



Article

International Dynamic Marketing Capabilities of Emerging-Market Small Business on E-Commerce

Kihyon Kim and Gyoogun Lim *

Department of Business Administration, Hanyang University, 222 Wangsimni-ro, Seongdong-gu, Seoul 04763, Korea; kihyon@hanyang.ac.kr

* Correspondence: gglim@hanyang.ac.kr

Abstract: For better export marketing strategies (EMS), companies mobilize their internal resources, which are managerial commitment, firm experience, and product uniqueness. However, Small businesses with constrained resources cannot be well explained with this view. So, more research on how small businesses come up with EMS has been called for. To explain how resource-restricted firms rely heavily on entrepreneurs, this study adopted the concept of dynamic managerial capabilities (DMCs) and resource versatility to better explain small business exports. We analyzed small businesses in Mongolia with qualitative research methods, including interviews with entrepreneurs and support organizations, site visits, and group discussions. We suggest international dynamic marketing capabilities (IDMCs), which are entrepreneurial orientation, networking capability, and versatile dynamic capability for small businesses. Theoretical and managerial implications are discussed.

Keywords: Cross-Border Electronic Commerce (CBEC); Export Marketing Strategy (EMS); International Dynamic Marketing Capability (IDMC); Dynamic Managerial Capability (DMC); entrepreneurial orientation; networking capability; versatile dynamic capability



Citation: Kim, K.; Lim, G.

International Dynamic Marketing Capabilities of Emerging-Market Small Business on E-Commerce. *J. Theor. Appl. Electron. Commer. Res.* **2022**, *17*, 199–211. <https://doi.org/10.3390/jtaer17010010>

Academic Editors: Shib Sankar Sana, Sweetey Sadhukhan and Carla Ruiz Mafe

Received: 30 July 2021

Accepted: 10 January 2022

Published: 17 January 2022

Publisher's Note: MDPI stays neutral with regard to jurisdictional claims in published maps and institutional affiliations.



Copyright: © 2022 by the authors. Licensee MDPI, Basel, Switzerland. This article is an open access article distributed under the terms and conditions of the Creative Commons Attribution (CC BY) license (<https://creativecommons.org/licenses/by/4.0/>).

1. Introduction

Cross-Border Electronic Commerce (CBEC; e-commerce), which is an online channel through which products are directly sold to international consumers via the internet, is expected to account for 22% of the total business-to-consumer (B2C) e-commerce worldwide by 2022 [1]. CBEC has profound impacts on a country's trade growth [2] especially emerging markets [3]. It is a way to diversify against unstable situations in domestic markets in emerging markets for small businesses [4]. Therefore, for small businesses in emerging economies, CBEC is necessary for their export performance.

For a high level of export performance, export marketing strategies (EMS) are needed [5]. Researchers on factors that determine the development of EMS, internal resources of firms have been focused as main contributors [6]. Firms' internal resources, such as managerial commitment, firm experience, and product uniqueness lead the firm to develop EMS enhancing export performance [7,8].

However, small businesses have limited resources compared to large companies [9–11] and hindered in internationalization [5,12]. So, resource-based views cannot provide effective solution for small firms to develop EMS. Despite the increasing role of small firms in the world economy, export marketing research has focused too much on large firms [13] and research for small firms is still embryonic [5,14–19]. Also, only few studies have examined emerging market business [17,20]. There has been very little research on how small business entrepreneurs overcome resource deficiencies.

The aim of this paper is to explain how small firms in emerging markets adopt and develop EMS for CBEC with constrained resources. To fill the research gap and better strategize how small business can cope with EMS, we employed recent findings from extant research on small business entrepreneurs. Emerging-market small firms can overcome their

constrained resources by leveraging other capabilities [5]. For example, they can rely on entrepreneurs' capabilities [21,22], mobilize external partners' resources and apply existing resources in multiple functions. So, this study adopts the concept of dynamic managerial capabilities (DMCs), which contains variations of entrepreneurs' capabilities, including cognitive capabilities and networking capabilities [23–25]. In addition to this, we adopt the concept of resource versatility, which explains multiple uses of existing resources [26] to strategize how small firms adopt to challenges.

This paper adopts qualitative research methods to analyze actual small business CBEC cases. We chose Mongolia, since there is a growing need in CBEC for small business to overcome its domestic market constraints, and relevant organizations are trying to support their EMS. With interviews and discussions with small business entrepreneurs and supporting organizations in Mongolia, this study presents better explanations on how small business in emerging markets adopt EMS and suggests practical strategies which can be replicated. It is timely since due to the current global pandemic, small firms need to strengthen their CBEC. This study also contributes theoretically in terms of filling the gap of EMS literatures which have been mainly focused on large firms.

2. Literature Review

2.1. International Marketing Capability

Firms mobilize their internal resources to develop EMS [1,7,8] and achieve competitive advantage [27,28]. Their internal resources, such as a firm's management commitment, firm experience, and product uniqueness have positive impacts on EMS [7,8]. To be more specific, highly committed managers are more likely to proactively adopt EMS [29,30] and more experienced firms are better at identifying market demands and understanding foreign markets [7]. Also, product uniqueness—the degree to which a product incorporates features to satisfy consumers' unique needs [31]—helps firms gain a competitive advantage in foreign markets [32]. (See Figure 1 for the conceptual framework of EMS.)



Figure 1. Internal determinants of EMS (partially excerpted from [8]).

However, small firms lack internal resources to develop EMS. For example, they are not convinced of the value of e-commerce [33] so lacks management commitment. Also, they have a low level of marketing experience [34,35] so lacks firm experience. Thus, they are at disadvantages to come up with EMS compared to larger entities [12]. It makes harder for them to expand beyond their domestic market [34,35] and be equipped for internationalization [36].

2.2. Need of Dynamism in Marketing Capabilities

To overcome these constraints upon them, small business takes various alternative measures [37–39]. However, internal resource-based views are static and do not apply dynamism in reality [22,40]. In real business case, dynamic capabilities, not just fixed resources positively influence CBEC [5,41] and firm performance [22,42]. In this regard, a firms' capabilities are not just the sum of internal resources [22,26,43]. A firm's capabilities are bundles of skills and knowledge that the firm has, based on diverse use of their resources [44].

Therefore, we applied the concept of International Dynamic Marketing Capability (IDMC), which well explains how a firm purposefully integrates, builds, and modifies internal and external resources [22,45,46]. For example, export-oriented capabilities include marketing capability [47], networking capability [48], and internationalization capability [49].

So, small businesses make use of dynamic marketing capabilities. Since most small firms are managed by a single owner [50,51], they rely heavily on the entrepreneur's capabilities [21,22]. Research on dynamic managerial capabilities (DMCs) well explain various entrepreneurs' capabilities [23,24]. DMC provides a useful theoretical lens to how various capabilities are converted to small business' resource. Small firms also need to incorporate external partners' capabilities to extend their resource bases [42,46,52]. DMC entails collaboration with external partners as well [23,25]. Because of its dynamism, DMC has gained popularity as a framework in recent years [53].

Small firms are more cross-functional than large firms. They modify certain capabilities and applied them in multiple roles. This means that existing constrained resources are more versatile than their larger counterparts [25]. Research on resource versatility, which well explain this dynamism, can be applied to small busienss. So, this study incorporates extant research on DMC and resource versatility. More detailed explanations are following.

2.3. *Entrepreneurs' Dynamic Capability*

Managerial capability is how managers build, integrate, and reconfigure their organizational resources [54]. It includes managerial cognition; personal beliefs and mental models for decision-making [54,55]. This affects how the firm senses market changes and behave subsequently. The entrepreneurs' capabilities to proactively seeking new markets lead to better EMS and export performance [56], whie inert managerial cognition fail to recognize market changes resulting in poor performance [55]. Entrepreneurial orientation refers to the capability of the entrepreneur to be proactive in seeking new markets [3,57] and it leads to development of better EMS [5,58].

Hence, we propose the following:

Proposition 1. *For emerging market small business, entrepreneurial orientation leads to the development of EMS.*

2.4. *Networking Capability*

Network refers interconnected firms and managers involved in economic activities that convert resources into outputs [59,60]. It encompasses external partners [61], such as technological alliance partners [19,38,62] and even informal relationships [63]. Firms leverage networks to renew their resources, develop marketing capabilities and strategies [5,32,64], obtain competitive advantages to achieve business goals [65]. In exporting, local partners perform even core activities such as marketing [5] and identifying new market opportunities [66]. Especially in the early stage of internationalization, leveraging external partners' capabilities is essential [38,67,68]

For small business, entrepreneur's network capability determines the firm's network [69] and entrepreneur's network helps the firm to obtain resources [56], compensates scarce resources [70] and reinforces capabilities [71]. In terms of EMS, entrepreneurs' formal and informal networking activities function as marketing activities [19,56,64] and help the firm to develop better marketing strategies [5].

Hence, we propose the following:

Proposition 2. *For emerging market small business, networking capability of entrepreneurs leads to the development of EMS.*

2.5. *Versatile Dynamic Capability*

To overcome scarcity of resources, small businesses use existing resources in more effective and efficient way. They modify certain capabilities to apply them for multiple roles [9].

For example, marketing capabilities can be used in product development since capabilities overlap [39]. To explain how small business can mobilize their limited resource for better export performance, we adopt the concept of resource versatility, which conceptualizes how certain resources support multiple roles in resource-constrained firms [54].

Hence, we claim the following:

Proposition 3. *For emerging market small business, versatile dynamic capabilities have a positive impact on the development of EMS.*

To summarize, Figure 2 shows how emerging market small firms can be successful in foreign markets using their capabilities, which termed as international dynamic marketing capabilities [6,45]. Adopting research on managerial dynamic capability theory and resource versatility, we propose that entrepreneurial orientation, networking capability, and versatile dynamic capability might help small business to develop better EMS for better export performance.



Figure 2. International dynamic marketing capabilities of emerging-market small business.

3. Research Methods

3.1. Research Design

The aim of this study is to explore how small business in emerging economy mobilize their capabilities to develop EMS in CBEC context. We adopted qualitative study methods, because they can be used to derive findings from under-studied phenomena [72] and to understand processes that could not be disassociated from context [73]. This is also to compare new empirical findings with those of prior studies [74]. In this study, how international dynamic marketing capabilities of small business are used to come up with better EMS is compared to internal resources of large firms [28,75,76].

3.2. Data Collection

For small business case analysis, we selected micro-enterprises in Mongolia for several reasons. First, Mongolia is an emerging economy with growing e-commerce. Not just its domestic e-commerce industry shows unprecedented growth; its revenue increased more than 60% during 2020 [77]., it also has a relatively good infrastructure for e-commerce in the capital city, Ulaanbaatar, as emerging economy. Of the country’s total population of 3 million, 2.6 million have internet access, while 2 million use smartphones, and 1.3 million use social networking services (SNSs) on a regular basis [77]. All these numbers show Mongolia’s potential for CBEC. Also, CBEC is necessary for Mongolia to overcome the challenging geography of the country for trade growth. Thus, there are demands from small business to improve their export. So, international non-governmental organizations (INGOs), foreign and domestic governments are taking initiatives to support small business entrepreneurs doing CBEC. One of the examples is the business incubation center (the Women’s Business Center) in Ulaanbaatar. In 2016, it was established by the support from the INGO (the Asia Foundation), the Korea government (Korea International Cooperation Agency), and the Mongolia government. They work together to support female micro-entrepreneurs and to incubate successful small business.

We collected data from multiple sources for triangulation [72]. We could implement internal documents reviews, interviews, site visits, and focus-group discussions with entrepreneurs, staffs of the business incubation center and many other relevant parties in Mongolia, Korea, and the US. To select representative small businesses, the following criteria were applied: the business (a) located inside the Women Business Center; (b) with less than 15 employees; (c) have experience of domestic e-commerce; (d) currently involved in CBEC. We selected three representative cases with the help of the Women Business Center.

To enhance the feasibility and practicability of the research, we interviewed colleagues from external partners of small businesses; the Asia Foundation Mongolia office which runs the Women Business Center; IT start-up incubation center in Ulaanbaatar which partners with the center; digital finance service firm which work closely with the center; and the bank in Ulaanbaatar. To ensure the research findings, we also interviewed people who have experience in exporting Mongolian goods to Korea. Table 1 shows the details of the interviewees.

Table 1. Information about the Interviews.

Case	Interviewee	Nationality	Business	Interview Occasion
A	Entrepreneur	Mongolia	Eco-friendly flowerpots	9 September 2019/Ulaanbaatar
B	Entrepreneur	Mongolia	Organic foods and beverages	9 September 2019/Ulaanbaatar
C	Entrepreneur	Mongolia	Hand-crafted accessories	9 September 2019/Ulaanbaatar
D	Entrepreneur	South Korea	IT start-up incubation	16 August 2019/Seoul
E	Manager	Mongolia	IT start-up incubation	10 September 2019/Ulaanbaatar
F	Head of Corporate Sales	Mongolia	Digital finance service	10 September 2019/Ulaanbaatar
G	Former CEO	Mongolia	Banking service	10 September 2019/Ulaanbaatar
H	Country Representative	US	INGO office in Seoul	18 July 2019/Seoul
I	Manager	US	Business incubation center	27 August 2019/Seoul
J	Manager	Mongolia	Business incubation center	9 September 2019/Ulaanbaatar
K	Manager	Mongolia	Business incubation center	9 September 2019/Ulaanbaatar
L	Former Manager	South Korea	Korea government	26 June 2020/Seoul
M	Former Manager	US	INGO office in Ulaanbaatar	20 September 2019/Washington D.C.

At each interview, people were encouraged to speak freely with no forced answers. The interviews were conducted in Mongolian, Korean, and English and the average length was about one hour. With entrepreneurs, we tried to understand how small firms develop EMS and tried to confirm it with external partners. After the completion of the research, we contacted external partners again to check their views on feasibility and applicability of research findings based on their experience. Several findings were actually adopted by the center to support small business doing CBEC.

3.3. Data Analysis

For data analysis, two researchers repeatedly reviewed the interview results and reach a consensus [78]. Then the results were grouped into categories. We shifted back and forth between the interview results and the broad scope of literature to reach a consensus, which is supported by theories. This analysis was similar to Strauss and Corbin’s notion of open coding [79]. For example, interview results on small business’ challenge were categorized according to theories. Interview results on possible solutions were also categorized based on theories. Then those were integrated into a theoretical concept. The consensus and findings were reported back to the center to ensure validity and practicality. The level of disagreement was generally low. Through these processes, we tried to match the interview data with theories [79]. Figure 3 explains the data structure on interviews and literature reviews.



Figure 3. Data structure of interviews results and literatures.

4. Case Findings

4.1. Managerial Commitment and Entrepreneurial Orientation

High level of managerial commitment is one of the internal resources that leads to the development of better EMS [29,30]. However, small firms are not convinced of the value of e-commerce [33] so lacks management commitment. According to the interviews, most of the entrepreneurs were not committed to CBEC. For them, although they had experience in domestic e-commerce, cross-border presents unprecedented challenges that they are not accustomed to. These entails export procedures, such as customs and cross-border deliveries. However, entrepreneurial orientation, which is the capability of the entrepreneur to be proactive in seeking new markets [3,58], can be facilitated for the development of EMS [5,59]. According to the interviews, entrepreneurs want to expand their business and seek new business opportunities. Despite a low level of commitment to export, small business entrepreneurs have entrepreneurial orientations to expand their markets to foreign countries:

“I want to export the product abroad. [...] However, I never experienced selling products abroad [...]. It is difficult for me to know about export procedures [...] It is hard to get necessary information regarding export [...] It is challenging for us [...] I hope that I can get support.” (Entrepreneur, Respondent A)

“We are currently selling organic juice essence to Japan [...] We also want to expand to [the] Korea market. But we need to consider that export entail taxes, deliveries and other complex procedures [...] It is still challenging for us.” (Entrepreneur, Respondent B)

“We want to sell hand-crafted goods to foreign markets [...] We need to check whether it is possible or not [...] We need consultations on this [...]” (Entrepreneur, Respondent C)

So, we confirm that entrepreneurial orientation, rather than managerial commitment, needs to be considered as a factor influencing the development of EMS. This was confirmed by interviews with external partners including managers of the business incubation center, former CEO of the bank, head of the digital finance service provider, and former government officer. They confirmed that CBEC is critical for the growth of a small business. Managers of the business incubation center explained how they share other entrepreneurs’ successful CBEC and facilitate entrepreneurial orientation:

“We strategize that micro-entrepreneurs from developing countries need to sell their products abroad [...] since their local market size has limitations for growth [...] export through e-commerce opens windows of opportunities for them [...] Also, trades are now moving to e-commerce [...] So we are putting our efforts to effectively to support export using e-commerce.” (Country Representative of INGO, Respondent H)

“We plan to build up e-commerce websites which sell small business products [. . .] We can offer digital platforms for micro-entrepreneurs to sell their products [. . .] Not just production—we want to support selling products.” (Manager of the business incubation center, Respondent I)

“We run programs for entrepreneurs based on their needs . . . such as sharing the experience of other successful exporters [. . .] Once we invited entrepreneurs from Korea to share their experiences in exporting [. . .] Through those experiences, entrepreneurs were motivated to export.” (Manager of the business incubation center, Respondent J)

4.2. Firm Experience and Networking Capability

Small businesses have a low level of marketing experience [34,35]. Small firms we interviewed expressed their concerns about their lack of knowledge and experience:

“In the domestic market, most of our products are sold online [. . .] However, I concerned that I never experienced selling products abroad.” (Entrepreneur, Respondent A)

One of the main challenges that small businesses face is how they adapt to CBEC platforms. Large companies usually develop their own digital platforms [80,81]. It takes a lot of resources to set up their own digital platforms. So, small firms utilize existing platforms instead of making investments to set up their own platform [82]. Third-party digital platforms provide easy access to international markets [24] and help take advantage of existing industrial chains, trade processes, payment methods, logistic, and warehousing. They also reduce risks and transaction costs, because of their trust [83]. So, it is recommended for small firms to rely on third-party digital platforms such as Amazon and Alibaba [84]. They provide small exporters with technological tools for analysis [85], payments, and even logistics services [86].

To validate these recommendations in the Mongolia context, we analyzed CBEC platform options for Mongolian entrepreneurs to export to the Korean market. Setting up their own independent platforms requires legal and administrative procedures, including business registration and e-commerce registration in Korea. However, third-party platforms, such as “G-market Global Shop” (Korean e-commerce platform), do not require this procedures. This open-market platform aims to provide services to less-resourced independent sellers. IT service providers in Mongolia agreed and the business incubation center decided to use existing digital platforms, rather than setting up their own:

“I recommend using Korea open markets [. . .] We do not recommend making an independent website [. . .] Because micro-entrepreneurs do not have the expertise, experience, and enough resources to set up and manage a digital platform [. . .] They may face difficulties in managing it.” (Entrepreneur, Respondent D)

“So far, we planned to set up independent websites for micro-entrepreneurs [. . .] However, it seems that we should rather focus on supporting entrepreneurs entering into existing market platforms [. . .] It will save lots of resources [. . .] It will be more practical and effective [. . .]” (Manager of the business incubation center, Respondent I)

Another challenge that small firms face is exporter service. Exporter service includes deliveries, customs, and administrative procedures to export. Currently interviewed entrepreneurs individually deal with exporter services. However, these procedures can be outsourced to specialized agencies [83]. Outsourcing improves service quality, reduces costs, and enables entrepreneurs to focus on their core business [87]. So, after interviews and discussions, we suggested small businesses to make a collective contract to use exporter services, since individual contract may be challenging for them because of its small size. For example, multiple small firms can make collective contracts on distribution:

“It is plausible to use delivery services collectively [. . .] There is an existing logistic service exporting Mongolian products to Korea run by exporter company [. . .] Usually,

they make a contract with big exporting companies [. . .] Likewise, Mongolian entrepreneurs can cooperate with each other and make collective contacts.” (Entrepreneur, Respondent D)

Government and INGOs can support collective contract between exporters and multiple small firms. This strategy is implemented in more advanced countries: Korea government provides collective delivery services for Korean small businesses.

4.3. Product Uniqueness and Versatile Dynamic Capability

For small business, satisfying the unique needs of customers in foreign markets is challenging. Without differentiated products with competitiveness, it is hard to persuade foreign consumers to buy the product. According to the interviews, Mongolian products are also challenged by product uniqueness. One of interviewee who has exported Mongolian products to Korea shared experience. Only a few product categories have product uniqueness:

“Mongolian manufactured products are competing with Chinese products in foreign markets [. . .] In many cases, it is challenging to have a competitive advantage [. . .] Rather than manufactured products, there are several categories that have competitiveness in foreign markets [. . .] Several products made from natural ingredients have high quality and good perception in Korea [. . .] For example, natural ingredients such as honey [. . .] cashmere have a competitive edge [. . .] However, they have other challenges such as food standards [. . .] producer associations who deter imports in foreign countries [. . .] In Korea, selling Mongolian honey was tried several times but faced challenges.” (Entrepreneur, Respondent D)

“Products which are exported to nearby markets, including Korea, China, and Japan, are cashmere, wool, meat, and salt [. . .] They have competitiveness.” (Manager of the business incubation center, Respondent I)

According to the resource versatility, product uniqueness can be supplemented with marketing capabilities. Innovative marketing enables small firms to differentiate their products [69]. For example, branding, which entails names, signs, symbols, or designs, differentiates the products in export markets [87]. Therefore, we suggest small businesses to collectively develop branding strategies. For example, collective branding such as the “Mongolian Natural Cashmere Initiative” can be developed. Such strategies are already implemented in similar cases by the United Nations Development Programme (UNDP) for the purpose of supporting local products. In this case, the supporting organization works as a guarantor of product quality:

“I think collective branding can be a good solution for entrepreneurs [. . .] In cases of social enterprises in the US or Europe, they are supported by certifications or collective branding from external organizations [. . .] Consumers are convinced of the quality of products.” (Former manager of INGO, Respondent M)

“Collective effort would be more effective and efficient [. . .] Contracting collectively with Korean marketing agencies is required, rather than contracting individually.” (Manager of government, Respondent L)

Small business can employ innovative communication with small budgets, [51,88]. They can utilize less-resource-intensive open-source solutions [89], such as SNS and search engine advertisements [41]. Digital marketing leads to better export performance [1,51], since it helps to build long-lasting customer relationships [17,90]. For example, social media enables word-of-mouth communication and increases sales [91]. According to interviews, entrepreneurs actively use SNS as a digital marketing tool. Interviewees expressed their needs of support on digital marketing:

“We get orders and feedbacks using Facebook [. . .] It is the most convenient way of doing e-commerce with little expense.” (Entrepreneur, Respondent A)

“Even specific skills such as PhotoShop and SNS marketing would be helpful.” (Entrepreneur, Respondent C)

“Workshops on how to implement online marketing would be helpful.” (Entrepreneur, Respondent B)

“Entrepreneurs like practical workshops regarding SNS [. . .] For example, simple skills such as taking photos and uploading them to an SNS with a basic design help their e-commerce business.” (Manager of the business incubation center, Respondent K)

5. Discussion

Based on the resource-based view, internal determinants of EMS are management commitment, firm experience, and product uniqueness [8]. This cannot be extended to small businesses, they lack resources. Also, this perspective is static [22,40] and does not contain dynamic capabilities that affect export [5,22,41,42]. So, this resource-based view does not apply to small firms from emerging economies that are doing a critical role in the economies of developing countries. This study adopted findings from extant research on dynamic managerial capability and resource versatility.

By merging findings from multiple data sources, including interviews with entrepreneurs and support organizations, this paper confirmed research findings regarding new components of determining factors of EMS for small firms. It replaces the existing internal determinants of EMS with new components: entrepreneurial orientation, networking capability, and versatile dynamic capabilities. In terms of entrepreneurial orientation, Mongolian entrepreneurs are motivated to enter the Korean market. Networking capability enables Mongolian entrepreneurs to use third-party marketplaces rather than develop their own independent websites and use exporter services. Also, they can adopt collective branding strategies and use digital marketing tools to complement their products' uniqueness. Those factors have proven to be more adequate to explain the development of EMS for small companies.

6. Conclusions

Theoretically, this study presents a fresh point of view on how small business develop export marketing strategies. It presents a procedural approach with dynamism rather than a static approach based on a resource-based view. Scholars have called for research on procedural view based on effectuation theory [53] and dynamic marketing capability [73]. Whereas literature often treated “capability” as static, our study shows how capabilities can be used in dynamic and multiple ways. This versatility approach well explains how flexibility and fast learning of small business can be leveraged in CBEC. This is meaningful in terms of responding to those requests.

This research is also valuable in terms of managerial implications. If governments or INGOs seek effective ways to enhance exports of small business, they should not approach based on resource-based views. Unfortunately, current policy prescriptions often focus on the creation of property-based resources [92]. Instead, they need to facilitate small businesses connecting with foreign partners [93]. Small firms can work with e-commerce platforms, third-party logistics services, and local marketing agencies and learn from interactions with foreign customers.

There are limitations in this study. First, our examination was conducted in the unique context of Mongolia and Korea and data were collected only from the capital city of Mongolia, which may not represent the whole country's population. Secondly, we relied on interviews with a relatively small number of informants. Even though we tried to enhance the interview data with interviewees who have rich experience, we have a limited number of business cases. Third, we only focused on the capability perspective, which does not address other aspects, such as organizational structure and routines.

Future studies could be extended to a more diversified group of entrepreneurs, such as rural producers, other countries, and other markets, which would provide the possibility for comparison with the role of IDMC in small businesses operating in other markets. The

collection of additional case studies and survey data would enhance the generalizability of the results. Also, to confirm each determinant, quantitative research is needed.

Author Contributions: Conceptualization, K.K.; methodology, K.K.; validation, K.K. and G.L.; formal analysis, K.K.; investigation, K.K. and G.L.; resources, K.K. and G.L.; data curation, K.K. and G.L.; writing—original draft preparation, K.K.; writing—review and editing, K.K.; visualization, K.K.; supervision, G.L.; project administration, K.K.; funding acquisition, K.K. and G.L. All authors have read and agreed to the published version of the manuscript.

Funding: This research was partly supported by The Asia Foundation. This work was supported by 446 the research fund of Hanyang University (HY-201800000001046).

Institutional Review Board Statement: Not applicable.

Informed Consent Statement: Informed consent was obtained from all subjects involved in the study.

Acknowledgments: The authors would like to thank the anonymous reviewers for their insightful comments and remarks which enabled correcting the article.

Conflicts of Interest: The authors have no conflict of interest to declare.

References

- Gregory, G.D.; Ngo, L.; Karavdic, M. Developing e-commerce marketing capabilities and efficiencies for enhanced performance in business-to-business export ventures. *Ind. Mark. Manag.* **2019**, *78*, 146–157. [[CrossRef](#)]
- Terzi, N. The Impact of E-Commerce on International Trade and Employment. In *Encyclopedia of E-Commerce Development, Implementation, and Management*; IGI Global: Hershey, PA, USA, 2016; pp. 2271–2287.
- Lonial, S.C.; Carter, R.E. The Impact of Organizational Orientations on Medium and Small Firm Performance: A Resource-Based Perspective. *J. Small Bus. Manag.* **2015**, *53*, 94–113. [[CrossRef](#)]
- Cieślak, J.; Kaciak, E.; Thongpapanl, N.T. Effect of export experience and market scope strategy on export performance: Evidence from Poland. *Int. Bus. Rev.* **2015**, *24*, 772–780. [[CrossRef](#)]
- Falahat, M.; Knight, G.; Alon, I. Orientations and capabilities of born global firms from emerging markets. *Int. Mark. Rev.* **2018**, *35*, 936–957. [[CrossRef](#)]
- Morgan, N.A.; Feng, H.; Whitley, K.A. Marketing Capabilities in International Marketing. *J. Int. Mark.* **2018**, *26*, 61–95. [[CrossRef](#)]
- Karavdic, M.; Gregory, G. Integrating e-commerce into existing export marketing theories: A contingency model. *Mark. Theory* **2005**, *5*, 75–104. [[CrossRef](#)]
- Gregory, G.; Karavdic, M.; Zou, S. The effects of e-commerce drivers on EMS. *J. Int. Mark.* **2007**, *15*, 30–57. [[CrossRef](#)]
- Bocconcelli, R.; Cioppi, M.; Fortezza, F.; Francioni, B.; Pagano, A.; Savelli, E.; Splendiani, S. SMEs and Marketing: A Systematic Literature Review. *Int. J. Manag. Rev.* **2018**, *20*, 227–254. [[CrossRef](#)]
- Eggers, F.; Hatak, I.; Kraus, S.; Niemand, T. Technologies That Support Marketing and Market Development in SMEs—Evidence from Social Networks. *J. Small Bus. Manag.* **2017**, *55*, 270–302. [[CrossRef](#)]
- Mazzarol, T. SMEs engagement with e-commerce, e-business and e-marketing. *Small Enterpr. Res.* **2015**, *22*, 79–90. [[CrossRef](#)]
- Luostarinen, R.; Gabrielsson, M. Globalization and marketing strategies of Born Globals in SMOPECs. *Thunderbird Int. Bus. Rev.* **2006**, *48*, 773–801. [[CrossRef](#)]
- Colton, D.A.; Roth, M.S.; Bearden, W.O. Drivers of International E-Tail Performance: The Complexities of Orientations and Resources. *J. Int. Mark.* **2010**, *18*, 1–22. [[CrossRef](#)]
- Caputo, A.; Pellegrini, M.M.; Dabic, M.; Dana, L.P. Internationalisation of firms from Central and Eastern Europe: A systematic literature review. *Eur. Bus. Rev.* **2016**, *28*, 630–651. [[CrossRef](#)]
- Dikova, D.; Jaklič, A.; Burger, A.; Kunčič, A. What is beneficial for first-time SME-exporters from a transition economy: A diversified or a focused export-strategy? *J. World Bus.* **2016**, *51*, 185–199. [[CrossRef](#)]
- Gonzalez-Perez, M.A.; Manotas, E.C.; Ciravegna, L. International SMEs from emerging markets—Insights from the Colombian textile and apparel industry. *J. Int. Entrep.* **2016**, *14*, 9–31. [[CrossRef](#)]
- Hagen, B.; Zucchella, A.; Ghauri, P.N. From fragile to agile: Marketing as a key driver of entrepreneurial internationalization. *Int. Mark. Rev.* **2019**, *36*, 260–288. [[CrossRef](#)]
- Kiss, A.N.; Danis, W.M.; Cavusgil, S.T. International entrepreneurship research in emerging economies: A critical review and research agenda. *J. Bus. Ventur.* **2012**, *27*, 266–290. [[CrossRef](#)]
- Kowalik, I.; Danik, L.; Francioni, B. Specialized marketing capabilities and foreign expansion of the international new ventures. *J. Small Bus. Manag.* **2020**, 1–39. [[CrossRef](#)]
- Felzensztein, C.; Ciravegna, L.; Robson, P.; Amorós, J.E. Networks, Entrepreneurial Orientation, and Internationalization Scope: Evidence from Chilean Small and Medium Enterprises. *J. Small Bus. Manag.* **2015**, *53*, 145–160. [[CrossRef](#)]

21. Li, L.; Su, F.; Zhang, W.; Mao, J.-Y. Digital transformation by SME entrepreneurs: A capability perspective. *Inf. Syst. J.* **2018**, *28*, 1129–1157. [[CrossRef](#)]
22. Teece, D.J.; Pisano, G.; Shuen, A. Dynamic capabilities and strategic management. *Strateg. Manag. J.* **1997**, *18*, 509–533. [[CrossRef](#)]
23. Bahl, M.; Lahiri, S.; Mukherjee, D. Managing internationalization and innovation tradeoffs in entrepreneurial firms: Evidence from transition economies. *J. World Bus.* **2021**, *56*, 101150. [[CrossRef](#)]
24. Church, E.M.; Oakley, R.L. Etsy and the long-tail: How microenterprises use hyper-differentiation in online handicraft marketplaces. *Electron. Commer. Res.* **2018**, *18*, 883–898. [[CrossRef](#)]
25. Graves, C.; Thomas, J. Internationalization of Australian Family Businesses: A Managerial Capabilities Perspective. *Fam. Bus. Rev.* **2006**, *19*, 207–224. [[CrossRef](#)]
26. Nason, R.S.; Wiklund, J. An Assessment of Resource-Based Theorizing on Firm Growth and Suggestions for the Future. *J. Manag.* **2018**, *44*, 32–60. [[CrossRef](#)]
27. Barney, J.B. Strategic Factor Markets: Expectations, Luck, and Business Strategy. *Manag. Sci.* **1986**, *32*, 1231–1241. [[CrossRef](#)]
28. Murray, J.Y.; Gao, G.Y.; Kotabe, M. Market orientation and performance of export ventures: The process through marketing capabilities and competitive advantages. *J. Acad. Mark. Sci.* **2011**, *39*, 252–269. [[CrossRef](#)]
29. Leonidou, L.; Katsikeas, C.S.; Piercy, N.F. Identifying Managerial Influences on Exporting: Past Research and Future Directions. *J. Int. Mark.* **1998**, *6*, 74–102. [[CrossRef](#)]
30. Zou, S.; Stan, S. The determinants of export performance: A review of the empirical literature between 1987 and 1997. *Int. Mark. Rev.* **1998**, *15*, 333–356. [[CrossRef](#)]
31. Cavusgil, S.T.; Zou, S.; Naidu, G.M. Product and Promotion Adaptation in Export Ventures: An Empirical Investigation. *J. Int. Bus. Stud.* **1993**, *24*, 479–506. [[CrossRef](#)]
32. Louter, P.J.; Ouwerkerk, C.; Bakker, B.A. An Inquiry into Successful Exporting. *Eur. J. Mark.* **1991**, *25*, 7–23. [[CrossRef](#)]
33. Santarelli, E.; D’Altri, S. The Diffusion of E-commerce among SMEs: Theoretical Implications and Empirical Evidence. *Small Bus. Econ.* **2003**, *21*, 273–283. [[CrossRef](#)]
34. Javalgi, R.R.G.; Todd, P.R. Entrepreneurial orientation, management commitment, and human capital: The internationalization of SMEs in India. *J. Bus. Res.* **2011**, *64*, 1004–1010. [[CrossRef](#)]
35. Yamakawa, Y.; Peng, M.W.; Deeds, D. What Drives New Ventures to Internationalize from Emerging to Developed Economies? *Entrep. Theory Pract.* **2008**, *32*, 59–82. [[CrossRef](#)]
36. Sarasvathy, S.; Kumar, K.; York, J.G.; Bhagavatula, S. An Effectual Approach to International Entrepreneurship: Overlaps, Challenges, and Provocative Possibilities. *Entrep. Theory Pract.* **2014**, *38*, 71–93. [[CrossRef](#)]
37. Buccieri, D.; Javalgi, R.G.; Cavusgil, E. International new venture performance: Role of international entrepreneurial culture, ambidextrous innovation, and dynamic marketing capabilities. *Int. Bus. Rev.* **2020**, *29*, 101639. [[CrossRef](#)]
38. Fang, E.E.; Zou, S. Antecedents and consequences of marketing dynamic capabilities in international joint ventures. *J. Int. Bus. Stud.* **2009**, *40*, 742–761. [[CrossRef](#)]
39. Mitrega, M.; Siemieniako, D.; Makkonen, H.; Kubacki, K.; Bresciani, S. Versatile capabilities for growth in the context of transforming countries: Evidence from Polish manufacturing companies. *J. Bus. Res.* **2021**, *134*, 156–170. [[CrossRef](#)]
40. Priem, R.L.; Butler, J.E. Is the Resource-Based “View” a Useful Perspective for Strategic Management Research? *Acad. Manag. Rev.* **2001**, *26*, 22. [[CrossRef](#)]
41. Goldman, S.P.; van Herk, H.; Verhagen, T.; Weltevreden, J.W. Strategic orientations and digital marketing tactics in cross-border e-commerce: Comparing developed and emerging markets. *Int. Small Bus. J.* **2021**, *39*, 350–371. [[CrossRef](#)]
42. Teece, D.J. Explicating dynamic capabilities: The nature and microfoundations of (sustainable) enterprise performance. *Strat. Manag. J.* **2007**, *28*, 1319–1350. [[CrossRef](#)]
43. Al-Aali, A.; Teece, D.J. International Entrepreneurship and the Theory of the (Long-Lived) International Firm: A Capabilities Perspective. *Entrep. Theory Pract.* **2014**, *38*, 95–116. [[CrossRef](#)]
44. Day, G.S. The capabilities of market-driven organizations. *J. Mark.* **1994**, *58*, 37–52. [[CrossRef](#)]
45. Mitrega, M. Dynamic marketing capability—Refining the concept and applying it to company innovations. *J. Bus. Ind. Mark.* **2019**, *35*, 193–203. [[CrossRef](#)]
46. Teece, D.J. The foundations of enterprise performance: Dynamic and ordinary capabilities in an (Economic) Theory of Firms. *Acad. Manag. Perspect.* **2014**, *28*, 328–352. [[CrossRef](#)]
47. Kotabe, M.; Srinivasan, S.S.; Aulakh, P.S. Multinationality and Firm Performance: The Moderating Role of R&D and Marketing Capabilities. *J. Int. Bus. Stud.* **2002**, *33*, 79–97. [[CrossRef](#)]
48. Mort, G.S.; Weerawardena, J. Networking capability and international entrepreneurship: How networks function in Australian born global firms. *Int. Mark. Review.* **2006**, *23*.
49. Pinho, J.C.; Prange, C. The effect of social networks and dynamic internationalization capabilities on international performance. *J. World Bus.* **2016**, *51*, 391–403. [[CrossRef](#)]
50. Jones, R.; Rowley, J. Entrepreneurial marketing in small businesses: A conceptual exploration. *Int. Small Bus. J. Res. Entrep.* **2011**, *29*, 25–36. [[CrossRef](#)]
51. Taiminen, H.M.; Karjaluoto, H. The usage of digital marketing channels in SMEs. *J. Small Bus. Enterp. Dev.* **2015**, *22*, 633–651. [[CrossRef](#)]

52. Fainshmidt, S.; Pezeshkan, A.; Frazier, M.L.; Nair, A.; Markowski, E. Dynamic Capabilities and Organizational Performance: A Meta-Analytic Evaluation and Extension. *J. Manag. Stud.* **2016**, *53*, 1348–1380. [[CrossRef](#)]
53. Barrales-Molina, V.; Martínez-López, F.J.; Gázquez-Abad, J.C. Dynamic Marketing Capabilities: Toward an Integrative Framework. *Int. J. Manag. Rev.* **2013**, *16*, 397–416. [[CrossRef](#)]
54. Adner, R.; Helfat, C.E. Corporate effects and dynamic managerial capabilities. *Strateg. Manag. J.* **2003**, *24*, 1011–1025. [[CrossRef](#)]
55. Helfat, C.E.; Martin, J.A. Dynamic managerial capabilities: Review and assessment of managerial impact on strategic change. *J. Manag.* **2015**, *41*, 1281–1312. [[CrossRef](#)]
56. McDougall, P.P.; Oviatt, B.M. International entrepreneurship: The intersection of two research paths. *Acad. Manag. J.* **2000**, *43*, 902–906.
57. Wiklund, J.; Shepherd, D. Entrepreneurial orientation and small business performance: A configurational approach. *J. Bus. Ventur.* **2005**, *20*, 71–91. [[CrossRef](#)]
58. Knight, G. Entrepreneurship and Marketing Strategy: The SME under Globalization. *J. Int. Mark.* **2000**, *8*, 12–32. [[CrossRef](#)]
59. Chetty, S.; Agndal, H. Social Capital and its Influence on Changes in Internationalization Mode among Small and Medium-Sized Enterprises. *J. Int. Mark.* **2007**, *15*, 1–29. [[CrossRef](#)]
60. Sepulveda, F.; Gabrielsson, M. Network development and firm growth: A resource-based study of B2B Born Globals. *Ind. Mark. Manag.* **2013**, *42*, 792–804. [[CrossRef](#)]
61. Cassia, F.; Magno, F. Cross-border e-commerce as a foreign market entry mode among SMEs: The relationship between export capabilities and performance. *Rev. Int. Bus. Strategy* **2021**. [[CrossRef](#)]
62. Hou, J.J.; Chien, Y.T. The effect of market knowledge management competence on business performance: A dynamic capabilities perspective. *Int. J. Electron. Bus. Manag.* **2010**, *8*, 96–109.
63. Jones, M.; Coviello, N.E. Internationalisation: Conceptualising an entrepreneurial process of behaviour in time. *J. Int. Bus. Stud.* **2005**, *36*, 284–303. [[CrossRef](#)]
64. Laurell, H.; Achtenhagen, L.; Andersson, S. The changing role of network ties and critical capabilities in an international new venture's early development. *Int. Entrep. Manag. J.* **2017**, *13*, 113–140. [[CrossRef](#)]
65. Andersen, O. Internationalization and market entry mode: A review of theories and conceptual frameworks. *Manag. Int. Rev.* **1997**, *37*, 27–42.
66. Pitelis, C.N.; Teece, D.J. The new MNE: 'Orchestration' theory as envelope of 'Internalisation' theory. *Manag. Int. Rev.* **2018**, *58*, 523–539. [[CrossRef](#)]
67. Chetty, S.; Ojala, A.; Leppäaho, T. Effectuation and foreign market entry of entrepreneurial firms. *Eur. J. Mark.* **2015**, *49*, 1436–1459. [[CrossRef](#)]
68. Galkina, T.; Chetty, S. Effectuation and Networking of Internationalizing SMEs. *Manag. Int. Rev.* **2015**, *55*, 647–676. [[CrossRef](#)]
69. O'dwyer, M.; Gilmore, A.; Carson, D. Innovative marketing in SMEs. *Eur. J. Market.* **2009**, *12*, 46–61. [[CrossRef](#)]
70. Blesa, A.; Ripollés, M. The influence of marketing capabilities on economic international performance. *Int. Mark. Rev.* **2008**, *25*, 651–673. [[CrossRef](#)]
71. Schweizer, R.; Vahlne, J.-E.; Johanson, J. Internationalization as an entrepreneurial process. *J. Int. Entrep.* **2010**, *8*, 343–370. [[CrossRef](#)]
72. Eisenhardt, K.M. Building Theories from Case Study Research. *Acad. Manag. Rev.* **1989**, *14*, 532–550. [[CrossRef](#)]
73. Bluhm, D.J.; Harman, W.; Lee, T.W.; Mitchell, T.R. Qualitative Research in Management: A Decade of Progress. *J. Manag. Stud.* **2011**, *48*, 1866–1891. [[CrossRef](#)]
74. Bonoma, T.V. Case research in marketing: Opportunities, problems, and a process. *J. Mark. Res.* **1985**, *22*, 199–208. [[CrossRef](#)]
75. De Cock, R.; Andries, P.; Clarysse, B. How founder characteristics imprint ventures' internationalization processes: The role of international experience and cognitive beliefs. *J. World Bus.* **2021**, *56*, 101163. [[CrossRef](#)]
76. Knight, G.A.; Liesch, P.W. Internationalization: From incremental to born global. *J. World Bus.* **2016**, *51*, 93–102. [[CrossRef](#)]
77. Gantulga, U.; Sampil, B.; Davaatseren, A. Analysis of E-Commerce Adoption in Ulaanbaatar, Mongolia. *Korea Int. Trade Res. Inst.* **2021**, *17*, 67–80. [[CrossRef](#)]
78. Van Maanen, J. Reclaiming qualitative methods for organizational research: A preface. *Adm. Sci. Q.* **1979**, *24*, 520–526. [[CrossRef](#)]
79. Gioia, D.A.; Corley, K.G.; Hamilton, A.L. Seeking qualitative rigor in inductive research: Notes on the Gioia methodology. *Organ. Res. Methods* **2013**, *16*, 15–31. [[CrossRef](#)]
80. Chen, J.E.; Pan, S.; Ouyang, T.H. Routine reconfiguration in traditional companies' e-commerce strategy implementation: A trajectory perspective. *Inf. Manag.* **2014**, *51*, 270–282. [[CrossRef](#)]
81. Cui, M.; Pan, S. Developing focal capabilities for e-commerce adoption: A resource orchestration perspective. *Inf. Manag.* **2015**, *52*, 200–209. [[CrossRef](#)]
82. Wang, F. Digital marketing capabilities in international firms: A relational perspective. *Int. Mark. Rev.* **2020**, *37*, 559–577. [[CrossRef](#)]
83. Soinio, J.; Tanskanen, K.; Finne, M. How logistics-service providers can develop value-added services for SMEs: A dyadic perspective. *Int. J. Logist. Manag.* **2012**, *23*, 31–49. [[CrossRef](#)]
84. Banerjee, P.K.; Ma, L.C. Routinisation of B2B E-commerce by small firms: A process perspective. *Inf. Syst. Front.* **2011**, *14*, 1033–1046. [[CrossRef](#)]

85. Wang, W.; Ma, H. Export strategy, export intensity and learning: Integrating the resource perspective and institutional perspective. *J. World Bus.* **2018**, *53*, 581–592. [[CrossRef](#)]
86. Moalla, E.; Mayrhofer, U. How does distance affect market entry mode choice? Evidence from French companies. *Eur. Manag. J.* **2020**, *38*, 135–145. [[CrossRef](#)]
87. Leonidou, L.; Katsikeas, C.S.; Samiee, S. Marketing strategy determinants of export performance: A meta-analysis. *J. Bus. Res.* **2002**, *55*, 51–67. [[CrossRef](#)]
88. Reijonen, H. Do all SMEs practise same kind of marketing? *J. Small Bus. Enterp. Dev.* **2010**, *17*, 279–293. [[CrossRef](#)]
89. Tavengerwei, R. Using Trade Facilitation to Assist MSMs in E-Commerce in Developing Countries. *J. Int. Econ. Law* **2018**, *21*, 349–378. [[CrossRef](#)]
90. Chen, J.; Sousa, C.M.; Xinming, H. The determinants of export performance: A review of the literature 2006–2014. *Int. Mark. Rev.* **2016**, *33*, 626–670. [[CrossRef](#)]
91. Chen, Y.; Fay, S.; Wang, Q. The Role of Marketing in Social Media: How Online Consumer Reviews Evolve. *J. Interact. Mark.* **2011**, *25*, 85–94. [[CrossRef](#)]
92. Williams, N.L.; Ridgman, T.; Shi, Y.; Ferdinand, N. Internationalization as Interaction: A Process Perspective on Internationalization from a Small Developing Country. *Thunderbird Int. Bus. Rev.* **2014**, *56*, 127–144. [[CrossRef](#)]
93. Gnizy, I. The role of inter-firm dispersion of international marketing capabilities in marketing strategy and business outcomes. *J. Bus. Res.* **2019**, *105*, 214–226. [[CrossRef](#)]