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Investigating the impact of customer orientation on innovativeness: evidence from born-global firms in Turkey

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ABSTRACT

Our study develops and tests a research model that investigates the impact of born-globals' customer orientation on innovativeness through the mediating roles of technological capability, relationship quality, and relationship information process. Data obtained from 197 small and medium-sized born-global firms in Turkey were used to gauge these relationships through structural equation modelling. The results suggest that born-globals' customer orientation influences innovativeness indirectly through the mediating role of technological capability. Simply put, technological capability acts as a full mediator between customer orientation and innovativeness. Contrary to our predictions, relationship quality and relationship information process do not significantly influence innovativeness. Therefore, the empirical data do not support the mediating roles of relationship quality and relationship information process. In short, our study contributes to current knowledge by examining the factors that influence the innovativeness of born-globals using data obtained from born-globals in Turkey, which is a newly industrialised country.

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1. Introduction

Traditionally, firms appear to become international using a slow and gradual path. This may be because of the paucity of sufficient knowledge about foreign markets, lack of a good understanding of different business cultures and languages, high levels of perceived risk and uncertainty in foreign markets, or other relevant constraints (Madsen & Servais, 1997). However, there are firms that serve international markets from a very early stage. Consistent with the work of Knight and Cavusgil (2004), we use the term 'born-globals' for these firms. These born-globals are defined as 'business organisations that from inception, seek to derive significant competitive advantages from the use of resources and the sale of outputs in multiple countries' (Oviatt & McDougall, 1994, p. 49). In today's volatile market environment, born-globals use their knowledge and capabilities to gain a sustainable competitive advantage (Kim, Basu, Naidu, & Cavusgil, 2011).

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New market conditions, technological developments in such areas as production and communication, the capabilities of people (e.g., founders, entrepreneurs and/or managers), and global networks and alliances seem to be responsible for the emergence of born-globals (Madsen & Servais, 1997; Rialp-Criado, Galván-Sánchez, & Suárez-Ortega, 2010). Born-globals are inherently entrepreneurial firms that stress ‘innovativeness, aggressiveness, and a proclivity for risk-taking’ (Cavusgil & Knight, 2009, p. 81). Such born-globals also have specific knowledge and capabilities that give rise to high levels of performance in foreign markets (Knight & Cavusgil, 2004; Knight, Koed Madsen, & Servais, 2004). A close scrutiny of the relevant literature indicates that there are various conceptual and empirical studies on born-globals (e.g., Freeman, Hutchings, Lazaris, & Zyngier, 2010; Jantunen, Nummela, Puumalainen, & Saarenketo, 2008; Kocak & Abimbola, 2009; Melén & Nordman, 2009). Despite the existence of these studies, Rialp-Criado et al. (2010) argue that there is still a gap regarding the internationalisation process of born-globals at the empirical level.

Building upon prior and recent work on born-globals in the relevant literature (Kim et al., 2011), our study develops and tests a research model that investigates the impact of customer orientation on innovativeness through the mediating roles of technological capability, relationship quality, and relationship information process. Specifically, this study treats technological capability, relationship quality, and relationship information process as mediators between customer orientation and innovativeness. Data collected from the small and medium-sized born-globals in Turkey serve as the study setting.

Our study contributes to extant knowledge on born-globals in the following ways. First, innovativeness plays a critical role in the success of born-globals (Knight & Cavusgil, 2004). However, empirical research pertaining to the factors influencing the innovativeness of born-globals or enabling born-globals to remain innovative is scarce (Kim et al., 2011). Realising such a gap in this research stream, we focus on three important internal resources that are posited to mediate the impact of customer orientation on the innovativeness of born-globals. These resources are technological capability, relationship quality, and relationship information process (e.g., Javalgi, Gross, Joseph, & Granot, 2011; Jones, Knotts, & Udell, 2008; Lages, Silva, & Styles, 2009; Loane & Bell, 2006).

Second, the current literature demonstrates that much is not known about the business practices of small and medium-sized enterprises (SMEs) in emerging economies (Javalgi, Todd, & Granot, 2011). The preponderance of empirical research on born-globals emerges from data based on the samples of the developed Western countries such as the United States (Gleason & Wiggenhorn, 2007), Australia (Mort, Weerawardena, & Liesch, 2012), Finland (Jantunen et al., 2008), and Sweden (Melén & Nordman, 2009). In their recent review of international entrepreneurship in emerging economies, Kiss, Danis, and Cavusgil (2012) report that Turkey is represented by only two studies. With this realisation, an extension of research on born-globals into newly industrialised countries such as Turkey is significant for gaining richer insights and broadening the database.

Turkey is an appropriate target for our empirical investigation. Specifically, the Small and Medium Enterprises Development Organisation (SMEDO) in Turkey provides SMEs with significant support in terms of bank loans, innovation, research and development, and collaboration. This support mechanism seems to encourage entrepreneurs to take decisive steps for increasing the volume of export in the global market environment. For example, Turkish exports were worth 113 billion US dollars in 2010 (<http://www.turkstat.gov.tr>). SMEs were responsible for 60.1% of total exports in 2010 (<http://www.turkstat.gov.tr>).

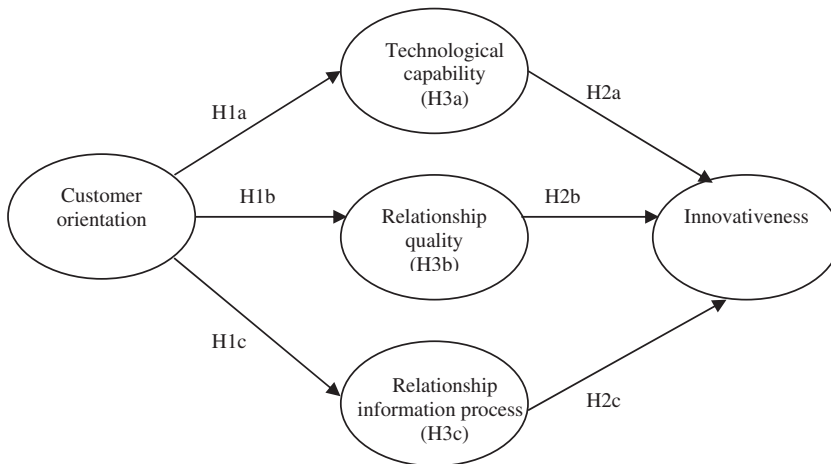


Figure 1. Research model. Source: Developed by authors [extending the work of Kim et al. (2011)].

2. Research model and hypotheses

2.1. Research model

The hypothesised relationships are depicted in the research model in Figure 1. The research model proposes that born-globals' customer orientation fosters internal resources such as technological capability, relationship quality, and relationship information process. These resources in turn enhance born-globals' innovativeness. Broadly speaking, the model contends that the aforementioned resources fully mediate the impact of customer orientation on innovativeness. The relationships developed based on the precepts of the resource-based view (RBV) are discussed below.

2.2. Hypotheses

According to the RBV, internal resources (e.g., assets, skills, abilities, and knowledge) are developed within the firm and play a critical role in the firm's strategy and success (Coates & McDermott, 2002). Born-globals can have distinctive capabilities and thus gain a competitive advantage when they obtain resources that are rare and hard to imitate and are not easily substitutable. In this study we surmise that technological capability, relationship quality, and relationship information process are among these resources. These resources are influenced by born-globals' customer orientation.

The availability of an organisational culture focusing on customer orientation has a strong effect on the firm's ability to produce quality products and retain a pool of loyal partners. Not surprisingly, customer orientation, as one of the parts of market orientation, affects firms' profitability (Narver & Slater, 1990). Customer orientation that refers to '... the extent to which a born-global firm focuses its efforts to serve its customers' needs and cultivate long-term relationships ...' (Kim et al., 2011, p. 880) boosts technological capability of born-globals. Customer-oriented born-globals need to take advantage of information technology tools (e.g., data management) because using such tools is imperative for effective customer relationship management (CRM). However, particular technologies lose their value over

time and cannot be regarded as inimitable internal resources (Coates & McDermott, 2002). Although expensive in nature, born-globals should invest in new technologies that would enable them to gain distinctive capabilities. Zhang and Tansuhaj (2007) persuasively discuss that born-globals high in customer orientation rely on technological capability for responding to customer expectations and communicating superior customer value. In empirical terms, it was reported that customer-oriented Indian born-globals benefited from the use of technological capability for handling customer relationships effectively (Kim et al., 2011).

As an internal resource for effective CRM, relationship quality is defined as ‘... the level of cooperation and tendency toward long-term partnerships’ (Kim et al., 2011, p. 880). Born-globals are relatively small, young, more flexible and less bureaucratic firms (Knight & Cavusgil, 2004). These customer-oriented firms can establish and maintain long-term relationships with partnering firms and obtain significant information for responding to customer expectations in an effective and prompt manner. Dorsch, Swanson, and Kelley (1998) and Macintosh (2007) argue that customer orientation is an important tool for increasing relationship quality. As also discussed by Kocak and Abimbola (2009), customer-oriented born-globals are proactive and try to satisfy the latent needs of customers. Empirically, Matsuo (2006) found that customer orientation was an important resource that reduced the process conflict among the sales departments of Japanese firms. Such a finding suggested that customer orientation would promote relationship quality. In addition, it was shown that customer-oriented born-globals displayed elevated levels of relationship quality (Kim et al., 2011).

Relationship information process is another internal resource for effective CRM and is defined as ‘... encompassing specific routines that a firm uses to manage customer information to establish long-term relationships with customers’ (Jayachandran, Sharma, Kaufman, & Raman, 2005, p. 177). Obtaining information pertaining to target customer expectations and competitor capabilities continuously and utilising such information to create, deliver, and communicate superior customer value is essential for serving customers and maintaining long-term relationships with them (cf. Slater & Narver, 1994). Jayachandran et al. (2005) demonstrated that customer relationship orientation exerted a positive influence on relational information process. According to the results of another study conducted in the restaurant industry, customer orientation exerted a strong influence on the customer/relationship information process (Kim, 2008).

In light of the information given above, born-globals’ customer orientation promotes technological capability, relationship quality, and relationship information process. Accordingly, we propose the following hypotheses.

Hypothesis 1. Customer orientation is positively related to (a) technological capability, (b) relationship quality, and (c) relationship information process.

Innovativeness refers to ‘... a firm’s openness to new ideas and new ways of meeting customers’ needs’ (Kim et al., 2011, p. 881) and contributes to competitiveness at both micro and macro levels (Kaufmann, Tsangar, & Vrontis, 2012). Consistent with the RBV, innovativeness is a critical source of competitive advantage (Knight & Cavusgil, 2004). Having an organisational culture that rewards good work, ideas, innovativeness, or creativity would pay dividends (cf. Ginevičius & Vaitkūnaitė, 2006). Specifically, firms rewarding innovativeness would encourage their managerial and non-managerial employees to develop and offer new offerings to respond to the needs of customers within niche markets.

Born-globals with technological capability have the opportunity to better understand customer needs and expectations because technological capability enables born-globals to obtain feedback from customers regarding their needs and expectations. Under these circumstances, born-globals with accumulated information can be innovative by improving products and introducing new methods for doing business (cf. Knight & Cavusgil, 2004). Empirical evidence demonstrates that born-globals' technological capability has a strong effect on their innovativeness (Kim et al., 2011).

Having a cooperative business environment is fruitful for both born-globals and their partners. Broadly speaking, partnering firms can provide born-globals with significant information concerning new product ideas or customer feedback based on product development. This is possible through a quality information network. For example, Freeman, Edwards, and Schroder (2006) reported that the presence of a good information network with partnering firms was important for innovativeness. As discussed by Gellynck, Kuhne, and Weaver (2010), SMEs having strong relationships with partnering firms can take advantage of new ideas to enhance their innovativeness.

Deploying the external and internal information process allows born-globals to capture customer information. Born-globals appear to acquire and use such information more quickly than older established firms and have the ability to adapt to and grow in new environments (Jantunen et al., 2008). Under these circumstances, the availability of information emerging from external and internal sources enhances born-globals' innovativeness. There are several empirical studies that support this relationship. For example, Kim et al. (2011) found that external customer information management elevated born-globals' innovativeness. Hadjimanolis (2000) showed that knowledge-based and largely intangible resources (e.g., variety in technological information sources, external training, managerial skills and capabilities) contributed to the innovativeness of SMEs. Consonant with the RBV, most of these resources were unique to the firm. In our study, we posit that technological capability, relationship quality, and relationship information process contribute to the innovativeness of born-globals. Therefore, we postulate the following hypotheses.

Hypothesis 2a: Technological capability is positively related to innovativeness.

Hypothesis 2b: Relationship quality is positively related to innovativeness.

Hypothesis 2c: Relationship information process is positively related to innovativeness.

The relationships mentioned above implicitly suggest that technological capability, relationship quality, and relationship information process fully mediate the effect of customer orientation on born-globals. This is in line with Kim et al.'s (2011) conceptual framework of the innovativeness of born-globals and the RBV (Cavusgil, Knight, & Uner, 2011). Specifically, customer-oriented born-globals nurture long-term relationships with partnering firms to obtain local market information and take advantage of new product ideas or market offerings, deploy customer information arising from external and internal sources, and utilise technological capability for managing customer relationships successfully. These resources in turn strengthen the innovativeness of born-globals. Therefore, we propose the following hypotheses.

Hypothesis 3a: Technological capability fully mediates the effect of customer orientation on innovativeness.

Hypothesis 3b: Relationship quality fully mediates the effect of customer orientation on innovativeness.

Hypothesis 3c: Relationship information process fully mediates the effect of customer orientation on innovativeness.

3. Method

3.1. Sample and procedure

The hypothesised relationships were assessed based on data gathered from 197 born-global SMEs in Turkey. The selection criteria used for participation required born-global SMEs to have obtained at least 25% of their revenues from foreign markets within their first three years. According to the database of SMEDO, there were 600 born-globals that were consistent with the criteria mentioned above. Data collection was carried out by a representative of SMEDO. It was found that 33 born-globals ceased their operations. Therefore, a total number of 567 questionnaires were sent to the owners or top managers of the remaining born-globals via email; 207 questionnaires were returned. Ten questionnaires were deleted due to missing information. In short, 197 questionnaires were retrieved. The response rate was 34.7%.

The aforesaid born-globals operate in a number of different industries and export products such as textiles, luggage, saddlery and footwear, food products and beverages, chemicals and chemical products. In addition, they export to various European Union countries (e.g., Germany, Greece), the United States, Brazil, and other countries such as Azerbaijan, Turkmenistan, Egypt, Iran, and Iraq.

3.2. Measurement

We used items from different recent and past writings in the relevant literature in order to measure the study constructs (e.g., Jayachandran et al., 2005; Kim et al., 2011; Knight & Cavusgil, 2004; Mohr, Fisher, & Nevin, 1996; Reinartz, Krafft, & Hoyer, 2004). Specifically, customer orientation was measured with a five-item scale. Three items were used to operationalise technological capability. Relationship quality and relationship information process each had ten items. Innovativeness was measured using four items. Response options to items in the aforementioned variables were recorded with anchors, at 7 (strongly agree) and 1 (strongly disagree).

All items in the questionnaire were originally prepared in English and then translated into Turkish using the back-translation method (Parameswaran & Yaprak, 1987). That is, the researcher prepared the original questionnaire in English. Two bilingual individuals participated independently in the process. One of these individuals translated the questionnaire from English into Turkish. Then, the other individual translated this questionnaire back to English. Finally, the researcher further checked the two versions of the questionnaire in English (Yavas, Karatepe, & Babakus, 2011). In the pilot study, the questionnaire was tested with a sample of 20 owners of small sized firms appertaining to the understandability of items. As a result, no amendments were made in the questionnaire.

3.3. Data analysis

We assessed measurement quality via LISREL 8.30 through confirmatory factor analysis (Joreskog & Sorbom, 1996). Specifically, we employed a partial aggregation approach for reducing the number of items and improving model fit (Williams & O'Boyle, 2008). We also assessed the measurement model in terms of convergent and discriminant validity (Anderson & Gerbing, 1988; Fornell & Larcker, 1981; Tabachnick & Fidell, 1996).

We tested the relationships through structural equation modelling. The overall χ^2 measure, comparative fit index (CFI), incremental fit index (IFI), root mean square error of approximation (RMSEA), and standardised root mean square residual (SRMR) were used for the assessment of both measurement and structural models. The internal consistency reliability was evaluated via the 0.70 threshold.

There are four conditions that should be considered for a full mediation analysis (Baron & Kenny, 1986): (1) customer orientation should be significantly correlated with internal resources (i.e., technical capability, relationship quality, and relationship information process); (2) customer orientation should be significantly correlated with innovativeness; and (3) the abovementioned internal resources should be significantly correlated with innovativeness. The last (fourth) condition is associated with the comparison of fully and partially mediated models using the χ^2 difference test (cf. Chen, Arye, & Lee, 2005).

4. Results

4.1. Measurement model

With the exception of technological capability, we randomly divided items into several groups to create composite indicators for each variable. Relationship quality and relationship information process each had ten items. Therefore, items belonging to relationship quality and relationship information process were randomly divided into three groups. Items belonging to customer orientation and innovativeness were randomly split into two groups. However, as reported in Table 1, several items were discarded due to correlation measurement errors. One item each from the customer orientation and innovativeness measures, four items from the relationship quality measure, and two items from the relationship information process measure were discarded.

The results in Table 1 showed that the five-factor measurement model fit the data well ($\chi^2 = 416.72$, $df = 216$; $\chi^2 / df = 1.93$; CFI = 0.92; IFI = 0.93; RMSEA = 0.069; SRMR = 0.056). The results in Table 1 also indicated that all standardised loadings were greater than 0.50 and their t -values were significant. The average variance extracted by each variable was greater than 0.50. The average variances extracted were as follows: customer orientation 0.58; technological capability 0.57; relationship quality 0.71; relationship information process 0.55; and innovativeness 0.56. As shown in Table 2, the correlations among study variables, excluding the one between customer orientation and relationship quality, were not greater than 0.70. The coefficient alpha for each variable was above the cut-off level of 0.70. Specifically, the coefficient alpha for customer orientation, technological capability, relationship quality, relationship information process, and innovativeness was 0.78, 0.80, 0.92, 0.89, and 0.79, respectively. Overall, the measures were reliable and had convergent and discriminant validity (Anderson & Gerbing, 1988; Fornell & Larcker, 1981).



Table 1. Scale items and confirmatory factor analysis results ($n = 197$).

Scale items	Standardised loadings	t-value
<i>Customer orientation</i>		
In serving this customer's need we are able to mobilise personnel from multiple functional areas (COR1)	0.71	10.47
In our organisation, various functional areas coordinate their activities to enhance the quality of customer experience (COR1)	0.80	11.97
In our organisation, retaining customers is considered to be a top priority	0.57	8.37
In our organisation, customer relationships are considered to be a valuable asset (COR2)	0.91	14.23
Our senior management emphasises the importance of customer relationships (COR2)		
<i>Technological capability</i>		
We invest in technology to acquire and manage 'real time' customer information and feedback (TC1)	0.71	10.73
We have a dedicated customer relationship management technology in place (TC1)	0.79	12.21
Relative to our competitors, the quality of our information technology resources is superior (TC1)	0.76	11.71
<i>Relationship quality</i>		
We routinely discuss issues which go beyond just buying and selling (RQ1)	0.68	10.52
Our relationship with customer is a long-term venture (RQ1)	0.80	13.34
Problems that arise in the course of the relationship are treated by the parties as joint rather than individual responsibilities (RQ1)	0.87	15.15
Renewal of the relationship with this customer is virtually automatic (RQ1)	0.87	15.02
Our activities with this customer are well coordinated	-	-
In coordinating our activities with this customer, formal communication channels are followed (i.e., channels that are regularised, structured modes vs. casual, informal and word-of-mouth modes)	*	-
The terms of our relationship have been written down in detail	*	-
The terms of our relationship have been explicitly verbalised and discussed (RQ2)	0.91	16.11
We expect our relationship with this customer to continue for a long time (RQ2)	0.90	16.06
Our relationship with the customer is stable	-	-
<i>Relationship information process</i>		
We collect customer information on an ongoing basis (R11)	0.68	9.32
We capture customer information from internal sources within the organisation (R11)	0.63	8.71
We collect customer information using external sources (such as market research agencies, syndicated data sources, and consultants)	*	-
The information collected from customers is updated in a timely fashion (R12)	0.79	12.71
We integrate customer information from the various functions that interact with customers (such as marketing, sales, and customer services) (R12)	0.78	12.46
We integrate internal customer information with customer information from external sources (R12)	0.74	11.40
We integrate customer information from different communication channels (such as telephone, mail, e-mail, the Internet, fax, and personal contact) (R13)	0.70	10.81
We use customer information to assess customer retention behaviour (R13)	0.83	13.61
We use customer information to customise our offers (R13)	0.74	11.57
We use customer information to identify our best customers	*	-

Innovativeness

Our firm is at the leading technological edge of our industry in this market (INN1)

We invented a lot of the technology embedded in our products

Compared to our competitors, we are often first to introduce product innovations or new operating approaches (INN1)

Our firm is highly regarded for its technical expertise among our customers in this market (INN1)

0.69	10.05
-	-
0.82	12.60
0.74	11.08

Model fit statistics: $\chi^2 = 416.72$; $df = 216$; $\chi^2 / df = 1.93$; CFI = 0.92; IFI = 0.93; RMSEA = 0.069; SRMR = 0.056.

Notes: All loadings are significant at the 0.01 level. CFI = Comparative fit index; IFI = Incremental fit index; RMSEA = Root mean square error of approximation; SRMR = Standardised root mean square residual.

*Items were dropped during CFA.

Source: Authors' calculation.

Table 2. Summary statistics and correlations of study variables.

Variables	Mean	SD	1	2	3	4	5
1. Customer orientation	5.52	1.21	1.000				
2. Technological capability	4.39	1.59	0.415	1.000			
3. Relationship quality	6.18	1.08	0.734	0.354	1.000		
4. Relationship information process	5.26	1.28	0.627	0.514	0.611	1.000	
5. Innovativeness	4.46	1.55	0.308	0.623	0.277	0.340	1.000

Notes: Composite scores for each measure were obtained by averaging scores across items representing that measure. All correlations are significant ($p < 0.01$). SD: Standard deviation.
Source: Authors' calculation.

We also checked the threat of common method bias with a confirmatory factor analysis approach to Harman's single-factor test (e.g., Boyer & Hult, 2005; Kandemir, Yaprak, & Cavusgil, 2006). We compared the result of a single underlying factor with that of the five-factor model using the χ^2 difference test. The single-factor model resulted in a χ^2 value of 1777.18 ($df = 252$) and accounted for only 38% of the total variance. The χ^2 difference test also indicated that the model fit deteriorated with the single-factor model ($\Delta\chi^2 = 1360.46$, $\Delta df = 36$, $p < 0.01$). Consequently, a common method bias did not appear to be a problem.

4.2. Structural model

The results reported in Table 2 demonstrate that the first three conditions are met for a mediation analysis. Broadly speaking, customer orientation has a significant correlation with technical capability ($r = 0.415$), relationship quality ($r = 0.734$), and relationship information process ($r = 0.627$). Therefore, the first condition is met. Customer orientation is significantly correlated with innovativeness ($r = 0.308$). Thus, the second condition is met. The third condition is also met, since technological capability ($r = 0.623$), relationship quality ($r = 0.277$), and relationship information process ($r = 0.340$) depict significant correlations with innovativeness.

The fourth condition refers to the comparison of fully and partially mediated models through the χ^2 difference test ($p < 0.01$). The χ^2 difference test for the fully ($\chi^2 = 158.11$, $df = 58$) and partially ($\chi^2 = 156.88$, $df = 57$) mediated models shows a non-significant difference in fit ($\Delta\chi^2 = 1.23$, $\Delta df = 1$, non-significant). Therefore, the fully mediated model, which fits the data well ($\chi^2 = 158.11$, $df = 58$; $\chi^2/df = 2.73$; CFI = 0.93; IFI = 0.93; RMSEA = 0.094; SRMR = 0.062) is used to test the relationships among study constructs.

The results based on structural equation modelling are presented in Figure 2. Specifically, customer orientation portrays a positive association with technological capability ($\gamma_{11} = 0.61$, $t = 6.69$), relationship quality ($\gamma_{21} = 0.90$, $t = 13.92$), and relationship information process ($\gamma_{31} = 0.85$, $t = 9.32$). Thus, there is empirical support for Hypotheses 1a, 1b, and 1c. The results indicate that technological capability exerts a significant positive impact on innovativeness ($\beta_{41} = 0.81$, $t = 6.51$). However, relationship quality ($\beta_{42} = 0.14$, $t = 1.18$) and relationship information process ($\beta_{43} = -0.20$, $t = -1.54$) exert no significant influences on innovativeness. Therefore, Hypothesis 2a is supported, while Hypotheses 2b and 2c are not. The Sobel test results show that the indirect impact of customer orientation on innovativeness through technological capability (indirect effect = 0.49) is significant. Hence, Hypothesis 3a is supported. The empirical data do not support Hypotheses 3b and 3c because relationship quality and relationship information process are not significantly

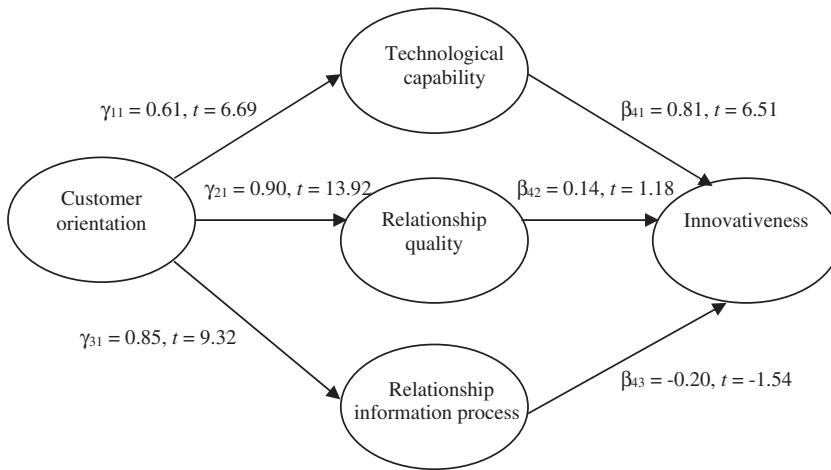


Figure 2. Structural model results.

related to innovativeness. Finally, the results explain 37% of the variance in technological capability, 81% in relationship quality, 72% in relationship information process, and 60% in innovativeness.

5. Discussion

5.1. Contribution to current knowledge and practice

Our study contributes to current knowledge on born-globals. Specifically, our study partially fills in the gap in the current literature by assessing the factors influencing the innovativeness of born-globals (Kim et al., 2011). We use data gathered from the small and medium-sized born-globals in Turkey. The results of our study allow broadening the database on born-globals because empirical research based on data arising from born-globals in the newly industrialised countries such as Turkey is sparse (Kiss et al., 2012).

Our study also contributes to practice in the following ways. First, managers in born-globals need to make sure that customer orientation is an integral part of their organisational culture because having customer orientation in place enables born-globals to focus on customer needs and foster good long-term relationships with customers. It also enables born-globals to use information technology tools for managing customer relationships and to utilise customer information from external and internal sources.

Second, born-globals should go on investing their technological capability for CRM. This is important since particular technologies lose their value over time. Otherwise, technological capability cannot be regarded as one of the internal resources of born-globals and cannot contribute to the innovativeness of born-globals.

5.2. Evaluation of findings and theoretical implications

The pattern of empirical results supports the idea that born-globals' customer orientation enhances their internal resources such as technological capability, relationship quality, and relationship information process. That is, customer-oriented born-globals utilise

technological capability for acquiring customer information and feedback, maintain good long-term relationships with partnering firms, and gather information from external and internal sources for identifying customer expectations and competitor capabilities. These findings are not only congruent with the RBV but also lend support to other relevant studies (Jayachandran et al., 2005; Kim et al., 2011).

Our results suggest that technological capability is the most important resource influencing the innovativeness of born-globals. By deploying the CRM technology, born-globals have the opportunity to obtain customer information and feedback and thus take advantage of new ideas or market offerings to enhance their innovativeness. In addition, our result that technological capability acts as a full mediator between customer orientation and innovativeness is consistent with the RBV and that of Kim et al. (2011). In short, customer-oriented born-globals high in technological capability are more innovative and can survive and prosper in foreign markets (Cavusgil et al., 2011; Kim et al., 2011).

Contrary to the hypothesised relationships, our results do not receive support from other studies appertaining to the impacts of relationship quality and the relationship information process on innovativeness (e.g., Gellynck et al., 2010; Hadjimanolis, 2000). Although our findings are partially consonant with those of Kim et al. (2011), two explanations that may shed a light on these non-significant findings are tenable. First, international partnering firms do not seem to share significant data or information with born-globals concerning market trends or new product ideas. This may be due to the fact that born-globals are relatively young and new in foreign markets. Despite this reluctance, such partnering firms may prove useful for born-globals over time. Second, the presence of information emerging from external and internal resources does not appear to be beneficial for born-globals to foster their innovativeness. As a matter of fact, taking advantage of such information is also based on the skills and ability of managers or entrepreneurs in a born-global firm.

5.3. Limitations and avenues for future research

There are several limitations that suggest avenues for future research. First, our study collected cross-sectional data from born-globals in Turkey. This practice does not allow strong causal inferences regarding the relationships tested in our study. Therefore, in future, studies using longitudinal data to overcome this problem would be beneficial. Second, the results of our study are based on self-report data. Using self-report data is prone to common method bias. With this realisation, we controlled common method bias with Harman's single-factor test using confirmatory factor analysis. The results revealed that common method bias did not appear to be a problem in our study. However, this technique only assesses the extent to which common method bias may pose a potential serious threat (Kandemir et al., 2006). Nevertheless, in future studies obtaining data from multiple sources (e.g., partnering firms) would minimise concerns over common method bias.

Third, an important area for future research is to collect data from cross-national samples in emerging economies (e.g., China, South Korea, Mexico). This would provide a platform to make a detailed assessment regarding the factors influencing the innovativeness of born-globals. future studies incorporating other internal resources (e.g., management capabilities) into the research model that may be critical to the innovativeness of born-globals would be useful.

Disclosure statement

No potential conflict of interest was reported by the authors.

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