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## Export Performance of SMEs in Emerging Markets: The Role of Market Orientation, Learning and Trust

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# Export Performance of SMEs in Emerging Markets: The Role of Market Orientation, Learning and Trust

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## Abstract

**Research Aims** - This study investigates the mediating role of trust in explaining the effect of learning orientation and market orientation on the export performance of small and medium enterprise (SME) exporters in emerging markets.

**Design/methodology/approach** - Survey data from 193 Malaysian SME exporters were used to test a series of hypothesised relationships. The sample was derived from the directory of the Federation of Malaysian Manufacturers, which consists of Malaysian wholly owned cross-industry manufacturing SMEs with 10–200 full-time employees. The instrument was developed using existing scales, and the research model was estimated using partial least square structural equation modelling.

**Research Findings** - The findings reveal that trust is directly related to export performance. Learning creates dynamism in firms' processes and enables the utilisation of information in a way that allows firms to respond to the variability of customers' needs.

**Theoretical Contribution/Originality** - This study contributes to theoretical development by highlighting the role of learning in the relationship between market orientation and trust between SME exporters and foreign importers.

**Managerial Implications in the Southeast Asian Context** - Managers of small businesses in Southeast Asia should not be disconcerted by the smallness and limited resources of their firms. In an environment characterised by rapid market changes, SMEs must rely on dynamic capabilities to develop their competencies and leverage foreign partner resources.

**Research Limitations & Implications** - First, the responses were mainly obtained from exporters. This is in contrast to a dyadic relationship, which concerns interactions between partners: exporters and importers. Second, this study is limited by its context, which is the manufacturing sector.

**Keywords** - Export Performance, Inter-organizational Relationships, Organizational Capability, SMEs, Trust.

## INTRODUCTION

Superior performance in the export market is important for small and medium enterprises (SMEs) to achieve their growth objectives and help the country gain economic development (Catanzaro & Teyssier, 2020). For this reason, SMEs' export performance has long been a key research domain in the field of international business and, in recent years, has received more attention from researchers in emerging markets (Hasaballah, Genc, Mohamad, & Ahmed, 2019). However, our understanding of export performance is hitherto inadequate because it is a multifaceted

concept with diverse dimensions (Madsen & Moen, 2018) and involves multiple and distinctive institutional environments (Krammer, Strange, & Lashitew, 2018). In addition, the global economy has never been more dynamic, and the constant emergence of new technologies necessitates the perpetual redeployment of firms' resources to safeguard firms' operations and strategies. The rapid changes in an external environment demand more adaptive, flexible and dynamic strategic actions. Unfortunately, the theoretical underpinning of the existing export studies did not adequately address this issue. In a review of the literature, Chen, Sousa and He (2016, p. 626) conclude that export performance research suffers from the '...lack of synthetic theoretical basis ... and insufficiency in research framework' and suggest a dynamic theoretical framework. Therefore, the current study seeks to answer the following question: How do SMEs in emerging economies leverage their capabilities to compete successfully in a dynamic export market?

We address this issue in the literature by deploying different theoretical configurations. Our logical explanation is contingent upon the interaction of two theories: dynamic capability theory and relational exchange theory. Dynamic capability theory states that competitive advantage in a changing environment is accomplished through firms' ability to integrate, reconfigure, gain and release resources to create 'new resource configurations' through which firms meet the changing requirements of the market (Eisenhardt & Martin, 2000). The term dynamic capability is described as processes and routines by Teece, Pisano and Shuen (1997) and as combinative capabilities by Kogut and Zander (1992). Firms gain superior performance when the value offering of their customers is better than that of their competitors. In the export context, customers and competitors are included in the export market, and knowledge about them is a critical resource, albeit difficult and costly, to obtain. This external knowledge is dynamic and changes constantly; thus, the capability to integrate this external knowledge resource into firms' processes is considered a dynamic capability (Zhou, Zhou, Feng, & Jiang, 2019). Eisenhardt and Martin (2000) view this process as 'knowledge creation routines'. Jantunen, Nummela, Puumalainen and Saarenketo (2008) refer to this process as a strategic orientation that involves the dimensions of learning orientation and market orientation. As learning orientation (Nasution, Mavondo, Matanda, & Ndubisi, 2011) and market orientation (Bhattacharai, Kwong, & Tasavori, 2019; Kirca, Jayachandran, & Bearden, 2005) reflect customer attention and customer knowledge creation, we investigate how the interaction between market orientation and learning orientation affects export performance.

Previous investigations have found inconclusive results on the interaction between market orientation and export performance. For example, the results of several studies demonstrate a negative interaction between market orientation and export performance (Kayabasi & Mtetwa, 2016) and between market orientation and export profits (Mac & Evangelista, 2016). Conversely, Olabode, Adeola and Assadinia (2018) conducted research in a sub-Saharan African country and found a significant positive relationship between export market orientation and export performance. Ipek and Tanyeri (2020) also found a positive connection between market orientation and export performance among exporting firms in Turkey. Similar results

were also found by He, Brouthers and Filatotchez (2018) in the case of Chinese exporters. Nevertheless, unlike previous research, the current study embarks on a different and indirect path and follows Chen et al. (2016, p. 643) to ‘...foster more contingent and pragmatic structural relationships’. This rationale is explained by the relational exchange theory, which proposes the concept that firms’ position in a network is critical to achieve competitive advantage. In a network, firms’ relationships with other members in the network are developed and maintained based on trust (Morgan & Hunt, 1994). As competing in the international market requires substantial resource commitment and exposes firms to unfamiliar territory, a collaborative partnership is considered helpful in reducing the risk and can assist firms to succeed (Miocevic, 2016). For example, although export market knowledge is costly to acquire independently, previous research has proven that SMEs leverage their close relationships with other firms to learn new information and knowledge (Wu, Sinkovics, Cavusgil, & Roath, 2007). Therefore, this study suggests an indirect relationship between market orientation and export performance and proposes a mediating function of trust in the exporter–importer relationship.

The objective of this study is to empirically investigate the effect of trust on export performance and to examine the mediating effect of trust on the relationship between market orientation and export performance. Moreover, this study examines the moderating effect of learning orientation on the interaction between market orientation and trust.

## LITERATURE REVIEW AND HYPOTHESES

By combining dynamic capability and relational exchange theories, this study develops a conceptual framework depicting the interconnectedness of the hypothesised relationships between constructs. First, export performance is the outcome of export market orientation, but its relationship is indirect. SMEs leverage relationship trust in foreign importers to gain new knowledge about the export market. As trust facilitates knowledge sharing between partners, the relationship between market orientation and performance is mediated by trust. Second, the knowledge creation process of dynamic capability is developed by integrating two capabilities, market orientation and learning orientation, to build a truthful relationship with a partner. Therefore, this study examines the interaction between market orientation and learning orientation as well as its effect on trust. The following sections discuss the literature review and present arguments for the hypotheses.

### *Trust and export performance*

Trust is a central issue in an interorganisational relationship (Dyer & Chu, 2011) and is therefore an important dimension of exporter–importer cooperation. Trust in a relationship is the assurance that each partner will keep its promises and ensure the welfare of the other partner when making decisions (Day, Fawcett, Fawcett, & Magnan, 2013). As international business is complex, interfirm trust helps firms achieve success in business transactions by overcoming the challenges of cross-border business exchanges (Katsikeas, Skarmas, & Bello, 2009).

Empirical evidence shows a positive effect of trust on the competitiveness of exporters in export markets (Zhang, Cavusgil, & Roath, 2003). Nevertheless, findings on the effect of trust on export performance have produced inconsistent results. For example, in a recent study on Malaysian exporters, Hasaballah et al. (2019) find that the results depend on the different types of export objectives. Although the effects of trust on strategic and financial goals are positive, interestingly, satisfaction with export performance is not positively correlated with trust. The current study takes a different stance and postulates a positive correlation between trust and export performance. A logical explanation is derived from the notion that the social value of a relationship is strongly embedded in Asian culture. Therefore, the interaction between supplier and buyer and that between exporter and importer are governed by relational dimensions, such as trust. Resource-scarce SMEs depend on foreign importers for marketing and the acquisition of tacit knowledge in the export market. This knowledge enhances firms' efficiency (Yuan, Feng, Lai, & Collins, 2018) and capabilities to compete successfully in the export market (Durmaz & Eren, 2015). In the context of knowledge acquisition, a trusting relationship facilitates this knowledge flow between importer and exporter.

The literature attributes the reduction in transaction costs to trust (Gulati & Nickerson, 2008). Relationship trust serves as a cost-effective governance mechanism to combat opportunism (Yuan et al., 2018). In a contractual governance mechanism, firms bear the cost of protecting agreements and monitoring their partner's behaviour. However, with the presence of trust, one partner's confidence and positive expectations about the behaviour of the other partner increases (Keszey, 2018); thus, the need for formal contracts becomes less (Bidault, Torre, Zanakis, & Ring, 2018). Under this condition, Zaheer, McEvily and Perrone (1998) point out that the negotiation process is faster and agreements are resolved quickly, leading to greater efficiency and lower costs.

Trust has been found to help create joint efforts to achieve mutual goals (Anderson & Narus, 1990). Trust facilitates the exchange of knowledge, specifically tacit knowledge, in innovation practices (Hardwick, Anderson, & Cruickshank, 2013). This knowledge exchange and creation between firms in a trusting relationship helps firms become more innovative (Sankowska, 2013). Balboni, Marchi and Vignola (2018) find that trust significantly affects alliance success. In export studies, trust leads to the behaviour that drives greater performance (Katsikeas et al., 2009; Styles, Patterson, & Ahmed, 2008) and directly and positively affects relationship performance. Therefore, trust is expected to enhance the ability of small firms to achieve high export performance.

H1: Trust is positively related to export performance.

### ***Market orientation, trust and export performance***

In assessing export performance, market orientation offers a cohesive view because it measures the capacity to predict, react and capitalise on changes in an environment (Rose & Shoham, 2002). Market orientation refers to '...the organization-wide generation and dissemination of, and responsiveness to, the information about

their customers and competitors' (Bhattarai et al., 2019). In their seminal work, Slater and Narver (1995, p. 69) claim that '[M]arket orientation is the business culture that produces outstanding performance through its commitment to creating superior value for customers'. Two things stand out from this statement. First, the relationship between market orientation and performance is indirect through customer linking. Second, a customer relationship through superior value offering mediates the interaction between market orientation and performance. This notion works well with the argument that market orientation focuses on customers as a central element (Kohli & Jaworski, 1990). In the export mode of market entry, exporters build closer ties and a trusting relationship with foreign importers, as the latter takes the responsibility of promoting and distributing exporters' products in the export market.

A market-oriented firm is superior in its market-sensing and customer-linking capabilities (Agarwal, Erramilli, & Dev, 2003); thus, it understands the market and is able to foster an affiliation with customers (Kirca et al., 2005). The employee behaviour of this firm converges toward meeting customer expectations and achieving customer satisfaction. Therefore, in the context of interfirm relationships, customers perceive that value is created when they receive benefits from the exchange partner (Palmatier, Dant, Grewal, & Evans, 2006). Customer trust increases when firms deliver value that meets customer expectations.

Previous research has found inconsistent results regarding the direct relationship between market orientation and performance. Recent studies have viewed the relationship as indirect and have investigated other variables, such as international entrepreneurship (Mac & Evangelista, 2016) and learning capability (Olabode et al., 2018) as a mediator. The present study follows this model and examines the mediating effect of trust on the interaction between market orientation and export performance. The theoretical account is derived from the notion that export performance is a function of knowledge and that interfirm trust facilitates the exchange of knowledge between partners. The literature shows the importance of knowledge in the internationalisation process (Liesch & Knight, 1999). One of the critical resources that SMEs lack is information about foreign opportunities and foreign market expertise (Brouthers, Nakos, Hadjimarcou, & Brouthers, 2009).

Market orientation strongly requires regular involvement in accumulating, disseminating and interpreting market intelligence (Bicakcioglu-Peynirci & Ipek, 2020). Market intelligence includes the consideration of market factors affecting customer needs and preferences as well as their current and future needs. The importance of market intelligence is emphasised in the literature. Strategic decisions related to export activities depend on information about customers, competitors and suppliers (Navarro-Garcia, Peris-Ortiz, & Barrera-Barrera, 2016). This information is usually derived from the market, such as customers, representatives, agents and distributors (Julien & Ramangalahy, 2003). This type of exchange relationship is a valuable social capital that channels resources, such as innovativeness, knowledge and market opportunities, which increase cooperation and export performance (Pinho, 2016). Therefore, this study postulates the following hypothesis:

H2: Market orientation is positively related to trust.

H2b: Trust mediates the relationship between market orientation and the export performance of SMEs..

### *Learning orientation, market orientation and trust*

The literature shows a close relationship between market orientation and learning orientation (Hernandez-Linares, Kellermanns, & Lopez-Fernandez, 2018; Park, Oh, & Kasim, 2017). Strategic orientations have been found to be different but have complementary concepts. For example, market orientation has the elements of exploration and exploitation of market opportunities, whereas learning orientation questions existing business practices and prevents market orientation from being reactive (Mavondo, Chimhanzi, & Stewart, 2005). Previous studies have argued about the nature of the relationships, specifically whether learning is the antecedent to market orientation. According to Slater and Narver (1995, p. 63), ‘...for a business to maximise its ability to learn about markets, creating a MO [market orientation] is only a start’. In another article, the authors (Slater & Naver, 2000) insist on the role of market orientation as an antecedent to organisational learning. Recent studies seem to agree with this view (Kasim, Ekinici, Altinay, & Hussain, 2018). However, some authors view this differently, suggesting a reverse causal direction (Hamzah, Othman, & Hassan, 2020). However, the current study follows the synergistic interpretation of learning and market orientation interaction, in which learning is dynamic and serves as the engine behind market orientation to prevent rigidity (Baker & Sinkula, 1999). Specifically, we show that learning moderates the relationship between market orientation and trust.

Market orientation pertains to the relentless pursuit of market intelligence (Mavondo et al., 2005). Nevertheless, the literature has criticised the concept of market orientation for being static and current-looking (Bhattarai et al., 2019) and for not fitting well in a volatile environment, which is described as constant future-looking as a result of market change. However, in terms of application, market orientation is strictly dependent on continuous involvement in market sensing and responsiveness, and, therefore, learning orientation is embedded in market-oriented firms (Ipek & Tanyeri, 2020). Learning orientation constantly examines the quality of firms’ interpretative and storage functions and the validity of the dominant logic that guides the entire process (Baker & Sinkula, 1999). Therefore, learning helps firms to ‘... maintain sensitivity to market changes...’ (Skinner & Edge, 2002, p. 174).

In terms of business exchange, Cegarra-Navarro and Rodrigo-Moya (2007) contend that learning offers salespeople the autonomy to be flexible to better meet and respond to changing customer expectations. Indeed, learning has some bearing on the type of information firms’ accept or reject (Sinkula, Baker, & Noordewier, 1997).

In a rapidly changing business environment, flexible and innovative business practices to create competitiveness are derived from flexible and collaborative business relationships, such as trust (Huang and Wilkinson, 2013). However, the authors maintain that trust changes over time as a result of the exchange partners’ behav-

ious and other events in the environment. Trust seems to build confidence in two distinct areas: the ability of the partner to deliver and the reliability of the partner to deliver (Hardwick et al., 2013). Learning gives rise to organisations' ability to acquire information and interpret and transform it into comprehensible knowledge (Abdul-Halim, Ahmad, Geare, & Thurasamy, 2019). In the case of dynamic environments and market changes, learning facilitates responsiveness to changes (Dau, 2018). Therefore, when information asymmetry (between partners) decreases as a result of strong learning orientation, behaviour uncertainty decreases (Dyer & Chu, 2011), and partners behave in a trustworthy manner. Therefore, this study presents the following hypothesis:

H3: Learning orientation moderates the relationship between market orientation and trust.

Figure 1 shows the conceptual model and a summary of the hypotheses developed a priori.

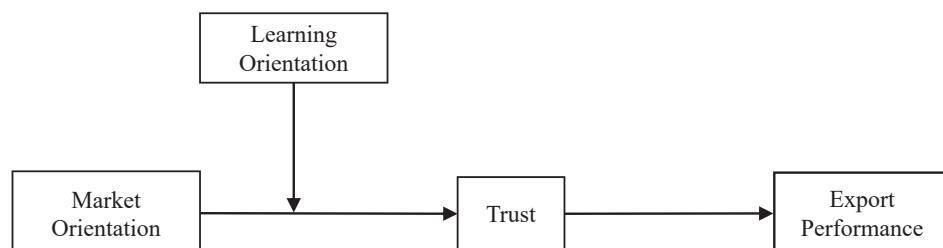
## RESEARCH METHOD

### *Data collection*

The survey instrument was designed using existing scales. Before the survey proper, personal interviews were conducted among 10 experts from academia, industrial associations and SMEs. This interview aimed to verify the structure and clarity of the questionnaire. As a result of these interviews, appropriate revisions were made. Following the revisions, a pre-test was performed on the 10 selected SMEs. This method is consistent with the study of Churchill (1979) for the development of multi-item measures.

The sample of this study was derived from the directory of the Federation of Malaysian Manufacturers, which consists of cross-industry manufacturing SMEs. The sample was made up of current exporters and wholly owned Malaysian firms with 10–200 full-time employees. This study used a single key informant approach; the key informant could be a senior executive of a firm, such as a chief executive officer, president, managing director, export manager or marketing/sales manager.

This study used a combination of methods to ensure a greater response rate: a drop-off survey, a mail survey and the services of a local research company. A total of 193 firms participated in the survey. Different methods of data collection were compared, and no significant difference was found. The early respondents and the



**Figure 1**  
Conceptual model



late respondents were compared, and no significant differences were found for non-response bias

### *Data analysis*

The research model was estimated using a software package known as partial least square structural equation modelling (SEM). SEM was used because it allows for the examination of a complex model. As the statistical software Smart PLS was not case-sensitive, it was not appropriate for studies with total responses of less than 200. We developed a measurement model to estimate the factor loadings for each item. We then assessed the reliability and validity of the constructs. Afterward, the structural model was evaluated in terms of the hypotheses.

The coefficient alpha was computed to assess internal consistency. Following Lages, Silva and Styles (2009) in export performance research, this study used composite reliability proposed by Bagozzi (1980). Values for composite reliability are shown in Table I, and they ranged from 0.852 (trust) to 0.954 (export performance), well above the acceptable threshold of 0.70 (Nunnally, 1978). This means that all constructs were reliable.

As for validity, two types of validity were tested: convergence and discriminant validity. The values of the outer loadings were assessed, and values less than 0.70 were eliminated. The average variance extracted (AVE) values for all constructs were examined. In this study, the AVE values were 0.627 (managerial commitment) and above for all constructs, and they indicated convergence validity because they were higher than 0.50.

For discriminant validity, the AVE values were assessed again. We compared the values for the square root of AVE with the shared variance among the latent variables. The results in Table 1 show that all values of the square root of AVE were higher than the shared variance between constructs, thus supporting discriminant validity.

In terms of collinearity issues, this study examined the variance inflation factor (VIF). The VIF values for all constructs were less than the critical level of 5 (Hair, Hult, Ringle, & Sarstedt, 2017), indicating no multicollinearity problem..

To measure the predictive power of the structural model, the coefficient of determination, or R square (R<sup>2</sup>), was assessed. The R square value was 0.129 for export performance and 0.232 for trust. These values indicated that 12.9% of the variance in export performance and 23.2% of the variance in trust were explained by exogenous constructs linked to their respective constructs (export performance and trust).

We also assessed the effect size  $f^2$  of every independent variable on the endogenous variable to evaluate the explanatory power of the structural model. The  $f^2$  values showed a medium effect size for trust on export performance ( $f^2 = 0.155$ ) and a small effect size for market orientation on trust ( $f^2 = 0.017$ ).

**RESULTS**

The hypotheses were tested using SEM in Smart PLS 3. The estimation results are presented in Table 2. Hypothesis 1 predicts a positive relationship between trust and export performance. The results indicate that trust has a positive effect on export performance ( $\beta = 0.366$ ,  $t\text{-value} = 6.098$ ,  $p < 0.001$ ). Therefore, Hypothesis 1 was supported.

Hypothesis 2a posits a positive relationship between market orientation and trust. The results show that market orientation has no significant effect on trust. Therefore, H2a was not supported. Hypothesis 2b states that trust mediates the relationship between market orientation and export performance. The results indicate that trust has no significant mediating effect on the relationship between market orientation and export performance. Therefore, H2b was not supported.

The results in Table 2 demonstrate that learning orientation has a significant positive moderating effect on the relationship between market orientation and trust ( $\beta = 0.124$ ,  $t\text{-value} = 2.001$ ;  $p < 0.05$ ), thus supporting H3. This finding further supports the important role of organisational learning in the development and maintenance of international business relationships (Johanson & Vahlne, 2003).

**MANAGERIAL IMPLICATIONS IN THE SOUTH EAST ASIAN CONTEXT**

The results of this study have several implications for small and medium manufacturers in their quest to succeed in international business ventures. Managers of small businesses should not be disconcerted by the smallness and limited resources of their firms, especially those from emerging economies like Southeast Asian countries. In an environment of rapid market changes, SMEs must rely on dynamic capability to develop their competencies and leverage foreign partner resources. Specifically, the ability to reconfigure, gain and release resources transforms busi-

**Table 1**  
Internal consistency, square root AVE and correlations of first-order construct

Construct	1	2	3	4	5	6	7
1. Customer orientation	<b>0.805</b>						
2. Competitor orientation	0.511	<b>0.828</b>					
3. Managerial commitment	0.466	0.278	<b>0.792</b>				
4. System perspective	0.529	0.218	0.659	<b>0.844</b>			
5. Openness & experimentation	0.505	0.208	0.721	0.732	<b>0.745</b>		
6. Trust	0.312	0.366	0.463	0.386	0.434	<b>0.811</b>	
7. Export performance	0.138	0.179	0.278	0.218	0.208	0.366	<b>0.934</b>
Mean	5.644	5.214	5.413	5.353	5.380	5.000	<b>4.758</b>
Standard Deviation	0.743	0.939	0.833	0.834	0.908	0.936	<b>1.275</b>

Notes: \*\*\* $p < 0.001$ ; \*\* $p < 0.01$ ; \* $p < 0.05$ ; square root average variance extracted (AVE) value is shown in diagonal.

**Table 2**  
Results: Hypothesis testing

Hypothesis	Path coefficient	t value	R <sup>2</sup> =	Results
H1 Trust → Export Performance	0.366	6.098***	0,129	Supported
H2a Market orientation → Trust	0.134	1.708	0.238	Rejected
H2b Market orientation → Trust → Export performance	0.045	1.569	-	Rejected
H3 Market orientation x Learning orientation → Trust	0.124	2.001*	-	Supported

Notes: \*\*\* $p < 0.001$ ; \*\* $p < 0.01$ ; \* $p < 0.05$

ness processes and routines to better serve changing customers' needs and requirements. Based on the findings of this study, despite the importance of market intelligence, managers of SMEs should focus on building learning capability to ensure that their business processes support the utilisation of market knowledge so that the resulting outputs and services meet the changing requirements of the markets. Due to resource limitations, managers of SMEs should be more careful in allocating budgets and prioritising critical activities for internal development, such as learning capability.

In addition, the findings help in understanding the role of learning in tempering market orientation and its effect on trust. In this study, due to its rigidity, market intelligence does not directly influence trust between exporters and importers. Conversely, learning creates dynamism in firms' processes and enables the utilisation of information in a way that allows firms to respond to the variability of customers' needs. This finding provides insights into the role of organisational capabilities, market orientation and learning orientation in the knowledge creation process, which is critical in responding to rapid changes in the external environment.

### **THEORETICAL IMPLICATIONS**

The investigation of a unique model presents new insights into the knowledge creation process of dynamic capability theory by looking into the moderating role of learning in the relationship between market orientation and trust, which affects export performance. This study offers new insights by examining the interaction between market orientation and learning orientation. Market orientation guides SMEs in their pursuit of market intelligence and knowledge. However, the dynamic nature of a business environment influences customer expectations and requirements, and firms must respond to rapid changes for sustainable competitiveness. As market orientation is static and reactive, its effect on trust is not significant. Conversely, the dynamic orientation of learning influences market orientation, enabling firms to respond to customer requirements predictably and with trustworthiness.

Trust is the core component of an exporter–importer relationship. This study joins the mainstream and lends support to the positive and significant effect of trust on export performance in the context of SME exporters. Cross-border transactions are risky and costly, and competing in such a market requires large investments. Leveraging importers' capabilities, such as market intelligence, is not an option for resource-scarce SMEs to sustain their competitiveness in the export market. Trust is the manifestation of relationship closeness and quality. In this case, partners share important information and help each other by not behaving opportunistically to maintain the relationship in the long term

### **CONCLUSION**

The mainstream literature advocates the importance of a cross-border interorganisational relationship in the era of globalisation. In the case of SMEs, the most important issue is how to foster and maintain trustworthy relationships with foreign importers amid the challenges of international business. The rationale behind this

notion is that the scarcity of resources undermines SMEs' ability to compete internationally. Therefore, SMEs increase their dependence on foreign partners for the marketing and distribution of their products in the export market. Relational competency and engagement in market intelligence have been found to be strongly related to export performance (Pham, Monkhouse, & Barnes, 2017). In a situation in which firms are highly dependent on their partners, the need for trust increases to curb opportunistic behaviour and enhance export market competence (Wu et al., 2007). Moreover, interorganisational relationship trust facilitates the exchange of information between SMEs and customers, and managers depend on this information for decision making (Keszey, 2018).

This study examines the export performance of SMEs and highlights the role of the knowledge creation process as a dynamic capability that helps SMEs react to the changing environment of international business. In doing so, this study underscores firms' capabilities and relational exchange to acquire market intelligence, which is key to superior export performance. A conceptual model grounded in dynamic capability and relational exchange theory is developed and empirically tested. By integrating the two theories, this study explores the combinative capabilities of two strategic orientations—market orientation and learning orientation—and the contingency effect of their interaction on the trust between exporter and importer.

We posit that organisational capability is an important factor in the development of a truthful relationship between exporter and importer, thus affecting export performance. Previous studies (Lages et al., 2009) have advanced the concept of customer relationship building. Trust in a relationship is key to the development of relational capital and facilitates knowledge exchange, especially tacit knowledge (Hardwick et al., 2013). Knowledge plays an important role in firms' strategies and export performance (Navarro-Garcia et al., 2016). An important point in this argument is that the scarcity of resources forces SMEs to leverage trustworthiness in their relationships with importers to create market intelligence. Accordingly, we focus on the knowledge creation processes of dynamic capability theory and propose the interaction of two strategic orientations, namely, learning orientation and market orientation, as antecedents to trust.

This study contributes to the literature by highlighting the mediating role of trust in the relationship between market orientation and export performance as well as the moderating function of learning in the relationship between market orientation and trust. Our contributions are revealed in three ways. First, the results lend support to the assertion that trust is central to SME studies (Welter, 2012), especially in emerging countries. The results are contrary to Hasaballah et al. (2019) regarding the effect of trust on performance satisfaction in the export market. The main difference between this study and that of Hasaballah et al. is the firm size: our study had a sample made up of all SMEs, whereas their study accounted for only 34% of SMEs. Due to the scarcity of resources, SMEs must depend on trust to build close relationships with importers as a means to create knowledge. This is crucial for exporting firms that are dependent on foreign importers as information providers. This result further strengthens the belief that the purpose of inter-organisational re-

relationships is to attain goals that otherwise cannot be achieved by each organisation independently (Skarmeas, Zeriti, & Argouslidis, 2019). A trust-based relationship with a foreign importer certainly serves as a catalyst for overcoming the disadvantages of small exporting firms. A trusting relationship helps an exporter to build the ability to identify opportunities, overcome uncertainties and be more competitive in the export market. This is facilitated by the exchange of information between partners. Through learning capacity, firms can gain knowledge, which leads to stronger and more trusting relationships and enhanced knowledge transfer. Through knowledge, firms can improve their new product development, expand the sustainability of product performance and enhance their competitive position across boundaries.

The role of market orientation in export performance has been explored in previous studies (Ipek & Tanyeri, 2020). However, the results of the present study on the effect of market orientation on trust and export performance are inconsistent with previous research (Ipek & Bicakcioglu-Peynirci, 2020), and, thus, they deserve further examination. The direct effects of market orientation on trust and the indirect effects of market orientation on export performance are not significant. Interestingly, this finding seems to be in accordance with the criticism that market orientation is static and rigid (Bhattarai et al., 2019), which does not fit well with the dynamic nature of trust across borders. Market orientation is about the pursuit of market knowledge, including customer needs and expectations (Mavondo et al., 2005). The expectations and needs of customers change over time as a result of the changes in environment. To continuously serve customers, firms need the flexibility of business processes.

Finally, the learning culture embedded in organisations augments the ability to develop and maintain trusting relationships, especially when trust across borders is difficult to build due to cultural differences (Zhang et al., 2003). Market orientation enables firms to mobilise market knowledge about customers to meet the customer expectations of the export market (Bicakcioglu-Peynirci & Ipek, 2020). However, customer expectations change over time, and meeting customer expectations and behaving in a way that helps build customer confidence and trust are critical. As the relationship is dynamic, learning orientation helps market-oriented firms to be flexible and responsive to changes in customer expectations. Firms that are endowed with the ability to learn can overcome the uncertainties of foreign markets (Johanson & Vahlne, 2003). For small businesses, the ability to be flexible enables them to learn and respond to the needs of their partners in a predictable manner, thus leading to greater trust between partners. In this study, learning was found to positively and significantly moderate market orientation in affecting trust between export and importer. This finding is consistent with the view that learning supports market orientation by questioning existing business processes and helps firms be flexible to meet the changing needs of customers. This allows SMEs to behave in a more predictable way, thus building customer confidence and trust.

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