



## Examining the efficacy of non-market and market driving activities of B2B international firms

Huda Khan<sup>a,\*</sup>, Hina Khan<sup>b</sup>, Ibrahim Abosag<sup>c,d</sup>, Pervez Ghauri<sup>e</sup>

<sup>a</sup> Africa-Asia Centre of Sustainability Research, University of Aberdeen, Business School, 719 Mac Robert Building, AB24 3FX Aberdeen, United Kingdom

<sup>b</sup> Lancaster University Management School, United Kingdom

<sup>c</sup> SOAS, University of London, Thornhaugh Street, Russell Square, London WC1H 0XG, United Kingdom

<sup>d</sup> Alfaisal University, Saudi Arabia

<sup>e</sup> Birmingham Business School, University of Birmingham, Edgbaston Park Road, Birmingham B15 2TY, United Kingdom

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### ABSTRACT

This study examines the impact of entrepreneurial and branding orientations on the two facets of market driving activities (market and non-market focused) of B2B firms for international market performance. Using empirical data ( $n = 108$ ) on European firms, this study finds that entrepreneurial orientation influences both facets of market driving activities. Further, these effects are stronger under a strong branding orientation. Market focused aspect of the driving activities fully mediates the effects of entrepreneurial orientation and market performance. Applying resource-based and market orientation theories, and contradicting studies that emphasise the adoption approach of market orientation for business success, our findings suggest that international performance of B2B firms is enhanced using a market driving approach. Unlike market-oriented firms, market-driving companies do not adopt, but instead educate their customers to accept their dominant logic, and by doing so they influence the market structure in their industry. The findings contribute to the non-market, market driving and ambidexterity literature. Managers can learn how entrepreneurial efforts can contribute towards exercising market driving strategies at a global level. They can also learn that strong branding orientation would strengthen the market driving behavior.

### 1. Introduction

According to the perspective of market orientation, when a company is market-oriented, it focuses its strategic activities on understanding customers and rivals, and adapting its products and services to gain a lasting competitive edge. A market-oriented firm develops competencies that enable adaptive capacity and operations to better fulfil customers' expectations, leading to superior performance (Jaworski, Kohli, & Sarin, 2020). Implementing adaptation across various markets, however, may need adjustments in marketing operations, which might distract firms from their long-term goal of internationally consolidating a set of valuable, distinctive, and inimitable attributes that would provide them with a sustainable competitive advantage. The risk of continual adaptation can result in losing focus on long-term goals, which may lead to a company's competitive edge being eroded or undermined in the long term (Hagen, Zucchella, & Ghauri, 2019).

Extant literature discusses reactive and proactive market

orientations, which accept a market as given (Narver, Slater, & MacLachlan, 2004). Market-driving approach is the opposite of market orientation (Jaworski, Kohli, & Sahay, 2000). Firms following market driving strategies are proactive at a different level. They do not try to understand customer to adapt their products and strategies, rather they are proactive in finding out latent needs of customers and develop new and innovative products and strategies that provide customers with surpass value. They are thus proactive at entrepreneurial level and take risk with new products and services. Ikea, Apple, Tetra Pak, and Telsa are some examples of market driving firms. The majority of market orientation research has focused on how firms proactively or reactively respond to market conditions. On a contrary notion, a market-driving approach proactively identifies unfulfilled needs in the market (Gölgeci, Malagueno, & Fearne, 2021), and aims to satisfy futuristic market needs that surpass existing solutions (Ghauri, Wang, Elg, & Rosendo-Ríos, 2016). Scholars have also pointed out that market orientation is not enough to spur innovation (Narver et al., 2004). When

\* Corresponding author.

E-mail addresses: [huda.khan@abdn.ac.uk](mailto:huda.khan@abdn.ac.uk) (H. Khan), [h.khan11@lancaster.ac.uk](mailto:h.khan11@lancaster.ac.uk) (H. Khan), [ia9@soas.ac.uk](mailto:ia9@soas.ac.uk) (I. Abosag), [p.ghauri@bham.ac.uk](mailto:p.ghauri@bham.ac.uk) (P. Ghauri).

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entering international markets, global firms may choose a more standardization or market-driving strategy, which involves educating customers and influencing market conditions (Ghauri et al., 2016). Innovating and revolutionising instead of following the current trends in the market can generate sustainable competitive advantage for a company (Khan, 2020; Rajwani & Liedong, 2015). For example, the market-driving activities of manufacturers like Swatch and DeBeers and retail manufacturers like Wal-Mart towards their B2B suppliers have allowed these companies to take control of the markets that they are steering. Similarly, IKEA has been able to develop market driving strategy in B2B international markets through its global supply network (Ghauri, Tarnovskaya, & Elg, 2008).

Market driving entails deploying fundamentally creative business processes and revolutionising the customer value offering. Market driving has mainly two facets of strategy. The *market* facet of market driving focuses on educating and influencing customers' and business partners' attitudes, beliefs, values and behavior in order to create an environment conducive to the firm's commercial offering (Iyer, Davari, Zolfagharian, & Paswan, 2019) as well as creating road block for competitors (Khan, Freeman, & Lee, 2020). The *non-market* facet focuses on influencing socio-political actors such as government, regulatory institutions and media towards firm's logic to drive the market conditions (Maciel & Fischer, 2020; Schweitzer, Palmié, Gassmann, Kahlert, & Roeth, 2021).

Prior scholarly research into market driving activities has mostly considered the two foci (market and non-market driving) separately. Hence, it becomes an important research gap to identify the efficacy of the two foci concurrently for several reasons. First, there is recently growing international business scholarly interest in examining the importance of non-market activities for international market success (Sun, Doh, Rajwani, & Seigel, 2021). Most of the prior studies have linked such activities with the policy level outcomes as opposed to firm level ones (Rodgers, Stokes, Tarba, & Khan, 2019). Still, scholars have lamented that the role of non-market activities remains under-examined in context of B2B firms international market success (Khan, 2023; Nenonen, Storbacka, Sklyar, Frow, & Payne, 2020). As B2B international firms are required to tackle institutionally different and complex environments of host markets (Barbosa & Faria, 2011), they need to engage in non-market activities for favourable outcomes such as establishing legitimacy prior to competing in the market (Earl & Michailova, 2021; Sun, Doh, Rajwani, & Seigel, 2021). B2B firms also face challenges pertaining to market environment in international markets, e.g., influencing business suppliers towards their dominant logic (Matthyssens, Kirca, & Pace, 2008). Due to delocalization, international firms are gradually shifting their production and assembly to low labour cost countries. Global customers, suppliers and competitors are often better informed about cost efficiencies and brand value. Consequently, this creates challenges for B2B firms to influence business customers and competitive conditions in the overseas markets to make the customers receptive to their offerings. Despite market and non-market challenges, B2B companies internationalise because such activities are critical to their performance (Katsikeas, 2006). Hence, theoretically it is important to examine the effectiveness of these two foci of driving activities for international market success.

Tapping onto the literature on ambidexterity, which postulates the firm's ability to simultaneously engage in the two facets of innovation (Jansen, George, Van den Bosch, & Volberda, 2008), a review of extant literature revealed that most of the work in B2B setting has been done in identifying the effectiveness of exploratory and exploitative innovation (Zhang, Edgar, Geare, & O'Kane, 2016). The efficacy of facets of market driving has remained an unattended area for scholarly research, with an exception of a recent study comparing the effectiveness of market-focused driven vs driving activities in international markets (Khan et al., 2020). Against the backdrop of the aforementioned gaps and stemming from theoretical underpinning of ambidexterity, the overarching objective of this study is to examine the effectiveness of non-

market and market facets of driving activities for B2B firms' international success.

Meanwhile, research into the determinants of market-driving activities in international B2B company growth is still scarce. For example, learning, corporate branding, business structure, and networking capabilities are identified by Ghauri, Elg, Tarnovskaya, and Wang (2011) as potential characteristics for market-driving companies. However, further studies are needed to test the drivers of this phenomenon. Hence, a key purpose of this research is to examine the key antecedent and moderating condition that affects the market and non-market aspects of market-driving behavior.

Market driving is innovative and proactive in nature, which may require entrepreneurial orientation. Entrepreneurial managers are willing to take risks for growth opportunities (Lumpkin & Dess, 2001). There is dearth of scholarly work in B2B context that has examined the effectiveness of entrepreneurial orientation in shaping the market-driving activities for international market performance. Meanwhile, branding orientation is gaining importance in B2B context (Iyer et al., 2019). This is because many B2B enterprises do not understand the strategic value of brand (Chang, Wang, & Arnett, 2018), despite innovation is critical for B2B enterprises (Leek & Christodoulides, 2012). Under high branding orientation, firms' values are explained by strategies (Urde, 1999; Urde, Baumgarth, & Merrilees, 2013). The strategies do not deviate from the central focus of branding orientation. This is because branding orientation is a forces for guiding mechanism of activities that reflect the notion of branding (Balmer, 2017). A branding orientation while being market driving is a reflection of entrepreneurial mindset. Entrepreneurial philosophy is manifested in corporate activities that allow brands to portray a favourable brand image (Anees-ur-Rehman & Johnston, 2019), while brand orientation keeps the focus of entrepreneurial activities towards market-driving activities with respect to the desired brand image. Branding orientation is influential in configuring employee, culture, resources and structure (Huang & Tsai, 2013). Hence, under branding orientation, entrepreneurial proactiveness of firm and efforts may be more dedicated towards challenging the current market and non-market conditions. Branding orientation directs B2B firms towards invention and creativity, enabling them to devote their limited resources to the most promising opportunities (Leek & Christodoulides, 2012). Hence, branding orientation may serve as an important moderating condition under which leading B2B firms' entrepreneurial orientation may have a stronger influence in market and non-market facets of driving activities. We explore this relationship to empirically validate this unexamined and plausible theoretical phenomenon. We study the mediating effects of non-market and market facets of driving activities between entrepreneurial orientation and international market performance to determine the relative importance of the two activities in enhancing international market success.

Our study offers salient theoretical contributions. Earlier studies have mostly determined the direct and indirect effects of market-driving behavior on firm performance (Ghauri et al., 2016), and non-market behavior studies have mostly examined institutional level moderators (Mellahi, Frynas, Sun, & Siegel, 2016). A lot of market-driving literature has concentrated on the nature of market-driving activities (Elg, Deligonul, Ghauri, Danis, & Tarnovskaya, 2012), but not on the entrepreneurial and branding orientations that lead to such successful pursuits. Recognising the gap identified in firm level antecedent (i.e., entrepreneurial orientation) and moderating mechanism (i.e., branding orientation) for non-market and market-driving behavior of B2B firms, we examined these relationships. Our study extends the body of knowledge regarding non-market and market facets of driving activities for B2B setting. We present novel findings pertaining to branding orientation, which shed light on the effective conditions under which entrepreneurial orientations have more influence on non-market and market-driving activities for international market performance. We examine a moderated-mediation model to provide understanding into whether market or non-market activities are more influential for the B2B firms'

performance. Finally, we extend the ambidexterity literature from exploratory vs exploitative innovation to the two facets of market-driving activities (market and non-market). Given past studies have bundled the two foci together (Maciel & Fischer, 2020; Schweitzer, Palmié, Gassmann, Kahlert, & Roeth, 2022), it would be critical to examine the relative efficacies of the two distinct foci in enhancing performance.

## 2. Conceptual framework and hypotheses development

### 2.1. Facets of market driving

Market driving entails deploying fundamentally creative business processes and revolutionising the market offerings. Market driving has mainly two facets of a strategy. The market facet of market driving focuses on educating and influencing customers' and business partners' attitudes, beliefs, values and behavior in order to create an environment conducive to the firm's commercial offering (Iyer et al., 2019; Jaworski et al., 2000) as well as creating road blocks for competitors (Khan et al., 2020). A market-driven strategy builds goods, services, and market activities around consumer requirements and desires as a result of introducing new or enhanced products into the market (Ghauri et al., 2008). In contrast to a market-driven approach, market-driving strategy aims at building future-focused products and offerings in order to fulfil customers future needs and expectations, thereby gaining long-term competitive edge (Jaworski et al., 2020).

Market-driving strategy aims to influence change in a firm's marketing environment, including consumers, competitors, society and market structure (Jaworski et al., 2000; Maciel & Fischer, 2020). The resource-based perspective suggests that resources and capabilities may be diverse and immobile within a sector. In order to gain sustained competitive edge, it is vital for a firm to create unique and invaluable resources and capabilities (Babu, Liu, Jayawardhena, & Dey, 2019; Barney, 1991).

International B2B companies operating in a variety of international environments may encounter competing and contradictory pressures and barriers from a variety of non-market actors, including governments, regulatory agencies, interest groups, and the media (Ioannou & Serafeim, 2012; Rao-Nicholson, Khan, & Marinova, 2019; Rodgers, Vershinina, Khan, & Stokes, 2021). These companies operating in a distinct non-market environment face the risk of being seen as outsiders (Johanson & Vahlne, 2009; McGuire, Lindeque, & Suder, 2012). To avoid this vulnerability due to liability of foreignness (Zaheer & Mosakowski, 1997), companies adapt to the host environment and control non-market forces in order to establish legitimacy and gain a competitive edge. Managing societal influences and priorities is critical to establishing legitimacy in foreign markets (Kline & Brown, 2019).

In the current international business climate, companies need to explore supplementary stratagems to deal with complicated institutional forces outside of the market sector (Maciel & Fischer, 2020), but research on non-market activities has only enumerated firms' preferences for a certain kind of non-market strategy for institutional level outcomes (Rodgers et al., 2019). Little attention has been paid to why MNEs choose to engage in the non-market process in a host environment for firm level outcomes, particularly in B2B settings (Khan, 2022).

Considering the non-market perspective, studies have looked at how firms deal with their non-market environment (e.g., activities aimed at influencing social and political actors). For example, adopting a non-market approach, MNEs often network with political and administrative bodies to obtain favourable outcomes such as market legitimacy prior to competing firms (Curchod, Patriotta, & Wright, 2020; Rodgers et al., 2019). Specifically, political non-market activities are influential in terms of providing unique value for firms in order to be innovative (Wang, Shi, Lin, & Yang, 2020).

It is not only the markets themselves that attempt to influence companies; a wide range of non-market stakeholders, such as regulatory

bodies, the media, and special interest groups, may play a role in shaping the public image of a business. These non-market actors also include social and political systems that shape companies' interactions both outside and alongside markets. Many companies' long-term competitiveness is impacted by these institutions' authority and regulations (Baron & Diermeier, 2007; Voinea & van Kranenburg, 2018). Hence, from the above review of literature, it can be concluded that driving activities have two facets: market and non-market, which can be influential in enhancing international market performance of B2B firms. However, it is not known which of the two foci is more effective for B2B firms.

### 2.2. Facets of market driving and the role of entrepreneurial orientation

The term "ambidextrous market orientation" refers to a company's capacity to fulfil existing and explicit customer demand with reactive and proactive approaches (Ho & Lu, 2015). Ambidexterity is also studied as the ability of a company to simultaneously meet the immediate, obvious needs of its customers through market orientation (i.e., exploiting and responding to customer needs) and to predict the long-term, futuristic needs of its customers through market driving (Khan et al., 2020).

Empirical research on ambidexterity has mainly focused on examining the effectiveness of exploration vs exploitation innovation strategies. For instance, He and Wong (2004) reveal that both innovation strategies cast positive influence on sales growth. Consistently, Lubatkin, Simsek, Ling, and Veiga (2006) argue that firms perform better when they engage in both exploration and exploitation. On a contrary notion, Ho and Lu (2015) contended that the combination of marketing exploitation and marketing exploration has a detrimental impact on the market performance. Similarly, a market orientation study found that performance of new product programs is adversely affected by the combination of proactive and responsive orientations (Atuahene-Gima, Slater, & Olson, 2005). Opposing to this, Blocker, Flint, Myers, and Slater (2011) state that customers' perceptions of value are enhanced when proactive and responsive customer orientations are employed simultaneously.

In the light of the above discussion, it can be concluded that the literature on strategic ambidexterity presents inconclusive findings for firm performance. Nevertheless, specifically, the influence of two market-driving strategic foci (market and non-market driving) in context of B2B internationalizing firms' context has largely remained an unattended area (Ghauri et al., 2016). Although studies considering the relative importance of two strategic foci have been frequently applied in the area of exploratory vs exploitative innovation (Yang, Wang, & Zhang, 2021), there is lack of research on the subject in the field of industrial marketing management. It has not been a prominent theme in non-market driving and market-driving literature. As a result, scholars have called for more research to broaden the scope of ambidexterity (Khan et al., 2020), particularly examining the importance of market and non-market approaches in international B2B firms' setting (Khan, 2022). This is mainly because B2B internationalizing firms are required to be proactive, skilled and agile in international environment (Khan, 2020; Khan & Khan, 2021b).

To remain competitive in the long run, companies may either concentrate on their present markets or try to innovate in marketplaces that do not yet exist. However, if firms focus on their existing market and achieves excellent results, they are less likely to create the sustainable market position. This is because if they engage in driving (innovative) strategies that underlies cost and risks, then naturally such strategic options would require entrepreneurial orientation (Montiel-Campos, 2018). Entrepreneurial orientation (hereafter EO) is a firm's strategic stance towards entrepreneurship, operationalization via innovation, proactiveness, and risk-taking. These alignments may explain why B2B corporations explore, exploit, or are ambidextrous (Ferreras-Méndez, Llopis, & Alegre, 2022). EO encourages individuals, teams, or

organizations to engage in entrepreneurial behavior by launching new ventures, innovating, exploring, and taking risks. These distinctions may drive scholars and practitioners to link entrepreneurial orientation with market-driving activities.

Ultimately, fostering a culture of risk tolerance is the primary purpose of fostering an EO within a company to pursue innovative strategic actions. Existing EO research demonstrates that most entrepreneurs strive for innovative and unconventional thinking (Lomberg, Diemo, Christoph, Louis, & Pat, 2017). There is a significant body of research that associates entrepreneurial orientation with successful B2B corporate performance (Faroque, Torkkeli, Sultana, & Rahman, 2022; Ferreras-Méndez et al., 2022). EO is also a vital component for multinational firms' adapting to target markets (Hartsfield, Johansen, & Knight, 2008; Riviere & Romero-Martínez, 2021). However, the existing literature is inadequate on how business performance may contribute to incorporating entrepreneurial orientation in a company's strategic portfolio (Montiel-Campos, 2018).

EO entails proactiveness, risk taking, innovativeness and aggressive competitiveness (McKenny, Short, Ketchen Jr., Payne, & Moss, 2018). While studies have linked EO with dual strategic orientation e.g., innovation, risk taking (Zhang et al., 2016), no prior study has validated its importance for market and non-market driving activities. Building onto this aforementioned gap, this study aims to contribute to the literature by investigating its significance for both market and non-market driving activities for internationalizing B2B firm firms. Research in B2B context argues that EO proactive and risk taking nature facilitates the introduction of new products in speed to market (Ferreras-Méndez et al., 2022), and its efficacy is also determined in network resource acquisition when non-market activities are high (Jiang, Liu, Fey, & Jiang, 2018). Hence, positive effects of EO on market and non-market aspects of driving activities are plausible. Accordingly, we posit that:

**H1.** Entrepreneurial orientation positively influences non-market activities of international firms.

**H2.** Entrepreneurial orientation positively influences market driving activities of international firms.

### 2.3. The moderating role of branding orientation

Brand orientation is a strategy where a firm's operation is centered on the development of brand identity by continuous contact with target customers, with the aim of creating competitive edge (Gotteland, Shock, & Sarin, 2020). The firm's aspirations are converted into key values and commitments (that the brand represents), which serve as a direction for the company's attempts to create long-term sustainable competitive advantage via branding (Iyer et al., 2019).

Brand orientation is defined as an integrated vision of the firm that incorporates both the internal and external perspective (Babu et al., 2019; Reid, Luxton, & Mavondo, 2005). Ni and Wan (2008) attribute branding capabilities to both the creation and growth of a firm's competitive position. The importance of a corporate brand in a market aspect of driving strategy in a B2B context is seldom addressed, although brand emphasis adds an essential dimension to market orientation in a B2C setting (Bregé & Kindström, 2020). Scholars in B2B literature also assert that the role of branding orientation should be explored as, despite the importance of branding, B2B studies have largely ignored examining its efficacy for marketing activities (Reijonen, Hirvonen, Nagy, Laukkanen, & Gabrielsson, 2015).

EO is characterized by the fact that businesses tend to take a hardline stance against competitors and use a high level of competitiveness to outperform them (McKenny, Short, Ketchen Jr, Payne, & Moss, 2018). EO is built around innovation. It influences an organization's efforts to foster a culture of innovation in its processes and products by embracing innovation, experimentation, autonomy, and uniqueness. EO promotes inventive, first-mover advantage-seeking endeavors to alter the

environment by offering innovative products or processes before competitors, as well as risk-taking actions, including tapping into unchartered markets and developing strong brands (Kusi, Gabrielsson, & Baumgarth, 2022).

Management's entrepreneurial attitude and the firm's marketing capabilities are two main characteristics that determine how much a B2B company is brand-oriented (Reijonen et al., 2015). Adopting a brand orientation is seen as an entrepreneurial venture as it requires a lot of effort and risk taking. Moreover, building and keeping a brand costs organizations a lot of money, which they could otherwise use to achieve other strategic goals. Thus, many companies and managers may perceive brand orientation as overly risky, particularly if they are driven by short-term financial interests (Huang & Tsai, 2013). Moreover, to succeed and remain competitive, companies must be risk-takers, ambitious, and entrepreneurially oriented. Companies and manager with EO are better able to expand their capacity for innovation and discover new business prospects, are prepared to take chances, and look for new growth prospects (Kusi et al., 2022). They are more likely to market-driving strategy and recognize the importance of focusing on the brand orientation strategy (Ranjan & Read, 2016).

Entrepreneurial oriented B2B businesses and are more likely to be innovative, ambitious, and prepared to push boundaries than traditional firms, and focus on value creation (Wang, Dass, Arnett, & Yu, 2020). Consequently, they are more motivated to devote more time and resources to building their company's brand. Thus, brand orientation becomes a vital goal of the business (Montiel-Campos, 2018), and interacts with EO to inform strategic outcomes (Anees-ur-Rehman & Johnston, 2019).

Market-driving companies invariably attempt to sway customer attitudes and behavior by influencing or changing them. The likelihood of this happening increases when entrepreneurial members are on board (Jaworski et al., 2020). Non-market ties (e.g., networking with political and social institutions) and entrepreneurial orientation are important for innovation in context of B2B firms (Zhang, O'Kane, & Chen, 2020). Non-market institutional actors provide key resources to entrepreneurial activities for better international market performance (Wales, Shir-okova, Beliaeva, Micelotta, & Marino, 2021). However, non-market facet of market driving needs further exploration in entrepreneurial domain (Khan, Mavondo, & Zahoor, 2022). The importance of branding orientation is also highlighted in political market orientation (O'Cass & Voola, 2011). Branding orientation dedicates firms towards invention and creativity, enabling them to devote their limited resources to the most promising opportunities (Urde et al., 2013). Consequently under high branding orientation, international entrepreneurs may direct efforts and resources in building non-market activities by proactively managing key political and societal connections (Sun, Doh, Rajwani, & Seigel, 2021). Based on these studies, it can be inferred that under high branding orientation, the entrepreneurial orientation is concentrated towards developing non-market activities to enhance performance in international markets. Thus, we propose that:

**H3.** The effect of entrepreneurial orientation on non-market activities is positively moderated by branding orientation.

Branding in general extends to product and business brands, while corporate brand orientation reflects how well a company has defined its values and mission. It is a distinctive brand pledge not only to customers but also to employees and other stakeholders (Chang et al., 2018). The brand is firmly entrenched in the company and serves as a medium for communicating the company's overall values (Balmer & Gray, 2003). With the market-driving approach, the firm's operations and strategic position in the external environment are considered holistically, and thus market-driving companies prioritize corporate branding above product branding (Nenonen et al., 2020). Industrial buyers considers brands as a mean to increase customer confidence (Low & Blois, 2002), satisfaction (Mudambi, 2002) and evaluation criteria to assess the supplier (Leek & Christodoulides, 2011). Thus, branding should evolve into

an overarching framework that contributes to the development of the firm's value proposition (Knox, Maklan, & Thompson, 2000). In context of B2B internationalization literature, the role of branding is considered for firm's adaptability (Beverland, Napoli, & Lindgreen, 2007). However, its role in market driving is under-researched.

Additionally, a key point is that a brand's underlying values and promise have an ongoing effect on a company at all levels. When a company develops from a position where its goals, vision and values are all integrated throughout its value chain, a significant level of brand orientation is achieved (Ghauri et al., 2008). This results in strategic competitiveness for brand-oriented companies, with brands serving as resources and the foundation for achieving competitive position (Urde et al., 2013).

The market-driving literature in B2B setting does not expand on the concept of corporate branding capability in detail (Gotteland et al., 2020). Additionally, the internationalization literature lacks observations on branding orientation as a conditional factor in international strategies. Nevertheless, we believe that one of the most distinguishing features of market-driving companies is their ability to affect marketplace behavior and structures (Jaworski et al., 2020). Market-driving companies' corporate branding tends to convey strong connotations with distinctive and innovative products and provide superior value for its customers (Ghauri et al., 2016). While a firm's entire business model e.g., value proposition of new offerings, may be built around a corporate brand, it is also being utilized as a symbolic mechanism that expresses long-term key values for all its business partners (Baumgarth, 2010). Branding orientation in B2B setting requires buyers with more extensive knowledge of products and services (Chang et al., 2018). Branding orientation requires entrepreneurs to invest significant resource commitment such as promotional efforts (Erdem & Sun, 2002) which may evolve around their market-driving activities. From these studies, we can infer that entrepreneurial orientation concentrated towards market aspect of driving activities may be more influential under high branding orientation. We thus propose:

**H4.** The effect of entrepreneurial orientation on market-driving activities is positively moderated by branding orientation.

#### 2.4. Market driving and international market performance

We know very little about the complementing or substituting impacts of non-market activities, both political and social, on a company's international performance (Khan, 2023). Existing literature has looked at how foreign corporations utilize a variety of non-market activities to succeed in foreign markets. Incorporating non-market activities may have a strong influence on performance e.g., favourable legislative judgments (Bregre & Kindström, 2020), international expansion (Curchod et al., 2020), local engagement (Mbalyohere & Lawton, 2018) and risk reduction and growth opportunities in a particular market (Manikandan & Ramachandran, 2015). As a non-market approach, firms lobby with political institutions to gain positive outcomes such as favourable policies (Rajwani & Liedong, 2015). Firms can also create a better competitive position by influencing social infrastructure and political bodies (Rodgers et al., 2021).

Research on international business often ignores the influence from the socio-political actors (Elg, Ghauri, & Tarnovskaya, 2008). Both smaller and larger firms in the EU have managed to influence the business environment in order to gain a more favourable position with regards to policies and regulations, as well as access to critical resources (Hadjikhani & Ghauri, 2001; Kamasak, James, & Yavuz, 2019). IKEA's market-driving strategy involves influencing the society on a general level, including interacting with national and local government to change rules and regulations; the company influenced the labor market and was named in the media as one of the most sought after employers in both Russia and China (Elg et al., 2008). Furthermore, by developing the city centres and building large shopping malls, IKEA also had an

influence on the market structure and the whole shopping environment in several cities (Ghauri et al., 2016). As identified above, we address the lack of observation in the literature by examining how non-market driving activities intercede with the entrepreneurial orientation on a company's international market performance. We thus suggest:

We thus suggest:

**H5.** Non-market driving activities mediate the influence of entrepreneurial orientation on international market performance.

In order to expand into new markets, market-driving companies with viable business strategies will try to shape market dynamics, rather than altering and adapting to the local environment (Bregre & Kindström, 2020). Market-driving companies tend to build activities that lead to market expansion rather than survival. A market-driving approach is considered as a firm's capability to influence the value generation approach that helps develop a global sustainable competitive edge at the product, market or industry level (Nenonen et al., 2020).

Market-driving behavior, such as supplier driving behavior, is positively linked to competitive advantage and performance in the high technology industry (Maciel & Fischer, 2020). A company may improve its performance and strengthen its competitive position by creating and maintaining a collection of unique network of business partners that is hard or impossible for rivals to imitate (Gotteland et al., 2020). To succeed with a market-driving strategy, a company must create an innovation strategic approach that enables it to compete and enter new markets effectively (Hagen et al., 2019), such as the ability to tap on global sourcing network to drive the market (Ghauri et al., 2008). These studies imply that if the resources and the network developed by the market-driving strategy are unique and cannot be imitated, the company is more competitive and effective. This resource-based perspective implies that market-driving conduct leads to outcomes that are difficult for competitors in foreign markets to copy, thus improving the firm's international performance.

Other academics believe that even a market orientation does not always result in greater share of the market (Jaworski et al., 2000), and that market orientation may have little impact on a firm's success in conditions with few rivals or stable consumer preferences (Jaworski et al., 2020; Kohli & Jaworski, 1990). We believe that following the resource-based perspective, competitive advantage may be more readily attained by using valuable, scarce, distinctive and non-imitable resources and skills (Barney, 1991). A market-driving strategy aims to bring new ideas into the market and is thus likely to be a significant source of sustainable competitive advantage (Iyer et al., 2019). Hence, we propose that:

**H6.** Market-driving activities mediate the influence of entrepreneurial orientation for international market performance.

In short, Fig. 1 demonstrates our conceptual model and hypotheses.

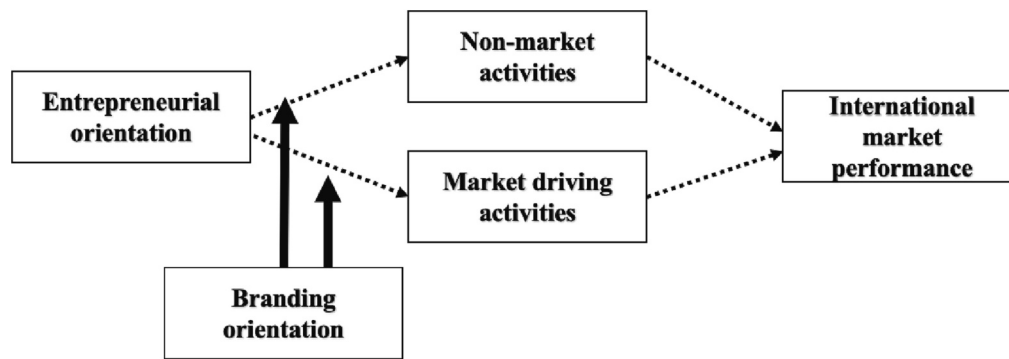
### 3. Methodology

#### 3.1. Context

The data were collected on B2B international firms headquartered in Europe. The sampling criteria of the B2B firms selected only those firms that have >250 employees and with a minimum of 25% of total sales coming from international markets. The data were sourced from Dun and Bradstreet, UK. A mailing list of 3500 firms was obtained. This data source has been used in many other rigorous research publications (Skarmeas, Zeriti, & Argouslidis, 2019) and is considered reliable.

#### 3.2. Data collection

Based on the above sampling criteria, we created a sample of European firms from the original 3500 firms. This dataset needed to be cleaned and updated and we ended up with a complete mailing list of



**Fig. 1.** Conceptual framework.  
The bold lines represent moderation and dotted lines mediation effects.

2300 firms. The survey was directed to the CEOs of these firms who were responsible for making these strategic decisions and were experienced in completing questionnaires. Questionnaires were sent via post, following the process suggested by Tailored Designed Method (TDM) (Dillman, Smyth, & Christian, 2014). Research design consists of one questionnaire per firm. After two reminders, we received 128 usable responses. As in former studies such as that of Lussier and Hartmann (2017), we deleted the missing values and poor responses using the listwise deletion method, the final sample of 108 questionnaires was considered complete and was used for the analysis (approximately 5% of the mailed questionnaires). This smaller response rate is acceptable in these type of studies and context, as confirmed by a recent study (Harzing, 2000). Indeed, numerous rigorous studies in B2B context have used similar sample size (Molina-Castillo & Munuera-Aleman, 2009; Pfajfar et al., 2019; Siamagka, Christodoulides, Michaelidou, & Valvi, 2015).

### 3.3. Measurement and common method bias

Our data were based on a single response from each company, hence there may be a possibility of common method bias. In order to reduce this bias, we employed procedural remedies as suggested by Philip M Podsakoff, MacKenzie, and Podsakoff, MacKenzie, and Podsakoff (2012). First, we ensured a proximal separation between the independent and dependent variables, so that the respondents could not guess the conceptual frameworks. We mixed the constructs in a way that it becomes hard for the respondents to guess the probable relationships (Puck, Holtbrügge, & Mohr, 2009). Second, we ensured that the survey was written in a simple language and validated by a knowledgeable academic colleague who was independent of this study. The study used established scales based on earlier studies, however we also tested their reliability to eliminate any possible ambiguity. The model fit indices supported discriminant validity (RMR = 0.18; IFI = 0.90; RMSEA = 0.08;  $\chi^2 = 586.09$ ,  $df = 289$ ;  $n = 108$ ,  $p \leq 0.01$ ) for the measurement model (J. F. J. Hair, Black, Babin, & Anderson, 2010). Drawing on Philip M. Podsakoff, MacKenzie, Lee, and Podsakoff, MacKenzie, Lee, and Podsakoff (2003), we statistically examined method bias using the common latent factor method, where every variable in the measurement model was also loaded onto a common latent factor (CLF). The model with a CLF ( $\chi^2 = 582.64$ ,  $df = 292$ ,  $p \leq 0.01$ ) did not result in a significantly better fit ( $\chi^2 = 3.45$ ,  $df = 3$ ,  $p = .33$ ). This suggests that there was no evidence of common method bias. We further examined the common method using Lindell and Whitney (2001) technique. We used a six-item scale on lack of experiential knowledge as a marker variable adapted from Eriksson, Johanson, Majkgård, and Sharma (2015). The marker variable was not significantly related to any of the observed variable in our model, satisfying the criteria to be used as a marker variable. We then identified the smallest correlation between the marker variable and non-market activities ( $r = -0.003$ ) and utilized this as a proxy to adjust for common method bias, if any. All significant correlations between the

observed variables in the conceptual model remained significant after adjusting for common method bias. We then also adjusted the bias using the second lowest correlation found between marker variable and market-driving activities ( $r = -0.069$ ) to avoid being data driven and all correlations between the observed variables of the conceptual model remained significant. The second lowest positive correlation was also deemed as a conservative estimate of common method bias. Hence, there was no evidence of common method bias.

All items were measured on a 1–7 Likert scale, 1 denoting strong disagreement with the statement, 7 representing strong agreement. Entrepreneurial orientation is defined as top management's behavior in strategic decision making, captured along the dimensions of risk taking and proactiveness. The five-items scale was adapted from Atuahene-Gima and Ko (2001). Branding orientation is defined as a strategic orientation whereby a firm is characterized by high relevance of the corporate brand as the basis of the business model. The six-items scale for branding orientation covers the important notion of inside-out brand building process, whereby integrity of the brand is paramount (Urde et al., 2013; Wong & Merrilees, 2007). Non-market activities are defined as activities that are taken outside the market environment e.g., developing relationships with administrative institutions and policy makers (Baron, 1995). The five-items scale for non-market activities is adapted from Ghauri et al. (2016). The six-items scale of market-driving activities is taken as a composite of customers' and competitors' driving actions (Ghauri et al., 2011).

The items covered the main elements of customers' and competitors' driving behaviors from previous scholarly work. For example, customers' driving aspects covered the key elements of offering superior value to the customers as a means to induce their norms and behaviors (Ghauri et al., 2016) and satisfying their latent needs, as opposed to expressed needs (Jaworski et al., 2000). The competitors' driving aspects covered the aspects of influencing horizontal competitive structure and conditions, such as creating hurdles for competitors and introducing new practices that change the dynamics of the competition (Jaworski et al., 2000). The four-items scale of international market performance was adapted from Li and Atuahene-Gima (2002). The scale covered the items including sales growth and profit growth compared to competitors over the past three years. The study controlled for industry type, firm size and age in the foreign market for any possible confounding effects (Khan, 2020).

Prior to testing the conceptual model, we first conducted an exploratory factor analysis. All items were loaded onto their respective scales with lowest loading of 0.61. This confirmed that all scales were reliable (See Table 1). The lowest Cronbach alpha (0.75) was above the threshold of 0.70, thus supporting internal consistency of the constructs (Hair, Black, Babin, Anderson, & Tatham, 2006).

**Table 1**  
Exploratory factor analysis.

Scales and respective items	Loading
<b>Entrepreneurial orientation (EO) (<math>\alpha = 0.75</math>)</b>	
1. A tendency for low-risk projects (with normal and certain rates of return)-A strong tendency for high-risk projects (with chances of very high returns).	0.61
2. In dealing with its competitors, my firm typically responds to actions that competitors initiate-Typically initiate actions that competitors respond to.	0.66
3. Typically seeks to avoid competitive clashes, “live-and-let live preferring a live” posture-Typically adopts a very competitive, “undo-the-competitor” posture.	0.73
4. Changes in product or service lines have been mostly of minor nature-Changes in product or service lines have been quite dramatic.	0.74
5. A strong emphasis on marketing true and tried products-A strong emphasis on R&D, technological leadership and innovations.	0.80
<b>Branding orientation (BO) (<math>\alpha = 0.90</math>)</b>	
1. Corporate branding flows through all our marketing activities.	0.81
2. Corporate branding is essential to our strategy.	0.89
3. Corporate branding is essential in running this firm.	0.87
4. Long term corporate branding is critical to our future success.	0.78
5. Our corporate brand is an important asset for us.	0.81
6. Everyone in this firm understands that corporate branding is a top priority for our business.	0.74
<b>Non-market activities (NMA) (<math>\alpha = 0.90</math>)</b>	
1. Our company tries to influence regulators in our international markets (or in host market government) to develop regulations that are favourable to us.	0.81
2. Our company is in regular contacts with political institutions or government bodies in our foreign markets to have a positive influence upon their attitude to our company.	0.89
3. We dedicate significant resources to “lobbying” in our foreign markets.	0.89
4. Our company actively participates in standard bodies or political committees in our foreign markets.	0.86
5. Our interactions with key media actors in foreign markets usually have a positive effect in our favour.	0.80
<b>Market (customer/competitor) driving activities (MDA) (<math>\alpha = 0.88</math>)</b>	
1. We regularly launch products/services that are intended to make customers rethink their likes/dislikes.	0.77
2. We regularly launch innovative products/services that offer superior value compared to competitor offerings.	0.85
3. We often develop products/services that address latent rather than expressed needs.	0.74
4. Our company takes the initiative in creating roadblocks for our competitors.	0.77
5. Our company regularly introduces new practices that change the way our competitors operate.	0.84
6. Our company’s initiatives often drive new rounds of competitive activity.	0.78
<b>International market performance (IMP) (<math>\alpha = 0.89</math>)</b>	
1. Our financial performance in our international market has been outstanding.	0.86
2. Our financial performance has exceeded our competitors in our international markets.	0.89
3. Our sales growth in our international market has been outstanding.	0.86
4. Our sales growth has exceeded our competitors in our international markets.	0.87

**4. Analysis and findings**

We computed the average variable extracted (AVE). The AVE of all scales were >0.50 and greater than the square of correlation between any two factors. In addition to testing discriminately valid using [Fornell and Larcker \(1981\)](#), we also confirmed the discriminant validity using HTMT (heterotrait-monotrait ratio of correlation) criteria ([Henseler, Ringle, & Sarstedt, 2015](#)). The HTMT ratios of any paired construct did not exceed the threshold of 0.85, further supporting the establishment of discriminant validity (See [Table 2](#)). The correlations are reported in [Table 3](#).

We analyzed our conceptual framework using Process Mediation and Moderation Macro 7. The macro allows us to test moderation and mediation simultaneously in the model and produce results regarding whether the model is mediated only or moderated mediation ([Hayes,](#)

**Table 2**  
Average variance extracted and htmt ratios.

Variables	Mean (S.D)	AVE	1	2	3	4	5
EO	4.88 (0.87)	0.51		<i>0.10**</i> <i>(0.40)</i>	<i>0.16**</i> <i>(0.53)</i>	<i>0.38**</i> <i>(0.80)</i>	<i>0.12**</i> <i>(0.44)</i>
BO	5.41 (1.12)	0.67			<i>0.05*</i> <i>(0.25)</i>	<i>0.10**</i> <i>(0.36)</i>	<i>0.04*</i> <i>(0.22)</i>
NMA	3.76 (1.44)	0.72				<i>0.22**</i> <i>(0.52)</i>	<i>0.04*</i> <i>(0.24)</i>
MDA	4.53 (1.19)	0.63					<i>0.18**</i> <i>(0.49)</i>
IMP	4.87 (1.03)	0.76					

EO = Entrepreneurial orientation; BO = Branding orientation; NMA = Non-market activities; MDA = Market-driving activities; IMP = International market performance.

\*\* & \* implies correlation significance at 0.01, 0.05 levels. Square of correlations are reported in italics.

HTMT ratios are reported within brackets, next to the square of correlation.

**Table 3**  
Correlation table.

	EO	BO	NMA	MDA	IMP	MV
EO		0.32**	0.40**	0.62**	0.34**	-0.12
BO			0.23*	0.32**	0.20*	-0.16
NMA				0.47**	0.21*	-0.00
MDA					0.43**	-0.07
IMP						-0.19
MV ( $\alpha = 0.86$ )						

\*\* implies significance at 0.01 level; \* implies significance at 0.05 level.

EO = Entrepreneurial orientation; BO = Branding orientation; NMA = Non-market activities; MDA = Market-driving activities; IMP = International market performance. MV = lack of experiential knowledge (marker variable).

2017). The method is consistently used in other recent studies in the Industrial Marketing Management journal ([Arslanagic-Kalajdzic, Kadic-Maglajlic, & Miocevic, 2020](#)).The results show that entrepreneurial orientation positively and significantly influences non-market activities ( $\beta = 0.25$ ; ULCI = 0.07, LLCI = 0.43) and market-driving activities ( $\beta = 0.51$ ; ULCI = 0.35, LLCI = 0.67) (See [Table 4](#)). Given that zero does not lie between the lower and the upper limit confidence intervals, this implies that the relationship is significant. Hence, we accept our H1 and H2 postulations.

The effect of entrepreneurial orientation on non-market activities is positively moderated by branding orientation ( $\beta = 0.35$ ; ULCI = 0.15, LLCI = 0.56) (See [Table 4](#)). [Table 5](#) further shows the conditional effects of branding orientation on the relationship between entrepreneurial orientation and non-market activities. The effects are positive and significant only under moderate ( $\beta = 0.32$ ; ULCI = 0.14, LLCI = 0.49) and high branding orientation ( $\beta = 0.55$ ; ULCI = 0.33, LLCI = 0.76) (See [Fig. 2](#)). Hence, we accept our H3. The effect of entrepreneurial orientation on market-driving activities is positively moderated by branding orientation ( $\beta = 0.15$ ; ULCI = -0.02, LLCI = 0.34 at  $p < .10$ ) (See [Fig. 2](#)). Given it is a one-tailed hypothesis, we can accept the hypothesis at the  $p < .10$  level ([Khan, 2020](#)). The acceptance of moderation effects is further supported by [Table 5](#) and [Fig. 2](#); they show very clear conditional effects of branding orientation on the relationship between entrepreneurial orientation and market-driving activities. The effects are positive and significant under low ( $\beta = 0.35$ ; ULCI = 0.07, LLCI = 0.63), moderate ( $\beta = 0.54$ ; ULCI = 0.39, LLCI = 0.70) and high branding orientation ( $\beta = 0.64$ ; ULCI = 0.45, LLCI = 0.84). The effect size is highest under the high branding orientation. Hence, we accept our H4. The results in [Table 5](#) further show the conditional indirect effects via non-market and market-driving activities. The conditional effect of branding orientation on mediating mechanism via non-market activities (EO → NMA → IMP) is

**Table 4**  
Process macro moderated mediation model 7.

Variable	Non-Market activities				Market driving activities				International Marketing performance			
	$\beta$	p	LLCI	ULCI	$\beta$	p	LLCI	ULCI	$\beta$	p	LLCI	ULCI
EO	0.25	<0.01	0.07	0.43	0.51	<0.01	0.35	0.67	0.12	0.27	-0.09	0.34
BO	0.25	0.02	0.03	0.47	0.16	0.09	-0.03	0.36				
EOXBO	0.35	<0.01	0.15	0.56	0.15	0.09	-0.02	0.34				
NMA									-0.04	0.67	-0.25	0.16
MDA									0.29	0.01	0.05	0.53
Industry	0.14	0.01	0.02	0.26	0.01	0.84	-0.09	0.11	0.01	0.91	-0.11	0.13
Size	0.26	0.01	0.06	0.47	0.09	0.33	-0.09	0.28	0.16	0.14	-0.05	0.38
Age_IM	0.15	0.35	-0.18	0.49	0.38	0.01	0.07	0.68	0.30	0.09	-0.05	0.66

Notes: EO = Entrepreneurial orientation; BO = Branding orientation; age\_IM = firm age in the international market, NMA = non-market activities; MDA = market driving activities.

LLCI = Lower limit of confidence interval; ULCI = Upper limit of confidence interval. If zero lies between them, it implies  $p < .05$ . p = significance value,  $\beta$  = coefficient.

**Table 5**  
Conditional effects of branding orientation.

Conditional effects of branding orientation						
Branding Orientation	NMA			MDA		
	$\beta$	LLCI	ULCI	$\beta$	LLCI	ULCI
Low	-0.11	-0.42	0.19	0.35	0.07	0.63
Moderate	0.32	0.14	0.49	0.54	0.39	0.70
High	0.55	0.33	0.76	0.64	0.45	0.84
Branding Orientation	EO- > NMA- > IMP			EO- > MDA- > IMP		
	$\beta$	LLCI	ULCI	$\beta$	LLCI	ULCI
Low	0.01	-0.04	0.04	0.10	0.01	0.24
Moderate	-0.01	-0.09	0.04	0.16	0.03	0.30
High	-0.02	-0.15	0.08	0.18	0.03	0.37

Notes: EO = Entrepreneurial orientation; NMA = Non-market activities; MDA = Market-driving activities; IMP = international market performance. Index of moderated-mediation (EO- > NMA- > IMP) = -0.01; LLCI = -0.09; ULCI = 0.06; Index of moderated-mediation (EO- > MDA- > IMP) = 0.04; LLCI = -0.01; ULCI = 0.12.

LLCI = Lower limit of confidence interval; ULCI = Upper limit of confidence interval. If zero lies between them, it implies  $p < .05$ . p = significance value,  $\beta$  = coefficient.

insignificant. The conditional effect of branding orientation on mediating mechanism via market-driving activities (EO  $\rightarrow$  MDA  $\rightarrow$  IMP) is significant at all levels of branding orientation (See Table 5).

We analyzed the mediation only model using Process Macro 6 to determine partial or full mediation effects. The macro has been widely adopted in leading studies to determine the mediation effects as it allows testing multiple indirect effects to provide comparative strength of individual indirect effect e.g., (Stekelorum, Laguir, & Elbaz, 2020). The

direct influence of entrepreneurial orientation ( $\beta = 0.27$ ;  $p < .01$ ) on international market performance is positive and significant. This satisfies the first condition of mediation that the independent variable has a significant influence on dependent variable. The entrepreneurial orientation influence non-market ( $\beta = 0.34$ ; LLCI = 0.16; ULCI =0.51). Both entrepreneurial orientation ( $\beta = 0.49$ ; LLCI = 0.33; ULCI =0.65) and non-market activities ( $\beta = 0.24$ ; LLCI = 0.72; ULCI =0.40) influence market-driving activities. This satisfies the second criteria of mediation that independent variable is positively and significantly relates to the two mediators in the model. The first mediator (non-market) positively and significantly relates to the second mediator (market driving) in the model. The effects of entrepreneurial orientation ( $\beta = 0.12$ ; LLCI = -0.09; ULCI =0.34) and non-market ( $\beta = -0.04$ ; LLCI = -0.25; ULCI =0.16) on international market performance are insignificant in the presence of market-driving behavior, while the effects of market-driving activities is positive and significant ( $\beta = 0.29$ ; LLCI = 0.05; ULCI =0.53). The total indirect effect of the model is also significant ( $\beta = 0.15$ ; LLCI = 0.01; ULCI =0.30) whereby only market driving indirect effect was significantly contributing to the indirect effect ( $\beta = 0.14$ ; LLCI = 0.02; ULCI =0.28). Hence, market-driving activities fully mediate the effects of entrepreneurial orientation on international market performance, while non-market activities do not mediate the entrepreneurial orientation effects, as its mediating influence is non-significant. Hence, we reject H5 and accept our H6 mediation postulations.

**5. Discussion**

This study addresses the key theoretical gaps in understanding the efficacy of non-market and market-driving activities in the context of

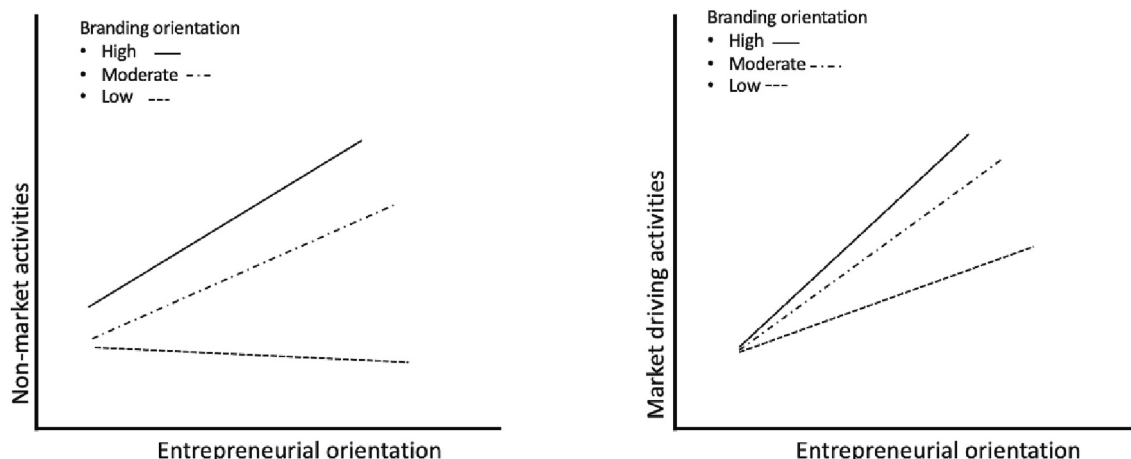


Fig. 2. Moderation effects of branding orientation.



international B2B firms. The study finds that entrepreneurial orientation positively influences international market performance. The effects of entrepreneurial orientation on non-market and market-driving activities are moderated by branding orientation, and market-driving activities fully mediate the effects of entrepreneurial orientation and even non-market activities' effects on international market performance.

Our findings present new antecedent and boundary conditions of non-market and market-driving activities' effectiveness. Past studies determined some antecedents of market-driving activities and found that market-driving activities mediate the influence on performance (Ghauri et al., 2016). However, these studies did not examine the important role of entrepreneurial orientation and the moderating mechanism of branding orientation, even though driving B2B firms have their own distinct brand and customers of B2B firms use branding as a mean to make purchase decision (Leek & Christodoulides, 2011). In addition, international business scholars focusing on B2B have been calling for integrated research on market and non-market approaches in understanding international performance (Ahhammad, Tarba, Frynas, & Scola, 2017; Henisz & Zelner, 2012). Past studies on driving activities have combined the two foci (market and non-market activities) together and did not examine their relative effectiveness for performance (Maciel & Fischer, 2020). Our study has been designed to address these gaps in the current B2B literature.

In doing so, our study makes several salient theoretical contributions. First, we draw upon and contributed to ambidexterity in B2B literature by exploring whether market or non-market facets of driving activities are more influential for B2B firms. Given past ambidexterity research has mostly examined the dual facets of exploratory and exploitative innovation (Ngo, Bucic, Sinha, & Lu, 2019), we simultaneously examined the roles of two facets of driving activities in understanding their efficacy for the B2B firms' international market performance. Our findings suggest that while non-market-driving activities can be useful for B2B firms, these activities are not as influential as market-driving activities for international market success. This is a central theoretical contribution given ambidexterity research is lacking in B2B marketing context as well as in the market-driving literature. Our findings imply that B2B firms' international market performance is gained through influencing the customers' behaviors and competitive norms. The findings would guide entrepreneurial B2B firms in allocating resources appropriately towards market-driving activities. Our study thus highlights that it is through market-driving activities that firms can use their dominant logic globally, in every market they enter.

Second, brand orientation plays a key moderating role on the relationships between entrepreneurial orientation and non-market activities and market-driving activities. The understudied role of entrepreneurial and branding orientations has been ignored in earlier studies in both market and non-market driving literature, particularly in B2B setting (Elg & Ghauri, 2021; Hadjikhani, Elg, & Ghauri, 2012). The findings suggest that branding orientation is crucial in enhancing the influence of entrepreneurial orientation on both non-market and market-driving activities. This is theoretically relevant as market-driving firms often have a distinctive brand recognition that reflects throughout its value chain (Tarnovskaya, Elg, & Burt, 2008). This is also in line with the research arguing that brand positioning leads to different types of market approaches (Beverland, Napoli, & Farrelly, 2010). Given that branding orientation can set the direction for a market approach (Tajeddini & Ratten, 2020), the effects of entrepreneurial orientation on both non-market and market-driving activities are stronger when moderated by high branding orientation. We address the call for research on branding orientation in B2B setting (Chang et al., 2018) as some industrial marketing scholars believe that branding may not be relevant for B2B firms (Leek & Christodoulides, 2011). We specifically showed that branding orientation is important in the context of B2B driving activities in international business setting.

Third, we found that the effects of entrepreneurial orientation and non-market activities are mediated by market facet of driving activities.

The theoretical implication of this finding could be drawn from non-market activities' literature which asserts that through activities such as connections with political and administrative institutions in the host market, in addition to business partners can capitalize and consequently influence performance (Rajwani & Liedong, 2015). The effect of non-market activities on the B2B firms' international market performance may neither be linear nor simple. Such activities may be helpful and translated into market-driving behavior. For example, collaborating with administrative bodies may help international firms in obtaining licenses and preferential treatment over competitors (Child & Tsai, 2005). As a result, they can take approaches in reaching out to customers before competitors. Networking with media and other relevant administrative institutions in the host markets can provide firms with resources and capabilities that may be required for driving the markets.

Finally, our study contributes to the resource-based theory and market-driving literature. Taking an opposite perspective to market orientation i.e., market driving, we argue that not all companies need to be market oriented and adapt their products and strategies to customers and the market in general. Market-driving firms can educate their customers and other stakeholders to accept their dominant logic and influence the market structure in their industry. The findings contribute to the non-market literature by asserting that the entrepreneurial orientation influences non-market activities, and the effects are stronger under branding orientation. However, non-market activities are not as influential as market related driving activities in enhancing the B2B firms' international market performance. Senior managers in a number of firms follow their dominant logic and believe that they need not to adapt to current customer/market demands but instead provide superior products/solutions that are not in the market at present. That is why they believe that they need to educate the market about their new and dominant solutions. We found that entrepreneurial orientation through a market facet of driving approach, leads to provision of superior market offerings to customer. Although this entails risk taking, it is an important part of entrepreneurial approach that would lead to superior in performance for B2B firms.

### 5.1. Managerial implications

Examined the market driving and resource-based theoretical perspectives in the unique context of B2B international firms, we study how these firms can create crucial inimitable resources through market-driving activities. Our study reveals the factors that enable these firms to do so. We explain the role of entrepreneurial orientation in pursuit of market and non-market driving activities, and how this is moderated by branding orientation. Hence, several important implications for international managers of B2B accrue from our study:

First, our findings suggest that firms can enhance international performance through market-driving activities. The effects of entrepreneurial orientation on market-driving activities are stronger under high branding orientation. Hence, these findings imply that managers of B2B firms should also focus on brand development as it is a critical driving force for enhancing the impact of market-driving activities. B2B managers should invest more resources and time in activities that further increase brand equity through interactions between internal and external stakeholders. Such activities should convey the perception of core competence by firms/managers in managing and building their international brands in a way that is closely associated with organizational development and superior performance. To do this, managers should set clear entrepreneurial and brand orientations activities to drive the international market. They can possibly do so with training, development, and collaboration with their business partners.

Second, to develop a higher branding orientation, international managers of B2B are required to proactively create and manage branding activities. Ad-hoc brand management activities in the global B2B market cannot lead to efficacy in developing and maintaining brand orientation. Instead, branding orientation requires a deliberate

management through the development of brand-oriented culture based on values and norms that international managers and their organizations adhere to closely. It is imperative that international managers deeply involve stakeholders as they are important to developing and maintaining such orientation. However, managers should realize that to do so is very challenging due to the divergent identities and interests in the process of building and maintaining brand orientation.

Third, international managers of B2B should develop ties with host market non-market players such as administrative institutions, policy makers, business communities and media, as they can help them in getting preferential treatments, consequently hindering competitors to access or copy their inimitable resources. Obtaining access to non-market actors may not be an easy task and it must be done proactively and strategically. International managers should provide resources and entrepreneurial development support and training programs to motivate them and be receptive to their market-driving activities.

Fourth, international firms should invest more resources into increasing engagement with the corporate brand for both non-market and market-driven activities. The findings from this study solidly establish the importance of brand orientation in enhancing the influence of entrepreneurial orientation on both non-market and market-driving activities, which ultimately impact the performance of international firm.

Finally, improving brand-strategic orientations are strictly linked to organizational culture and organizational identity (Baumgarth, 2010). Any improvement of strategic orientation incorporates replacing essential assumptions, values, norms and, hence changing identity. While this requires learning and change, such improvement can be transformational. Hence, top management should be directly involved, and international managers of B2B need to increase their learning and awareness about the required changes/improvements to effectively engage with market-driving and non-market activities and thus improving international market performance.

## 5.2. Limitations and future research directions

This study has some limitations which can be addressed in future studies. It is based on European international B2B firms, and future studies can consider other advanced market multinationals and emerging market multinational firms for generalizability. While we examined the role of entrepreneurial orientation as an antecedent of non-market and market focused aspect of market-driving activities, future studies can consider other underexamined capabilities such as market sensing, flexibility, speed and responsiveness (Khan, 2020).

Future studies can also consider external contingency variables such as competition intensity and the role of marketing skills in the foreign markets (Khan & Khan, 2021a). We controlled for the effects of age, size and industry. Future studies can consider these as moderating variables in the model. Another possible research avenue is the moderating role of home institutional support in enhancing the efficacy of market-driving activities in international markets. Future studies may possibly adopt a mixed method approach to distil more information on the drivers of the two facets of market-driving activities. Given market driving is found to be more powerful level in context of B2B international firms, future qualitative studies can further add value in testing out complexities and nuances of the market and non-market strategies.

In addition, future research should consider exploring tensions and resistance associated with market-driving activities of B2B international firms. In particular, given the findings that show the significant influence brand orientation has on moderating the relationship between entrepreneurial orientation and market-driving and non-market activities, future research should examine tensions and resistance that may have adverse effects on brand orientation activities, especially within and surrounding international B2B relationships that involve a rather higher degree of diversity among stakeholders.

## Data availability

The authors do not have permission to share data.

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**Huda Khan** is Senior Lecturer in Marketing at the University of Aberdeen, United Kingdom. Huda’s research mainly focuses on firms’ dynamic marketing capabilities in emerging and advanced markets. Her work has appeared in many leading journals including *Journal of Business Research*, *European Marketing Journal*, *British Journal of Management*, *International Business Review*, *International Marketing Review*, *Annals of Tourism Research*, among others.

**Dr. Hina Khan** is the Director of International Teaching Partnership and Development and a Marketing Lecturer at Lancaster University Management School (LUMS), Lancaster University, UK. In addition, she works as an independent marketing consultant too. She was a member of the *Journal of Small Business and Enterprise Development’s* Editorial Board from 2010 to 2018. She serves as a reviewer for the *Academy of Marketing Science*, *International Marketing Review*, *International Business Review*, and the *Journal of Services Marketing*. In recognition of her contributions to the *Journal of Small Business and Enterprise Development*, she received the excellent reviewer award in 2012. She was one of three finalists for the *Lloyds TSB Jewel Award* in 2007. She has published in international journals. She presents papers and chairs sessions at international conferences regularly.

**Dr. Ibrahim Abosag** is a Reader in International Business and Marketing at SOAS University of London. His research interests include B2B, online brand community, analysis of firm capabilities, brand relationships, experiential marketing, and virtual marketing. Dr. Abosag has published in various academic journals including *Technological Forecasting and Social Change*, *Industrial Marketing Management*, *Journal of Business Research*, *International Business Review*, *European Journal of Marketing*, *Journal of Marketing Management*, and others.

**Professor Pervez Ghauri** completed his PhD from Uppsala University where he also taught for several years. At present he is Professor of International Business at the University of Birmingham in UK. Pervez is the founding Editor of *International Business Review* (IBR) and Consulting Editor for *Journal of International Business Studies* (JIBS) since 2017. He is a Fellow of the *Academy of International Business* (AIB) where he was also Vice President between 2008 and 2010. He is also Fellow of the *European International Business Academy* (EIBA). Pervez has published >30 books and >100 articles in top level journals. Pervez has also been consulting and running executive training programs with several companies such as, BP, Ericsson and Airbus Industries.