unmet need or demand for a product or service that is currently unaddressed or underserved (Alvarez & Barney, 2007; Bosse et al., 2022; Ramoglou et al., 2023). Received literature in IE identifies several dominant schools of thought regarding the sources of entrepreneurial opportunities. The most common are the Kirznerian perspective and the Schumpeterian perspective (Ardichvili et al., 2003; Shane & Venkataraman, 2000). The Kirznerian perspective focuses on entrepreneurial alertness and the ability to recognize existing opportunities in the market. Thus, it assumes that entrepreneurial opportunities exist within the environment, waiting to be discovered and exploited (Kirzner, 1973). In contrast, the Schumpeterian perspective assumes that entrepreneurial opportunity is created. Thus, the firm or the entrepreneur influences the development of entrepreneurial opportunities (Mainela et al., 2013; Schumpeter, 1934).

Responsive EMO aligns conceptually with Kirznerian entrepreneurship, which emphasizes alertness to existing market gaps and opportunity exploitation. In contrast, proactive EMO is conceptually akin to the Schumpeterian view, where entrepreneurial behavior involves the recognition and creation of new opportunities through innovation and anticipation of unmet needs. While these theoretical domains stem from different intellectual traditions, integrating them allows us to develop a nuanced understanding of how MO (as a capability) can shape entrepreneurial opportunity behaviors in export contexts. Although prior studies (e.g., Faroque et al., 2022) have applied Schumpeterian and Kirznerian logics within the entrepreneurial orientation (EO) domain to distinguish between opportunity recognition and exploitation, we extend this opportunity-based framework to EMO. Specifically, we conceptualize proactive EMO as fostering Schumpeterian-style opportunity recognition, and responsive EMO as facilitating Kirznerian-style opportunity exploitation. This allows us to apply these well-established theoretical lenses without relying on EO as a construct, consistent with our emphasis on market-oriented firm capabilities.

Theoretically, EMO is regarded as a key strategic resource with the potential to drive sustainable competitive advantage and superior business performance by providing firms with unique, intangible capabilities that are socially complex and challenging to imitate (Cadogan et al., 2009; Hunt & Morgan, 1995; Ketchen et al., 2007). This aligns with the core assumptions of the RBV, which asserts that a firm can achieve competitive advantage and superior performance by possessing resources and capabilities that are valuable, rare, inimitable, and non-substitutable (Barney, 1991). From the RBV standpoint, market-oriented behaviors- such as generating, disseminating, and responding to market intelligence- are rare, valuable, and inimitable resources that enable firms to position themselves advantageously (Cadogan et al., 2009). Similarly, opportunity recognition and opportunity exploitation are seen as capabilities, reflecting a firm's ability to identify and capitalize on opportunities in international markets (Faroque, Morrish, et al., 2021; Vahlne & Johanson, 2013). While EMO has often been examined through an RBV lens, scholars have also argued for a broader capabilities perspective- highlighting how MO enables firms to sense and respond to market shifts and competitive dynamics (Boso et al., 2013; Cadogan, 2012). In particular, Foley and Fahy (2009) propose that viewing MO through a capabilities lens- especially by focusing on market-sensing behavior- offers richer insight into how firms translate orientation into performance under changing conditions. Thus, our framework builds on the RBV and incorporates a capability-based understanding of EMO to explain how it influences opportunity recognition and opportunity exploitation, ultimately enhancing firms' international performance.

By elucidating the pathways through which EMO drives opportunity recognition and opportunity exploitation capabilities, our research provides a robust theoretical foundation for understanding EMO's strategic value and entrepreneurial implications in enhancing international performance. Recognizing the critical role of the external environment in shaping the international entrepreneurial process, we incorporate environmental dynamism as a boundary condition to explore how it moderates the relationships between EMO dimensions and opportunity recognition/opportunity exploitation. This approach offers a more nuanced understanding of how dynamic market conditions influence the effectiveness of EMO in fostering these entrepreneurial capabilities, thereby highlighting both the entrepreneurial and performance implications of EMO. Our conceptual model, depicted in Fig. 1, is elaborated upon in the following sections.

2.2. Responsive EMO and opportunity exploitation

Exporting firms face significant challenges in meeting the service requirements of foreign customers due to differences between domestic and international markets (İpek & Bıçakcıoğlu-Peynirci, 2020). Responsive EMO has been identified as a critical capability to address these challenges effectively. It centers on recognizing and addressing customers' articulated needs, enabling firms to meet current market demands and respond effectively to competitor behavior (Baker & Sinkula, 2009; Narver et al., 2004; Schulze et al., 2022). This approach aligns with extant studies (e.g., Farooq & Vij, 2022; Mahmoud et al., 2019; Rakthin et al., 2016; Rokkan, 2023) on customer-centric and competitor-oriented MO, in which companies draw on established market intelligence to inform strategic decisions. It narrows the firm's focus to current customers and existing market conditions, prioritizing opportunity exploitation over opportunity creation. By expanding existing products and services, responsive EMO enhances customer satisfaction, fosters repeat purchases, attracts new customers, and improves the efficiency of existing distribution channels (Leonidou et al., 2011; Schulze et al., 2022).

Theoretically, responsive EMO aligns with the Kirznerian perspective on entrepreneurial opportunities, which views opportunities as pre-existing in the environment and discoverable through market-driven behaviors (Kirzner, 1973). Firms with strong responsive EMO capabilities are better equipped to gather, disseminate, and act on market intelligence, allowing them to translate customer needs into actionable strategies that facilitate value creation in export markets (Bodlaj & Čater, 2022; He et al., 2018). This ability is particularly critical in

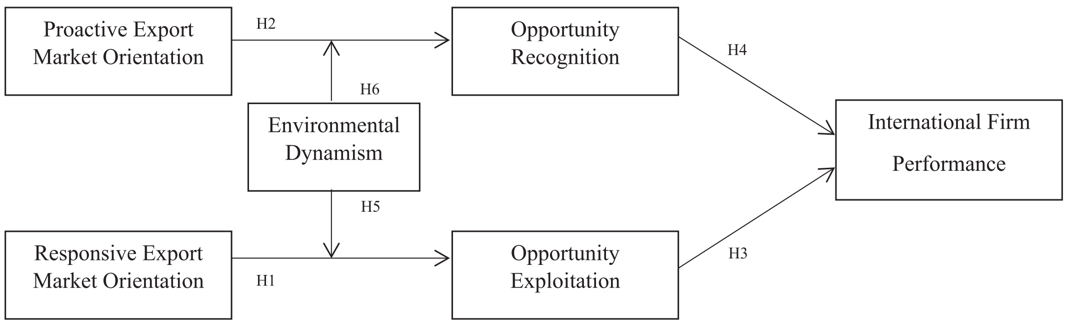

Fig. 1. Conceptual model.

international markets, where adapting to local preferences and competitive dynamics is essential for success. Literature further suggests that responsive EMO, consistent with the RBV, serves as a valuable, rare, and inimitable resource by enabling firms to leverage opportunity exploitation to effectively address customers' expressed needs (Barney, 1991; Cadogan et al., 2009). Accordingly, we hypothesize:

H1. Responsive EMO positively influences opportunity exploitation among export-oriented firms.

2.3. *Proactive EMO and opportunity recognition*

Proactive EMO fosters a firm's ability to identify value-creating opportunities by uncovering and addressing latent customer needs (Blocker et al., 2011; Bodlaj & Čater, 2022; Narver et al., 2004; Rakthin et al., 2016; Schulze et al., 2022). It mirrors Rokkan's innovation-driven MO, where firms pursue novel solutions that may not yet be demanded but could redefine market expectations (Rokkan, 2023). The literature on MO suggests that proactive MO can also serve as a strategic posture, enabling firms to anticipate and influence competitor behavior rather than simply reacting to market conditions (Schulze et al., 2022). In the context of EMO, this perspective implies that firms engaged in international markets can adopt a proactive stance- actively shaping competitive dynamics and export strategies. As an opportunity-seeking behavior, proactive EMO enhances opportunity recognition by equipping firms to proactively identify gaps in customer satisfaction and unresolved market problems, enabling them to uncover and pursue unexploited opportunities (Atuahene-Gima et al., 2005). In the context of export activity, EMO, as a broader construct, is considered pivotal in controlling the strategic behavior of organizations, influencing their ability to achieve competitive advantages in foreign markets (Cadogan et al., 2009; Navarro-García et al., 2024). Firms with strong EMO capabilities tend to exhibit dynamic behaviors in identifying and leveraging opportunities in external markets, and proactive EMO specifically amplifies this proactive stance by focusing on future opportunities and unarticulated customer needs (Calantone et al., 2006; Navarro-García et al., 2024; Rakthin et al., 2016; Schulze et al., 2022).

Although EMO encompasses both responsive and proactive elements, proactive EMO uniquely drives firms to adopt a forward-looking orientation, enabling them to guide customers in discovering latent needs and exploring novel opportunities beyond their current operations (Blocker et al., 2011; Narver et al., 2004; Rakthin et al., 2016; Schulze et al., 2022). The cultural diversity and varying customer preferences in foreign markets further amplify the relevance of proactive EMO for exporting firms (Hsu et al., 2015; Zhong et al., 2022). By understanding these cultural nuances, proactive EMO allows firms to tailor their offerings and allocate resources strategically to anticipate market developments and meet unexpressed demands effectively (Wei et al., 2014). This proactive capability strengthens the firm's capacity for opportunity recognition, positioning it to identify and capitalize on opportunities for both value creation and value extraction in dynamic export environments. Accordingly, we propose:

H2. Proactive EMO positively influences opportunity recognition among export-oriented firms.

2.4. *Opportunity exploitation and international firm performance*

Opportunity exploitation is a critical driver of value creation, revenue generation, and firm growth, contributing directly to business success (Donbesuur et al., 2023). By enabling firms to introduce products and services that meet the dynamic needs of foreign customers, opportunity exploitation fosters entrepreneurial success and boosts export sales (Faroque, Mostafiz, et al., 2021; Shamsudeen et al., 2017). It also extends the competitive advantage of exporting firms by diversifying product portfolios and revenue streams. Without effective exploitation, firms risk losing both financial and non-financial benefits from identified opportunities in foreign markets. As opportunity exploitation involves leveraging recognized opportunities across international markets, it is expected to enhance the performance of export-oriented firms by capitalizing on their strategic initiatives and resource deployment (Donbesuur et al., 2023; Oviatt & McDougall, 2005). Accordingly, we make the following hypothesis:

H3. Opportunity exploitation has a positive influence on the international performance of export-oriented firms.

2.5. *Opportunity recognition and international firm performance*

Opportunity recognition is pivotal for the internationalization of exporting firms, often serving as the primary catalyst for entering foreign markets (Dimitratos & Jones, 2005; Kontinen & Ojala, 2011; Mostafiz et al., 2021; Ojala, 2008). A firm's ability to achieve superior international performance hinges on its capability to identify opportunities characterized by volume, flow rate, novelty, magnitude, and geographical coverage, particularly those addressing unmet customer needs (Chandra et al., 2015). By uncovering latent demands and addressing gaps in the market, firms can create value and build competitive advantages, with managerial capabilities playing a critical role in enhancing this process (Andersson & Evers, 2015). Recognizing opportunities enables firms to engage effectively with key stakeholders, such as customers, distributors, and partners, in foreign markets, allowing them to tailor offerings that fulfill previously unaddressed needs, thereby strengthening their international foothold and overall performance (Kontinen & Ojala, 2011). Moreover, opportunity recognition reduces market ignorance by revealing critical knowledge, enabling the development of novel and valuable products and services that align with the preferences of foreign customers (Shamsudeen et al., 2017). Based on this, we propose:

H4. Opportunity recognition has a positive influence on the international performance of export-oriented firms.

2.6. The role of environmental dynamism

Environmental dynamism refers to the rate and unpredictability of changes in the export market, encompassing shifts in customer preferences, demands for diverse products and services, technological advancements, and evolving competitive landscapes (Cadogan et al., 2009; Ciszewska-Mlinarič et al., 2024). For example, the surge in e-commerce adoption during the COVID-19 pandemic underscores how environmental dynamism can reshape export markets almost instantaneously (Sharma et al., 2020). Such dynamism disrupts market equilibria, creating opportunities for new product development, market entry, and addressing emerging customer needs and preferences (Ciszewska-Mlinarič et al., 2024; Eckhardt & Shane, 2003; Schumpeter, 1934; Wiklund & Shepherd, 2005). However, these opportunities are often transient, emerging swiftly due to sudden changes in market conditions and disappearing just as rapidly if not acted upon promptly (McKelvie & Wiklund, 2004). Existing offerings risk rapid obsolescence, necessitating firms to adapt quickly by developing new products or services that align with evolving customer expectations (Yang & Li, 2011).

Environmental dynamism, characterized by frequent and unpredictable changes, poses challenges for firms relying on established knowledge, skills, and processes to respond effectively (Jansen et al., 2006). In such dynamic markets, customers expect exporters to adopt a forward-thinking approach rather than merely reacting to immediate demands, as sustained changes require firms to anticipate future needs proactively (Blocker et al., 2011). This dynamic setting reinforces the necessity for exporters to adopt proactive EMO, enabling them to anticipate and prepare for latent opportunities that competitors may overlook. Proactive EMO facilitates exploratory opportunity recognition by encouraging firms to identify emerging customer needs and trends before they become widely recognized, enabling them to develop innovative solutions, refine market positioning, and gain a competitive edge.

Conversely, relying solely on responsive EMO in such markets may be insufficient, as merely satisfying expressed needs can result in competitors quickly imitating products or services, eroding the value of such opportunities (Faroque, 2015). Dynamic and competitive market forces thus compel exporters to adopt a proactive EMO approach, allowing them to monitor competitors effectively and anticipate customers' unexpressed needs, thereby enhancing their ability to recognize opportunities more effectively than their competitors. Conversely, in less dynamic environments where market changes and customer demands evolve at a slower pace, firms can benefit from relying on responsive EMO to exploit existing opportunities effectively, maximizing returns from expressed customer needs (Yang & Li, 2011). This suggests that while proactive EMO is critical for opportunity recognition in dynamic environments, responsive EMO plays a more dominant role in stable environments by enabling firms to refine and execute strategies that capitalize on current market conditions. Thus, the interplay between environmental dynamism and EMO dimensions determines how firms engage with international opportunities. In highly dynamic settings, proactive EMO-driven opportunity recognition is more effective, whereas in stable environments, responsive EMO facilitates opportunity exploitation. This aligns with the broader argument that superior performance depends on how well firms adapt their MO strategies to their external environment (Lumpkin & Dess, 2001; Rose & Shoham, 2002; Scott, 1981; Sett, 2018). Based on these arguments, we propose the following hypotheses:

H5. Environmental dynamism weakens the positive relationship between responsive EMO and opportunity exploitation.

H6. Environmental dynamism strengthens the positive relationship between proactive EMO and opportunity recognition.

3. Methodology

3.1. Procedure and sample

The study adopted a cross-sectional survey-based design to test the hypotheses. The design is appropriate for the study as data related to EMO, opportunity recognition and exploitation, and environmental dynamism are not available from secondary sources and can best be collected through interviews with key informants of the firms from the selected industry. The data related to sales and profit performance were not publicly available as the firms of the study were not publicly listed, requiring the data collection through a primary survey. Likewise, in line with prior study (e.g., Bodlaj & Čater, 2022; Leonidou et al., 2011), the data related to international performance were collected through a survey.

This study was carried out in Bangladesh, a fast-growing South Asian emerging market with an annual growth rate of around 6 % (International Monetary Fund, 2023). The country's impressive economic growth is primarily driven by its apparel manufacturing industry, which accounts for over 80 % of its total exports (International Finance Corporation, 2020). In 2022, Bangladesh ranked as the world's third-largest apparel exporter, with export earnings of $45 billion (World Trade Organization, 2023). This vibrant and dynamic context makes it an ideal setting to examine how EMO influences performance of B2B firms in global supply chains.

The sampling frame was drawn from apparel manufacturing firms listed in the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) directory. Invitations to participate were sent to 500 randomly selected exporting firms. Senior executives with hands-on experience in managing apparel exports were identified as the key informants. After obtaining consent, data collection was conducted through structured questionnaires administered by trained interviewers. Out of 204 responses received, 23 incomplete ones were excluded, leaving a final sample of 181 usable responses. Most respondents (over 60 %) had 5 to 15 years of managerial experience, while 32 % had more than 15 years, ensuring a high level of expertise and insight in the data collected.

3.2. Measures

In this study, the items for measuring the constructs were adapted from prior literature and were assessed using 7-point Likert scales. For constructs representing EMOs, opportunity recognition and exploitation, the Likert scales ranged from 1 = strongly disagree to 7 = strongly agree. The Likert scales for international firm performance and environmental dynamism ranged from 1 = highly dissatisfactory to 7 = highly satisfactory and from 1 = not at all to 7 = to an extreme extent, respectively. Table 2 presents the measures of the constructs.

3.2.1. Proactive and responsive EMOs

The measures for both proactive EMO and responsive EMO were derived from Narver et al. (2004) and Faroque et al. (2022). Initially, five-item and four-item scales were used for measuring proactive EMO and responsive EMO, respectively. During the measurement model assessment, two items from each construct were removed (Table 2). Sample items for proactive EMO and responsive EMO are "We help our overseas customers anticipate developments in their use of our products and services" and "Our strategy for competitive advantage is based on understanding overseas customers' expressed needs", respectively.

3.2.2. Opportunity recognition and exploitation

Opportunity recognition and opportunity exploitation were each measured using four items. The items were adapted from Faroque, Morrish, et al. (2021) and Faroque and Morrish (2016) and have since been validated in subsequent studies (e.g., Mostafiz et al., 2021, 2022). An example item for opportunity recognition is: "How much did you

Table 2
Measures, reliability, and validity of the constructs.

Constructs and measures	SFL	α	CR	AVE
Proactive export market orientation (adapted from Narver et al., 2004; Faroque et al., 2022)				
We help our overseas customers anticipate developments in their use of our products and services. (PEMO3)	0.812			
We incorporate solutions to unarticulated overseas customer needs in our new products and services. (PEMO4)	0.706			
We work with lead users to recognize the needs of the majority of overseas customers in advance. (PEMO5)	0.667	0.771	0.774	0.534
Responsive export market orientation (adapted from Narver et al., 2004; Faroque et al., 2022)				
Our strategy for competitive advantage is based on understanding overseas customers' expressed needs. (REMO1)	0.747			
We measure overseas customer satisfaction systematically and frequently. (REMO2)	0.730	0.703	0.706	0.545
Opportunity recognition (adapted from Faroque, Morrish, et al., 2021)				
How many international business ideas did you identify in past three years? (OREC1)	0.769			
How much did you modify/develop the international opportunity from idea generation to opportunity recognition? (OREC2)	0.858			
How many of novel or innovative ideas were considered feasible and desirable? (OREC3)	0.767			
How much have you been able to shift organizational resources to capitalize on emerging opportunities in international markets? (OREC4)	0.805	0.876	0.877	0.641
Opportunity exploitation (adapted from Faroque & Morrish, 2016)				
How many international business opportunities have you pursued/exploited in the past three years? (OEXP1)	0.801			
How many exploited international business opportunities were considered as novel or innovative? (OEXP2)	0.740			
How quickly have you adapted to external changes in the international market to exploit international business opportunities? (OEXP3)	0.815			
How quickly have you mobilized resources to exploit a business opportunity in overseas markets. (OEXP4)	0.816	0.870	0.872	0.630
International firm performance (adapted from Leonidou et al., 2011)				
Overall profitability during the past 3 years. (IFPM1)	0.705			
Return on investment during the past 3 years. (IFPM2)	0.735			
Return on asset during the past 3 years. (IFPM3)	0.748			
Overall market share relative to target market objective during the past 3 years. (IFPM4)	0.759			
Sales volumes relative to target market objective during the past 3 years. (IFPM5)	0.767			
Sales growth relative to target market objective during the past 3 years. (IFPM6)	0.770			
Satisfaction with performance in strategically important target markets during the past 3 years. (IFPM8)	0.724	0.899	0.897	0.554
Environmental dynamism (adapted from Cadogan et al., 2009)				
Our export customers' product preferences change quite a bit over time. (ENDM1)	0.849			
New export customers tend to have product-related needs that are different from those of our existing export customers. (ENDM2)	0.801	0.805	0.810	0.681

Note: PEMO = Proactive EMO; REMO = Responsive EMO; OREC = Opportunity recognition; OEXP = Opportunity exploitation; IFPM = International firm performance; ENDM = Environmental dynamism; SFL = Standardized Factor Loading; α = Cronbach's alpha; CR = Composite Reliability; AVE = Average Variance Extracted.
During measurement model assessment, the following items were removed due to low loadings: PEMO1 (We brainstorm on how overseas customers use our products and services), PEMO2 (We extrapolate key trends to gain insight into what overseas customers will need in the future), REMO3 (Our company's business objectives are driven by overseas customer satisfaction), REMO4 (Data on overseas customer satisfaction are disseminated at all levels in this company), IFPM7 (Satisfaction with attracting new export customers during the past 3 years), and ENDM3 (We are witnessing changes in the type of products/services demanded by our export customers).

modify/develop the international opportunity from idea generation to opportunity recognition?" Similarly, a sample item for opportunity exploitation is: "How many international business opportunities have you pursued/exploited in the past three years?"

3.2.3. International firm performance

The key informants were asked to assess their respective exporting firm's international performance comprising elements of sales, profit, and market performance. Seven items drawn from Leonidou et al. (2011) measured international firm performance from an initial list of eight items (Table 2). Samples of international firm performance are "Overall profitability during the past 3 years", "Sales volumes relative to target market objective during the past 3 years", and "Satisfaction with performance in strategically important target markets during the past 3 years".

3.2.4. Environmental dynamism

Environmental dynamism construct was initially measured with three items adapted from Cadogan et al. (2009). At the assessment phase of the study's measurement model, one item was removed (Table 2). A sample item is "Our export customers' product preferences change quite a bit over time".

3.2.5. Controls

The study controlled for managerial experience of the key informants, measured as the number of years they had worked in managerial or equivalent positions. Prior research highlights the importance of this control in shaping international performance outcomes (Faroque et al., 2022).

4. Results

4.1. Measurement model assessment

We used IBM Amos 29 for assessing the measurement model. The measures or scale items of the constructs in the study's conceptual model were subjected to a confirmatory factor analysis (CFA) method. The results suggested a significant chi-square ($\chi^2 = 404.736$; $df = 193$; $p < .01$) that can be attributed to the sensitivity caused by the sample size (Falke et al., 2020). The fit indices of the measurement model: Goodness of fit index (GFI = 0.842), normed fit index (NFI = 0.835), comparative fit index (CFI = 0.904), incremental fit index (IFI = 0.906), Tucker-Lewis index (TLI = 0.886), root mean square error of approximation (RMSEA = 0.078), and standardized root mean square residual (SRMR = 0.054). The indices suggested a satisfactory model as CFI, IFI, RMSEA, and SRMR met the requirement for a best-fitting model, while GFI, NFI, and TLI were close to the requirement for a best-fitting model (e.g., Gaskin et al., 2025; Hu & Bentler, 1999).

The internal consistency of the scale items of the constructs was assessed in terms of Cronbach's alpha (α) and composite reliability (CR). The values of α and CR for all constructs were higher than 0.70, indicating reliability or internal consistency of the scale items (Table 2). We assessed convergent validity using standardized factor loadings (SFL) and average variance extracted (AVE). Except the factor loading for an item (PEMO5 = 0.667), the loadings for the rest of the items ranged between 0.705 and 0.858 (Table 2) indicating strong convergent validity. To confirm convergent validity, the recommended AVE values for the constructs should be higher than 0.50 (Fornell & Larcker, 1981; Gaskin et al., 2025). The AVE values of the constructs were found to be between 0.534 and 0.681 (Table 2), suggesting the presence of convergent validity.

As another essential validity check, we assessed the discriminant validity in terms of the heterotrait-monotrait ratio of correlations (HTMT). HTMT ratio is a robust technique for measuring discriminant validity (Henseler et al., 2015), and it can be applicable for composite- and factor-based modeling (Franke & Sarstedt, 2019). The HTMT ratios were found to be less than 0.90 (Table 3), which suggested the presence of discriminant validity (Franke & Sarstedt, 2019).

4.2. Common method variance

Common method variance (CMV) is a key concern for cross-sectional survey-based studies that collect data related to independent and dependent variables from the same respondent at the same time. Thus, to address CMV, we employed both procedural and statistical remedies, following the recommendations of Podsakoff et al. (2003). Procedurally, participants were assured that their responses would remain anonymous and were informed that there were no right or wrong answers to reduce potential bias. As the first statistical remedy, we performed Harman's single factor test based on the items of the measurement model. The result suggested that the single factor explained approximately 33 % of variance, which is less than the recommended cut-off value of 50 % (Podsakoff et al., 2003). This means that CMV is not a concern for the study's findings.

Next, we applied a confirmatory factor analysis (CFA) marker technique following Williams et al. (2010). To apply the technique, we used bricolage as the marker variable. Bricolage is conceptualized as the application of combinations of resources in situations characterized by resource constraints to address new problems and opportunities (Baker & Nelson, 2005). We adapted three items from Senyard et al. (2013) to measure the marker variable on the Likert scales, which ranged from 1 = strongly disagree to 7 = strongly agree. The items read: "We are confident of our ability to find workable solutions to new challenges by using our existing resources", "We gladly take on a broader range of challenges than others with our resources would be able to", and "We use any existing resource that seems useful to responding to a new problem or opportunity". We assumed the marker variable to be the least related to the main or substantive variables of the study.

In line with the recommendations of Williams et al. (2010), we ran five models to test for CMV. The first model was the CFA with the marker variable model that included all six substantive variables and the marker variable. At this stage, we recorded the unstandardized factor loadings and unstandardized error variances for the three marker items to be used in the assessment of the next model. In the next model, i.e., baseline model, we fixed the factor loadings and error variances for the marker items by applying the above unstandardized estimates. We also set the covariances between the marker variable and the substantive variables to be zero. From the results of the baseline model, we recorded the covariances among the substantive variables for using in a later model. In the next stage, we ran the third model, which is a constrained model, also known as Method-C. In this model, we estimated an additional 22 factor loadings that were drawn from the marker variable to the items of the substantive variables. The constraint was imposed by making each loading carry an equal value. In the fourth model, Method-U, we removed the constraint imposed between the marker variable and the items of the substantive variables in Method-C. In the fifth model, Method-R, we applied the covariances among the substantive variables that we received while assessing the baseline model.

Table 4 presents the model fit indices and comparisons between the models. To examine for the presence of CMV, we compared the baseline model with the Method-C model. The significant *p*-value derived from the chi-square difference and the corresponding difference in the degree of freedom suggests the presence of CMV. Next, a comparison was carried out between Method-C and Method-U to examine whether the impact of the marker variable was equal for all indicators (Williams et al., 2010). The significant p-value indicates that the presence of CMV is not the same for all indicators (Table 4). The comparison between Method-U and Method-R yielded a non-significant p-value, indicating that the presence of CMV does not skew or bias the relationships among the substantive variables. Thus, the results of the CFA marker technique showed that even though CMV was present, it did not impact the relationships among the studied main or substantive variables.

Table 3
Discriminant validity assessment in terms of the HTMT ratio.

Constructs	PEMO	REMO	OREC	OEXP	IFPM	ENDM
PEMO						
REMO	0.828					
OREC	0.437	0.320				
OEXP	0.560	0.446	0.846			
IFPM	0.372	0.344	0.296	0.427		
ENDM	0.528	0.416	0.397	0.583	0.284	

Note: PEMO = Proactive EMO; REMO = Responsive EMO; OREC = Opportunity recognition; OEXP = Opportunity exploitation; IFPM = International firm performance; ENDM = Environmental dynamism.

4.3. Structural model assessment for the hypotheses

We used the maximum likelihood estimation method of Amos 29 to test the structural model comprising the hypotheses. We ran the path analysis based on the latent variables and their respective indicators. The fit indices of the structural model were moderately good: Goodness of fit index (GFI = 0.822), normed fit index (NFI = 0.796), comparative fit index (CFI = 0.858), incremental fit index (IFI = 0.860), Tucker-Lewis index (TLI = 0.836), root mean square error of approximation (RMSEA = 0.098). Although the RMSEA was relatively high, it remained below the recommended threshold of 0.10. The chi-square was significant ($\chi^2 = 448.582$; df = 164; $p < .01$). In order to test multicollinearity, we created composite scores of all exogenous constructs (i.e., proactive EMO, responsive EMO, opportunity recognition, opportunity exploitation, environmental dynamism) and the outcome variable (international firm performance). The results of a regression analysis in SPSS indicated that the variance inflation factors (VIF) were between 1.408 and 2.773. Since all VIFs for the constructs were below the recommended threshold of 3, multicollinearity was not a concern for assessing the structural model.

The results of the hypotheses testing show that responsive EMO positively and significantly influences opportunity exploitation ($p < .01$; $\beta = 0.995$), supporting H1 (Table 5). Similarly, H2 was supported as proactive EMO was found to positively and significantly influence opportunity recognition ($p < .01$; $\beta = 0.620$). Although opportunity exploitation was found to exert strong positive effect on international firm performance in support of H3, opportunity recognition had no effect on international performance. Thus, H4 was not supported. The results also indicated that the individual-level control – managerial experience – had non-significant effects on three endogenous constructs: opportunity recognition, opportunity exploitation, and international performance (Panel A, Table 5). Likewise, managerial experience had no effect, when the direct paths from proactive EMO and responsive EMO to international firm performance were controlled for (Panel B, Table 5).

4.4. Moderation effects of environmental dynamism

To evaluate the moderation effects of environmental dynamism as

Table 4
Model fit indices and comparisons for common method variance using CFA marker technique.

Model	χ^2(df)	CFI	RMSEA	*P* values	Model comparison	Decision
CFA with marker variable	624.100(254)	0.857	0.090			
Baseline	753.076(261)	0.810	0.102			
Method-C	644.865(260)	0.851	0.091	0.000	vs. Baseline	CMV is present
Method-U	587.083(239)	0.865	0.090	0.000	vs. Method-C	CMV presence is not the same for all indicators
Method-R	587.868(240)	0.865	0.090	0.376	vs. Method-U	CMV does not skew the relationships among the substantive variables

Note: CFA = confirmatory factor analysis; CFI=Comparative Fit Index; RMSEA = Root Mean Square Error of Approximation.

Table 5
Structural relationships among the main hypotheses.

Studied relationships	β	T statistics	P values	Decision
H1: Responsive EMO ➔ Opportunity Exploitation	0.995	6.230	<0.01	Supported
H2: Proactive EMO ➔ Opportunity Recognition	0.620	5.727	<0.01	Supported
H3: Opportunity Exploitation ➔ International Firm Performance	0.312	4.701	<0.01	Supported
H4: Opportunity Recognition ➔ International Firm Performance	−0.010	−0.165	0.869	Not supported
Control variable: (Panel A – All endogenous constructs)				
Managerial experience ➔ Opportunity Recognition	−0.012	−0.082	0.934	
Managerial experience ➔ Opportunity Exploitation	−0.257	−1.728	0.084	
Managerial experience ➔ International Firm Performance	−0.093	−0.863	0.388	
Control variable: (Panel B – direct paths between proactive EMO and responsive EMO to international performance)				
Managerial Experience ➔ International Firm Performance	−0.160	−1.377	0.168	

posited in H5 and H6, we created product indicators by orthogonalizing (residual centering) as suggested by Little et al. (2006). In SPSS, we first multiplied each pair of items for responsive EMO and environmental dynamism (for H5) and proactive EMO and environmental dynamism (for H6) to form all product terms. Subsequently, we saved the residualized products by regressing each product term on related observed items. The residualized product terms along with the observed items were then inserted into the respective structural model in Amos for assessing H5 and H6 separately. The results showed that environmental dynamism did not significantly moderate the responsive EMO–opportunity exploitation relationship (Table 6), thus H5 (weakening) was not supported. Similarly, environmental dynamism did not moderate the proactive EMO–opportunity recognition relationship, providing no support for H6 (strengthening) (Table 6).

Table 6
Moderation results of environmental dynamism.

Studied relationships	β	T statistics	P values	Decision
H5: Responsive EMO × Environmental Dynamism ➔ Opportunity Exploitation	−0.133	−1.568	0.117	Not Supported
H6: Proactive EMO × Environmental Dynamism ➔ Opportunity Recognition	−0.095	−1.399	0.162	Not Supported

4.5. *Additional analysis*

We ran an additional analysis in the form of an alternative model to examine whether proactive EMO and responsive EMO interacts with opportunity recognition and opportunity exploitation, respectively, to influence international performance rather than causing opportunity recognition and opportunity exploitation. The effects of the interaction terms (e.g., opportunity recognition*proactive EMO; opportunity exploitation*responsive EMO) on international performance were non-significant (Table 7). These results support our original model, indicating that responsive EMO and proactive EMO influence opportunity exploitation and opportunity recognition, rather than interacting with them in shaping international firm performance.

5. Discussion and implications

This study examines the role of EMO, specifically its responsive and proactive dimensions, in shaping opportunity recognition, opportunity exploitation, and international performance. The findings show that responsive EMO enhances opportunity exploitation, enabling firms to capitalize on existing opportunities, while proactive EMO facilitates opportunity recognition by identifying latent opportunities. Crucially, only opportunity exploitation directly impacts international performance, opportunity recognition does not. Contrary to our expectations, environmental dynamism did not significantly moderate the responsive EMO-opportunity exploitation or proactive EMO-opportunity recognition relationships. These results indicate that, in our context, the translation of EMO into opportunity processes appears primarily capability-driven rather than contingent on perceived market turbulence.

5.1. *Theoretical contributions*

The findings of this study offer significant theoretical contributions to the B2B industrial marketing and EMO literature. First, this study contributes to advancing the diffusion of Narver et al.'s (2004) distinction between proactive and responsive MO, an area that has seen limited independent scholarly engagement beyond a small group of authors. While previous research has recognized the potential impact of these MO types, their broader integration into B2B industrial marketing and EMO research remains underdeveloped. Previous research on EMO has primarily focused on its overall impact on firm performance without adequately differentiating between its proactive and responsive dimensions. Table 1 reinforces this gap by showing that most EMO studies adopt a unidimensional conceptualization- mainly responsive EMO- with limited attention to entrepreneurial opportunity recognition and

Table 7
Additional analysis of an alternative model.

Studied relationships	β	T statistics	P values
Responsive EMO × Opportunity Exploitation ➔ International Firm Performance	−0.004	−0.088	0.930
Proactive EMO × Opportunity Recognition ➔ International Firm Performance	0.057	1.386	0.166

exploitation. This pattern persists even in recent contributions (e.g., Acikdilli et al., 2022; Navarro-García et al., 2024; Noya et al., 2025), which tend to focus on performance outcomes rather than the distinct entrepreneurial functions of EMO dimensions. Although a few studies have begun to adopt dual conceptualizations (e.g., Bodlaj & Čater, 2022; Faroque et al., 2022), the opportunity-related implications of proactive and responsive EMO remain largely unexplored. Our study responds to this lacuna by theorizing and empirically testing the dual-dimensional EMO structure and its entrepreneurial implications.

Existing literature also reports conflicting and incomplete results regarding the relationship between EMO and performance (e.g., Lengler et al., 2013; Mac & Evangelista, 2016; Rose & Shoham, 2002). Our research clarifies these inconsistencies by highlighting the nuances of the different types of EMO and their distinct impacts on opportunity recognition, exploitation, and export performance. This can be attributed to the different strategic focuses of these orientations. Studies indicate that proactive MO greatly enhances knowledge development and innovation performance compared to responsive MO (Li et al., 2008; Zhang & Duan, 2010). Our results confirm this distinction, showing that proactive and responsive MO differ significantly in their effects and mechanisms (Atuahene-Gima et al., 2005; Bodlaj & Čater, 2022).

Our results suggest that proactive EMO significantly enhances a firm's ability to recognize new international opportunities. This aligns with previous studies that emphasize the importance of (dynamic) capabilities in sensing and seizing new market opportunities, essential for long-term success and innovation (Pitelis et al., 2024; Teece et al., 1997). Proactive behaviors enable firms to identify and respond to latent customer needs and emerging market trends, enhancing their competitive edge in international markets. This supports the (dynamic) capabilities theory, which posits that firms must adapt and reconfigure their resources to address changing environments (Eisenhardt & Martin, 2000). Proactive EMO could be considered as dynamic capabilities to predict, analyze and respond to changes in the foreign market environment (Knight & Liesch, 2016; Navarro-García et al., 2024).

Conversely, responsive EMO significantly impacts opportunity exploitation, supporting the RBV that emphasizes leveraging existing resources to maintain a competitive advantage. The RBV holds that the exploitation of valuable, rare resources and capabilities contributes to a firm's competitive advantage and its performance (Chatzoglou et al., 2018; Newbert, 2008). While responsive EMO helps firms capitalize on current market opportunities and ensure customer satisfaction, its role in recognizing new opportunities is limited, as it primarily focuses on adapting to existing demands rather than anticipating future trends. This finding aligns with the 'tyranny of the served market' concept (Hamel & Prahalad, 1994), suggesting that an overemphasis on current customer needs can limit future-oriented innovation and opportunity recognition (Ali et al., 2023). These insights further support the argument that the dominance of responsive MO in previous research has created an incomplete picture, reinforcing the need for broader engagement with proactive MO, particularly in international contexts where long-term opportunity development is essential. Taken together, these findings underscore EMO's dual theoretical anchors: responsive EMO aligns with RBV logics of exploiting existing resources and markets, while proactive EMO resonates with dynamic capability and Schumpeterian innovation logics. This integration helps explain why opportunity exploitation, but not recognition alone, translates into performance gains.

Moreover, integrating insights from other studies on network capabilities (Laurell et al., 2017; Walter et al., 2006), we find parallels in how both MO and network capabilities can be categorized through the exploration-exploitation dichotomy. Just as network capabilities in exploration and exploitation are crucial for international opportunity recognition (Faroque, Morrish, et al., 2021; Lin & Si, 2019), proactive and responsive EMOs similarly influence opportunity recognition and exploitation in international markets. This dual approach emphasizes the need for firms to balance short-term exploitation with long-term exploration to survive (Chou et al., 2024) and achieve sustainable international performance (Penney et al., 2018). Furthermore, this study contributes to the broader discussion on international opportunity development by showing that proactive MO aligns with opportunity exploration, whereas responsive MO aligns with opportunity exploitation. Given that opportunity exploration is riskier and more resource-intensive, this distinction is crucial for firms deciding on their strategic emphasis in internationalization efforts.

The results of our study also align with findings from Mort and Weerawardena (2006) and Zhou et al. (2012), who suggest that dynamic organizational capabilities, including MO, are vital for rapid internationalization. In line with Lin and Si (2019), our findings imply that exploration behaviors (i.e., proactive MO), while potentially slowing down initial internationalization due to the time required for engagement, ultimately contribute to more robust opportunity recognition and long-term international success. This supports the notion that ambidexterity in MO, similar to ambidexterity in network capabilities, is context-dependent but crucial for maximizing international opportunity recognition and exploitation. This also provides further evidence that the debate between cultural and behavioral perspectives of MO can be sidestepped by focusing on the distinct functions of proactive and responsive MO in IE, reinforcing the argument that firms need to strategically balance their MO approach.

Building on this foundation, our second contribution advances the integration of EMO with entrepreneurial opportunity theories, offering a more comprehensive understanding of how firms engage with opportunity recognition and exploitation in international contexts. Proactive MO, which emphasizes identifying and responding to future and latent customer needs, fosters innovation, and enables firms to explore new market opportunities. This forward-thinking approach aligns closely with the Schumpeterian perspective, which views entrepreneurial opportunities as created through innovation, disruption, and market transformation (Faroque et al., 2022; Sundqvist et al., 2012). By continuously seeking and creating new opportunities, firms with a proactive orientation are better equipped to navigate the complexities of international business environments. In contrast, responsive MO focuses on addressing current customer needs and leveraging existing market knowledge. This behavior mirrors the Kirznerian perspective, where entrepreneurs discover and exploit existing inefficiencies or gaps in the market through heightened alertness (Faroque et al., 2022; Sundqvist et al., 2012). While responsive MO is effective for short-term exploitation of known opportunities, it may lack the foresight necessary to anticipate and capitalize on emerging trends in dynamic international markets. Thus, by conceptually linking proactive and responsive MO with Schumpeterian and Kirznerian entrepreneurial theories, this research offers a novel theoretical integration. It enhances our understanding of how MO shapes firm-level opportunity behaviors and contributes to bridging the marketing and entrepreneurship literatures in the IB/IE domain. This integration also enriches the theoretical landscape by clarifying the mechanisms through which MO influences entrepreneurial activities, particularly in the context of B2B exporting firms (Faroque et al., 2022; Schulze et al., 2022).

Furthermore, our results show no moderating effects of environmental dynamism on either the responsive EMO–opportunity exploitation or the proactive EMO–opportunity recognition relationships. Notably, we had hypothesized opposite effects: that environmental dynamism would weaken the responsive EMO–opportunity exploitation link (H5) but strengthen the proactive EMO–opportunity recognition link (H6). However, both effects turned out to be non-significant. This non-finding refines contingency-based assumptions in EMO research by suggesting that the conversion of EMO into opportunity processes may be relatively robust to perceived turbulence in buyer-driven, export-oriented value chains. Conceptually, this points to EMO's internal, capability-centric mechanisms (e.g., market sensing and response routines) as the primary drivers of opportunity exploitation and opportunity recognition, rather than environmental volatility per se. In turn, the performance payoff is realized through exploitation, aligning responsive EMO with Kirznerian exploitation and proactive EMO with Schumpeterian recognition, while clarifying that recognition, absent exploitation, is insufficient for performance gains in this setting. This contrasts with prior research suggesting that environmental conditions shape the effectiveness of EMO behaviors (Cadogan et al., 2009; Faroque, Morrish, et al., 2021). The absence of moderation effects contributes to the IE and IB discourse by indicating that EMO's entrepreneurial implications may, in some contexts, operate more as stable capability-driven mechanisms than as contingent responses to turbulence. This reinforces the RBV view of EMO as a relatively stable capability and clarifies its entrepreneurial implications: proactive EMO supports Schumpeterian recognition, responsive EMO supports Kirznerian exploitation, and only through exploitation do performance outcomes materialize.

5.2. Managerial and policy implications

Our findings provide several valuable insights for managers operating in international markets. First, it's important for managers to understand that proactive and responsive dimensions of EMO serve different purposes when identifying and acting on opportunities. While responsive EMO helps firms take advantage of existing market demands, proactive EMO plays a critical role in spotting emerging opportunities before competitors. Our results show that firms focusing only on responsive EMO may struggle to recognize new international opportunities, as they are primarily reacting to current customer needs. In contrast, proactive EMO helps firms stay ahead by anticipating shifts in market trends and customer preferences. Thus, a balance of responsiveness and proactiveness is essential- securing present gains while laying the foundation for long-term growth.

Second, although we hypothesized that environmental dynamism would condition these relationships, no such moderating effects were observed. This suggests that the benefits of EMO operate largely as internal capability-driven processes rather than being contingent on external turbulence. For managers, this means that building reliable mechanisms for both recognition and exploitation should remain a strategic priority irrespective of how dynamic the environment appears. Recognition without credible exploitation capacity risks being an unproductive investment of resources.

The findings of this study offer important takeaways for policymakers aiming to support firms in expanding internationally. To help businesses stay ahead of global trends, policies should encourage a proactive EMO by providing access to high-quality market intelligence, trend analysis, and forecasting tools. Firms that anticipate future opportunities rather than just reacting to existing ones are more likely to succeed in international markets. Training programs should also go beyond basic export assistance, equipping firms with the skills to identify and act on international opportunities through targeted education in market research, customer analysis, and global product development. Importantly, our results show that environmental dynamism does not significantly alter how EMO translates into recognition or exploitation. This suggests that policy support should not be contingent on turbulence levels but should instead consistently strengthen firms' capability to explore and/or exploit international opportunities. Instruments such as export financing, certification programs, digital transformation initiatives, and innovation grants can help firms strengthen recognition capabilities while ensuring that exploitation activities are effectively converted into tangible international performance outcomes. Ultimately, policymakers should take a tailored approach that recognizes the distinct roles of proactive and responsive EMO, ensuring that firms have the right tools both to identify opportunities for future growth and to exploit opportunities that deliver immediate international performance, thereby driving long-term competitiveness and economic growth.

5.3. Limitations and directions for future research

Despite its insightful findings, this study has several limitations. First, it focused solely on the individual impacts of proactive and responsive MOs on opportunity recognition and exploitation. Future research should examine their interplay and trade-offs, especially in resource-constrained environments. Second, while we considered environmental dynamism as a moderating factor, our results did not support its moderating role on either the responsive EMO–opportunity exploitation or proactive EMO–opportunity recognition relationships. This non-finding may be influenced by the industry context (buyer-driven apparel supply chains) or by measurement limitations, as the environmental dynamism construct was reduced to two indicators during model assessment. Future research should therefore replicate these tests in diverse industries and country settings, using larger samples and more robust measures of environmental dynamism. Other contextual moderators such as firm size, technological turbulence, or industry type also warrant investigation. Third, the study overlooked other strategic orientations such as entrepreneurial and learning orientations, which could offer a more comprehensive understanding of the model investigated. Fourth, opportunity identification in entrepreneurship is a developmental process that involves recognition, evaluation, and eventual exploitation (Ardichvili et al., 2003). However, this study focused specifically on opportunity recognition and exploitation as distinct activities rather than examining the full process of entrepreneurial opportunity development. Future research could take a more holistic approach by exploring how opportunities evolve from initial identification through evaluation to exploitation, providing deeper insights into the opportunity development process. Fifth, while our study adopts a dual-dimensional conceptualization of EMO (responsive vs. proactive), we acknowledge that some scholars view MO as a continuum of degree rather than distinct dimensions (Kohli & Jaworski, 1990). Future research could revisit our framework using a continuum approach to test whether the opportunity processes of recognition and exploitation unfold differently when MO is measured as a matter of degree rather than separate dimensions. Such comparative studies could further clarify the conceptual boundaries of EMO and its entrepreneurial implications. Finally, in this study, international performance was modeled as a composite construct combining profitability, sales growth, and satisfaction with performance in strategically important target markets. While this composite approach is consistent with prior export performance research (e.g., Bodlaj & Čater, 2022; Faroque et al., 2022) and aligns with our theoretical focus, future research could disaggregate these dimensions to examine whether proactive and responsive EMO affect profit, sales, and satisfaction outcomes differently.

CRediT authorship contribution statement

Anisur R. Faroque: Writing – review & editing, Writing – original draft, Conceptualization, Methodology, Investigation, Supervision. **Arafat Rahman:** Writing – review & editing, Writing – original draft, Methodology, Formal Analysis. **Emmanuel Kusi Appiah:** Writing – review & editing, Writing – original draft. **Jashim Uddin Ahmed:** Project administration, Data curation.

Declaration of generative AI and AI-assisted technologies in the writing process

During the preparation of this work the author(s) used ChatGPT in order to improve language and readability. After using this tool/service, the author(s) reviewed and edited the content as needed and take(s) full responsibility for the content of the publication.

Data availability

The data that has been used is confidential.

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