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SCHOOL OF ECONOMICS AND BUSINESS

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COMPARISON OF GLOBAL AND ADAPTIVE MARKET-ORIENTED BEHAVIOR STRATEGIES ACROSS FIRMS' EXPORT OPERATIONS

DOCTORAL DISSERTATION

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AUTHORSHIP STATEMENT

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SUMMARY

In today's competitive global marketplace, companies are looking for strategies to improve efficiency and maintain a competitive edge. A key factor is the strategic customer focus of export activities. Research shows that market-oriented behavior, focused on understanding and satisfying customer needs, promotes success in international markets (Narver & Slater, 1990; Kohli & Jaworski, 1990). Global strategies represent a standardized approach to marketing that aims to achieve economies of scale and a single brand identity, while adaptive strategies tailor marketing efforts to local market needs and emphasize agility and flexibility (Levitt, 1983; Zou & Cavusgil, 2002). To the best of my knowledge of the field, no prior research has thoroughly examined customer prioritization in the context of global and adaptive strategies. This dissertation explores how these orientations intersect and provides a framework for balancing standardization and adaptation in customer relationship management. The findings offer valuable insights into international marketing strategies for export-oriented firms in Slovenia navigating between global and adaptive marketing approaches.

The research problem becomes particularly relevant when considering the export dependence of Slovenian firms, many of which rely heavily on international markets for their growth and survival. Given the relatively small domestic market, Slovenian firms often expand into diverse international markets where they have to balance the benefits of standardization - such as cost savings and consistency in the presentation of brand identity - with the need for local customization to meet different consumer preferences. This ongoing strategic dilemma is not unique to Slovenian companies, but is faced by most export-dependent companies worldwide. The value of the PhD thesis lies in its practical implications: by examining the effectiveness of global and adaptive market-oriented strategies, it offers insights that can advise Slovenian companies - and others similarly situated - on how to approach customers more effectively in international markets. The findings will help companies to make more informed strategic decisions, which could increase their performance and competitiveness in the global market.

The aim of this PhD thesis is to explore and provide a deeper understanding of what is customer prioritization, and what are its implications for business strategies in international markets, whether standardized or adaptive market orientation drives performance, how is customer prioritization understood by international marketing managers, and what are the key components that constitute this concept? In an increasingly interconnected and competitive global marketplace, firms, especially those in export-dependent economies such as Slovenia, are constantly faced with the challenge of aligning their strategies in order to meet the diverse needs of their customers and at the same time maintain operational efficiency. A systematic review of the literature on this concept can give a broad picture of its evolution, help us understand the development of the concept, provide important definitions of the concept and offer insights into the key findings in the literature to date (Paul and Criado, 2020). This methodological approach can also help to identify new

avenues for future research. The concept of customer prioritization is not only important from a marketing perspective, but also in business operations in general (e.g., from the perspective of optimal resource allocation, from the perspective of export performance factors, etc.), and a comprehensive understanding of the concept is therefore crucial for the success of the firm. Secondary data were collected and analyzed using a systematic literature review method, specifically 41 scientific articles in the field, followed by a synthesis of the main findings. This part was analyzed using a descriptive method to summarize articles in the field of customer prioritization.

In order to obtain primary data, I used a mixed research method by collecting both qualitative and quantitative data. The qualitative method chosen was in-depth interviews, while the quantitative method used was an online questionnaire for senior managers of export-oriented companies. I analyzed the interviews using an inductive-deductive approach, also known in the literature as the Gioia methodology (Gioia et al., 2012). I analyzed the interviews using regression in SPSS, while for the analysis of the reliability and the validity of the measurement instrument, I used the analyses provided by the statistical package Amos.

First, I conducted 13 interviews with Slovenian export-oriented companies. The interviews lasted on average 45 minutes and the interviewees were sales managers and managing directors. The questions from the in-depth interviews related to the different approaches to customer preference in foreign markets. The purpose of the in-depth interviews was to gain insight into how managers understand customer preference and the different strategies and tactics they use to achieve their customer preference objectives. In addition, the interviewees were given time to give thoughtful and in-depth answers, which allowed me to gain a comprehensive insight into the topic at hand.

Secondly, in order to better understand the factors influencing the concept of customer preference in export-oriented companies, data was collected through a survey with senior managers of Slovenian companies. I collected responses from 208 respondents from different age groups, positions and industries. In my PhD thesis I used online multiple choice, open-ended, closed-ended questions, including Likert scales, to gain a comprehensive insight into customer perceptions and attitudes. The questionnaire was developed based on previously established scales in the literature and pre-tested on a sample of 10 managers.

Four main themes emerged from my qualitative research: prioritization tactics and strategies, international customer profitability, head office/branch relations and customer relationship management. These elements are central to the management of customer prioritization strategies in foreign markets. Prioritization tactics such as segmentation, customization and personalization influence profitability and correlate with strategic outcomes such as customer loyalty and retention. Inputs to strategy development include customer value analysis and risk management. Prioritization varies according to factors such as product line, customer size and market relevance, forming a contextual framework. Effective segmentation involves defining local and global segments to guide resource allocation, with high-priority customers receiving more tailored attention. Advanced analytics and technologies such as artificial intelligence and machine learning are increasingly used to assess profitability. Depending on their objectives, companies can adopt short-term tactics such as upselling or long-term strategies such as loyalty programs. In international markets, customer prioritization strategies are aligned with market entry methods. Branches in key markets give customers a higher priority than agents or distributors in less critical regions. Branch autonomy and effective communication with headquarters are essential to adapt strategies to local needs and ensure consistency. Strategic alignment increases profitability and strengthens the relationship between headquarters and the subsidiary. Customer prioritization strategies are an integral part of driving loyalty, satisfaction and retention. Businesses benefit from treating loyalty as a selection criterion and a prioritization outcome, which ultimately promotes repeat customer engagement and sustained profitability.

Quantitative research has given me insight into the relationship between global standardized strategies (global market orientation) and flexible customer strategies (flexible market orientation) and the export performance of Slovenian companies. In doing so, I have explored how formalization and centralization, as well as the dynamic business environment, affect this relationship. The results show that global market orientation has a positive impact on export performance ($\beta = .24$; $t = 2.72$), while flexible market orientation has a negative impact ($\beta = -.15$; $t = -1.97$). The study also finds that increased formalization reduces the impact of global market orientation on export performance ($\beta = -.51$; $t = -2.09$), while the role of formalization in the relationship between flexible market orientation and export performance did not show any statistically significant effects. The results also show that an increase in the dynamism of the business environment increases the impact of global market orientation on export performance ($\beta = .51$; $t = 2.62$), while, as before, this effect was not found for the relationship between flexible market orientation and export performance. The examination of the role of centralization did not yield statistically significant results. We also found significant gender differences in the assessment of formalization (mean for males = 4.44 and females = 4.87; scale from 1 - strongly disagree to 5 - strongly agree) and centralization (mean for males = 4.21 and females = 4.72; same scale as before). This means that female respondents rated their company more formalized and centralized compared to their male counterparts. The comparison between industries did not show any significant differences. There are also no statistical differences in the answers between companies that have a separate international marketing department and those that do not.

Based on the research in this PhD thesis, I conclude that an adaptive marketing orientation can be detrimental to the export performance of clients, as it creates inconsistencies and diverts resources away from long-term objectives. While it enhances agility, it can undermine customer trust and loyalty (Chen et al., 2021). Companies need to balance short-term agility with stability in order to maintain long-term relationships. High levels of formalization can undermine global market orientation by inhibiting flexibility and innovation, which are key to success (Smith et al., 2022). Hybrid models that encourage flexibility and creativity can provide better strategic consistency in international marketing (Garcia and Lin, 2023).

The dynamism of the internal environment in internationally operating firms enhances global market orientation by promoting flexibility and integration. Investments in tools and training help to align internal changes with market demands, highlighting the need for continuous technological development and workforce training (Wang et al., 2022). Centralization does not show a significant impact, suggesting that both centralized and decentralized structures can work successfully if they are aligned with objectives (Lee et al., 2021). I argue that companies should adapt internal structures to operational and strategic needs. A global market focus promotes export success by improving product-market fit and fostering innovation. Advanced analytics and customer feedback increase alignment with different customer needs, which helps to increase responsiveness (Perez et al., 2022).

It is necessary to be aware of the limitations of the research approaches used in this PhD thesis, which can only provide a snapshot of the current situation. Future research should consider longitudinal designs that can capture the changing nature of export performance over time, and include a larger set of small and medium-sized enterprises (SMEs) to gain a broader understanding of how different types of firms manage global market strategies. SMEs may have different dynamics of export activities than large firms, and therefore their perception and practical implementation of the concept of customer preference may also differ.

The PhD thesis consists of an introduction, three chapters, a conclusion, a bibliography and appendices. The text is supported by figures and tables. The thesis is 112 pages long, including 12 tables and 16 figures. The list of references used comprises 332 scientific articles in English. The second and third chapters are devoted to the methodology and discussion respectively. In Chapter 2, I present the systematic literature review and the qualitative and quantitative research, including data analysis. In Chapter 3, I explain the implications of the research findings for theory and practice, but also present the limitations of the research and provide clues for future research.

Keywords: international business, customer preference, customer value management, systematic literature review.

POVZETEK

Na današnjem konkurenčnem globalnem trgu podjetja iščejo strategije za izboljšanje učinkovitosti in ohranjanje konkurenčne prednosti. Ključni dejavnik je strateška usmerjenost k strankam pri izvoznih dejavnostih. Raziskave kažejo, da tržno usmerjeno vedenje, osredotočeno na razumevanje in zadovoljevanje potreb strank, spodbuja uspeh na mednarodnih trgih (Narver & Slater, 1990; Kohli & Jaworski, 1990). Globalne strategije predstavljajo standardiziran pristop k trženju, katerega cilj je doseganje ekonomij obsega in enotne identitete blagovnih znamk, medtem ko prilagoditvene strategije prilagajajo trženjska prizadevanja potrebam lokalnega trga in poudarjajo agilnost ter fleksibilnost (Levitt, 1983; Zou & Cavusgil, 2002). Glede na moje poznavanje področja, nobena predhodna raziskava ni temeljito preučila določanja prednostnih nalog kupcev v okviru globalnih in prilagodljivih strategij. Ta disertacija raziskuje, kako se te usmeritve prepletajo, in zagotavlja okvir za uravnoteženje standardizacije in prilagajanja pri upravljanju odnosov s strankami. Ugotovitve ponujajo dragocen vpogled v mednarodne trženjske strategije za izvozno usmerjena podjetja v Sloveniji, ki krmarijo med globalnimi in prilagodljivimi trženjskimi pristopi.

Glede na razmeroma majhen domači trg se slovenska podjetja pogosto širijo na raznolike mednarodne trge, kjer morajo uravnotežiti prednosti standardizacije - kot so prihranki pri stroških in doslednost pri predstavitvi identitete blagovne znamke - s potrebo po lokalni prilagoditvi za izpolnjevanje različnih preferenc potrošnikov. Ta stalna strateška dilema ni edinstvena za slovenska podjetja, temveč se z njo sooča večina izvozno odvisnih podjetij po vsem svetu. Vrednost doktorske disertacije je v njenih praktičnih posledicah: s preučevanjem učinkovitosti globalnih in prilagoditvenih tržno usmerjenih strategij ponuja spoznanja, ki lahko slovenskim podjetjem - in drugim v podobnem položaju - svetujejo, kako učinkoviteje pristopiti k strankam na mednarodnih trgih. Ugotovitve bodo podjetjem pomagale pri sprejemanju bolj premišljenih strateških odločitev, kar bi lahko povečalo njihovo uspešnost in konkurenčnost na globalnem trgu.

Namen te doktorske disertacije je raziskati in poglobiti razumevanje tega, kaj je prioritizacija kupcev in kakšne so njene posledice za poslovne strategije na mednarodnih trgih, ali standardizirana ali prilagodljiva tržna usmerjenost spodbuja uspešnost, kako prioritizacijo kupcev razumejo menedžerji mednarodnega trženja in katere so ključne sestavine tega koncepta. Na vse bolj povezanem in konkurenčnem globalnem trgu se podjetja, zlasti tista v izvozno odvisnih gospodarstvih, kot je Slovenija, nenehno spopadajo z izzivom usklajevanja svojih strategij, da bi zadovoljila različne potrebe kupcev in hkrati ohranila učinkovitost poslovanja. Sistematičen pregled literature o tem konceptu nam lahko da široko sliko njegovega razvoja, pomaga razumeti razvoj koncepta ter poda pomembne opredelitve pojma in ponudi vpogled v ključne ugotovitve v dosedanji literaturi (Paul in Criado, 2020). Ta metodološki pristop lahko pomaga tudi razpoznati nove poti za prihodnje raziskave. Koncept prednostnega razvrščanja strank ni pomemben zgolj iz trženjskega vidika, temveč nasploh v

poslovanju podjetij (npr., z vidika optimalne alokacije virov, z vidika dejavnikov izvozne uspešnosti, itd.), zato je celovito razumevanje koncepta ključno za uspešnost podjetja. Sekundarni podatki so bili zbrani in analizirani z metodo sistematičnega pregleda literature, natančneje 41 znanstvenih člankov področja, čemur je sledila sinteza glavnih ugotovitev. Ta del je bil analiziran z uporabo opisne metode za povzemanje člankov s področij določanja prednosti kupcev. Analiza je pokazala, da ni enotnega pogleda in definicije obravnavanega pojma prednostne obravnave strank

Z namenom pridobitve primarnih podatkov sem uporabila mešano raziskovalno metodo, saj sem zbirala tako kvalitativne kot kvantitativne podatke. Izbrana kvalitativna metoda so bili poglobljeni intervjuji, uporabljena kvantitativna metoda pa spletni vprašalnik za vodilne menedžerje izvozno usmerjenih podjetij. Analizo intervjujev sem opravila z induktivno-deduktivnim pristopom, znanim v literaturi tudi pod nazivom metodologija Gioia (Gioia et al., 2012). Analizo anket sem opravila z regresijo v programu SPSS, medtem ko sem se za analizo zanesljivosti in veljavnosti merskega instrumenta poslužila analiz, ki jih omogoča statistični paket Amos.

Najprej sem opravila 13 intervjujev s slovenskimi izvozno usmerjenimi podjetji. Intervjuji so v povprečju trajali 45 minut, intervjuvanci pa so bili vodje prodaje in generalni direktorji. Vprašanja iz poglobljenih intervjujev so se navezovala na raznolike pristope pri prednostni obravnavi strank na tujih trgih. Namen poglobljenih intervjujev je bil dobiti vpogled v to, kako menedžerji razumejo prednostno obravnavo kupcev ter kakšne so različne strategije in taktike, ki jih uporabljajo za doseganje ciljev prednostne obravnave kupcev. Poleg tega so imeli intervjuvanci na voljo čas za podajanje premišljenih in poglobljenih odgovorov, kar mi je omogočilo celovit vpogled v obravnavano temo.

Drugič, da bi bolje razumeli dejavnike, ki vplivajo na koncept prednostnega obravnavanja strank v izvozno usmerjenih podjetjih, so bili podatki zbrani z anketo z vodilnimi menedžerji slovenskih podjetij. Zbrala sem odgovore 208 anketirancev iz različnih starostnih skupin, položajev in panog. V doktorski disertaciji sem uporabila spletne vprašalnike z več možnostmi izbire, vprašanja odprtega tipa, vprašanja zaprtega tipa, vključno z Likertovo lestvico, da bi pridobila celovit vpogled v dojemanje in odnos strank. Vprašalnik je bil razvit na podlagi predhodno uveljavljenih lestvic v literaturi in predhodno preizkušen na vzorcu 10 vodstvenih delavcev.

Iz moje kvalitativne raziskave so izšle štiri glavne teme: taktike in strategije določanja prednosti, dobičkonosnost mednarodnih strank, odnosi med sedežem in podružnicami ter upravljanje odnosov s strankami. Ti elementi so osrednjega pomena za vodenje strategij prednostnega razvrščanja strank na tujih trgih. Taktike določanja prednosti, kot so segmentacija, prilagajanje in personalizacija, vplivajo na dobičkonosnost in se ujemajo s strateškimi rezultati, kot sta zvestoba in zadržanje strank. Vhodni podatki za razvoj strategije vključujejo analizo vrednosti za stranke in upravljanje tveganj. Prednostna razvrstitev se razlikuje glede na dejavnike, kot so linija izdelkov, velikost strank in pomembnost za trg, kar tvori kontekstualni okvir. Učinkovita segmentacija vključuje opredelitev lokalnih in globalnih segmentov za usmerjanje dodeljevanja virov, pri čemer so stranke z visoko prioriteto deležne bolj prilagojene pozornosti. Pri ocenjevanju dobičkonosnosti se vse bolj uporabljajo napredna analitika in tehnologije, kot sta umetna inteligenca in strojno učenje. Podjetja lahko glede na svoje cilje sprejmejo kratkoročne taktike, kot je prodajanje navzgor, ali dolgoročne strategije, kot so programi zvestobe. Na mednarodnih trgih se strategije določanja prednostnih nalog strank usklajujejo z načini vstopa na trg. Podružnice na ključnih trgih dajejo strankam večjo prednost kot zastopniki ali distributerji v manj kritičnih regijah. Avtonomija podružnic in učinkovita komunikacija s sedežem sta bistvenega pomena za prilagajanje strategij lokalnim potrebam in zagotavljanje usklajenosti. Strateška usklajenost povečuje dobičkonosnost in krepi odnose med sedežem in hčerinsko družbo. Strategije za določanje prednostnih nalog strank so sestavni del spodbujanja zvestobe, zadovoljstva in zadržanja. Podjetjem koristi, če zvestobo obravnavajo kot merilo izbire in rezultat določanja prednostnih nalog, kar na koncu spodbuja ponavljajoče se sodelovanje s strankami in trajno dobičkonosnost.

Kvantitativna raziskava mi je omogočila vpogled v odnos med globalnimi standardiziranimi strategijami (globalna tržna usmerjenost) in prilagodljivimi strategijami obravnave strank (prilagodljiva tržna usmerjenost) ter izvozno uspešnostjo slovenskih podjetij. Pri tem sem proučevala, kako formalizacija in centralizacija ter dinamično poslovno okolje vplivajo na to povezavo. Rezultati kažejo, da globalna tržna usmerjenost pozitivno vpliva na izvozno uspešnost ($\beta = .24$; $t = 2.72$), prilagodljiva tržna usmerjenost pa negativno ($\beta = -.15$; $t = -1.97$). Raziskava prav tako ugotavlja, da povečana formalizacija zmanjšuje vpliv globalne tržne usmerjenosti na izvozno uspešnost ($\beta = -.51$; $t = -2.09$), medtem ko vloga formalizacije pri odnosu med prilagodljivo tržno usmerjenostjo in izvozno uspešnostjo ni pokazala statistično značilnih vplivov. Rezultati tudi kažejo, da povečana dinamičnost poslovnega okolja povečuje vpliv globalne tržne usmerjenosti na izvozno uspešnost ($\beta = .51$; $t = 2.62$), medtem ko podobno kot prej, ta vpliv pri odnosu med prilagodljivo tržno usmerjenostjo in izvozno uspešnostjo ni bil zaznan. Proučevanje vloge centralizacije ni obrodilo statistično značilnih rezultatov. Ugotovili smo tudi pomembne razlike med spoloma pri oceni formalizacije (povprečje za moške = 4,44 in ženske 4,87; lestvica od 1 – popolnoma se ne strinjam, do 5 – popolnoma se strinjam) in centralizacije (povprečje za moške = 4,21 in ženske 4,72; enaka lestvica kot prej). To pomeni, da so anketiranke ocenjevale večjo formalizacijo in centralizacijo svojega podjetja v primerjavi s svojimi moškimi kolegi. Primerjava med panogami ni pokazala nobenih pomembnih razlik. Prav tako ni statističnih razlik v odgovorih med podjetji, ki imajo ločen oddelek za mednarodno trženje, in tistimi, ki ga nimajo.

Na osnovi raziskave v doktorski disertaciji zaključujem, da prilagodljiva tržna usmerjenost lahko škoduje uspešnosti izvoza strank, saj povzroča nedoslednosti in preusmerja vire od dolgoročnih ciljev. Medtem ko povečuje agilnost, lahko spodkopava zaupanje in zvestobo strank (Chen et al., 2021). Podjetja morajo uravnotežiti kratkoročno prilagodljivost s stabilnostjo, da bi ohranila dolgoročne odnose. Visoka stopnja formalizacije lahko oslabi usmerjenost na globalni trg, saj zavira prilagodljivost in inovativnost, ki sta ključni za uspeh (Smith et al., 2022). Hibridni modeli, ki spodbujajo prilagodljivost in ustvarjalnost, lahko zagotavljajo boljšo strateško doslednost v mednarodnem trženju (Garcia in Lin, 2023).

Dinamičnost notranjega okolja v mednarodno delujočih podjetjih s spodbujanjem prilagodljivosti in povezovanja krepi usmerjenost na globalni trg. Naložbe v orodja in usposabljanje pomagajo uskladiti notranje spremembe z zahtevami trga, kar poudarja potrebo po stalnem tehnološkem razvoju in izobraževanju delovne sile (Wang et al., 2022). Centralizacija ne kaže pomembnega vpliva, kar kaže na to, da lahko uspešno delujejo tako centralizirane kot decentralizirane strukture, če so usklajene s cilji (Lee et al., 2021). Menim, da bi podjetja morala notranje strukture prilagoditi operativnim in strateškim potrebam. Usmerjenost na globalni trg spodbuja izvozni uspeh z izboljšanjem skladnosti izdelka s trgom in spodbujanjem inovacij. Napredna analitika in povratne informacije strank povečujejo usklajenost z različnimi potrebami strank, kar pripomore k večji odzivnosti (Perez et al., 2022).

Potrebno se je zavedati omejitev raziskovalnih pristopov uporabljenih v tej doktorski disertaciji, ki lahko zagotovijo le posnetek trenutnega stanja. Prihodnje raziskave bi morale upoštevati longitudinalne modele, ki lahko zajamejo spreminjajočo se naravo izvozne uspešnosti skozi čas, ter vključiti večji nabor malih in srednje velikih podjetij (MSP), da bi pridobili širše razumevanje o tem, kako različne vrste podjetij upravljajo strategije globalnega trga. MSP imajo lahko drugačno dinamiko izvoznih dejavnosti kot velika podjetja, zato se njihovo dojemanje in praktična vpeljava koncepta prednostne obravnave strank lahko tudi razlikujeta.

Doktorska disertacija je sestavljena iz uvoda, treh poglavij, zaključka, bibliografije in prilog. Besedilo je opremljeno s slikami in tabelami. Obseg dela je 112 strani, od tega je 12 preglednic in 16 slik. Seznam uporabljene literature obsega 332 znanstvenih člankov v angleškem jeziku. Drugo in tretje poglavje je namenjamo metodologiji oziroma razpravi. V drugem poglavju predstavim sistematični pregled literature ter kvalitativno in kvantitativno raziskavo, vključno z analizo podatkov. V tretjem poglavju pojasnim, kakšne so posledice rezultatov raziskave za teorijo in prakso, hkrati pa predstavim tudi omejitve raziskave in podam iztočnice za prihodnje raziskave.

Ključne besede: mednarodno poslovanje, dajanje prednosti strankam, upravljanje vrednosti za stranke, sistematični pregled literature.

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sl. – Slovene

EU – (sl. Evropska unija); European Union

MNC – (sl. Multinacionalne korporacije); Multinational Corpoerations

HQ – (sl. Sedež); Headquarters

MO – (sl. Tržna naravnanost); Market Orientation

CEO – (sl. Glavni izvršni direktor); Chief Operating Officer

CRM – (sl. Management odnosov z odjemalci); Customer relationship management

MOB – (sl. Tržno usmerjeno vedenje); Market-oriented behaviors

MNC – (sl. Multinacionalne korporacije); Multinational corporations

1 INTRODUCTION

Problem description

In today's highly competitive global market, firms increasingly focus on finding effective strategies to enhance their performance and maintain a competitive edge. One crucial aspect of achieving this is the strategic orientation of firms toward their customers, particularly within the realm of export operations. Research indicates that market-oriented behavior, which emphasizes understanding and responding to customer needs, plays a pivotal role in influencing a firm's success in international markets (Narver & Slater, 1990; Kohli & Jaworski, 1990). Two prominent strategies in this context are global market-oriented behavior and adaptive market-oriented behavior. The former emphasizes standardizing marketing strategies across different regions to achieve economies of scale and maintain a consistent brand image, whereas the latter tailors marketing strategies to meet the unique needs and preferences of local markets, thereby prioritizing customer differentiation and customization (Levitt, 1983; Zou & Cavusgil, 2002).

The global market-oriented strategy focuses on standardizing marketing efforts across multiple regions, based on the assumption that consumer preferences are converging globally. This approach emphasizes uniformity in product offerings, branding, and promotional efforts to exploit economies of scale and present a consistent global brand image (Levitt, 1983). A well-known example is Apple, which maintains uniform branding and product designs across markets, ensuring a cohesive global presence. However, a key challenge is the potential disconnect from local customer needs, as rigid standardization may fail to account for regional differences. Conversely, the adaptive market-oriented strategy tailors marketing strategies to the unique demands of each local market, emphasizing flexibility and cultural sensitivity. While adaptive strategies can lead to higher customer satisfaction and stronger market fit (Zou & Cavusgil, 2002), they present challenges in terms of increased operational complexity and costs. Literature also suggests that firms adopting either approach must strike a balance between achieving cost efficiencies through standardization and effectively addressing local market variations through customization (Theodosiou & Leonidou, 2003). Thus, the main challenge lies in deciding the right mix of global consistency and local adaptation to enhance performance across diverse international markets.

The strategic decision between adopting a global versus an adaptive market-oriented approach significantly impacts a firm's ability to prioritize its customers effectively. A global market-oriented strategy offers the advantages of cost efficiency and a uniform brand message; however, it may not adequately address the specific demands of customers in diverse cultural and economic environments (Theodosiou & Leonidou, 2003). Conversely, an adaptive approach allows for higher levels of customer satisfaction and loyalty by closely aligning with local market preferences, but it can also result in increased costs and operational complexities due to the customization required (Solberg, 2000; Vrontis, Thrassou, & Lamprianou, 2009). Understanding the comparative strengths and weaknesses of these strategies is critical for firms looking to optimize their export operations and enhance customer prioritization.

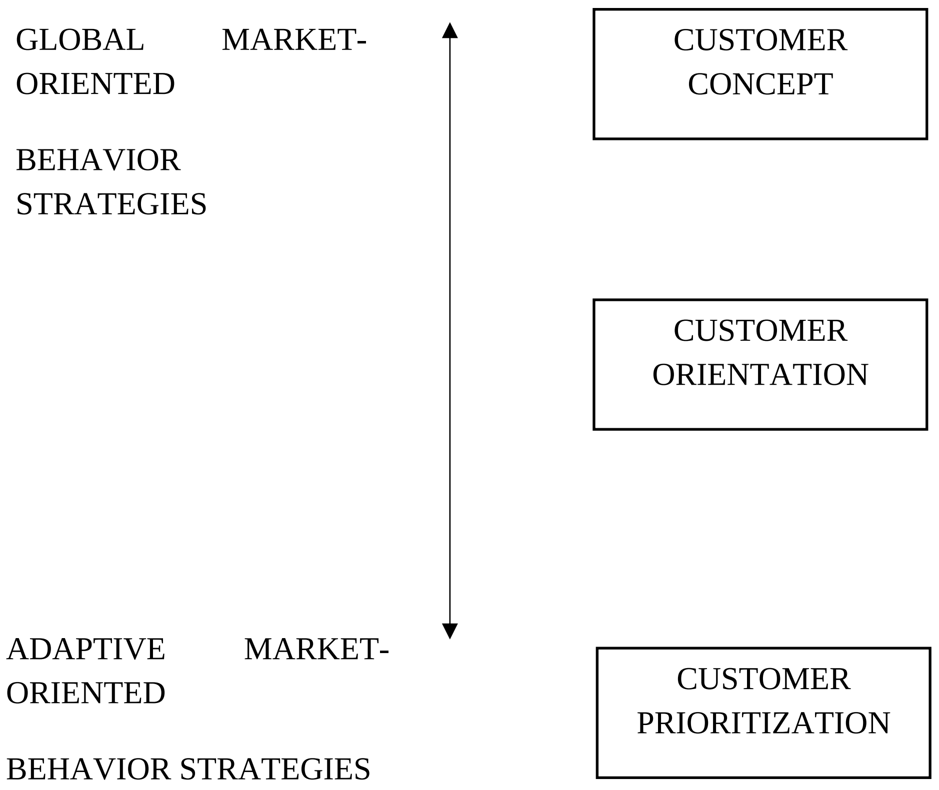
In recent years, customer prioritization has emerged as a critical focus for firms aiming to optimize resource allocation and enhance customer satisfaction. One of the main challenges involves balancing competing demands across diverse customer segments, managing the trade-offs between profitability and long-term relationship value, and adapting to constantly evolving market conditions. Firms often struggle with determining which customers deserve more attention, particularly in industries where customer needs and profitability are highly variable.

Moreover, recent research emphasizes the importance of integrating dynamic customer segmentation models, incorporating both financial and behavioral metrics to adjust prioritization in real time (Verhoef et al., 2023). The COVID-19 pandemic and subsequent shifts in consumer behavior have further highlighted the need for flexible approaches to customer prioritization (Lemon & Verhoef, 2023). In response, studies from 2023 focus on customer-centric strategies, where firms prioritize based on experience metrics like Net Promoter Score (NPS) and customer satisfaction, while others suggest a value-based approach that prioritizes profitability and strategic fit (Lemon et al., 2023). Hybrid models that combine metrics such as profitability, loyalty, and advocacy have been shown to be more effective in balancing short-term financial gains with long-term growth, as emphasized in 2024 studies (Johnson & Chang, 2024). These findings underscore the need for adaptive and personalized customer prioritization frameworks in an increasingly digital and competitive landscape.

The global and adaptive strategies are discussed in the international marketing literature. Levitt (1983) introduced the idea of globalization, believing that firms should standardize products to meet universal needs. Zou & Cavusgil (2002) provide a more nuanced view, suggesting that firms may need to adopt adaptive strategies to respond to local market conditions. In global market-oriented strategies, the customer concept tends to focus on universal customer needs that transcend regional differences. A firm adopting this strategy believes that a core set of customer desires, such as quality or innovation, is common across markets, leading it to standardize products and messaging. Similarly, customer orientation in a global approach means responding to a uniform set of global customer expectations. For customer prioritization, firms might classify customer segments on a global scale, emphasizing large, strategically important customer groups that exist across multiple markets.

In contrast, adaptive market-oriented strategies involve tailoring the customer concept to specific local markets. Here, the firm focuses on understanding the diverse needs of customers in different regions and customizing its offerings accordingly. Customer orientation in an adaptive strategy implies a more granular approach in which customer feedback is localized and products or services are adjusted to meet regional demands. In terms of customer prioritization, an adaptive strategy would involve prioritizing different customer segments depending on the local context, with certain customer groups deemed more valuable in one market than in another, allowing for a more nuanced allocation of resources (see Figure 1 for illustration).

Figure 1: The relationship between customer focus and adaptive versus global market-oriented strategies



Source: Own drawing.

In the early marketing literature, the Customer Concept refers to a business philosophy that places the customer at the center of all organizational decisions. This concept suggests that firms should develop products, services, and strategies primarily based on an understanding of customer needs and desires (Levitt, 1960). In this respect, the Customer Concept aligns with the broader idea of being market-oriented, where the primary goal is to create value for the customer, which, in turn, drives company success. Recently, many managers have expressed the need to shift from a market segment-based approach to one that focuses on individual customers when assessing the impact of marketing actions. Ramani and Kumar (2008) refer to this perspective as the 'Customer Concept,' which they define as 'the belief that the unit of analysis for all marketing actions and reactions should be the individual customer' (p. 28). This concept positions the customer at the forefront of the customer-firm relationship, allowing companies to closely monitor customer behavior and respond effectively (Kumar, 2018). In the context of market orientation, we categorize the Customer Concept as a global market-oriented strategy since it emphasizes treating each individual customer (globally) without prioritizing one over another. Customer Orientation is the firm's specific strategic focus on continuously gathering and responding to customer feedback, needs, and preferences. This involves integrating customer insights into decision-making processes and prioritizing customer satisfaction as a key performance indicator. It is operationalized by delivering products and services that align with what the customer values most, thereby fostering long-term relationships and loyalty (Narver & Slater, 1990; Kohli & Jaworski, 1990). As customer orientation refers to the degree to which organizations and their employees are dedicated to fulfilling customer needs and enhancing customer well-being, in practice, this drives organizations to continually reinforce customer-focused beliefs among front-line employees, encourage the delivery of customer-oriented services, and strive to become more customer-centric (Zhao, 2022). Since an organization's customer orientation signifies a shift in focus—from, for instance, product-centric to customer-centric—without prioritizing one group of customers over another, we classify customer orientation as a global market-oriented behavior.

Customer Prioritization refers to the firm's approach to segmenting customers and assigning different levels of importance to various customer groups based on their value to the company. Firms that prioritize customers allocate resources, attention, and tailored strategies according to the profitability, growth potential, or strategic relevance of certain customer segments, thereby maximizing return on investment (Homburg, 2008). In other words, the concept refers to the different treatment of one group of customers opposed to other groups; thus, following our logic, we treat customer prioritization as adaptive market-oriented strategies.

To date, at least to my knowledge, no research has thoroughly examined customer prioritization and market-oriented behavior through the lens of global vs. adaptive strategies. By exploring how customer prioritization interacts with these strategic orientations, this study contributes to a deeper theoretical understanding of how firms can balance standardization and adaptation while managing customer relationships. This exploration will bridge gaps in the literature and offer valuable insights for firms struggling with whether to pursue a global or adaptive approach, especially in export-oriented markets like those faced by Slovene firms.

The research problem becomes particularly relevant when considering the export dependence of Slovene firms, many of which rely heavily on international markets for their growth and survival. These firms are frequently confronted with the challenge of choosing between global and adaptive market-oriented strategies to optimize their export operations. Given the relatively small domestic market, Slovene firms often expand into diverse international markets, where they must balance the benefits of standardization—such as cost savings and brand consistency—with the need for local adaptation to meet varied consumer preferences. This ongoing strategic dilemma is not unique to Slovene firms but is faced by a majority of export-dependent companies globally. The value of this study lies in its practical implications: by investigating the effectiveness of global vs. adaptive market-oriented strategies, it will offer insights that can guide Slovene firms—and others in similar positions—on how to approach customers in international markets more effectively. The findings will help businesses make more informed strategic decisions, potentially enhancing their performance and competitiveness in the global marketplace.

Purpose and objectives of the dissertation

This study aims to compare and contrast global and adaptive market-oriented behavior strategies across firms' export operations, with a particular focus on their impact on customer prioritization. By examining case studies and empirical data, this research seeks to provide insights into the effectiveness of these strategies in different market contexts. Additionally, it offers recommendations on how firms can enhance their market-oriented behaviors to better align with customer needs, ultimately improving their competitive positioning in the global marketplace (Cadogan et al., 2002).

The purpose of this research is to explore and provide a deeper understanding of how global and adaptive market-oriented behavior strategies influence export performance in firms' export operations. In an increasingly interconnected and competitive global market, firms—particularly those in export-dependent economies like Slovenia—are continually grappling with the challenge of aligning their strategies to meet diverse customer needs while maintaining operational efficiency. As firms expand into multiple markets with varying customer preferences, the decision of whether to standardize their marketing efforts or adapt them to local contexts becomes a critical issue. This research is motivated by the need to offer practical insights that can assist firms in navigating this strategic dilemma. Specifically, the findings of this study will benefit export-driven firms by shedding light on the conditions under which each market-oriented strategy is most effective in terms of customer treatment, enabling them to allocate resources more efficiently and tailor their approaches to maximize competitive advantage. Additionally, policymakers and industry leaders will gain insights into how market-oriented strategies can contribute to the global competitiveness of firms, which is especially relevant for small economies reliant on export growth. Ultimately, this research aims to contribute both to the academic field of international marketing and to the practical decision-making processes of firms seeking to enhance their performance in diverse global markets.

The primary objective of this study is to examine how global and adaptive market-oriented behavior strategies impact firms' performance in export operations, with a focus on identifying the conditions that influence the effectiveness of each approach. To achieve this, the research will pursue the following specific objectives:

- Identify and define key characteristics of global and adaptive market-oriented strategies as they apply to firms' export activities, drawing from relevant literature and case studies.
- Examine the relationship between market-oriented strategies and customer prioritization, exploring how firms decide which customers or customer segments to prioritize based on their strategic orientation.
- Analyze empirical data from a sample of export-oriented firms to determine how global vs. adaptive strategies impact customer prioritization in different market contexts, considering factors such as market size, cultural differences, and customer preferences.
- Compare the outcomes of firms that have adopted global market-oriented strategies with those that have pursued adaptive strategies, assessing the impact on customer satisfaction, retention, and overall export performance.
- Develop practical recommendations for firms, particularly those in export-dependent markets like Slovenia, on how to optimize their market-oriented behaviors to better align with customer needs and improve competitive positioning in the global marketplace.
- Contribute to the theoretical understanding of the interaction between market-oriented behavior and customer prioritization, particularly by examining this relationship through the lens of global vs. adaptive strategies, thereby filling a gap in the existing literature.

By addressing these objectives, the study will provide valuable insights for firms looking to balance standardization and adaptation in their export strategies, helping them enhance customer loyalty and achieve sustainable growth in international markets. The objective of this thesis is also to examine whether firms exhibit customer prioritization behaviors in export-oriented markets. Market orientation is a broader concept, whereas the thesis focuses on the narrower concept of customer prioritization. If some firms do have various levels of customer prioritization in their operations, a further purpose of the study is to determine whether there are performance implications associated with these varying levels of customer prioritization across ventures. The third objective of the study is to identify potential reasons why firms might exhibit different levels of customer prioritization, to provide firms with information on how to manage customer prioritization to their benefit. A core assumption of most published marketing literature is that companies operate with only one level of market orientation. However, since companies allocate varying numbers of resources abroad, it is expected that empirical analysis will reveal differences in levels across export ventures or markets in export-oriented companies. Furthermore, despite a company being highly market-oriented in its domestic markets, this orientation can vary when replicated in its export operations (Cadogan et al., 2001). A shift from domestic to international markets often requires behavioral and strategic modifications that may change a firm's market orientation in its export operations (Cadogan et al., 1999; Cadogan & Diamantopoulos, 1995). The main idea of the thesis is to advance an approach to the formation and construction of a unique strategy, referred to as customer prioritization, which serves as a source of increasing competitiveness in international companies. Thus, the following goals have been set:

1. To understand and summarize global market-oriented strategies (firms being customer-oriented and treating all customers the same) and adaptive market-oriented strategies (treating diverse customer groups differently, which we call customer prioritization);

2. To summarize and systematize existing approaches to defining strategies in an international company.

3. To develop a universal meaningful model based on the generalizations carried out, which allows structuring the strategies.

4. To meaningfully determine the specific types of relationships with customers that are emerging in the Slovenian market.

Scientific contribution of the thesis

I contribute to the market orientation literature by examining the interplay between global and market orientation strategies through the lens of customer focus. While market orientation traditionally emphasizes adapting strategies to meet the specific needs and preferences of local markets, global orientation seeks to standardize and streamline strategies across international markets for efficiency and scalability. The study introduces new perspectives by applying or extending established theories within a novel context. For example, by integrating marketing and business frameworks, the research sheds light on how export-oriented firms navigate global markets, offering fresh insights into international business strategies. Our research provides a nuanced understanding of how firms can balance these two approaches by prioritizing customer segments based on a deep understanding of both global trends and local market nuances. This contribution offers insights into how businesses can better align their customer prioritization strategies with global market dynamics, thus extending the market orientation literature by incorporating a more holistic and customer-focused perspective that addresses both local adaptation and global standardization.

This thesis delivers several important methodological contributions to theory for scholars in marketing and international business across many avenues of marketing literature. Most importantly, this is the first study that explicitly and in detail investigates the importance of the formality of customer prioritization (Firesmith, 2004). One significant methodological contribution is the empirical testing of a conceptual model that may not have been previously validated. By gathering empirical data, the research evaluates the relationships between key variables hypothesized in the conceptual framework, thus providing empirical support or refutation of theoretical assumptions. This testing helps transform abstract theoretical constructs into measurable and testable entities, bridging the gap between theory and practice. Previous research on customer prioritization in enhancing business performance has not taken into explicit consideration the formality of customer prioritization strategy (e.g., Homburg et al., 2008). The thesis closes this gap by highlighting the critical role that sales departments' coordinative processes and activities play in the formality of customer prioritization. Furthermore, such prioritization represents a valuable capability that ultimately results in business performance improvement (Kreuzer, et al., 2020). Secondly, this research makes an important contribution at the conceptual level. We conceptualize customer prioritization strategy as an ability that allows a company to reshape and redeploy its sales resources to create a competitive advantage and to address the opportunities and threats from dynamic environments. Explicating the customer prioritization strategy construct in this way allows for similar investigations of the formality of customer prioritization strategy.

The doctoral thesis contributes to the concept of client prioritization from all sides. I examine how different strategies in international companies affect the organization's activities, or rather its effectiveness, through the moderation of the relationship between the prioritization strategy and the firm's performance. A unique analysis of the identified client prioritization was conducted based on a systematic review of the literature that met the selection criteria. For this purpose, work was done based on the definition of key terms and concepts when selecting literature, as well as on an analysis of the main journals in which articles were published, taking into account the opinions of specialists in this field when selecting articles. Modern literature presents a large number of definitions devoted to customer prioritization (e.g., Chan et al. (2019, p. 36); Homburg et al. (2008, pp. 110, 116); Huang (2011, p. 497); Lacey et al. (2016, p. 242); Newman et al. (2019, p. 77); Panagopoulos and Avlonitis (2010, p. 7); Polyakova et al. (2020, p. 693); Pontes et al. (2021, p. 2); Ramani and Kumar (2008, p. 29); Ruz-Mendoza et al. (2021, p. 341); Xia and Kukar-Kinney (2014, p. 2368); Butori and De Bruyn (2013, p. 358)), but this work presents its own new definition of customer prioritization.

For practitioners, it is important to note that a firm's marketing environment has undergone fundamental changes over the past decades (Achrol, 1990; Achrol, 1996; Glazer, 1991; Gupta et al., 2021; Rosário and Raimundo, 2021). Crucial among these changes is the acceleration and widespread nature of technological progress, which leads to shorter product life cycles and forces companies to update their product ranges more quickly than before (Barrera, 2023). Rapidly changing market conditions require the reorganization and/or restructuring of current activities (Ferrell, 2020; Saarikko et al., 2020; Saputra). Consumers from wealthy countries have a higher level of education and are more demanding. As a result, traditional marketing methods are becoming increasingly obsolete. A new market requires customized marketing (He, 2020). In response to movements advocating for consumer rights and environmental protection, new social needs arise; thus, companies must be capable of addressing the emerging socio-cultural impacts of economic activity. Responsible marketing is grounded in ethical corporate behavior and appropriate responses from the industry as a whole (Chatzopoulou and Kiewiet, 2021). At the international level, increasing interdependence presents the challenge of choosing between standardization and customization. In market environments where local forces are weak, firms must adopt a global or transnational marketing strategy to remain competitive (Khalatur et al., 2022). All these changes indicate that companies must strengthen their market orientation. In today's turbulent environment, market orientation is too important to be confined to a single marketing department (Zhang and Watson IV, 2020). Market culture must permeate all levels of the organization, requiring cross-functional coordination (Wu and Ding, 2024). In this new environment, marketing is more critical than ever, yet the marketing department must cease to exist as a separate function and must undergo transformation. Marketing should be viewed as a process that integrates various functions of the organization rather than as a separate structural unit. In today's macromarketing environment, companies have new priorities (Hutt and Speh, 2021), namely customer prioritization, which enhances relationships with customers and allows firms to adapt easily to a rapidly changing environment (Karneli, 2023). Thus, this work will enable us to apply the concept of customer prioritization in practice and understand its fundamental concepts and applications in other export-oriented companies.

The prioritization of clients is a crucial factor in building relationships with customers in modern companies. This process is especially evident in international firms that aim to maximize profit in the shortest time possible while minimizing costs and marketing investments (Kreuzer et al., 2020; Libai et al., 2020). Companies hope their investments in marketing strategies will yield returns, and employees will execute particular strategies as effectively as possible (Werner and Balkin, 2021). Such rules can be formal or informal and applicable to both head offices and subsidiaries (Fuentelsaz et al., 2020). Customer prioritization is a strategy that companies closely monitor, striving to extract maximum benefit from it (Libai et al., 2020). Prioritization has not yet been examined from the same perspective as in this thesis, within the framework of international markets, and concerning the influence of moderators analyzed in this study. It is important to note that the concept of customer prioritization is frequently utilized in international companies, and both scientists and practitioners should pay special attention to it, particularly in a rapidly changing and evolving market. Companies implement this strategy hoping it will elevate the entire organization to a new financial level (Libai et al., 2020). Therefore, customer prioritization is one of the essential strategies followed by sales managers and directors. Client prioritization can be based on the profitability level of a particular client or the product presented in the market. Nevertheless, company owners and top management hope this strategy will benefit the entire international organization as a whole (Fuentelsaz et al., 2020).

This work is also of great value for practitioners. It is important to note that scientific literature is highly valued in the contemporary business world, especially in a rapidly developing environment where new ideas continually emerge (Fuentelsaz et al., 2020). New entrepreneurs should read business research that informs them about emerging trends, particularly those influencing the success and efficiency of companies, as scientific work is rooted in an actual assessment of the company’s activities (Hutt and Speh, 2021).

In the course of a qualitative assessment of the activities of international companies, aspects were identified on which companies rely when choosing the marketing strategies used by sales managers in international firms. Modern managers, directors, and company owners will be interested to know how contemporary companies react to the changing world in today's reality and how they apply the strategy of prioritizing clients in practice (Hutt and Speh, 2021). Companies are now trying to save their resources as much as possible and channel them in the right direction. Therefore, the concept of prioritization helps firms save their resources and time to achieve their goals. Customer prioritization may vary in different markets, but its basic definition and application model remain the same; it helps save time for sales managers within international companies and assists firms in growing as quickly as possible (Libai et al., 2020). This concept is influenced by factors such as weight and voice, formalization, customer orientation, international customer centrism, customer value management, customer concept, and interaction orientation.

Additionally, the analysis of the quantitative basis helped assess how companies apply this concept, especially in international markets (Hutt and Speh, 2021). It is very easy to apply a certain concept in domestic markets, but it is much more challenging to adapt or implement it in international markets, as there are specific individual aspects of the company's activities, such as languages, religions, traditions, the level of development of the country, and particular customer preferences. It will be interesting for practitioners to learn all these nuances that they can implement in their company's activities and adapt them to their unique characteristics, as modern companies strive to be the best. The concept of prioritization will help them achieve their goals in a very short time, which is supported by this thesis.

The analysis of the quantitative database helped test the hypotheses considered during the writing of this thesis. This study showed how companies approach the implementation of the customer prioritization concept, as well as their perspectives on their activities and those of their ventures. The study revealed that it is more difficult to implement this concept in remote markets and that companies strive to apply it in practice. It also demonstrated how companies prioritize their customers, based on various factors, primarily goods or services, as well as within the framework of pricing policy. Companies are also ready and willing to build long-term business relationships with their partners as part of prioritizing their clients and clearly defining priorities. Most companies represented abroad function as agents and distributors; some are represented as subsidiaries, and rarely as their own representative offices or joint ventures. Furthermore, companies are willing to present their customers with special offers based on their profit potential and prequalify customers according to revenue potential (Libai et al., 2020). They allocate their financial resources and the best employees, as well as other privileges, to manage relationships with their most important customers (Hutt & Speh, 2021).

Also, the thesis contributes to headquarter-subsidiary relationships. These relationships were examined through the lens of how international companies structure their connections with their subsidiaries and how they apply customer prioritization strategies in distant foreign markets. For companies, particularly head offices, it is very important to establish proper engagement with their subsidiaries. If subsidiaries have a certain level of profitability and are therefore vital to the head office, then companies will listen to them, as the subsidiary holds significant weight in the development of the entire international company (Farah et al., 2021; Kafouros et al., 2022). The more successful a subsidiary is, the more authority it has in the eyes of top management (Kafouros et al., 2022). Companies offer their subsidiaries a certain level of autonomy but also continue to impose informal rules, which may be documented formally or recommended informally (Geleilate, 2020). During the research, it was noted that head offices and subsidiaries utilize the concept of client prioritization. This is based on the customers' profit potential as well as the importance of a particular product that can be successful in a specific market. The study also indicated that subsidiaries possess more information and experience regarding business operations in their markets, owing to market specifics (religion, language, cultural characteristics, and level of economic development), all of which affect pricing and consequently the quality of the product. Thus, this thesis sheds light on the relationships between the head office and the subsidiary within the framework of international business and the concept of customer prioritization. All the information outlined above is pivotal for scholars, as it provides new insights into the researched topic.

Structure of the dissertation

The thesis is organized as follows. Firstly, we examine the importance of customer prioritization strategies; then we provide a structured literature review, and data collection is provided as well. Next, we report in-depth findings and develop an important conceptual framework. In conclusion, we outline the discussion, implications, and identify avenues for future research.

The thesis introduces the core challenge of balancing global standardization and local adaptation in export markets. It sets the stage by framing customer prioritization as a crucial strategy for firms, particularly those in export-driven economies in Slovenia. The objectives are clear: to evaluate the effectiveness of global versus adaptive market-oriented strategies and to offer actionable insights to improve firms' international competitiveness.

In the literature review, the groundwork is laid with an exploration of foundational marketing concepts such as market orientation, customer prioritization, and global versus adaptive strategies. The chapter dives into theoretical frameworks, highlighting the tension between uniformity and customization in international markets. It also examines the role of headquarter-subsidiary relationships and how firms manage varying market demands.

In the methodology chapter, the research design is outlined, detailing both qualitative interviews and quantitative surveys as the primary tools for gathering data. It describes how the study’s hypotheses were crafted and tested, ensuring the rigor of data collection and analysis. Special emphasis is placed on ensuring reliability and validity in the research approach.

The findings are brought to life, showcasing the impact of global and adaptive strategies on export performance. The analysis highlights the trade-offs between cost efficiency and cultural relevance, with insights drawn from empirical data. Practical implications for resource allocation and strategy optimization are explored, providing a deeper understanding of how firms can adapt to dynamic international markets.

2 THEORETICAL BACKGROUND: MARKETING ORIENTATION

2.1 What is a marketing concept

The marketing concept is an integrated approach to promoting goods and services in the market, aimed at meeting the needs and expectations of customers. This is one of the basic tools of modern business, enabling companies to effectively expand their sales and increase profits. The main principles of the marketing concept are customer focus, creating value for the consumer, continuous market research, and the use of segmentation to determine the needs of the target audience (Kotler & Armstrong, 2018). In this article, we will take a closer look at the origins and development of the marketing concept, as well as its elements, varieties, and advantages.

Apart from the basic concept of marketing, there are various options that offer different methods to achieve success in the market (Kotler & Armstrong, 2018). This approach focuses on the product itself and its quality. Enterprises using this concept strive to create the highest quality products and continuously improve them. This strategy can be effective if the company has a high-quality product and the target audience is highly receptive to new developments. This approach emphasizes the needs and wants of the consumer (Kotler & Keller, 2016). Companies employing this concept strive to satisfy consumers' needs and create products that align with their preferences (Narver & Slater, 1990). This can be effective if the company clearly understands its target audience and knows how to meet their needs.

This strategy emphasizes promoting a product and creating demand among consumers, rather than fully researching consumer needs and developing a product that best suits their requirements (Narver & Slater, 1990). Companies employing this concept often utilize aggressive marketing techniques such as advertising and hard selling. However, this approach may lead to a negative perception of the company if it fails to provide sufficient product quality and does not satisfy consumer needs (Kotler & Armstrong, 2018). Each of these marketing concepts can be effective in different situations, depending on the specific goals set by the company. Nevertheless, most companies today adopt the customer orientation concept because it enables them to more accurately meet the needs of their target audience.

The marketing concept helps a company clearly define its target audience and focus its efforts on satisfying their needs and desires (Kotler & Armstrong, 2018). This allows the company to utilize its resources more effectively to achieve goals and increase profits. The marketing concept also assists a company in gaining a competitive advantage by solving problems and providing solutions that best meet customer needs (Narver & Slater, 1990). This makes the company more attractive to consumers and helps it retain existing customers while attracting new ones. Additionally, the marketing concept can enhance a company's productivity, as efforts are focused on specific objectives. It aids in developing products and providing services that meet customer needs and expectations. However, the marketing concept may involve risks associated with the necessity of delivering certain products or services within specific timeframes. Companies may be compelled to adapt quickly to changes in customer needs and desires. Implementing the marketing concept may also require additional financial investments, such as conducting market research, competitor analysis, and other activities that support the marketing efforts (Levitt, 1960). Developing a suitable marketing strategy and implementing it can demand a considerable amount of time and resources. New products, services, and marketing campaigns must be researched, developed, and tested. Completing all these tasks can be time-consuming and resource-intensive.

2.2 Marketing orientation

Marketing orientation is a crucial component of a company’s strategic management system, significantly influencing how it adapts to market conditions. It involves leveraging dominant market information and employing appropriate marketing tools to shape competitive advantage (Kotler & Keller, 2016). The types of marketing orientation a company adopts are determined by the nature of the market information used—whether it focuses on supply and demand dynamics—and the marketing tools employed to enhance competitiveness (Kohli & Jaworski, 1990). The effectiveness of marketing orientation largely depends on the continuous acquisition and strategic use of information regarding customer needs and competitive capabilities. By focusing on both customer demands and competitor strategies, companies can respond promptly and effectively to market changes (Narver & Slater, 1990). This responsiveness is essential in a dynamic market environment where customer expectations and competitive actions are continually evolving. While the primary focus of marketing orientation is on meeting consumer needs, it is also critical to recognize that no company can independently supply all necessary resources or perform all activities internally. Organizations often rely on external products and services to complement their operations. This reliance leads to a broader marketing system that includes the production chain, market, and distribution channels, making the company a participant in the marketing activities of other market entities (Levitt, 1960). This interconnected system necessitates an adaptable marketing orientation to remain competitive. In today’s competitive landscape, the value of a company’s marketing orientation is increasingly linked to its ability to adapt to changes and sustain a competitive advantage. The rapid reduction in competitive advantage cycles—due to lower barriers to market entry and reduced impact of traditional competitive factors like economies of scale and product differentiation—forces companies to continuously seek new solutions. The impetus to strengthen marketing orientation is driven by intensified competition, market saturation, and heightened consumer and intermediary demands. However, the effectiveness of this orientation is heavily influenced by the strategic stance of the company's management (Kotler & Armstrong, 2018). Developing a clear and strategic marketing approach can enhance intangible assets and facilitate competitive positioning without necessarily requiring large-scale investments. Instead, it involves systematizing market knowledge and implementing effective strategic management practices (Kotler & Keller, 2016). In Slovenia, as elsewhere, there is a noticeable shift from industrial consumption—focused solely on meeting basic needs—to more differentiated demand where consumers seek products tailored to individual preferences. This shift necessitates a transition from a production-focused to a market-focused approach, emphasizing marketing as a key area for gaining competitive advantage (Narver & Slater, 1990). Constantly updating product assortments and embracing innovations are effective marketing techniques that allow companies to stay ahead of competitors. However, developing new products involves substantial costs, prompting companies to explore unique market offers to differentiate themselves, especially when investment resources are limited (Levitt, 1960). International companies, in particular, seek to avoid intense competition by creating unique market offerings that cater to both elite and mass markets. Marketing orientation is integral to maintaining and enhancing a company's competitiveness. It involves continuous efforts to align with consumer needs and competitor strategies while adapting to market changes. By focusing on creating superior value for consumers compared to competitors, market-oriented enterprises can achieve long-term success and sustain their competitive edge. Thus, marketing orientation is not only about understanding and responding to consumers but also about strategically positioning against competitors in a dynamic market environment.

2.3 International marketing orientation

International marketing orientation refers to the strategic approach a company adopts when entering and competing in foreign markets. Different orientations reflect varying levels of adaptation and responsiveness to international markets.

Ethnocentric Orientation: Companies with this orientation view their home market as superior to foreign markets. They often export products with little modification. Marketing strategies are developed in the home country and extended internationally, with minimal adaptation to local preferences and cultural differences. For example, a company exporting standardized products without considering local needs. This orientation is based on the belief that home country practices and products are superior. Companies with this mindset focus on their domestic market and extend their existing strategies and products to international markets with minimal changes. Perlmutter (1969) introduced this concept, emphasizing that ethnocentric firms often overlook cultural and market differences abroad. This approach can lead to failures in foreign markets due to a lack of sensitivity to local preferences and conditions.

Polycentric Orientation: Firms with this orientation treat each foreign market as unique. They adapt products and marketing strategies to suit each local market. Local subsidiaries or partners have significant autonomy. This approach respects cultural differences and local market conditions. For instance, a fast-food chain offering different menu items in various countries based on local tastes. This orientation emphasizes the uniqueness of each foreign market. Companies adopting this approach customize their strategies and products to meet the specific needs and preferences of each local market. Heenan and Perlmutter (1979) expanded on this concept, highlighting the importance of local responsiveness and the autonomy of subsidiaries in making marketing decisions. While this approach allows for greater market penetration, it can lead to higher costs and inefficiencies due to the lack of standardized practices.

Regiocentric Orientation: Companies with this orientation group countries into regions with similar market characteristics. They develop regional strategies that cater to these similarities while acknowledging some differences. Marketing efforts are coordinated regionally, allowing for some standardization and adaptation. For example, a consumer electronics company developing a regional strategy for Asia with slight variations for individual countries. This orientation involves grouping countries into regions that share similar characteristics and developing strategies that cater to these regions. It represents a middle ground between ethnocentric and polycentric approaches. The concept is discussed in the context of regional economic integrations and trade blocs, such as the European Union, where regional strategies become relevant (Rugman and Verbeke, 2004). This approach balances the need for regional adaptation and cost efficiencies but may still overlook significant differences within regions.

Geocentric orientation is when companies view the entire world as a potential market. They aim to integrate global efficiencies with local responsiveness. Marketing strategies create a global brand while allowing for local adjustments. This approach balances standardization and adaptation to leverage global best practices while meeting local needs. For example, a luxury car manufacturer promotes a consistent brand image worldwide but adjusts marketing messages and features for different markets. Companies with a geocentric orientation view the entire world as a single market and strive to integrate global efficiencies with local responsiveness. They aim to develop a unified global brand while allowing for necessary local adjustments. Bartlett and Ghoshal (1989) discussed the transnational model, which aligns closely with the geocentric orientation, advocating for a balance between global standardization and local adaptation. While potentially the most effective approach, it requires substantial resources and sophisticated management practices to implement successfully.

Each orientation represents a different mindset and approach to international marketing, ranging from a focus on home country superiority to a balanced global and local perspective. The choice of orientation depends on factors such as the company's goals, resources, and the nature of its products or services.

The literature on international marketing orientation explores various frameworks and models that describe how companies approach and adapt to foreign markets. Scholars have categorized these orientations to understand the strategic decisions businesses make when expanding globally. Key contributions to this field include understanding these orientations helps companies make informed decisions about market entry, product development, and marketing strategies. Adapting to different orientations underscores the importance of cultural sensitivity and local market knowledge in international business. The choice of orientation often involves a trade-off between the efficiency of standardized practices and the effectiveness of locally adapted strategies.

The literature on international marketing orientation provides a comprehensive framework for understanding how companies can approach global markets. The choice of orientation impacts the success of international operations, influencing everything from marketing strategies to organizational structure. As globalization continues to evolve, these orientations offer valuable insights for businesses navigating the complexities of international expansion.

2.4 Globally integrated (standardized) vs. globally adapted marketing activities/strategies

In international marketing, companies must decide between adopting a globally integrated (standardized) approach or a globally adapted approach to their marketing activities and strategies. Each approach has distinct advantages and challenges, with the choice depending on the company's goals, the nature of its products or services, and the characteristics of the target markets.

Globally integrated marketing involves developing and implementing uniform marketing strategies across all international markets. This approach aims to create a consistent brand image and achieve economies of scale by minimizing variations in marketing activities. The advantages of standardization include cost efficiency, as it reduces expenses associated with creating multiple marketing campaigns and allows for bulk purchasing of advertising space and materials. Additionally, it ensures brand consistency, strengthening brand identity and recognition globally. Simplified management is another benefit, as coordinating a single, cohesive strategy is often simpler than managing multiple, varied campaigns (Levitt, 1983).

However, the challenges of a standardized approach include cultural insensitivity, where standardized strategies may fail to resonate with local audiences, leading to ineffective marketing. Market differences, such as variations in consumer behavior, preferences, and regulatory environments across markets, can also limit the effectiveness of a one-size-fits-all approach. Levitt (1983) argued for the benefits of standardization, suggesting that global markets are becoming more homogeneous, and companies can capitalize on this by offering standardized products and marketing.

On the other hand, globally adapted marketing involves tailoring marketing strategies to fit the specific needs, preferences, and cultural nuances of each local market. This approach emphasizes local responsiveness and flexibility. The advantages of adaptation include cultural relevance, ensuring that marketing messages resonate with local audiences, leading to higher engagement and effectiveness. It also provides a competitive edge, as companies can better meet local market demands and respond to competition more effectively. Additionally, adaptation helps navigate local regulations and cultural norms, avoiding potential pitfalls and enhancing acceptance (Douglas & Wind, 1987).

The challenges of an adapted approach include higher costs, as developing and executing multiple marketing campaigns can be resource-intensive. Managing diverse strategies across various markets also requires sophisticated coordination and can increase operational complexity. Douglas and Wind (1987) highlighted the importance of adapting marketing strategies to local markets, noting that differences in culture, economic conditions, and market structures necessitate a tailored approach.

Many companies opt for a hybrid approach, balancing standardization and adaptation to leverage the benefits of both strategies. This involves maintaining a consistent core brand message and identity globally while adapting certain elements of the marketing mix, such as product features and advertising themes, to better suit local market conditions. For example, McDonald's employs a global branding strategy but adapts its menu items to local tastes, offering vegetarian options in India and rice dishes in Asian markets.

The choice between globally integrated and globally adapted marketing strategies depends on multiple factors, including the nature of the product, the degree of market homogeneity, and the company's overall strategic objectives. While standardization offers cost efficiencies and brand consistency, adaptation allows for cultural relevance and local responsiveness. Companies often find that a balanced approach, incorporating elements of both strategies, provides the most effective path for international marketing success.

2.5 Theoretical foundations of customer concept, customer orientation, and customer prioritization

This chapter explores the theoretical underpinnings of three critical concepts in customer management: Customer Concept, Customer Orientation, and Customer Prioritization. Each concept has been extensively studied, drawing from various theories in marketing, psychology, and strategic management. These theories provide insight into how businesses define, orient, and prioritize their customers to drive satisfaction, loyalty, and value.

Customer Concept centers around defining who the customer is and understanding their needs, preferences, and motivations. This concept is foundational for segmentation and targeting strategies, and several theories have informed its development:

Market Segmentation Theory: Developed by Smith (1956), market segmentation theory argues that customers are not homogeneous; rather, they can be grouped based on characteristics such as demographics, psychographics, and behavior. By segmenting the market, businesses can better target and appeal to different groups. This theory has been pivotal in developing the customer concept as it allows companies to understand which segments align with their offerings and values.

Customer Value Theory: Customer value theory, as described by Holbrook (1994), posits that customers derive value from products and services based on factors like functional benefits, emotional appeal, and social status. This theory has contributed to the customer concept by helping businesses understand what aspects of their offerings are most valued by their target customers, allowing for a more tailored approach to marketing and product development.

Theory of Buyer Behavior: The buyer behavior theory, introduced by Howard and Sheth (1969), explores the complex motivations and decision-making processes customers go through before purchasing a product. This model has been influential in shaping the customer concept by emphasizing the importance of understanding customer needs and psychological drivers, such as attitudes, intentions, and perceptions. By leveraging insights from this theory, businesses can better identify and appeal to the factors that drive customer decision-making.

The concept of Customer Orientation is rooted in the idea that businesses should align their operations, culture, and strategies to meet customer needs. This concept is central to customer-centric business models, and it is informed by several important theories:

Market Orientation Theory: Market orientation, as described by Kohli and Jaworski (1990) and Narver and Slater (1990), suggests that businesses must continuously collect and analyze information about customer needs, competitors, and market trends to create value for customers. This theory has significantly influenced the development of customer orientation by framing it as an organization-wide responsibility rather than just a marketing function.

Market orientation encompasses a focus on customer needs, competitor intelligence, and interdepartmental coordination, all of which support a business's ability to be genuinely customer-oriented.

Resource-Based View (RBV): The RBV, proposed by Barney (1991), posits that a company's internal resources, such as brand reputation, employee skills, and customer relationships, are essential to achieving a competitive advantage. In the context of customer orientation, this theory suggests that developing unique customer insights and capabilities to meet customer needs can set a company apart. By focusing on resources that enhance customer satisfaction, businesses can cultivate a sustained competitive edge.

Customer Experience Theory: The customer experience theory, as discussed by Schmitt (1999), emphasizes the holistic experience of customers as they interact with a brand. This theory informs customer orientation by focusing on touchpoints that influence a customer's perception and emotional connection with the brand. Understanding these experiences enables companies to structure their processes and interactions in ways that foster positive relationships, furthering the goals of customer orientation.

Customer prioritization is the strategy of identifying and ranking customers based on their value to the company. This concept is essential for resource allocation and relationship management and draws from several key theories:

Customer Lifetime Value (CLV) Theory: CLV theory, widely discussed by Reinartz and Kumar (2000), calculates the projected revenue a customer will generate over their entire relationship with a company. CLV has been central to customer prioritization as it allows companies to determine which customers are the most valuable, thereby justifying resource investment in those relationships. By focusing on CLV, businesses can prioritize long-term customer retention strategies and enhance profitability.

Relationship Marketing Theory: Relationship marketing theory, as defined by Berry (1983), emphasizes creating and nurturing long-term relationships with customers rather than focusing solely on one-time transactions. This theory supports customer prioritization by suggesting that companies should identify customers who are likely to engage in a continuous relationship and provide them with special attention, tailored services, or loyalty programs. Building loyalty with high-value customers ensures stable revenue streams and competitive advantage.

Customer Equity Theory: Customer equity theory, developed by Rust, Zeithaml, and Lemon (2000), asserts that a company's value is strongly tied to the equity of its customer base, which is derived from acquisition, retention, and add-on selling. This theory aligns with customer prioritization as it encourages firms to assess the profitability of individual customers and groups. By maximizing customer equity through effective prioritization, businesses can achieve a more balanced and sustainable growth model.

Resource-Advantage Theory: Homburg, Droll, and Totzek (2008) expanded on the idea of resource advantage by demonstrating that companies should allocate their resources strategically based on customer segments' potential profitability. This theory emphasizes that not all customers warrant the same level of investment. By prioritizing customers who generate higher returns, companies can achieve better financial outcomes. This theory supports the need for a structured approach to customer prioritization that maximizes resource efficiency.

The theoretical foundations of Customer Concept, Customer Orientation, and Customer Prioritization illustrate how each concept contributes uniquely to customer-centric business strategies. By drawing on diverse theories from segmentation and buyer behavior to resource-based perspectives and lifetime value, these concepts collectively guide companies in understanding, satisfying, and retaining their customers. Through informed prioritization, businesses can optimize resource allocation, sustain competitive advantage, and cultivate stronger customer relationships, leading to enhanced profitability and loyalty. In the evolving realm of business, the pursuit of understanding customers has always been central. Yet, as markets grew more complex, firms realized that not all customers were created equal. Some held immense value, others steady reliability, and a few offered untapped potential. This realization birthed the quest to classify approaches for determining customer prioritization—a journey shaped by academia and industry alike.

The story began with numbers. Scholars like Berger et al. (2006) and Kumar and George (2007) emphasized the tangible—the financial contributions of customers. This value-based approach classified customers based on:

Revenue Contribution: Customers were ranked by their total spending, with high spenders deemed most valuable. Profitability: Firms prioritized customers offering higher margins, balancing cost to serve with financial returns.

Customer Lifetime Value (CLV): The concept of long-term value emerged, forecasting the total profit a customer could generate over their relationship with the firm.

These metrics became the cornerstone of prioritization strategies. However, as critics like Rust, Moorman, and Dickson (2002) noted, financial measures alone couldn't capture the relational or strategic aspects of customers. The story's next chapter unfolded as firms sought to balance these elements.

A new wave of scholars turned their attention to behavior. Inspired by works such as Lacey et al. (2007), firms began to look beyond dollars to understand how customers interacted with their brands. Key approaches included: Frequency of Interaction: Identifying regular buyers and repeat customers as reliable contributors. Engagement Metrics: Customers engaging with brands through reviews, referrals, or feedback were prioritized for their advocacy potential. Churn Prediction: At-risk customers were flagged for proactive retention strategies.

Behavioral approaches offered a dynamic lens, focusing on ongoing customer actions rather than static financial figures. Yet, the question lingered: Was behavior enough to guide long-term strategic goals?

The narrative took a turn when firms realized that some customers weren't just buyers—they were strategic allies. Homburg et al. (2008) and Cambra-Fierro et al. (2021) championed the importance of customers who could shape market dynamics:

Market Influencers: Key clients whose association enhanced brand visibility and attracted new business. Growth Catalysts: Customers driving expansion into new markets or industries. Collaborative Innovators: Those providing insights or co-developing new products, offering value beyond transactions.

These strategic approaches emphasized the broader role of customers in a firm's ecosystem. However, prioritizing a few often meant neglecting others, raising equity and fairness concerns (Butori & De Bruyn, 2013).

Amidst the strategic focus, pioneers like Bolton and Tarasi (2017) brought attention to the power of relationships. They argued that loyalty and trust could outweigh financial metrics in the long run. Firms began categorizing customers based on relational depth:

Loyalty Leaders: Customers with high repeat purchase rates and long-standing ties to the brand. Collaborative Partners: Those deeply involved in joint initiatives or co-created value. At-Risk Relationships: Clients showing signs of disengagement but worth salvaging for their historical importance.

Relational approaches required firms to view customers not as transactions but as partners. This perspective aligned with modern customer-centric philosophies, where relationships were seen as an investment.

As the story progressed, the complexities of customer prioritization demanded integration. Scholars like Gupta et al. (2006) proposed hybrid models combining financial, behavioral, strategic, and relational metrics. Matrix Models: Customers were classified into quadrants, such as "Stars" (high value, high engagement) or "Cash Cows" (high value, low engagement). Dynamic Prioritization: AI and machine learning allowed firms to adjust customer rankings in real-time based on changing behaviors or financial contributions.

Hybrid approaches provided a comprehensive framework, but their complexity required advanced data capabilities and significant organizational investment (Rust et al., 2002).

Finally, firms recognized that context mattered. Approaches to prioritization varied across industries and markets: B2B Markets: Key Account Management (KAM) frameworks prioritized large accounts based on revenue and strategic value (Cadogan et al., 1999). B2C Environments: Retailers focused on transactional data, loyalty programs, and engagement patterns (Homburg et al., 2008). Export Ventures: Multinationals tailored prioritization strategies to regional dynamics, leveraging market-specific insights (Diamantopoulos & Cadogan, 1996).

This contextual lens ensured that prioritization strategies aligned with industry-specific challenges and opportunities.

As the story of customer prioritization unfolded, it became clear that no single approach could address all needs. From financial foundations to relational depth, behavioral insights to strategic partnerships, and hybrid models to contextual tailoring, each method brought its own strengths and limitations. Thus, the journey of customer prioritization continues, with firms and scholars refining their approaches, ensuring that every customer is valued in a way that benefits both the business and its clients.

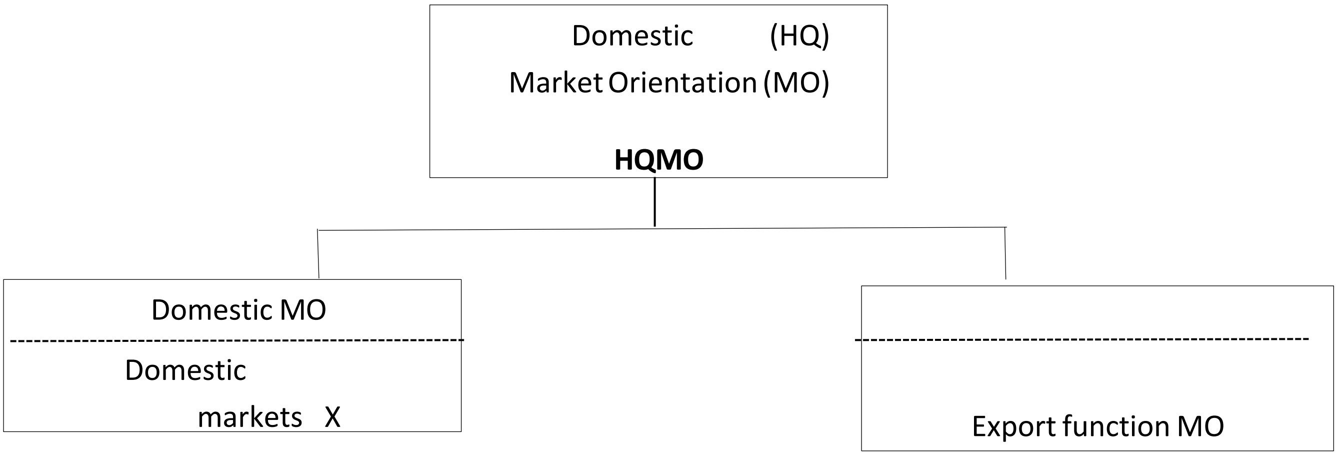
2.6 Global market orientation

Given that the current market orientation theory tends to view the market orientation activities of companies as being unitary and singular – actions that exist at the level of the company – the implication for the theory of how market orientation drives business performance is that the latter is coarse-grained. This means that market orientation theory overlooks the potential for market orientation behaviors to vary within the firm, and for these differences to shape success in some way. As a result of these deficiencies in theoretical development, very little is known about the extent to which market orientation behaviors actually do differ across parts of a firm, and certainly, very little information is available about whether the shape of the portfolio of market orientation activities across the firm may influence the overall success of the firm.

Figure 2 builds on Homburg and Pflesser (2000), who suggest that market-oriented behaviors (MOBs) are key antecedents to firm success, and that the firm's market-oriented culture (market-oriented values and norms) may shape those behaviors. Thus, in Figure 2, the firm's headquarters (HQ), represented as being located in a single domestic market, has its own market-oriented culture, and this will shape the market orientation behavior levels of the business's activities in domestic markets. Additionally, it will play a role in creating the market orientation of the company in its business function, affecting the market orientation behaviors of the company in export markets. However, specific markets may have unique circumstances that require adjustment of market orientation levels, or there may be features of the market or the company that further influence the extent to which market orientation activities occur in the markets. Thus, in the export venture represented by "Export Market 1," the firm may have a market orientation level that is similar to or different from the market orientation level of the export venture represented by "Export Market 2," and so on.

Table A1 in the Appendix represents collected findings from a range of important market orientation studies, showing the various angles and topics being investigated, and demonstrates that there is a strong emphasis in the literature on determining the performance outcomes of market orientation.

Figure 2: Market-oriented behaviors



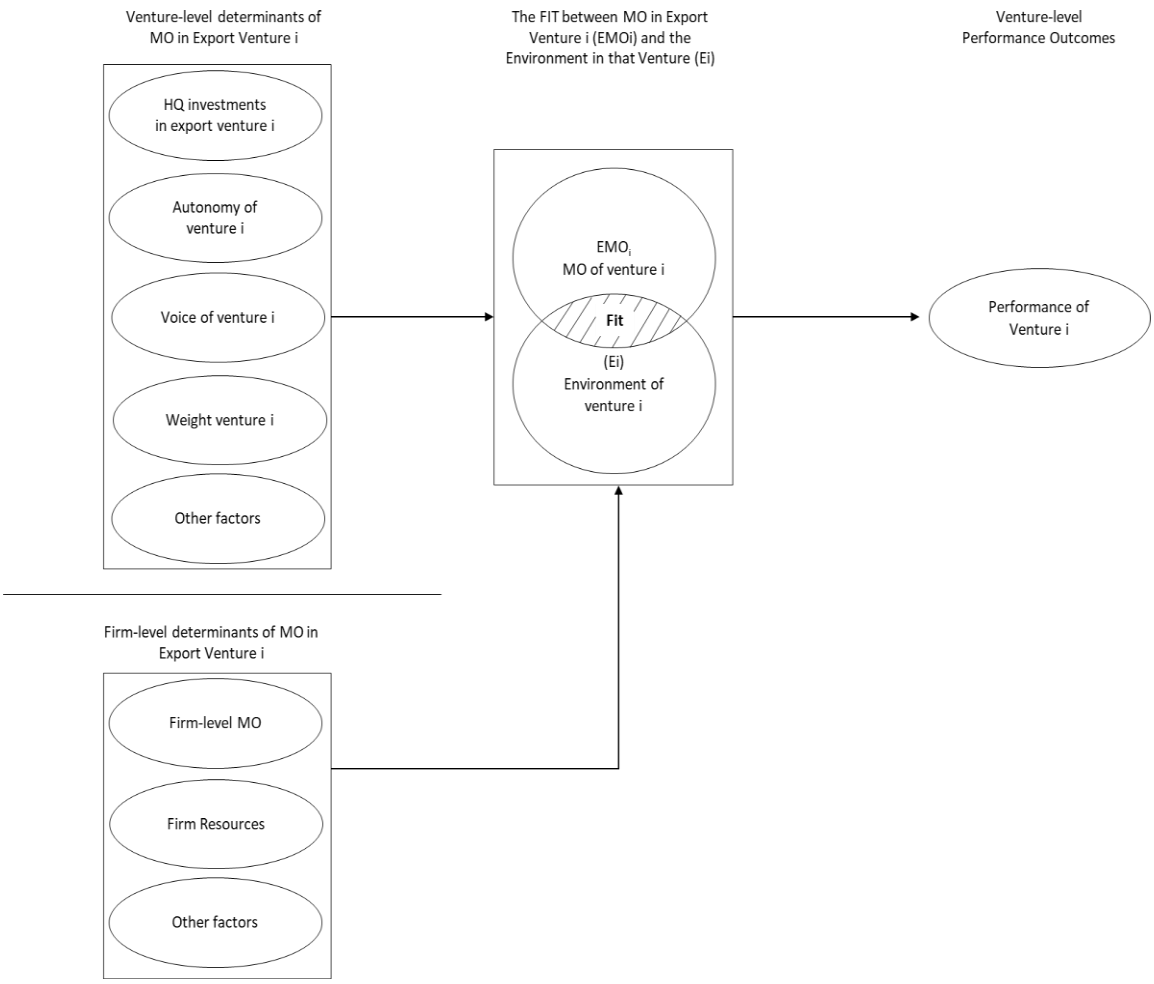
Source: Own work

Table A2 examines the level of analysis that market orientation studies adopt and shows that a handful of these studies (some of them highly influential) recognize that organizations have "areas" (functions, business units, and the like) within which market orientation activity may be relatively homogenous and between which market orientation activities may be heterogeneous. Importantly, although Table A2 demonstrates that the literature acknowledges that differences in market orientation exist within a single firm, there are no theoretical models or empirical studies that can serve to guide exporting firms in terms of how best to manage multiple market orientation levels across the firm. In addition to these issues, knowledge regarding the factors that may determine how much variance there is in the market orientation levels across firms' operations is insufficient. Modern studies of market orientation's antecedents focus on between-firm level models and, thus, identify drivers, suppressing factors, or facilitators of market orientation at that level. Table A2 shows literature findings on the antecedents to and outcomes of market orientation that are studied.

From this perspective, the literature indicates that firms may not always get it right in terms of allocating resources and effort to business orientations and marketing strategies. Kohli and Jaworski (1990, p. 16) noted this very thing in firms that are developing market orientation, with the marketing function seen "as the "blue-eyed boys" of the organization," and with other functions becoming resentful of the attention and resources directed at marketing: if this occurs at the expense of the firm's international marketing field, then it may be that firms end up under-resourcing export market orientation.

Indeed, the international market orientation literature indicates that exporters are (a) often reluctant to invest resources into market-oriented strategy in their export markets due to the risks involved, and (b) patch-protection by domestically oriented elements of the business can inhibit the firm's ability to deploy export market orientation (Diamantopoulos & Cadogan 1996). Other areas of the international business literature also provide evidence that enhances this picture. For instance, Bouquet and Birkenshaw (2008) report that multinational firms often prioritize the resources, attention, and decision-making autonomy that they bestow on different parts of their domestic and international operations. Based on these literature sources, it is possible to identify a preliminary model of factors both internal and external to the firm that may shape how market-oriented different parts of the firm become. Figure 3 presents a model that identifies features of the firm's design and structure as well as management structures that could shape the areas in which the firm is market-oriented in any export venture. This is a venture-level model of drivers of market orientation at that venture level, and the drivers can exist at both the firm level and the venture level, as seen in Figure 3. Figure 3 identifies the fit of market orientation in the export venture and the environment in the export venture as important potential determinants of the performance of that venture. It provides a way of visualizing the extent to which the market-oriented activity of a venture is appropriate for (i.e., fits) that venture's market environment. It also presents (a) a tentative (and emerging) list of potential drivers of 'market orientation—environment' fit at the individual venture level, which can exist at both the venture level and the firm level, and (b) the assumed performance-related outcomes of variance in the 'market orientation—environment' fit. Figure 3 reflects the fact that the literature review indicates that different factors may affect a venture's levels of market orientation (e.g., different export ventures have different levels of attention given to them by headquarters executives (Bouquet and Birkinshaw, 2008)). Thus, factors at the firm level and the venture level, as well as factors in the individual environments of ventures, can shape the market orientation behaviors the firm engages in within those individual ventures. Extending this tentative logic, the model presented here acknowledges that firms operate multiple export ventures and thus can have different levels of "fit" between each venture's market orientation level and environment.

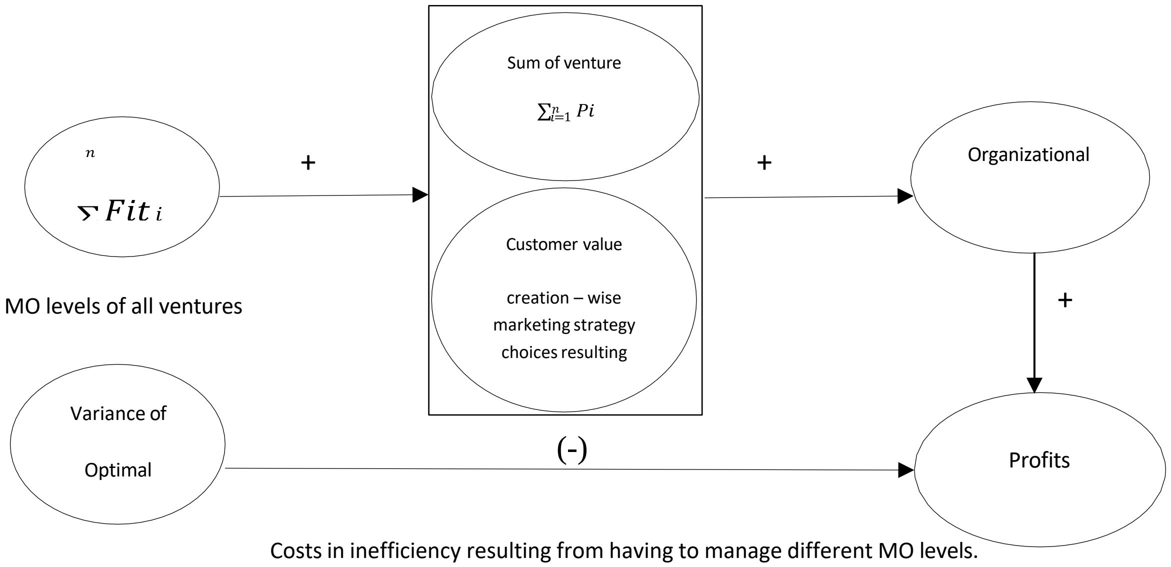
Figure 3: A venture-level model of MO. Determinants and performance outcomes of ventures.



Source: Own work

Extending these logics, Figure 4 presents a tentative firm-level perspective, by aggregating across all the firm's ventures, and attempts to show schematically the impact of the 'total fit' (the aggregate of fits across all the firm's ventures) on the overall firm performance level.

Figure 4: Firm — level model of market orientation fit and performance outcomes.



Source: Own work

Here, the model suggests that the greater the overall fit between MO and the environment (the sum of MO – environment fits across the firm's ventures), the greater the sum of performances in those ventures. This is caused by the firm creating high levels of customer value and engaging in wise marketing strategy choices (the result of informational advantages). Ultimately, this should drive sales success and profits. Timely allocation and meeting customer needs is a fundamental task of marketing (Lamore et al., 2013).

The concept of market orientation is very popular in marketing, and many scientists have devoted their work to this topic. I would like to note that in modern literature, there are more and more works that demonstrate the relationship between market orientation and innovation. If the main goal is customer focus, the company can achieve this by attracting the attention of new and existing customers, as well as retaining them.

In today's developing world, it is very important to establish long-term and trusting relationships with customers. To do this, companies must apply specific theories accurately and correctly to specific situations. Certain clients can be very important for the company in certain aspects, and the development of long-term relationships increases competitive advantages (Hennig-Thurau, 2000). Integrating a business into a modern model is crucial for its successful existence; a company must be market-oriented in order to thrive in a highly competitive environment. The effectiveness of customer focus practice is significant both in theoretical research and in practice.

Thus, a key indicator of high customer focus is attention to customer requirements, as well as successful and long-term relationships with them (Cook, 2010). Not only must companies devote their time and effort, but customers themselves must also create special conditions for long-term relationships (Bolton & Tarasi, 2017).

It is important to note that over time, the implementation of relationships between companies and customers, as well as the tools used, evolve. For example, when a company receives a potential customer, it should obtain as detailed requirements for the product as possible, including the timing of the project. In this way, the company collects information about customer requirements (Bolton & Tarasi, 2017). This stage is crucial; if the company does not offer the products correctly or if the prices do not satisfy the client, the company may lose the client. Conversely, if the client has very low requirements, the customer has the right to refuse such a client (Meyer & Schwager, 2007). This suggests that both the customer and the client must interact and understand each other from the initial stages of interaction. Otherwise, long-term partnerships may not work out. Both the customer and the company must adapt to each other. The potential value of the customer is very important for the company, as it can make short-term compromises to secure the customer for the long term. For example, a company may offer to develop a unique product or service not offered to other customers, or it may provide a discount on first orders to win over a good and respectable customer for the long term. The value of the client determines these actions.

I would like to note that in the modern economy, many companies aim to enter foreign markets and acquire new customers (Meyer & Schwager, 2007). Thus, companies become customer-oriented in new markets, offering specific services and products to attract new foreign customers (Meyer & Schwager, 2007). As companies gain experience interacting with potential customers, the processes for selling products or services also evolve. When collecting primary information, companies put forward certain requirements for specific types of products or services. The parties consult and agree on pricing during initial meetings. When the price has become outdated for both the company and the customer, the parties proceed to discuss the contract on certain points, which reflect the processes of the relationship between the parties. It is important that the parties respect the contractual relationship, behave appropriately within the framework of the contract, and comply with all its provisions. In practice, some companies may not follow certain clauses of the contract, or some cases may not be described in the contract. It is very important that the supplier has a trusting relationship with the customer so that in case of diverging points of view, the companies can come to a consensus and adapt to new conditions in a mutually beneficial manner. This ensures that neither the company loses a good customer, nor the customer loses a good supplier (Sun & Lin, 2010). In the fundamentals of this customer orientation method, the company must pay attention to the area of information exchange, including the collection, distribution, and processing of data, as well as to the area of management where adaptation is carried out.

2.6.1 Market orientation

Narver and Slater (1990) define market orientation as an organizational culture that most efficiently supports the creation of additional value by placing the consumer at the core of the organization. A. Kohli and B. Jaworski suggest considering market orientation as several organizational norms of behavior or actions aimed at ensuring customer focus through the well-coordinated activity of the organization, with the ultimate goal of long-term commercial success. Market-oriented norms of behavior include generating information on current and future customer needs, disseminating it within the organization, and responding to this information (Kohli & Jaworski, 1990; Kohli et al., 1993).

As we highlighted previously, firms have multiple markets, diverse customers, and various activities. Different markets and customers will require particular levels of market orientation. Thus, market orientation enables firms to form strategies that are prepared to respond to these differences (Sivageahnam et al., 2015). Many studies on export literature examine market orientation at the venture level (Cavusgil & Zou, 1994, etc.). These authors state that if you are going to study marketing strategy in an exporting firm, you must study it at the export venture level rather than at the business division level. Other studies are more interested in the success of the firm than the success of the venture. Firms need the right market orientation for the right environment. Consequently, nobody has studied why there can be differences in market-oriented levels across the firm. The literature review indicates that market orientation is not a singular property of the firm. To summarize, researchers have started conducting studies where firms have different levels of market orientation. Thus, we insist that we need to measure market orientation across the whole firm. In Table 1, we can see an analysis of definitions of market orientation.

Company management must realize that customer orientation is nothing more than an investment. To achieve the goal, it is necessary to invest resources in this process. Like any investment, customer focus requires evaluating the effectiveness of the resources invested. Just as the entire concept of the process approach is to be customer-centric, the customer-centric process must deliver value to the end customer. At this point, customer benefit is the most important aspect of the entire customer orientation.

Table 1: Definitions of Market Orientation

Definition	Authors
"organization culture that most effectively and efficiently creates necessary behaviors for the creation of superior value for buyers, and thus, continuous superior performance for the business."	Narver and Slater (1990, p. 21)
"the degree to which the business unit obtains and uses information from customers, develops a strategy which will meet customer needs, and implements that strategy by being responsive to customer needs and wants"	Ruekert (1992, p. 228)
"the set of beliefs that puts the customer's interest first, while not excluding those of all other stakeholders such as owners, managers, and employees, in order to develop a long-term profitable enterprise."	Deshpande, Farley, and Webster (1993, p.27)
"market orientation is the culture that (1) places the highest priority on the profitable creation and maintenance of superior customer value while considering the interest of other key stakeholders; and (2) provides norms for behavior regarding the organizational development and responsiveness to market information."	Slater and Narver (1995, p. 67)
Jaworski and Kohli focus much more on the customer and see market orientation as constituting of intelligence generation, intelligence dissemination and responsiveness.	Kohli and Jaworski (1990)
It involves the generation, dissemination, and responsiveness to market intelligence	Tadepalli (1999)
"market orientation is concerned with the processes and activities associated with creating and satisfying customers by continually assessing their needs and wants, and doing so in a way that there is a demonstrable and measurable impact on business performance."	Uncles (2000, p.1)
"a set of intelligence generation and dissemination activities and responses pertaining to the relevant industry market participants (i.e. competitors, suppliers, and buyers) and influencing factors (i.e. social, cultural, regulatory, and macroeconomic factors)."	Matsuno and Mentzer (2000, p.5)

To be continued

Table 1: Definitions of Market Orientation (cont).

Definition	Authors
Market orientation is one of the most important strategies in companies, which used to monitor, analyze and respond to business challenges in order to achieve higher level of performance	Hooley, Greenley, Cadogan, & Fahy (2005)
This approach requires a good understanding of the market, customer needs, and the power to keep up to changes of the market	Hajipour (2012)
Market orientation is a crucial business strategy that places the customer in the core of all activities	Osuagwu (2019)

Source: Own work

Raising an adversarial rather than collaborative connection with important retailers can lead to losing brand wars in some product categories. It is very common that firms lose the connection with new groups of consumers, making it difficult to build trusted relationships with them. Nowadays, it is very common for firms to change their marketing strategies to improve their overall market orientation (Tapp, 2004; Webster, 1992). Thus, the problem lies within the marketing function. In competitive markets, the role of marketing has increased in its influence on customer satisfaction and the management of both internal and external complexities (Doyle, 1995).

Market orientation has a positive effect on business effectiveness, especially for firms that implement it quickly (Kumar, 2011). However, its performance depends on the coordination of resources and capabilities that enhance the marketing function (Baker, 2005). Moreover, strong connections with competitors can weaken a firm's market orientation implementation, leading to a decline in innovative effectiveness (Yuan, 2019). Therefore, market orientation is very important for a firm's competitiveness, but it is advised to be upheld by the right models of behavior and not compromised by strong competitor ties. The lack of clear market orientation can negatively influence the competitiveness of the business. Furthermore, the following problems may arise:

Environmental monitoring: If all interactions between the company and the external environment are entrusted to the marketing function, is there a danger that other functions of the enterprise will underestimate the changes identified? How fast will the firm react to market changes? It was interesting to observe, for example, how the pharmaceutical market responded to the requirements for labeling, serialization, and aggregation of medicines.

Links between R&D and innovation: A modern market orientation, which pays attention to future market needs, is situated between marketing and R&D actions (Lamore, 2013). Innovation is key to business success (Hernandez, 2006). Market orientation can positively influence innovation outcomes (Grinstein, 2008). However, market orientation can influence performance differently, depending on the types of innovation (Atuahene-Gima, 1996).

New product development process. Cross-functional collaboration is very important in the product development field, with the success of firms depending on the degree of product innovativeness (Olson, 1995). Additionally, the role of marketing in this activity can have some limitations, especially in high-tech firms, due to many restrictions (Workman, 1993). This means that in product development, firms should pay more attention to understanding the relationships between activities.

Competitive advantage and value chain. Sustainable competitive advantage is the key to a firm's success and can be achieved through low cost and differentiation. Porter's value chain is an important tool for monitoring and implementing competitive advantage, as it helps to understand the company's costs (Porter, 1985). Aghazadeh (2015) further highlights the importance of marketing strategies in creating competitive advantage, especially through customer retention and the development of different marketing strategies. Competitive advantage is crucial for the success of the firm. Market orientation positively influences business efficiency, especially in the long term (Kumar, 2011); however, environmental turbulence and competitive intensity can also affect market performance (Kumar, 2011). In the absence of market orientation, a business can still achieve some degree of success by adapting to its environment.

Financial implications of sales promotion. It is important to note that one of the most crucial indicators of a firm's success is the increase in sales revenue, especially within its market. Moreover, the marketing performance in generating financial gains is influenced by economic conditions and prior financial growth. Proactive marketing conditions may not always result in greater additional income and fast market reactions but can increase firm value. The impact of the firm's marketing department is controlled by its accountability and innovativeness and is positively related to firm effectiveness (Verhoef, 2009).

Transactional and relationship marketing. The shift from transactional to relationship marketing is one of the most important observations (Rosenberg, 1984; López, 2009). This change is very common in consumer markets, where the emphasis on insight relationships leads to particularly effective marketing actions. Additionally, it is crucial that transactional marketing is still important and often practiced in modern marketing activities (Brodie, 1997).

Furthermore, it is important that firms follow the marketing orientation strategy to meet demands in the new environment. To some extent, market orientation is the ability to align its marketing strategy with market desires, which is very important for success in the new macro-marketing field. It helps firms to successfully balance marketing usage strategies, leading to improved financial effectiveness (Kyriakopoulos, 2004). However, the concept of market orientation should be defined differently from a relationship perspective, emphasizing the value of inter-organizational collaborations (Helfert et al., 2002). Firms should pay more attention to presenting great value for their customers to achieve a high level of market orientation (Narver & Slater, 1998).

Further, special attention has been paid to market orientation in the scientific literature. Narver and Slater in 1990 expanded the marketing concept by defining market orientation as a union of components: customer orientation, competitor orientation, and cross-functional coordination. In accordance with these authors, “market orientation” is broader than the regular concept of “customer orientation.” We will go further and take a look at market orientation as a philosophy that includes all market participants and all levels of the organization.

Firms should pay more attention to customer satisfaction, as it is one of the most important features of market orientation and the core for making long-term trusted and valued relationships with customers (Hoekstra et al., 1999). Nevertheless, the execution of customer satisfaction actions can be difficult because internal marketing reflects external market barriers (Piercy, 1995). Eventually, customer satisfaction should be an important reflection in marketing strategic decisions to guarantee a company's success. Customer satisfaction is not a simple concept but has developed over many years, with successful businesses progressively making customer needs the center of the firm's prioritization. When we speak about customer prioritization, we refer to the firm's responsiveness, technology, and quality of the final product or services. To achieve customer satisfaction, firms should have effective branding capability and empower customers (O'Cass & Ngo, 2011). To make businesses successful, companies should understand customer needs and adapt their products or services to achieve customer satisfaction (Stank et al., 1997).

The retailer strives to obtain the greatest income from retail space and create its own unique image. The supplier strives to occupy as much space as possible on the shelves with its products, attract consumers to new products, and gain an advantage over competitors. The shift in power to retailers that has occurred in some sectors, especially fast-moving consumer goods, requires a much more proactive strategy with distributors. Suppliers may want to view their relationships with retailers as partnerships, but retailers themselves view manufacturers as competitors rather than allies. We can conclude that sales and marketing are simply the application of marketing concepts in relation to distributors, who are no longer perceived as partners, but as full-fledged consumers. To manage such relationships with retailers, manufacturers need to understand their basic needs, carefully study the planned image of the store, and determine how significant certain product categories are for the positioning of the retail chain.

Competitors, both direct and indirect (suppliers of substitute products), are the main participants in the market, and determining the attitude towards them is central to the formulation of strategy since it serves as the basis for identifying competitive advantage. Competitive targeting requires not only collecting knowledge about competitors but also applying this information to gain a competitive advantage. Firms can employ competitors' employees, collect information about competitors, and form strong collaborations etc.

Zhao and Xue (2012), in their work, explain the function of consumer data in competitive selection, emphasizing the possible advantages of sharing consumer data to enhance competition. Dey (2011) and Powell and Bradford (2000) both stress the value of selecting intelligence gathering in competitive targeting.

In mature or stagnant markets, the intensity of competition usually increases, and the primary task of the company becomes countering rivals. In such a situation, the company’s activities may be aimed at eliminating the competition. However, a strategy based solely on the principle of marketing warfare is dangerous because the company spends too much energy on an exhausting fight with competitors and too little on satisfying customers (Meyer & Schwager, 2007). Therefore, it is necessary to maintain a balance between customer and competitor orientations. Customer orientation is the ability to anticipate the needs and desires of customers and satisfy them to maximize benefits not only for the client but also for the business to make a profit (Meyer & Schwager, 2007). Customer orientation is a process when the company and each individual employee have the capability to anticipate the client’s desires and satisfy them in a timely manner. Moreover, everyone should benefit—consumers, the company, and intermediaries. The more customer-oriented an enterprise is, the more it is valued in the market and the further it is from competitors.

In modern business, it is essential to balance customer and competitor orientations because this approach can lead to a firm’s success (Zhou & Li, 2007). This balance is conditional on the competitive field, with competitor orientation strongly connected to market share and customer orientation possibly damaging to return on assets in less competitive fields. Nevertheless, customer orientation is crucial for success in a competitive field and is vital for aspects such as firm’s management, cross-functional relationships, and employee commitment. A high level of market orientation can facilitate a balance between customer-led and lead-the-customer innovation implementation, leading to total innovation efforts (Baker & Sinkula, 2007).

The future of any market is determined, among other things, by trends in the macroenvironment—demographic, economic, political/legislative, technological, and sociocultural. These external factors may represent productive opportunities, or they may severely limit the firm's activities. A market-oriented company must develop a system for monitoring the external environment, allowing it to predict changes or make adjustments more quickly and successfully.

Furthermore, the formal and informal dissemination of market information, coordination of actions, and regular contact with consumers make it possible to justify the advantages of market orientation without functional limitations. To satisfy customers, a firm should use the market orientation concept (Kaur, 2010), which includes the collection, organization, and dissemination of information about the market (Rapert, 1998). Appropriate timing is important for information dissemination in a market-oriented company (Varela, 2003). An effective market orientation strategy, both formal and informal, can notably impact sales effectiveness (Lai, 2016).

These observations underscore the importance of market orientation in achieving profit. Indicators of the degree of cross-functional coordination include the formal and informal dissemination of information at all levels, direct interaction with consumers at all levels of the company, general meetings of representatives of different departments to discuss market trends, the purposeful application of marketing strategy, and assessing the contribution of each function to customer satisfaction.

Changes in macromarketing and the widespread application of market orientation in companies cannot but affect the marketing function. Firstly, the brand management system, used with such success over the past 30 years, today apparently no longer meets the requirements of the changed external environment.

Changes in the external environment require companies operating in industrialized markets to take more appropriate actions towards a market orientation strategy (Beverland, 2007). Addressing the challenges presented by the economic, competitive, and sociocultural environment, as well as the internationalization of the global economy, forces companies to reconsider strategic alternatives.

2.6.2 Customer concept

The Customer Concept is a foundational element in marketing, emphasizing the need for businesses to define and understand who their customers are, including their unique characteristics, needs, and preferences. This concept is essential for effective segmentation, targeting, and positioning, which are central to developing customer-centric strategies. Kotler and Keller (2006) describe the Customer Concept as a process of identifying and deeply understanding specific customer groups that the business intends to serve, allowing for tailored offerings that resonate with distinct market segments. Segmentation theory, developed by Smith (1956), reinforces this idea by highlighting that markets are inherently heterogeneous, consisting of various groups with differing characteristics and needs. By applying segmentation frameworks, companies can recognize and differentiate between customer segments, leading to more precise and relevant marketing approaches.

The Customer Concept is also influenced by Holbrook’s (1994) customer value theory, which argues that customers derive value from products and services based on functional, emotional, and symbolic attributes. Recognizing these elements of customer value helps businesses shape their offerings around what their customers genuinely value, further aligning with the Customer Concept. Additionally, Howard and Sheth’s (1969) theory of buyer behavior contributes to this understanding by examining the complex decision-making processes of customers, including their attitudes, perceptions, and intentions. By focusing on such behavioral insights, businesses can gain a deeper understanding of the factors driving customer choices and preferences, allowing for a more refined and effective customer strategy. Thus, the Customer Concept is built on a foundation of theories that collectively emphasize customer insights, segmentation, and value creation, providing companies with a roadmap for identifying and meeting customer needs effectively.

2.6.3 Customer orientation

Customer orientation is a strategic approach that centers a business's operations, culture, and decision-making processes on the goal of fulfilling customer needs and enhancing satisfaction. Rooted in market orientation principles, customer orientation emphasizes a deep organizational commitment to understanding and responding to customer preferences and expectations. Kohli and Jaworski (1990) were among the first to conceptualize market orientation as a process involving the systematic generation, dissemination, and responsiveness to customer intelligence across the organization. This approach requires every department, not only marketing, to prioritize customer needs, making customer orientation a holistic organizational focus rather than a single function.

Narver and Slater (1990) further expanded on this by identifying customer orientation as a central component of market orientation, asserting that organizations with strong customer orientation achieve greater profitability. Their research found that by investing in a customer-focused culture, companies could improve customer loyalty, retention, and overall satisfaction. The concept is also supported by Day (1994), who introduced the idea of a “market-driven” organization, one that continuously adapts its capabilities to maintain alignment with changing customer needs. This responsiveness is critical for long-term success, especially in dynamic markets where customer expectations evolve rapidly.

Moreover, Levitt (1960) highlighted in his seminal work "Marketing Myopia" the importance of focusing on customer needs over the company’s products, warning that businesses often fall into the trap of becoming product-oriented rather than customer-oriented. Levitt argued that a customer-oriented mindset allows businesses to stay relevant and avoid obsolescence by continuously adapting to meet consumer demands. Collectively, these studies underscore the role of customer orientation as a core organizational value, supporting both competitive advantage and sustainable business growth through a relentless focus on the customer.

2.7 Adaptive market orientation

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If we return to the discussion of prices, they are also important in the process of prioritizing customers and markets. Naturally, the most important strategic markets will be prioritized by suppliers. However, such markets will also require a certain level of quality for the supplied goods or services from the supplier company, as customers will have certain quality expectations (Sharp, 1991). If a supplier delivers a low-quality product at a high price, the customer will not work with that supplier in the future, and the company’s reputation may be compromised in the entire strategic market. Therefore, companies must also soberly assess their strengths when entering more developed markets. Additionally, there is the concept of dumped prices, which negatively affect market development. If a supplier can sell a high-quality product at a lower price than the market price (for example, products produced in countries with a lower GDP per capita), it displaces competitors who set certain market price levels. In this case, companies will have to change and readjust their production or reduce personnel to meet the new price level, which does not always have a positive effect on market conditions. This can have both positive and negative consequences for the development of not only a certain business model but also the economic development of the industry, its components, and the entire country (Dünhaupt & Herr, 2022).

In Table 2, we can see a comparative overview of three key concepts—Customer Concept, Customer Orientation, and Customer Prioritization—emphasizing their definitions, goals, practical examples, benefits, and associated authors. The customer concept entails identifying and understanding the characteristics, needs, preferences, and motivations of the target audience. It defines the customer segments a business intends to serve. By clarifying the target market, businesses can craft strategies that effectively address customer needs. Philip Kotler emphasizes the importance of this in his works (2000; 2006). Customer orientation is a business philosophy that prioritizes the understanding and satisfaction of customer needs. It ensures that all departments and actions are aligned to deliver maximum value. The foundation of this concept was laid by Theodore Levitt (1960) and further expanded by Narver and Slater (1990).

Customer prioritization involves segmenting and ranking customers based on factors such as revenue potential, loyalty, or growth prospects. This strategy facilitates the efficient allocation of resources to high-value customer segments. For instance, a bank might categorize clients into tiers such as gold, silver, and bronze, offering exclusive benefits to top-tier customers. This approach ensures optimized resource allocation for higher returns, as highlighted by Aaker and Shansby (1982) and Homburg et al. (2009).

Table 2: Customer Concept, Orientation, and Prioritization Definitions

Term	Definition	Goal	Example	Benefit	Author	Paper Reference
Customer Concept	Understanding who the customer is, including their characteristics, needs, preferences, and motivations. Defines which groups or segments the business will serve.	Identify and define target customers.	A fitness brand defines its customer concept as 'active, health-conscious individuals aged 20-40.'	Clear understanding of the target market for effective strategy.	Philip Kotler	Kotler, P. (2000), Kotler, P., & Keller, K. L. (2006).
Customer Orientation	A business philosophy that prioritizes understanding and satisfying customer needs and wants. Involves aligning all departments and actions to deliver value to the customer.	Maximize customer satisfaction and loyalty.	A software company updates its interface based on user feedback to improve usability and satisfaction.	Higher customer loyalty and satisfaction.	Theodore Levitt	Levitt, T. (1960). 38(4), 45-56. Narver, J. C., & Slater, S. F. (1990).
Customer Prioriti-zation	The strategy of ranking or segmenting customers based on factors like revenue potential, loyalty, or growth prospects, to allocate resources and attention effectively.	Focus resources on high-value customers.	A bank categorizes customers into tiers (e.g., gold, silver, bronze) and offers exclusive benefits to top-tier clients.	Optimized resource allocation for better returns.	David A. Aaker, Christian Homburg	Aaker, D. A., & Shansby, J. G. (1982). Homburg, C., Droll, M., & Totzek, D.

2.8 The connection between customer relationship management (CRM) and customer prioritization

CRM is a specialized model that firms use for analyzing large volumes of specific customer information. This set of technologies is employed by companies to satisfy existing customers and attract new ones (Swift, 2001). Relationship marketing focuses on fostering long-term customer engagement (Berry, 1983), which aligns with customer prioritization practices aimed at high-value customers. CRM complements this by offering tools to analyze customer data and implement prioritization strategies (Reinartz & Kumar, 2000).

It includes collecting information about customers, storing this information, and extracting it via management and information technologies to build good relationships with customers. As a result, companies can improve competitiveness and performance by attracting new clients and retaining potential and existing ones (Buttle & Maklan, 2019).

CRM is a strategic approach that integrates processes, people, and technology to understand and manage customer relationships effectively. One of the key components of CRM is the concept of Customer Prioritization, which involves identifying and focusing on high-value customers to optimize resource allocation and enhance business performance.

CRM systems are designed to compile customer data across various channels, providing insights into customer behavior, preferences, and interactions with the company. The goal of CRM is to improve customer service relationships and assist in customer retention and satisfaction. By leveraging CRM tools, organizations can maintain detailed records of customer interactions, purchase histories, and feedback, which are critical for effective customer prioritization.

Customer Prioritization allows businesses to categorize their customer base based on factors such as profitability, loyalty, and potential for future growth. This categorization is crucial for resource allocation, as it enables companies to focus their marketing efforts and service offerings on the customers that will yield the highest return on investment.

CRM systems collect and analyze vast amounts of customer data, allowing businesses to identify high-value customers based on their purchasing behaviors and interactions. According to Reinartz and Kumar (2000), understanding Customer Lifetime Value (CLV) through CRM can guide businesses in prioritizing customers who are likely to provide long-term profitability. By quantifying the value of different customer segments, companies can make informed decisions about where to allocate their marketing and sales resources.

CRM facilitates sophisticated customer segmentation, which is essential for effective prioritization. By analyzing data such as purchase frequency, average order value, and customer feedback, companies can group customers into categories that reflect their value to the organization. This process aligns with the market segmentation theory proposed by Smith (1956), which emphasizes the importance of understanding different customer groups for targeted marketing efforts.

With insights gained from CRM data, companies can create tailored marketing strategies that cater to the needs of prioritized customer segments. Homburg et al. (2008) emphasize that strategic customer prioritization enables organizations to design specific marketing initiatives and customer engagement practices aimed at high-value customers, thus maximizing the effectiveness of their marketing expenditures.

Effective customer prioritization informs resource allocation decisions within CRM. Organizations can direct their sales and service efforts toward high-value customers, ensuring that they receive superior service and engagement. This targeted approach not only improves customer satisfaction but also fosters loyalty among the most valuable segments of the customer base, as highlighted in relationship marketing theory by Berry (1983), which underscores the significance of building long-term relationships with valuable customers.

CRM systems also enable continuous monitoring and analysis of customer interactions and satisfaction levels. This ongoing assessment allows businesses to adjust their prioritization strategies as customer behaviors and market dynamics change. Narver and Slater (1990) noted that a market-oriented approach, supported by CRM, leads to better responsiveness to customer needs and preferences, thus enhancing the overall effectiveness of customer prioritization strategies.

CRM plays a crucial role in facilitating customer prioritization by providing the necessary data and insights for identifying high-value customers. By utilizing CRM systems, businesses can enhance their customer segmentation efforts, tailor marketing strategies, allocate resources effectively, and foster long-term relationships with their most valuable customers. This integrated approach not only drives profitability but also ensures that companies remain responsive to changing customer needs, ultimately leading to sustained business success.

This connection between CRM and customer prioritization highlights the importance of data-driven strategies in enhancing customer relationships and optimizing business outcomes. The model includes information about customers, which helps increase sales, loyalty, and improve the quality of the product or service. Salespeople will know better how to discuss specifics of the product with particular customers when they have all the information about the customers' history, wishes, specifics, and decisions about the product, or even the price level that is appropriate for specific customers. As a result, the company can benefit from CRM and increase profit. Thus, the implementation of this concept will play an enormous role in export-oriented companies that have many new avenues of work and many new and existing customers (Goodhue, 2002; Juanamasta, 2019).

In modern business, customers are the most important aspect of a company's activities, and all companies strive to follow market changes as well as the preferences of their customers. For companies to respond to decisions in a timely manner and adapt their business model, they must correctly analyze information from or about customers, as well as information about competitors and market trends. If a company correctly receives, stores, and uses this information, it will certainly achieve success and, as a result, increase its market share and revenue.

Aspects of customer relationship management

Some theorists, including A. Parvatiyar et al., wrote that customer relationships have four dimensions: identification of the customer; attracting customers; customer retention; development of the customer (Parvatiyar & Sheth, 2000).

Customer relationship management begins with understanding who the customer is. It includes targeting leads who can be beneficial to the business. Identification of the customer includes customer research and segmentation. By identifying potential customers, firms can invest energy in attracting target customer segments (King & Burgess, 2008).

Customer retention is the company's main concern. Customer relations are a business philosophy for attracting a customer, increasing customer value, and loyalty. Customer relationship management aims to strengthen relationships with customers and understand them comprehensively (Boadu & Achiaa, 2019).

Unfortunately, many firms have limited customer knowledge and underestimate its value (Davenport & Völpel, 2001). It is generally accepted that a lack of opportunity to properly serve customers gives competitors more chances. Firms should be constantly aware of their customers in the competitive business (Kandampully & Duddy, 1999; Day, 2000).

2.9 Headquarter – subsidiary relationships

In the scientific literature devoted to management issues in multinational corporations (MNCs), special attention is given to the formation and implementation of strategies for MNC subsidiaries (Birkinshaw & Morrison, 1995). The central questions here are what factors determine the strategic and functional role of each subsidiary of an MNC, how this role can be transformed in the process of the MNC's evolution, and how each subsidiary interacts with the parent company and other divisions of the MNC. Researchers are trying to understand the extent to which this role is determined by the overall strategy and value orientations of the MNC itself, the characteristics of the host country, the specifics of the subsidiary, industry, or other factors (Birkinshaw & Morrison, 1995).

There are more than 770,000 foreign subsidiaries of MNCs in the world. Moreover, in the process of international mergers and acquisitions, any subsidiary of one MNC can become a subsidiary of another MNC, and today's MNC itself can turn into a foreign subsidiary tomorrow, becoming a target company for a larger MNC. This dynamic determines the possible strategy and role of each subsidiary. The two main "branches" of scientific research into the strategies of subsidiaries are the field of international business and the field of strategic management. Each of these areas makes its own contribution to developing ideas about the strategic role of MNC subsidiaries (Birkinshaw & Morrison, 1995).

The dissemination of ideas about an integrated network model of an MNC organization, which combines centralized and decentralized management decisions as the desired effective form of MNC organization, has led many researchers to conclude that the evolution of the role of a subsidiary should be carried out in the direction of strengthening its strategic importance for the corporation generally. A "dynamic component" began to be introduced into the classification schemes of the strategy of subsidiaries. For instance, for the production divisions of MNCs, "the degree of technical activity of the factory" was considered a positive change (Ferdows, 1997). E. Delany emphasizes the importance of “initiatives” undertaken by subsidiaries of MNCs, noting that such initiatives change the traditional understanding of subsidiaries as divisions of MNCs subordinate to the center - the parent company (Delany, 2000). Using the classification scheme of White and Poynter as a basis (White & Poynter, 1984), he forms a model of the development of subsidiaries, which includes eight stages, differing in their strategic importance for MNCs. In the first three stages, the subsidiary has a “basic mandate” as a manufacturer or seller; in the next two stages, the development of the subsidiary becomes strategically important for the corporation (“intermediate mandate”). Having become a product specialist, the subsidiary in the last three stages successively becomes the “strategic center,” “strategic axis,” and “strategic apex” of the MNC, receiving an “extended mandate” (Delany, 2000). According to J. Birkinshaw and N. Hood, over the past fifty years, many MNCs went through three developmental phases, differing in the role of subsidiaries: the phases of “paternalism,” “expansionism,” and “liberalism” (Birkinshaw & Hood, 2001). The MNC model corresponding to the third phase is based on the assumption that new business ideas useful for the entire corporation can appear anywhere in the world. Such “dynamic” approaches to the role of subsidiaries have strong grounds for forming effective strategies for global and transnational MNC divisions. However, they are less suitable for determining the role of subsidiaries in multilocal and replication MNCs.

Entrepreneurs often create or acquire subsidiaries to expand their businesses (Kostova et al., 2016). In addition, subsidiaries solve a number of important problems. For example, they allow the expansion of the range of products or services, increase competitiveness in the market, enhance sales and access to new markets, and create additional resources for the needs of the parent organization, such as in logistics or transportation. They also strengthen the reputation and status of the business in the market, which can be useful when attracting investors. Often, headquarters (HQs) and subsidiaries face problems that can affect performance (Kostova et al., 2016). It is sometimes unclear how the division of powers may impact the performance of subsidiaries since subsidiaries may work to achieve the corporation's goals or may act for their own benefit. To influence problematic behavior, it is necessary to look at the root causes. The relationship between headquarters and subsidiaries is an agency relationship because they often have different interests, and the headquarters have limited influence on the subsidiaries or may not influence as quickly and, therefore, not as effectively (Kostova et al., 2016). Multinational Corporations (MNCs) are entities that conduct business and consist of subsidiaries in different countries. MNCs differ from domestic firms in “degree” and “nature,” and the analysis of the consequences has been carried out in various scientific works (Kostova & Roth, 2003; Kostova et al., 2008).

Birkinshaw and Hood think that the headquarters-subsidiary relationship is one of the most crucial relationships in MNCs (Birkinshaw & Hood, 1998). This division was given in the academic literature, but it can also be traced in practice. Head office managers constantly distribute the roles of subsidiaries and think about how to control them; managers of subsidiaries try to be autonomous and make their own choices in the company’s development strategy. In addition, while in the scientific literature, the roles of leader, performer, or participant are clearly divided, in the real world, such divisions are not very accurate and can change depending on the tasks assigned or the current situation in the company and its behavior patterns. Ideally, two companies can hold a meeting and discuss two points of view and develop one strategy for the development of a subsidiary. But, unfortunately, we see that the behavior patterns of subsidiaries arise as a result of a compromise between two parties (Kostova et al., 2016). In practice, subsidiaries may put forward their own points of view, which may not be approved by the head offices. In case of refusal, the subsidiary, which has the autonomy to make decisions, can still act in its own interests. In such cases, the head office and the subsidiary must come to a general consensus and agreement so that the business can continue to develop in the right direction. It can also be assumed that differences in views between managers of subsidiaries and managers of headquarters can negatively affect the results of the company as a whole, since these disagreements can lead to a decrease in profits. It is very important that head office managers listen to managers of subsidiaries and that managers of subsidiaries convey important information about the market very quickly since the market is growing and changing, and competition can directly affect the development of the company itself, as well as the amount of profit made.

Pahl and Roth (1993) also addressed headquarter-subsidiary relationship conflict and developed and tested a model of their performance. They conducted research on “how conflict between headquarters and subsidiaries of an MNC, and the styles used to manage conflict, vary depending on the international strategy of the MNC” (Pahl & Roth, 1993, p. 140). There are also numerous factors that can lead to conflict, such as “incompatibility of goals,” “interdependence of activities,” and “autonomy,” among others. These types of conflicts also apply to the relationship between a head office and a subsidiary. Different strategies that companies use can lead to different speeds of response to issues.

2.9.1 Centralization

Centralization in management is the principle of distribution of power where the highest priority is given to decisions made by the person at the top level of the management hierarchy (Moynihan, 1985). This priority is formally enshrined, i.e., it is established in the official documents of the organization that a specific person in a certain position has the right either to make any decision at a given level (endorse a proposal from lower levels of the hierarchy) or reject it, as well as make a decision without a preliminary meeting with anyone or approval of this decision at lower levels of the hierarchy. An organization where centralization of power prevails is characterized by the division of the decision-making process and its implementation between top management and executive employees, respectively (Cullen & Perrewé, 1981). The middle manager communicates and coordinates decisions made by managers.

In enterprise management, it is necessary to find and maintain a balance between centralization and decentralization (which, in relation to company management, is the distribution of decision-making powers to the middle and lower levels of management, giving performers greater freedom in methods of solving assigned tasks) so that the company does not reach any of the extremes. A structure with complete centralization and loss of autonomy of departments suppresses the initiative of employees, loses flexibility, and reacts slowly to changes in the external environment. With extreme decentralization, the company breaks up into small subsystems (Zabojnik, 2002). Finding this balance affects the company's performance. The degree of centralization is determined by the characteristics of the company, including the form of ownership, qualifications, and responsibility of personnel, and the system of labor motivation. The advantages of centralization in an organization include increased control over the actions of subordinates and, as a result, more streamlined processes and high predictability of the final results of work (Auh & Menguc, 2007).

Also, when solving problems, the expertise of the highest level of management is utilized, meaning that the knowledge used in the organization is predominantly unified, rarely causing conflicts between task executors and their directors. The advantages of decentralization include making part of the decisions by employees at middle and lower levels. This way, managers can focus on solving strategic rather than tactical problems of the organization. Decentralization stimulates employee initiative, which changes staff motivation by activating internal reward mechanisms (Zhou & Qian, 2021). Employees and managers can be assessed based on the results of their work rather than the process, which provides a clearer picture of the company's achievements.

Disadvantages of decentralization include loss of control, especially in branches remote from the company’s head office, and, as a result, a high probability of employees concealing events occurring on the ground. Due to the lack of centralized control, individual departments may act inconsistently, resulting in duplication of resources and activities. In some cases, decentralization leads to a struggle for power within the organization between specific divisions or individual managers, resulting in attempts at self-government without considering the company's global goals. Disadvantages of centralization include the organization's tendency to excessively bureaucratize processes, leading to low speeds of decision-making when changes in the external environment occur (Wang et al., 2014). Additionally, centralization suppresses employee initiatives, depriving them of the ability to make independent decisions and thereby delaying their career growth in the company. Centralization can be defined as the process where decisions are made at higher levels of the organization. Companies where decisions are made at higher levels are centralized, whereas companies where decisions are made at lower levels are decentralized, allowing employees to solve problems faster because they are closer to the issues and can react promptly. Most employees feel more comfortable in a decentralized company, where they have more authority and can react faster. In practice, many companies agree that centralization can negatively affect the company in terms of decision-making inefficiency.

Centralization also has its positive sides, which positively affect the work of employees. For example, certain employees are more comfortable working under clear instructions and a low degree of freedom in performing specific tasks. This allows employees to clearly understand the requirements and fulfill established goals and objectives. Centralization also helps the company develop in a stable economy (Schminke et al., 2000).

Some companies are centralizing procurement operations for certain goods to reduce costs. For example, some pharmaceutical companies, where most decision-makers are in the headquarters, can use this approach. Such specific tools can help obtain discounts from certain suppliers, resulting in increased revenue in certain segments. However, making decisions at the subsidiary level can also positively impact revenue, as subsidiaries can see a clearer and more specific picture of what is happening and respond more quickly to needs and the rapidly changing business world (Gates & Egelhoff, 1986).

2.9.2 Formalization

Every organization, sooner or later, realizes that for further growth, it is necessary to formalize business processes (Speck et al., 2011). The main catalysts in this direction are the growth of the organization and the natural problems caused by this very growth. An increase in the number of projects and orders requires more resources and time for their implementation, which logically leads to their shortage. Formalization of processes is aimed at eliminating chaos in the activities of the organization both as a whole and for each employee individually (Hempel et al., 2011). Formalization of business processes allows you to: - determine the area of responsibility of each employee and their effectiveness; - identify problems in existing business processes; - redistribute resources from redundant processes; - determine the sequence of tasks (Gartner et al., 2010).

Most of the company's processes, such as sales, purchasing logistics, warehouse logistics, transport logistics, production of goods/services, personnel management, and financial management, have long been formalized (Speck et al., 2011).

Formalization in an organization is closely related to the currently popular concepts of restructuring, reengineering, and reorganization (Harizofinoana & Olivier, 2020). However, despite the closeness of these concepts to each other, they also contain clear fundamental differences. The concept of formalization in an organization can be considered from the perspective of the essence and result of this phenomenon (Balashova et al., 2018). The scope of formalization in an organization consists of the design of organizational structures; description, optimization, and automation of business processes; creating organizational standards; and automation of communication (Gartner et al., 2010). The introduction of formalization in an organization makes it possible to increase organizational efficiency, which can be expressed in structuring work, eliminating duplication of functions, eliminating unnecessary production links, and automating information processing.

In total, the presence of a formal description of business processes allows you to: evaluate the performance of individual employees, departments, and their interactions; identify weaknesses and outline ways to optimize them (Balashova et al., 2018); and clearly define the requirements (i.e., assess the quality) for the technical means used to improve efficiency.

In recent years, a significant number of companies have recognized the need for greater formalization of relationships within the team (Balashova et al., 2018). This is usually done through the introduction of various rules, regulations, and instructions.

In a general sense, the formalization of relationships allows us to standardize work, unambiguously distribute the duties and responsibilities of each employee, and create a certain level of predictability (Balashova et al., 2018).

The process approach involves considering the transfer of influence from structural units to processes as a management tool, i.e., actions to transform inputs (measurable characteristics of needs) into results (process outputs). The internal environment of each of the processes identified by the organization contains elements of risk; therefore, the business process is the main object of study when building a business risk management system (Gartner et al., 2010). Currently, specialists in the field of risk management rely on various documents (regulations, procedures, instructions, etc.), which to some degree describe the processes and outline the procedures for implementing these processes with a certain level of detail. However, these types of documents are often voluminous and written formally, making it difficult to extract necessary information and communicate it to various user groups. At the same time, for personnel who perform or support current operations, a clear and unambiguous formalization of all process requirements is important (Balashova et al., 2018). Employees must bring actions to automaticity, avoiding their own interpretations. Furthermore, the speed of implementation of processes (e.g., response time to claims, agreement execution, and document preparation) plays a critical role in an organization, as it largely determines its competitiveness. If enterprise processes are incomplete, inconsistent, or contain errors (e.g., function duplication), these deficiencies will negatively impact personnel activities and the quality of customer service. Formalization of processes is also vital because employees need to understand the processes they are involved in, the goals set by management for those processes, and their individual roles within them (Balashova et al., 2018). It is necessary to determine which processes belong to the accepted groups. Business processes in an organization should include those that generate income for the company, considering entrepreneurial contexts (Gartner et al., 2010). These include marketing processes, public awareness, production, customer acquisition, consumer satisfaction monitoring, continuous product quality improvement, etc. Processes may also relate to auxiliary ones—those that create conditions for the enterprise's stable operation but do not generate profit. These auxiliary processes include procurement, design, quality control, monitoring and measurement, and other necessary processes. These processes can produce both external risks (related to counterparties and the global environment) and internal risks (e.g., incompetence, information loss, dishonesty). Additionally, the importance of service processes associated with managing an organization's long-term resources—such as financial management, non-current capital, personnel, information, and knowledge—cannot be understated (Skorková, 2020).

Formalization reflects a company policy where employees must follow job descriptions and clearly formulated rules for their behavior in specific situations, making procedures understandable for every employee, especially new hires (Skorková, 2020). These written rules help control employee behavior, providing little autonomy but ensuring predictability. Employees can refer to a reference book to solve problems, leading to a structured and sequential process management approach.

Nevertheless, despite its advantages, formalization can have negative consequences (Agarwal, 1993). It may hinder innovation, as decisions are often made only during crises, which can be too late. A formalized management and decision-making system can decrease employee satisfaction, motivation, and implementation, resulting in slower decision-making processes (Oldham & Hackman, 1981; Pierce & Delbecq, 1977; Wally & Baum, 1994).

A clear example is the service sector, which is closely linked to formalization. Employees often receive objections or problems instantaneously, but they can't always solve these problems immediately due to the rigid structure.

2.9.3 Departmentalization

Departmentalization is the principle of forming an organizational structure based on uniting employees into several groups (departments) according to some characteristic or set of characteristics. Most often, departmentalization is carried out on the principle of combining into one structural unit those groups of positions that solve one set of problems and are of significant importance in the activities of the organization.

For the first time, the theory of departmentalization began to be developed by an American researcher of problems of organization and management. The principles of departmentalization indicate the location of the new department in the existing hierarchical structure.

The study of departmentalization by G. Simon and American political scientist, sociologist, and economist J. G. March in the mid-20th century led to criticism of classical approaches and attempts to identify the most characteristic features of departmentalization depending on the type of enterprise. Simon and March (1993) describe this relationship as follows: Process-based (functional) departmentalization helps save resources because the same production facilities can be used for different end products. However, with the growth of an enterprise and the formation of a larger range of products or services, the complexity of coordinating production and administrative processes increases, which becomes more expensive than the allocation of a department on a product basis. Larger enterprises perform departmentalization for the final product (divisional), forming product departments (divisions), which have a higher degree of independence in making decisions regarding the production, positioning, and marketing of a particular product. This, in turn, can make it difficult to manage them from the main control center (for example, the management company). Still, many large companies take this risk to focus on a specific consumer. The most common types of departmentalization - functional and divisional - are characterized by the following features.

Functional departmentalization is the grouping of employees based on the tasks they perform. The most common departments for a commercial organization are production, marketing, and finance. If the size of functional units is too large, they can be divided into secondary functional elements to avoid disruption of controllability and increase the specialization of each group of employees.

In turn, divisional departmentalization arose in response to the needs of large companies, where functional division would require the creation of hundreds or even thousands of secondary functional elements, leading to a significant increase in administrative costs. In 2022, General Motors, Procter & Gamble, and other large enterprises with a high level of product diversification are organized according to the principle of divisional departmentalization. All powers for the release of a specific company product are transferred to one brand manager, who has managers of secondary divisions subordinate to him. The advantage of such an organizational structure is manifested only if the department operates as efficiently as a small independent company producing a specific product or service. The main advantage of divisional departmentalization is significant flexibility compared to companies with a functional management structure due to greater sensitivity to changes in the competitive, consumer, and technological environment. With this type of departmentalization, one can also expect improved coordination between the department and secondary units because everyone reports to the same manager.

In the 21st century, rigid departmentalization, characteristic of mechanistic organizational structures, is criticized. Instead, the expert community increasingly talks about organic structures, in which narrow specialization of departments and strict control by managers are replaced by cross-functional teams using the free flow of information from division to division.

2.9.4 Autonomy

Subsidiaries are companies that are owned and controlled by a parent company, directly or indirectly through other subsidiaries. They may operate independently or as part of a larger network and may have their own management and employees. Subsidiaries can offer several benefits, such as increased efficiency, shared resources, and access to new markets. However, they may also be subject to more regulations and oversight and may face challenges in maintaining their own identity and culture.

Autonomy of a subsidiary—the autonomy of decision-making of a subsidiary without interruption by MNC headquarters (Birkinshaw & Morrison, 1995)—is one of the most important facets of the headquarters (HQ) and subsidiary relationship. Often, the activities of MNCs are not only heterogeneous but are also subject to chaotic influences from the external environment, and as a result, are subject to unsynchronized changes. In such cases, subsidiaries, through strategic decision-making, can cope with complex operations and help the development of the subsidiary itself (Ambos & Birkinshaw, 2010). The autonomy of a subsidiary is a tool that helps a subsidiary to fulfill its role and obligations in different circumstances within the MNC's environment (Ambos et al., 2010; Roth & Morrison, 1992) and, consequently, increases the effectiveness of the company (Kostova et al., 2016; Paterson and Brock, 2002; Young & Tavares, 2004).

Furthermore, many studies prove the positive link between them (Tran, Mahnke, & Ambos, 2010). A literature review of the concept of subsidiary autonomy has shown that different scholars have different theoretical lenses. Some studies are dedicated to the idea that the autonomy of a subsidiary can pay off only in some specific environments (Bartlett & Ghoshal, 1990). Some literature was dedicated to the relationship between autonomy and the management of subsidiaries (Birkinshaw & Hood, 1998; Birkinshaw & Morrison, 1995). It can also be said that subsidiary autonomy itself can be viewed in terms of organizational functions, but there is a certain basic construct that to a certain extent delineates the freedom of decision-making of subsidiary managers and the allocation of resources to achieve some goals of the subsidiary (Cavanagh, Freeman, Kalfadellis, & Cavusgil, 2017).

Some subsidiaries may ask headquarters for additional autonomy because of their unique resources. Even though autonomy is important for decision-making, it does not mean that a subsidiary should be totally integrated (Bartlett & Ghoshal, 1989). Autonomy can also show the subsidiary how to use resources where it is present (Devinney, Midgley, & Venaik, 2000).

Subsidiaries of parent companies often have less autonomy than standalone companies. This can make it more difficult for subsidiaries to make decisions that are in their best interests. Parent companies expect their subsidiaries to perform well and meet certain financial goals. This can create pressure for the subsidiary to prioritize short-term profits over long-term growth. Parent companies may have conflicting interests with their subsidiaries. For example, a parent company may prioritize the interests of its shareholders over the interests of its subsidiary.

2.9.5 Weight and voice of the subsidiaries

One of the most important resources is the attention of managers and CEOs (Simon, 1947). It is believed that if the head office pays attention to the subsidiaries, then the head office is considered to recognize the achievements of the subsidiaries (Bouquet & Birkinshaw, 2008). The authors emphasize positive attention, which helps develop the relationship between the headquarters and subsidiaries. This concept is different from the concept of control, which has a negative influence. The attention should be paid to the parent company and not to the CEO. Finally, attention should be given by the headquarters if the subsidiary makes a contribution to the MNC as a whole and not just to the market (Bouquet & Birkinshaw, 2008). The manner in which the subsidiary's voice is used to emphasize its assistance to the firm (Birkinshaw, 2000) also shapes headquarters' attention (Bouquet & Birkinshaw, 2008). Attention paid from headquarters is an important and rare resource (Bouquet & Birkinshaw, 2008). There are differences between countries that appear in the form of traditions, languages, and laws. Thus, subsidiaries often face local responsiveness (Cohen, 2010). In the literature, subsidiaries engage headquarters' attention through weight and voice (Bouquet & Birkinshaw, 2008). The weight of the subsidiary is the sense of the market. The voice of the subsidiary is the initiative they take (Bouquet & Birkinshaw, 2008).

Further, it is very important that head offices maintain constant communication with their subsidiaries or with other persons responsible for the export-oriented activities of the organization. In the modern world, successful companies always strive to operate in different markets, as this helps the company develop and grow. Thus, it is very important that head offices listen to the proposals of subsidiaries and respond to them in a timely manner (Bouquet & Birkinshaw, 2008). Of course, market prioritization also plays an important role in decision-making, since the head office will make certain decisions depending on how important the company's market is. Also, in the modern world, international companies represented in international markets have one or two specialists who cover several countries. In this way, companies increase the clarity of processes and can influence decision-making more quickly than companies that react to factors separately.

If parent companies do not respond in a timely manner to changes in other markets, this could possibly lead to problems in the efficiency of the entire organization and could also lead to a loss of revenue. Fast-growing companies always try to respond as quickly as possible to the emergence of certain problems, which leads to increased efficiency (Bouquet & Birkinshaw, 2008).

In the international economy, such a form of company activity as the model of mother-daughter relationships is common. In the modern world, there are quite a lot of successful companies that use this model, in which the head office controls the activities of subsidiaries. Currently, this model plays a very important role in economic development. Its use helps to increase clarity of processes, efficiency of the organization, competitiveness, and, as a result, achieve economies of scale. Such companies develop very quickly, especially with the help of attracting investors. A company is a subsidiary if a certain share of it is controlled by another company. As a rule, the size of participation is determined as 50% or more. Parent companies manage subsidiaries in various areas, for example, with the help of capital, technology, brand, and overall business development strategies. In practice, the parent company strives to control the activities of the subsidiary to one degree or another, which does not always have a positive effect on its efficiency and reduces the level of autonomy of the subsidiary. Further, subsidiaries always receive information first, and it is important to use it and make decisions quickly, so that the subsidiary can adapt in today's rapidly changing world. The autonomy of a subsidiary is also important for the proper development of not only the subsidiary company, but the entire business. Thus, headquarters cannot ignore the demands or issues of subsidiaries. Parent companies should not suppress the will of subsidiaries but should listen to them to achieve joint positive goals.

In the field of prioritization of clients, subsidiaries also have much more information than parent companies, since the prioritization of certain clients may differ from the standard requirements of the organization. Quickly responding to the requirements of a client, who in the future may bring large financial income, can affect the profitability of the entire organization. Thus, even such an important strategy must be discussed individually.

2.10 Export performance

Goods and services are produced as a result of labor activity, which is why labor productivity plays one of the most important roles in the success of an enterprise.

In the modern world, everything is based on market relationships that are constantly evolving. Companies must organize their work properly to motivate their employees and encourage them to work. In this way, the company will be able to stay afloat for as long as possible and achieve a leading position in the industry, since currently increasing profits is one of the key factors for the success of the company and business in general. Thus, firms must be able to motivate their employees to perform their job responsibilities accurately, efficiently, and faithfully.

Nowadays, more and more living labor is involved in work; the economy is also an important factor in ensuring productivity growth, since increasing productivity is a key factor in the successful development of an enterprise and one of the key factors in economic growth. In particular, companies that are export-oriented must clearly understand the structure of their business and know when to direct their attention to developing a certain department or industry. Increased productivity can be achieved by improving technical support, expanding production (if this is required and the company has a solid base of reliable customers), and updating systems or equipment. Cost reduction is also a crucial factor in improving productivity. Sometimes it is even more profitable to identify where in production time is wasted or where more rejects are generated to eliminate them, than to open new additional lines for production. The higher the quality of the equipment, the more work an employee will be able to perform in production, ultimately affecting the final result. It is also worth emphasizing that each company has its own level of productivity, which may increase or decrease over time due to various external factors. Productivity growth is directly related to the performance of the enterprise or company, since employees directly affect productivity.

No company is protected from the influence of external factors that can have a positive or negative effect (Einwiller et al., 2016). For example, over the past five years, the labor market has undergone many changes. Specifically, many companies worked remotely during the pandemic, and this opportunity has affected different companies differently. For example, companies in which employees were highly motivated and who were sent to work remotely were able to show decent results in their work. Many managers have maintained this work opportunity even after all restrictions were lifted, as employees spend less time on downtime and use their free time for the benefit of the company's development as a whole (Emanuel et al., 2021).

It is important to mention that each company or business, unique in its own way, must understand for itself how to improve productivity and under which factors the company will work better. Thus, constant monitoring of management is necessary so that managers understand in which direction their business can be improved, what can be adapted, and what costs can be eliminated for better performance of the entire organization (Bititci et al., 2011).

Furthermore, working as a manager and director of the sales department affects the company's profitability because they are responsible for bringing in new customers, and the key account manager continues to satisfy existing customers and receive additional orders from them. The concept of client prioritization greatly influences productivity, since using this principle, companies will be able to easily and quickly understand which clients are current and with which it will be possible to cooperate and receive large orders within a given period, as well as understand which customers they should continue to communicate with and which ones not.

In this case, the task of analyzing economic activity is to detect all changes, determine their nature, and then either promote or hinder their development. The market orientation concept relates to business performance as it provides an advantage in a competitive market by recognizing the customer’s requirements (Prifti & Alimehmeti, 2017).

The literature (see Table A2) indicates that market orientation is an important determinant of export performance as well. Although many moderating effects have been uncovered, the findings are not always consistent. The literature defines export success as having many dimensions. A study by Katsikeas, Leonidas, Leonidou, and Morgan (2000) reviewed more than 100 articles to assess and analyze export performance measurements and conceptualizations, concluding that export performance “is a multifaceted phenomenon and that individual measures of performance exhibit unique conceptualization and operationalization characteristics.” Thus, export performance is one of the most important indicators of a firm’s success.

2.10.1 Operational performance

Many companies, in order to increase their profits, invest in and implement various investment processes that directly enhance their ability to respond to changes in market conditions. As a result, they can quickly and effectively identify profitable clients in specific business segments (e.g., Reinartz & Kumar, 2003). Firms that meet their clients' needs, build efficient information processes, and provide solutions that address clients’ requests and needs can retain clients for a long time and build long-term partnerships.

Customer-based relational performance relates to customers' beliefs, opinions, values, and preferences, while customer-based profit performance relates to behavioral variables. It is important to note that customer satisfaction greatly influences the entire company and its behavior, motivating the company to identify profitable customers (Ajzen, 1991). Satisfied customers are more likely to repurchase products or services, leading to an increased level of customer-based profit performance (Spiller et al., 2007). Furthermore, companies should monitor customer behavior and purchase history to understand which customer groups are satisfied with the product and to identify the most profitable or valuable customers.

Companies must wisely implement the concept of targeting and prioritizing customer segments (Homburg et al., 2008). Meeting all the needs and requirements of all customers can negatively affect the company’s revenue. For example, if a sales manager or any other responsible person in the company fully dedicates their time to all potential clients, including those who are not likely to make significant purchases or are not ready to cooperate under certain conditions, the company will waste valuable time and efforts that could have been focused on profit-generating activities, which are crucial for business success. This is especially important for export-oriented companies that must carefully manage their resources. In such companies, the strategy must be clearly developed and understood by all employees to achieve common goals. Export-oriented companies face more complex challenges because each market is unique, differing in pricing and customer behavior. A product that is in demand in one market may not be well-received in another. Therefore, it is crucial to understand how to communicate with different partners and how to prioritize and influence them.

2.10.2 Organizational performance

Organizational performance has several definitions: the company's ability to achieve its goals independently, its functioning as a system at the proper level (Yuchtman & Seashore, 1967), or its compliance with the owners' requirements or desires (Pfeffer & Salancik, 1978; Pickle & Friedlander, 1967). Organizational effectiveness is the most important factor in the success of an organization in the modern world (Rangone, 1997). This aspect also helps companies understand the real state of affairs and how the company develops under the influence of certain factors that affect its operations, especially in conditions of export orientation. It is important to note that it is easier to manage a company in a home environment, where management, as well as all employees, understand how the market is developing and what requirements consumers have. Additionally, the company can react much faster to any changes in the external and internal environment, directly affecting not only the activities of the company but also its effectiveness as a final result. In the home market, it is much easier to adjust employees' behavior and help them achieve certain goals, as well as discuss important issues that employees receive first-hand. Further, if you pay attention to the activities of subsidiaries or sales employees who work with foreign markets, they are subject to much greater responsibility and must be more careful in complying with the head office's rules. They must also promptly report information received from customers and respond in a timely manner to environmental changes, provided the company can respond to such changes and its rules support such an approach.

3 METHODOLOGY

3.1 Research purpose and questions

This study employs a **mixed-method research approach** to examine customer prioritization, a strategic practice where businesses allocate resources and efforts based on customer value. While customer prioritization has gained significance in international marketing, limited research explores how it is understood and implemented in firms operating across culturally diverse markets.

The aim of this PhD thesis is to explore and provide a deeper understanding of whether standardized or adaptive market orientation drives performance, how is customer prioritization understood by international marketing managers, and what are the key components that constitute this concept?

By integrating both qualitative and quantitative methods, this study aims to provide a comprehensive understanding of customer prioritization and its impact on international marketing strategies.

3.2 Methods of data collection and analysis

The secondary data was gathered via an systematic literature review of scientific papers and articles, followed by a synthesis of the main findings. This part was analyzed using descriptive method to summarize papers in the fields of customer prioritization.

During the primary research I employed mixed method research, as I collected both qualitative and quantitative data. Qualitative method chosen were in-depth interviews, while quantitative method employed was an online questionnaire for top managers of the export-oriented firms.

First of all, I conducted 13 interviews from Slovenian export-oriented firms. The interviews were lasting 45 minutes in average and interviewers were sales managers and directors. Questions from in-depth interviews are provided in Appendix 2. The aim of the in-depth interviews was to get insight how managers understand customer prioritization and what are the various strategies and tactics they employ to achieve customer prioritization goals. Additionally, respondents have the time to provide thoughtful answers.

Secondly, to have better understanding of the factors impacting customer prioritization concept in export-oriented firms, the data was collected via survey with leading executives of Slovene firms. I gathered 208 respondents' answers from different age groups, positions and industries. However, online surveys may have validity issues due to sample selection, lack of interviewer quality control and poor survey design, which may lead to lower response rates (Kumar et al., 2018). In my research, I have used online questionnaires with multiple choice, open-end questions, close-ended questions, including a Likert Scale to gain nuanced insights into customers' perceptions and attitudes. The questionnaire is provided in Appendix 3. The questionnaire was developed using previously established scales in the literature and pretested on a sample of 10 executives. After some minor ammendments, the questionnaire was sent via email to 1067 companies that were on a list of SloExport database, which was preceeded by a phone call to boost the response rate. Purposive sampling was selected specifically as I was interested in export oriented firms and any other sampling technique could include firms that are not even operating on foreign markets. Following a few rounds of reminders the collection of data lasted approximatelly 4 months in a period between August and December 2023. I gathered 208 questionaires, which gives us 20% effective response rate. During the research, I employed a mixed-method approach, collecting both qualitative and quantitative data. This study, in its qualitative part, examines customer prioritization, a strategic practice where businesses allocate resources and efforts based on customer value. While its significance in international marketing continues to grow, limited research exists on how customer prioritization is understood and applied in international firms operating across diverse cultural contexts. Addressing this gap, the study explores how international marketing managers conceptualize customer prioritization and identifies its key components. Using a qualitative methodology, the study conducted in-depth interviews with Slovene international marketing and sales managers from 13 export-oriented firms. Thematic analysis, guided by the Gioia methodology, identified four central themes: prioritization tactics and strategies, international customer profitability, headquarter-subsidiary relationships, and customer relationship management. This research advances the conceptual understanding of customer prioritization as a dynamic capability that shapes CRM strategies in international firms and can enhance profitability in foreign markets.

Additionally, it aims to identify the contextual factors shaping prioritization strategies, including cultural diversity, market dynamics, and organizational competencies. By integrating these insights, the research aspires to offer practical guidance for marketers aiming to enhance their customer prioritization approaches in the context of an ever-evolving, dynamic global business environment.

On the quantitative side, an online questionnaire was distributed to the same target group, providing a structured means of gathering data. The quantitative data analysis involved performing regression analysis using SPSS to explore relationships between variables, and confirmatory factor analysis using AMOS to validate the measurement constructs and ensure their reliability.

This integrated methodology combined the strengths of qualitative depth and quantitative precision to provide a well-rounded understanding of the research topic. In conducting this research, a mixed-method approach was employed, integrating both qualitative and quantitative data collection and analysis to provide a comprehensive understanding of the study topic. The qualitative component of this study focuses on the examination of customer prioritization—a strategic practice wherein businesses allocate their resources and efforts based on the perceived value of different customer segments.

This strategic approach enables firms to optimize their marketing and operational strategies by concentrating on high-value customers who are most likely to contribute to long-term profitability and sustainable growth. Although customer prioritization has gained increasing importance in the realm of international marketing, there remains a significant gap in the literature regarding how this concept is interpreted and implemented within international firms that operate across culturally diverse markets. Addressing this critical gap, the present study delves into how international marketing managers conceptualize customer prioritization and seeks to identify its fundamental components and practices within an international business context.

To explore these dynamics in depth, the study adopted a qualitative methodology, conducting comprehensive in-depth interviews with Slovenian international marketing and sales managers representing 13 export-oriented firms. These firms were strategically selected to capture a diverse range of perspectives from businesses actively engaged in international markets. The qualitative data obtained from these interviews underwent thematic analysis, meticulously guided by the Gioia methodology. This robust analytical framework facilitated the identification and categorization of emerging themes, leading to the discovery of four central thematic areas: (1) prioritization tactics and strategies, (2) international customer profitability assessment, (3) the dynamics of headquarter-subsidiary relationships, and (4) customer relationship management (CRM) practices. Collectively, these themes provide a nuanced understanding of how customer prioritization functions as a dynamic capability within international firms, significantly influencing CRM strategies and contributing to improved profitability and competitive advantage in foreign markets.

Moreover, the research extends its analytical scope by aiming to identify the contextual factors that shape and influence customer prioritization strategies. These factors include, but are not limited to, cultural diversity within target markets, rapidly evolving market dynamics, and the organizational competencies that firms possess. By integrating these contextual insights, the study aspires to deliver practical, actionable guidance for international marketers seeking to refine and enhance their customer prioritization strategies in response to the complexities of the global business environment. This practical guidance is intended to help firms remain agile and responsive to shifting market demands while fostering stronger, more profitable customer relationships across different cultural and economic contexts.

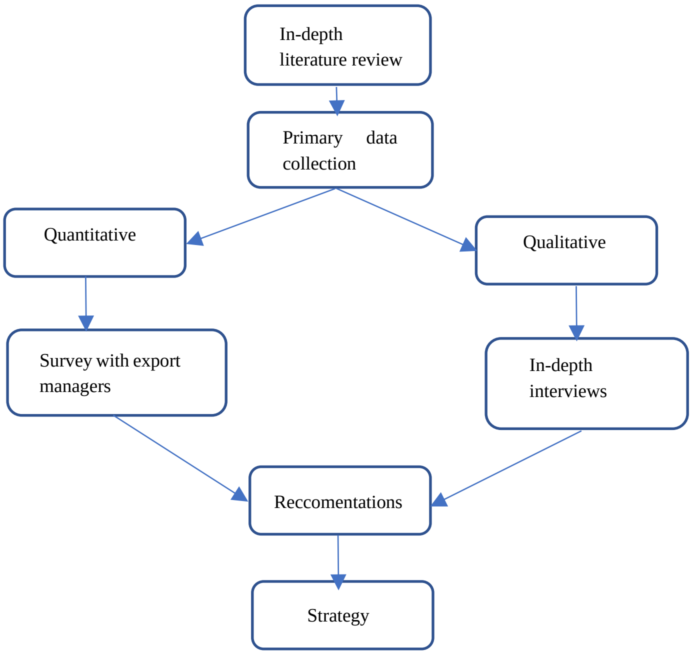
Complementing the qualitative analysis, the quantitative component of the study involved the distribution of an online questionnaire to the same target group of international marketing and sales managers. This structured survey instrument served as a systematic means of collecting quantifiable data to support and validate the qualitative findings. The quantitative data analysis was rigorously conducted using statistical tools, including regression analysis performed with SPSS software to investigate the relationships between key variables, and confirmatory factor analysis (CFA) carried out using AMOS software to validate the measurement constructs and ensure their reliability and validity. This thorough analytical process helped confirm the robustness of the conceptual framework developed from the qualitative findings.

3.3 Research design and approach

Systematic literature review of the customer prioritization concept, conducted at the beginning, aims to point atthe gap in concept development and how companies in export-oriented markets handle this approach. This would encompass the concepts and create a comprehensive understanding of the term. The first objective of this research stage is to define the concept and provide an overview of customer prioritization in firms and analyze how export managers implement this concept in their work and business. The second objective is to explore the concept's potential in the future and how it can be applied in practice.

Building on systematic literature review I designed qualitative and quantitative study to provide a comprehensive analysis of customer prioritization. Research design and approach are depicted in Figure 5.

Figure 5: Research design



Source: Own work.

3.4 Main research questions and hypotheses development

The research will be guided by the following key research questions:

RQ1. How do international marketing managers understand market orientation and customer prioritization, and what components constitute customer prioritization?
RQ2. Do market-oriented strategies incorporate customer prioritization practices?
RQ3. What are the performance implications of differing customer prioritization approaches in international export contexts?
RQ4. What is the importance of customer prioritization strategy, and what are its key components and touchpoints?
RQ4.1. How do companies apply the customer prioritization concept?
RQ4.2. Is the customer prioritization concept applied the same way at headquarters and in their foreign ventures?
RQ5. What are the most effective moderators of customer prioritization strategy, and how should they be integrated for optimal performance?
RQ5.1. How does the concept of weight and voice influence firms' performance?
RQ5.2. How does customer prioritization influence a firm’s success?
RQ6. How do companies view their international activities, whether in terms of countries, products, or both?
RQ6.1. How do they view the venture; is it somehow different from what the theory suggests: a given product in a given country?

RQ6.2. How do ventures apply customer prioritization strategy?

The research questions presented above guided me through the qualitative part of my research. In today's business environment, many international companies are prioritizing their market focus and partnerships. However, it is important to acknowledge that not all organizations, especially those in their early stages, achieve success in these areas. When entering international markets, businesses aim to utilize human capital and marketing investments efficiently, with the expectation that these efforts will eventually yield positive results for the organization as a whole. By concentrating on their markets and customers, companies gain valuable insights from both their clients and partners. These insights allow businesses to segment their customers based on specific needs and preferences, enabling them to implement customer prioritization strategies effectively. This approach helps organizations unlock their potential and align their operations strategically. As such, when exploring this topic in a thesis, it is essential to examine the practical application of customer prioritization, its core components, and how companies implement this concept across both headquarters and subsidiaries.

Modern companies are intricate systems influenced by numerous factors that collectively impact their overall success. One key question revolves around how client prioritization affects organizational efficiency. Additionally, understanding the most effective factors—referred to as moderators—that shape the relationship between customer prioritization strategies and company performance is critical. Another intriguing aspect is the role of weight and voice within this relationship. Often, headquarters remain attentive to their ventures, addressing their concerns and supporting their requests promptly, particularly when these ventures contribute significantly to overall business success. Despite this, there has been limited academic research examining how these dynamics influence the connection between customer prioritization strategies and company performance.

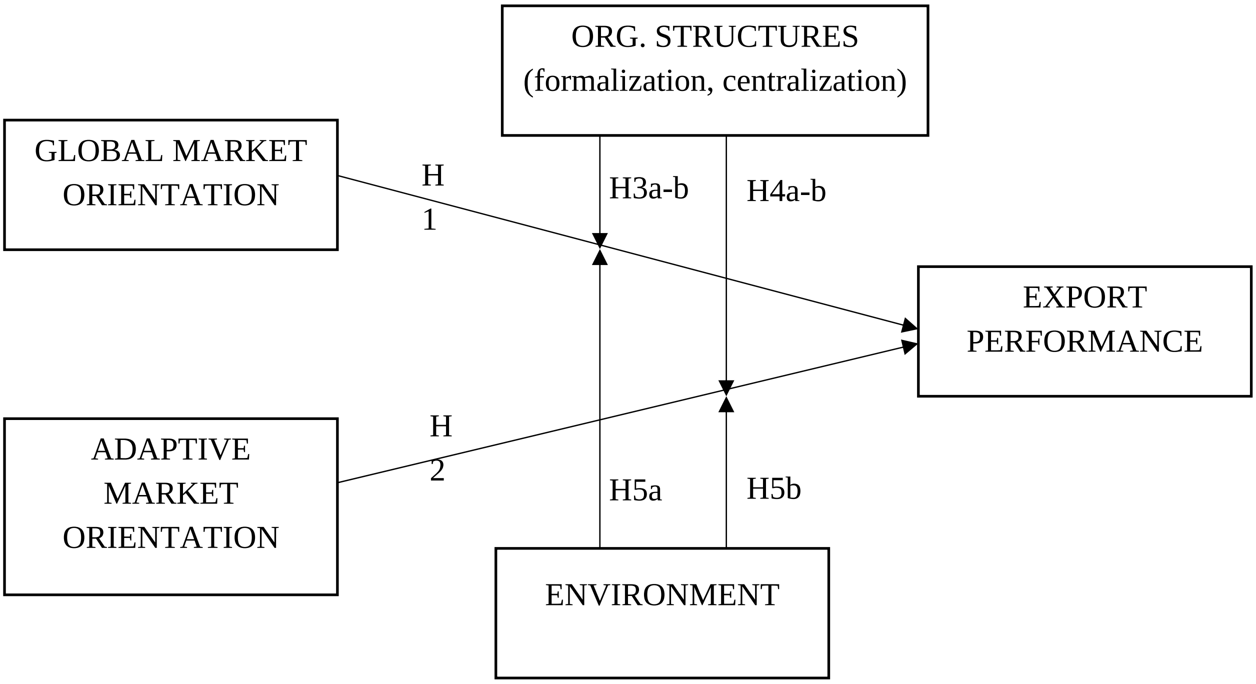
It is also important to explore how companies segment their international operations—whether by product type or geographic region—since organizations involved in global trade often divide their markets for selling goods or services. Additionally, investigating whether ventures prioritize their clients and, if so, how they implement such strategies provides valuable insights. The successful execution of marketing strategies in international markets is a critical consideration, as businesses continuously strive to expand their market presence.

The main research question that guided me through the quantitative part of my research is: Are standardized or adaptive market orientations driving performance? The central research question guiding the qualitative research is: How is customer prioritization understood by international marketing managers, and what are the key components that constitute this concept?

In Figure 6, we can see the main model presentation.

A global market orientation is a pivotal factor in enhancing the export performance of international firms. This concept reflects an organization's strategic emphasis on understanding and responding to the needs of customers, competitors, and market trends across global markets (Narver & Slater, 1990). Companies with a strong global market orientation adopt a customer-focused approach, prioritize competitive intelligence, and foster cross-functional collaboration to adapt effectively to international market conditions (Cadogan et al., 2002).

Figure 6: Adaptive versus global market-oriented strategies and impacts on export performance



Source: Own work

Such an orientation enables businesses to identify and capitalize on opportunities in diverse markets, leading to improved export performance. For example, Knight and Cavusgil (2004) demonstrate that firms with proactive global strategies achieve higher export sales, profitability, and competitive advantages in foreign markets. Similarly, Morgan et al. (2004) highlight how global market orientation fosters organizational capabilities that drive export success.

Export performance can be measured using indicators such as growth in export sales, market share in foreign regions, and customer satisfaction within international markets (Zou et al., 1998). This perspective aligns with existing literature, which consistently shows that firms actively pursuing global market-oriented practices achieve superior outcomes in export performance (Cadogan et al., 2009). This is followed by H1.

H1: Global market orientation of an international firm impacts their export performance.

Adaptive market orientation refers to an organization's capacity to detect and respond effectively to shifting market conditions, evolving customer preferences, and changes in competitive environments with flexibility and timeliness (Narver et al., 2004). Unlike traditional market orientation, which prioritizes consistency and long-term stability, adaptive market orientation emphasizes agility and responsiveness, making it particularly vital for international companies operating in dynamic and diverse export markets.

According to Cadogan et al. (2002), organizations with adaptive capabilities are better positioned to customize their strategies to meet the unique demands of foreign markets, thereby gaining a competitive advantage. This adaptability enables international businesses to address uncertainties, seize emerging opportunities, and reduce risks in rapidly changing scenarios. For example, Zhou et al. (2005) demonstrated that adaptive strategies enhance export performance by aligning products and services with the evolving needs of customers in global markets.

Export performance in this context is commonly evaluated using metrics such as growth in export sales, market share, and profitability (Zou et al., 1998). Research by Homburg et al. (2008) further reinforces this idea, highlighting that companies with strong adaptive capabilities are more likely to achieve sustainable success in foreign markets through effective strategic alignment and innovation.

By examining adaptive market orientation, a deeper understanding emerges of how flexibility and responsiveness in strategic approaches contribute to international business success. This perspective underscores the importance of adaptability as a key factor in driving export performance within the unpredictable and multifaceted world of global trade.

H2: Adaptive market orientation of an international firm impacts their export performance

Formalization, defined by the development and implementation of standardized rules, procedures, and processes, brings structure and uniformity to an organization's operations (Jaworski & Kohli, 1993). In the context of global market orientation, formalization plays a crucial role in ensuring that strategies designed to address the needs of international customers are effectively applied across diverse markets. This structural foundation is particularly important for companies seeking to achieve strong export performance.

A global market orientation enables businesses to align their products and services with international customer requirements, respond to competitive forces, and coordinate cross-functional efforts to succeed in foreign markets (Cadogan et al., 2002). However, the absence of formalized systems can lead to inconsistencies in executing global strategies, resulting in inefficiencies and lost opportunities. Formalization addresses these challenges by offering a well-defined framework for decision-making and strategy implementation, ensuring that global market orientation is translated into measurable performance outcomes.

Studies highlight the role of formalization as a moderating factor that enhances the relationship between global market orientation and export performance. For instance, Menon et al. (1996) observed that formalized procedures enable firms to manage complex operations in international markets more effectively, thereby improving their capacity to deliver consistent value to global customers. Similarly, Cadogan et al. (2009) note that formalization minimizes uncertainties during strategy execution, leading to stronger alignment between organizational goals and the demands of export markets.

By strengthening the reliability and scalability of strategic initiatives, formalization positively influences the connection between global market orientation and export performance. This approach enables businesses to achieve higher growth in export sales, increased market share, and greater profitability in international markets. Integrating formalization into operational systems allows organizations to fully leverage the advantages of global market orientation and enhance their competitiveness in the global marketplace. Thus, we could set H3a as follows:

H3a: Formalization Positively Moderates the Relationship Between Global Market Orientation and Export Performance

Global market orientation is a vital strategic framework for international firms aiming to improve their export performance. This approach involves a comprehensive understanding of customer needs in global markets, competitor strategies, and inter-functional collaboration to deliver value across diverse regions (Narver & Slater, 1990). While global market orientation forms the strategic backbone for success in foreign markets, its impact is heavily influenced by a company's internal structural arrangements, particularly centralization. Centralization, which refers to the concentration of decision-making authority within the higher levels of an organization, is essential for ensuring the consistent execution of global strategies (Auh & Menguc, 2007). In the realm of global market orientation, centralization aligns strategic decisions with the company's core objectives, ensuring uniform application across multiple markets and reducing inconsistencies that can arise in decentralized systems, especially within large multinational firms.

Centralized decision-making proves particularly advantageous for implementing global market orientation in complex and unpredictable international settings. Olson et al. (2005) suggest that centralization streamlines the decision-making process, minimizing delays and ensuring the swift execution of strategies. Additionally, centralized structures promote cohesion in managing global operations, enabling firms to deploy their resources and capabilities more efficiently. Research by Homburg et al. (1999) indicates that centralization enhances coordination among international subsidiaries, enabling firms to respond more effectively to global competitive challenges. Zhou et al. (2005) further emphasize that centralized decision-making supports the integration of market intelligence from various regions, improving a firm's ability to identify and act on global opportunities and risks. Export performance in this context is typically evaluated using indicators such as export sales growth, market share in foreign markets, and profitability (Zou et al., 1998).

Highlighting the significance of centralization contributes to a deeper understanding of how organizational structures shape the effectiveness of strategic orientations in achieving export success. While global market orientation provides the strategic framework, centralization serves as a critical enabler, ensuring alignment and amplifying its influence on export performance. Thus, this is followed by H3b.

H3b: Centralization Positively Moderates the Relationship Between Global Market Orientation and Export Performance

Adaptive market orientation is a strategic approach that prioritizes flexibility, quick responsiveness, and alignment with evolving customer preferences, competitive forces, and market dynamics (Narver et al., 2004). This strategy is particularly vital for international firms operating in unpredictable and diverse export markets, where the ability to adapt is critical for success. Companies with a strong adaptive market orientation excel in detecting market shifts and rapidly modifying their strategies, positioning themselves to seize opportunities and reduce risks. However, the success of adaptive market orientation often depends on the organizational structures that support its implementation, such as formalization.

Formalization refers to the extent to which an organization establishes clear rules, processes, and policies to govern its operations (Jaworski & Kohli, 1993). While adaptive market orientation thrives on being flexible, formalization ensures this flexibility is directed into coordinated and consistent actions across the organization. Without formalized systems, the insights and strategies derived from an adaptive market orientation may become fragmented or fail to translate into effective implementation (Cadogan et al., 2009).

The interaction between formalization and adaptive market orientation plays a key role in enhancing export performance by striking a balance between agility and structure. According to Menon et al. (1996), formalized processes provide a framework for effectively implementing adaptive strategies, reducing uncertainties, and improving collaboration across functions and geographic regions. This structured approach allows firms to respond to market changes while maintaining focus and efficiency, ultimately boosting their export performance.

Research supports the role of formalization as a moderating factor in this relationship. For example, Zhou et al. (2005) found that formalized systems enable firms to consistently implement adaptive strategies even in highly dynamic environments. These findings indicate that formalization does not hinder adaptability but instead facilitates its practical and effective application.

Export performance, often measured by metrics such as export sales growth, profitability, and market share (Zou et al., 1998), is directly influenced by how well firms adapt their strategies to the specific demands of international markets. Examining the interplay between adaptive market orientation and formalization provides insights into how internal organizational structures enhance the effectiveness of strategic approaches in achieving export success. While adaptability offers the agility needed to navigate complex global markets, formalization ensures this agility translates into consistent and sustainable performance improvements in international operations. Thus, this is followed by H4a.

H4a: Formalization Positively Moderates the Relationship Between Adaptive Market Orientation and Export Performance

Centralization, which refers to the consolidation of decision-making authority within the higher levels of an organization, is a key factor influencing the effectiveness of adaptive market orientation. Adaptive market orientation requires firms to process a wide range of diverse and sometimes conflicting signals from various markets, making quick and cohesive decision-making essential. A centralized structure provides a clear framework for decision-making, allowing organizations to integrate adaptive insights from multiple regions into a unified and strategic approach (Olson et al., 2005). By aligning adaptive strategies with the overarching goals of the organization, centralization prevents fragmented responses and ensures greater strategic coherence (Homburg et al., 1999). This is particularly critical in export markets, where adaptive decisions must be coordinated across a variety of regions and customer groups. Centralization streamlines the decision-making process, enabling firms to respond more swiftly and efficiently to changing market conditions while maintaining a high level of agility. Studies emphasize the role of centralization in strengthening adaptive strategies. For instance, Auh and Menguc (2007) demonstrated that centralized decision-making structures enhance the efficiency and effectiveness of adaptive responses, especially in the context of dynamic and complex international markets. Thus, this is followed by H4b.

H4b: Centralization Positively Moderates the Relationship Between Adaptive Market Orientation and Export Performance

Global market orientation emphasizes a comprehensive understanding of international customers, competitors, and markets, relying on long-term planning and consistent strategies to deliver value (Narver & Slater, 1990). While effective in relatively stable environments, this approach often encounters challenges in settings characterized by high levels of internal environmental turbulence. Such turbulence includes frequent changes in workplace dynamics, structural shifts within organizations, and evolving relationships between headquarters and subsidiaries.

In these internally volatile environments, the structured and methodical nature of global market orientation may struggle to respond effectively to sudden and unpredictable disruptions. According to Zou et al. (1998), internal turbulence can exacerbate misalignments between planned strategies and operational realities, reducing the approach's effectiveness. For instance, frequent organizational restructuring or strained communication between headquarters and subsidiaries may delay decision-making, disrupt coordination, and hinder the swift implementation of global strategies. As a result, firms may miss opportunities or fail to address emerging competitive threats effectively. This is encapsulated in hypothesis H5a.

H5a: Environment (Dynamics, Turbulence) Negatively Moderates the Relationship Between Global Market Orientation and Export Performance

Adaptive market orientation is designed to excel in dynamic and unpredictable environments, making it particularly effective in navigating turbulent markets (Narver et al., 2004). By enabling firms to realign their strategies with shifting conditions, adaptive market orientation provides a critical edge in maintaining competitiveness. However, when confronted with extreme levels of internal environmental turbulence—such as frequent changes in workplace dynamics, organizational restructuring, or evolving relationships between headquarters and subsidiaries—the benefits of this approach may diminish as the organization's capacity to adapt is stretched to its limits (Day, 2011).

Excessive internal turbulence creates significant challenges, including strained resources, delayed decision-making, and operational inefficiencies. For instance, constant shifts in leadership, roles, or organizational priorities can disrupt communication and coordination between headquarters and subsidiaries, slowing down responses to emerging market demands. Zhou et al. (2005) emphasize that in environments where changes are frequent and unpredictable, even the most agile firms may find their adaptability overwhelmed, leading to gaps in strategy execution and weakened export performance. Thus, we could design H5b as follows:

H5b: Environment (Dynamics, Turbulence) Negatively Moderates the Relationship Between Adaptive Market Orientation and Export Performance

By analyzing how formalization, centralization, and environmental turbulence influence the effectiveness of market orientation strategies, these hypotheses offer a well-rounded perspective on the factors that either strengthen or limit their impact. This exploration underscores the dynamic relationship between organizational structures, external conditions, and strategic approaches in achieving export success, providing essential insights for firms managing the challenges of international markets.

4 SYSTEMATIC LITERATURE OF CUSTOMER PRIORITIZATION

4.1 Research purpose and questions

This study examines customer prioritization, a critical business and marketing strategy where firms allocate resources based on the perceived value of their customers. Despite its increasing relevance in international marketing, there is a lack of research on how it evolves over time and is implemented by export-oriented firms. To get a better understanding how the concept is understood in the existing literature, what was already studied empirically and where are existing gaps in the literature, systematic literature review was conducted.

By systematic literature review, this study aims to contribute both theoretically and practically, offering a deeper understanding of customer prioritization and its implications for business strategies in international markets.

4.2 Methods of data collection and analysis

A systematic literature review was conducted to gain a well-rounded perspective on customer prioritization.

A systematic literature review of this concept can provide a broad picture of its development, investigate the concept's evolution, and offer important definitions and findings (Paul & Criado, 2020). The concept of customer prioritization is very important in the business and marketing fields and can yield fruitful results upon implementation, thus making it crucial for investigation. One approach is bibliometric analysis (e.g., Pendse, Nerlekar, & Darda, 2023; Santos, Coelho, & Marques, 2023a), although this method is somewhat limited. Another approach is a systematic literature review. Research was conducted within the domains of international business and international marketing literature (Christofi, Leonidou, & Vrontis, 2017; Christofi, Pereira, Vrontis, Tarba, & Thrassou, 2021; Christofi, Vrontis, & Cadogan, 2021). Such methodology helps to comprehend the concept thoroughly and study all its nuances (Christofi, Vrontis, & Cadogan, 2021). Furthermore, to attain a deep understanding of the research area, a systematic review serves as a foundation for future research, which is essential for systematic literature reviews (Pereira et al., 2023). Managers of export-oriented companies are interested in discovering how the customer prioritization concept evolves over time.

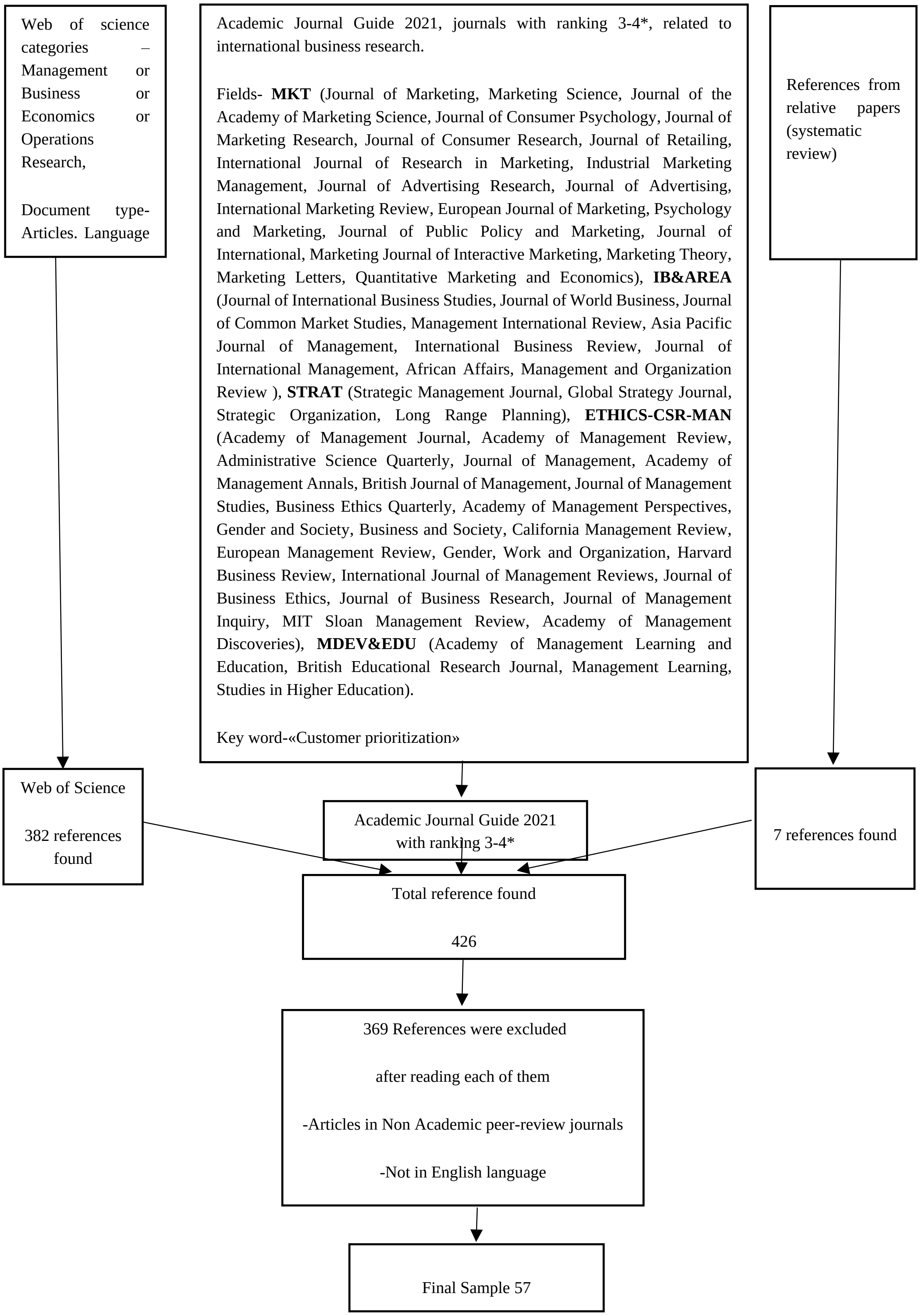
The phenomenon investigated is the relationship between supplier companies and their customers, and the processes of building and developing customer prioritization. The primary source for systematic literature review are empirical articles pulished in the last 40 years.

Xiao and Nicholson (2013) provided the review question: “What is customer prioritization and how is this concept evaluated?” During our research, we included studies focusing on customer prioritization in a broad sense. Following systematic review protocols, we searched the Web of Science online database. We did not set a specific timeframe for the search, as we regularly checked and included new papers in the analysis. We used the titles, abstracts, and keywords of published journal articles (Aguinis & Glavas, 2012; Pisani et al., 2017), using combinations of customer prioritization keywords. During the study, we followed Homburg et al. (2008) and realized that the customer prioritization concept is highly linked with customer value management (Homburg, 2008, etc.), which was as one of the substitute keywords also included in the search.

Through a keyword search in the Web of Science (WOS) database, we initially retrieved 37,332 results. Following established systematic review methodologies (e.g., Christofi et al., 2017; López-Duarte et al., 2016), we refined our dataset by including only articles and early access publications, reducing the total to 28,533 articles. Next, we filtered the results to focus on specific Web of Science categories—Management and Business—which narrowed the dataset to 2,706 articles. Subsequently, we excluded non-English language publications (Rashman et al., 2009), leaving 2,686 articles. To ensure relevance, we further excluded studies that did not specifically address customer prioritization but rather the broader concept of prioritization, resulting in 2,409 references. In the next stage, we conducted an abstract screening, which refined the selection to 382 articles. As a final step, we applied the Academic Journal Guide 2021 (ABS List), including only journals ranked 3* and above (López-Duarte et al., 2016; Podsakoff et al., 2005), further reducing the dataset to 37 references. Additionally, we incorporated seven relevant references from key studies. Each of the remaining articles was then carefully reviewed, leading to a final selection of 57 articles. The methodological process (Figure 5) and findings (Figures 6 and 7) presented in this study provide valuable insights and offer new avenues for future research.

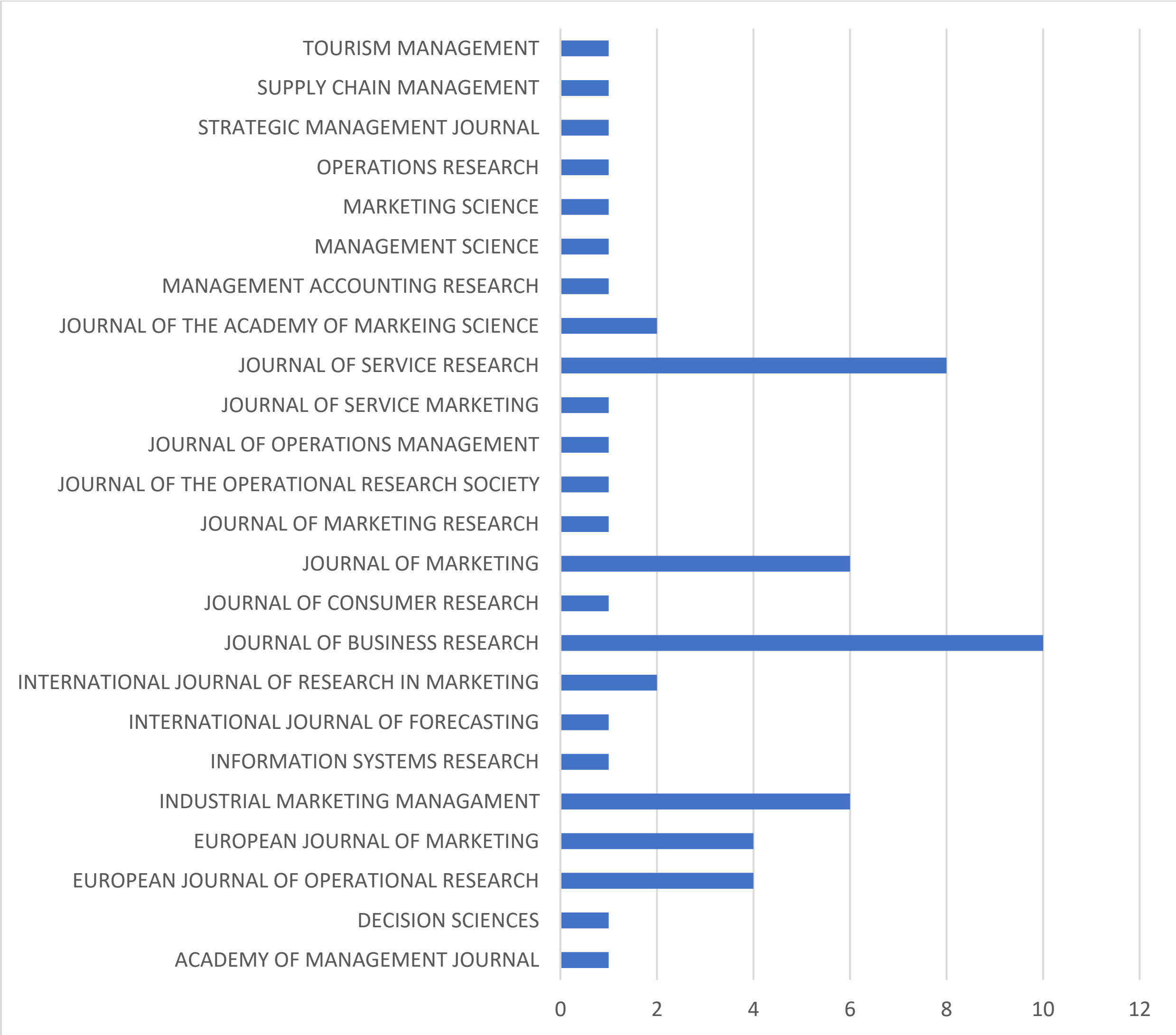
This literature review provided a strong foundation for the empirical research, helping to identify gaps and establish a framework for further study. To complement the theoretical analysis, qualitative and quantitative research methods were applied. By integrating qualitative depth with quantitative validation, this research provides comprehensive insights into customer prioritization strategies.

Figure 7: Research Strategy



Source: Own work

Figure 8: Analysis of the journals that included Customer Prioritization, chart



Source: Own work

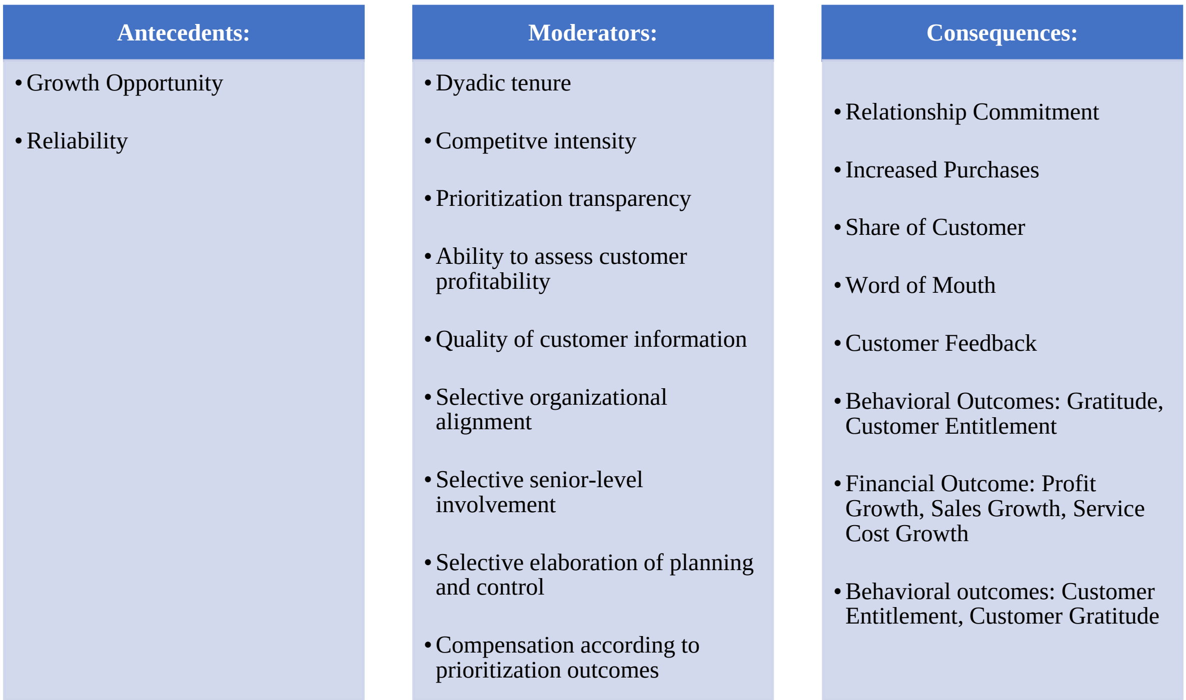
Table 3: Evolutionary development of research on customer prioritization

Year/Name	AOMJ	DS	EJOOR	EJOM	IMM	ISR	IJOF	IJORIM	JOBR	JOCR	JOM	JOMR	JOTORS		JOOM	JOSR	JOTAOMS	MAR	MS	MARS	OR	SMJ	SCM	TM
1991																					1			
1994		1																						
2001											1											1		
2004											1	1	1											
2005				1																				
2006																3								
2007			1		1											1								
2008			1								2								1	1				
2010								1																
2011																1								
2012			1		1	1	1										1							
2013								1	1	1						1								
2014									2		1												1	
2015	1								2							1								
2016			1						2															
2017					2																			
2018					1						1				1									
2019																1	1							
2020				1	1													1						
2021				2					2															
2022																								1
2024									1															
Total (57)	1	1	4	4	6	1	1	2	10	1	6	1	1		1	8	2	1	1	1	1	1	1	1

Source: Own work

1. AOMJ=ACADEMY OF MANAGEMENT JOURNAL,
2. DS=DECISION SCIENCES,
3. EJOOR=EUROPEAN JOURNAL OF OPERATIONAL RESEARCH,
4. EJOM=EUROPEAN JOURNAL OF MARKETING,
5. IMM=INDUSTRIAL MARKETING MANAGAMENT,
6. ISR=INFORMATION SYSTEMS RESEARCH,
7. IJOF=INTERNATIONAL JOURNAL OF FORECASTING,
8. IJORIM=INTERNATIONAL JOURNAL OF RESEARCH IN MARKETING,
9. JOBR=JOURNAL OF BUSINESS RESEARCH,
10. JOCR=JOURNAL OF CONSUMER RESEARCH,
11. JOM=JOURNAL OF MARKETING,
12. JOMR=JOURNAL OF MARKETING RESEARCH,
13. JOTORS=JOURNAL OF THE OPERATIONAL RESEARCH SOCIETY,
14. JOOM=JOURNAL OF OPERATIONS MANAGEMENT,
15. JOSR=JOURNAL OF SERVICE RESEARCH,
16. JOTAOMS=JOURNAL OF THE ACADEMY OF MARKEING SCIENCE,
17. MAR=MANAGEMENT ACCOUNTING RESEARCH,
18. MS=MANAGEMENT SCIENCE,
19. MARS=MARKETING SCIENCE,
20. OR=OPERATIONS RESEARCH,
21. SMJ=STRATEGIC MANAGEMENT JOURNAL,
22. SCM=SUPPLY CHAIN MANAGEMENT,
23. TM=TOURISM MANAGEMENT.

Figure 9: Organizing Framework



Source: Own work

4.3 Findings

The journal with the highest number of Customer prioritization research articles is Journal Of Business Research (JOBR) (n=10). Customer prioritization research is predominantly published in Journal Of Service Research (JOSR) (n=8), as well as Industrial Marketing Management (IMM) and Journal Of Marketing (JOM) (n=6), followed by European Journal Of Operational Research (EJOOR), European Journal Of Marketing (EJOM) (n=4) journals and International Journal Of Research In Marketing (IJORIM), Journal Of The Academy Of Marketing Science (JOTAOMS) (n=2), Academy Of Management Journal (AOMJ), Decision Sciences (DS), Information Systems Research (ISR), International Journal Of Forecasting (IJOF), Journal Of Marketing Research (JOMR), Journal Of The Operational Research Society (JOTORS), Journal Of Operations Management (JOOM), Management Accounting Research (MAR), Management Science (MS), Marketing Science (MARS), Operations Research (OR), Strategic Management Journal (SMJ), Supply Chain Management (SCM), Tourism Management (TM). This probably relates to the fact that the largest portion of Customer Prioritization studies is conducted by Business or International Marketing scholars **also, literature review had showed that Customer Prioritization concept is highly linked** with Customer Value Management topics (Homburg et al, 2008). Thus, Table 3 shows us evolutionary development of research on customer prioritization.

Main domains, theories and topics covered by reviewed articles

The systematic literature review covers the following domains: Customer Management, Relationship Marketing, Industrial Management. The theoretical frameworks applied include Consumer Theory (analyzes individual customer behaviors), Social Capital Theory (emphasizes social influence on profitability), and Equity Theory (examines fairness in preferential treatment). Loyalty and value-based segmentation theories provide a basis for customer prioritization by categorizing customers based on profitability and strategic importance. This study builds on these frameworks to propose a model for integrating prioritization with adaptive market strategies.

Research is supported by works from scholars like Kumar, Venkatesan, and Berger across various years, highlighting contributions in CLV frameworks, customer prioritization strategies, and the impact on firm performance.

In the bustling world of commerce, companies sought to uncover the secrets of their most valuable treasure: their customers. However, they faced a daunting challenge—how to predict and maximize the value customers brought to their businesses. As this journey unfolded, scholars, theorists, and business leaders embarked on an odyssey to answer pressing questions and fill critical gaps. The tale began with a question whispered across boardrooms: "Could making customer data available and focusing on customer value lead to rewards from shareholders?" Pioneers like Berger and colleagues (2006) delved into the idea, asking whether companies that led the charge in reporting such metrics could compel competitors to follow, altering the industry forever. They sought to uncover how customer lifetime value (CLV) connects to shareholder returns, wielding the tools of Consumer Theory to light the way. Meanwhile, Cambra-Fierro and the team (2021) ventured into the labyrinth of social interactions and customer-firm relationships, pondering how social influence could predict behaviors that transcended mere transactions. Their research posed a critical query: "How do immediate customer profitability and long-term value align with the power of connection?" Guided by Social Capital Theory, they began to unravel the tapestry of non-transactional value.

In another corner of the academic world, Gupta and his companions (2006) grappled with a pressing challenge: "How can firms use CLV models to allocate resources for acquisition, retention, and cross-selling?" Their efforts promised to provide marketers with a compass to navigate the treacherous seas of customer segmentation and resource allocation. The saga continued with Holm, Kumar, and Rohde (2012) charting a path for firms to implement customer profitability measurement models. These tools, based on Consumer Theory, aimed to allocate resources with precision, ensuring every penny spent brought returns. At the same time, thought leaders like Ma and Li (2008) introduced mathematical frameworks to guide firms in growing the value of their customer assets.

As businesses began to explore preferential treatment, Pez and Butori (2015) raised an intriguing point: How can companies gain from selective treatment while ensuring fairness? The answers, they proposed, might lie in understanding equity and human behavior. Research on this topic deepened when scholars like Butori and De Bruyn (2013) examined how firms could align their preferential strategies to avoid alienating the unprivileged.

The story took a dramatic turn during the pandemic. Ana Alina Tudoran and her peers (2024) questioned how companies' actions during crises influenced their most valuable customers. They urged businesses to explore shared traits of high-value customers across different acquisition cohorts, paving the way for new insights into post-pandemic recovery.

From another retrospective, scholars like Zablah and his team (2012) investigated the ripple effects of prioritization on performance. Meanwhile, Keranen and Liozu (2020) explored how firms could cultivate "value champions" in business markets, enriching the landscape of Customer Management. In sum, consumer theory, social capital theory and equity theory seem to guide the current research stream on customer value and prioritization.

Customer prioritization is a concept that is often linked with, or sometimes even substituted by, other concepts like customer value management (Ramani & Kumar, 2008), customer orientation (e.g., Terho et al., 2015), customer lifetime value (e.g., Venkatesan & Kumar, 2004), or customer relationship management (e.g., Lindgreen et al., 2006). Thus, it is not surprising that the literature offers a wide variety of customer prioritization conceptualizations and definitions (see Table A4).

These can be grouped into several meaningful categories. The most frequently depicted definitions, based on customer differentiation, fall into the first category. Here, we observe definitions that emphasize the varying levels of resources and effort allocated to different customer segments based on their importance to the firm (e.g., Lacey et al., 2007; Homburg et al., 2008; Harrison-Walker, 2010; Mathur & Kumar, 2013). In fact, the most commonly adapted definition is the one by Lacey et al. (2007). The authors adopting this definition focus on the intangible and tangible benefits provided to specific customer groups, particularly providing selected customers with elevated social status recognition, additional products, and enhanced services (e.g., Butori & de Bruyn, 2013; Jiang et al., 2013; Kim & Baker, 2020; Polyakova et al., 2020; Pontes et al., 2021, 2023; Chark & Wang, 2023).

The second category comprises definitions based on marketing instruments. Definitions in this category emphasize a differentiated use of marketing instruments (product, price, promotion, place, processes, sales) for different customer tiers—in other words, an adapted marketing strategy for specific customer segments (Mathur & Kumar, 2013; Zeithaml et al., 2001; Homburg et al., 2008; Harrison-Walker, 2010). Other definitions in this category equate customer prioritization with offering a distinct value proposition to top-tier customers compared to bottom-tier customers (Harrison-Walker, 2010; Homburg et al., 2008).

The third category of definitions is based on relationship marketing. The first group of definitions in this category highlights preferential treatment as a proactive strategy in building, maintaining, and strengthening customer relationships (Gronroos & Ojasalo, 2004; Patterson & Smith, 2003; Lacey et al., 2007). The second group of definitions emphasizes the personalization aspect of preferential treatment by customizing value propositions to match individual customer needs (Gwinner et al., 1998; de Wulf et al., 2003; Lacey et al., 2007).

The fourth category of definitions is based on customer perceptions. Here, definitions focus on the customers' subjective perception of receiving better treatment than other customers (Butori & de Bruyn, 2013; Blader & Rothman, 2014; Lacey et al., 2007; Hüttinger et al., 2012). Similarly, the definitions explore customers' perceptions of the extent to which firms treat regular (loyal) customers better than non-regular (non-loyal) customers (Xia & Kukar-Kinney, 2020).

Finally, the fifth category comprises definitions based on resource allocation. These definitions emphasize the tangible aspect of preferential treatment, conceptualizing it as the preferential allocation of various resources (e.g., time, effort, human resources, etc.) to selected customers (Steinle & Schiele, 2008; Nollet et al., 2012). Some other definitions encompass providing preferential treatment through customized firm-initiated interactions—for instance, personalized communication can be considered a form of preferential treatment (Ruz-Mendoza et al., 2021).

In sum, although we identified five categories, it is important to note that the categories are not mutually exclusive, as many definitions incorporate elements from multiple categories. For instance, the most frequently used Lacey et al. (2007) definition (see Table A3) covers aspects of customer perception, marketing instruments, and customer differentiation.

We observe a common thread across most customer prioritization definitions in the emphasis on providing selected customers with enhanced service levels, elevated status, or additional benefits compared to other customers. Preferential treatment is often grounded in the importance to the firm or customer's perceived value, which can be based on strategic considerations, relationship longevity, or financial metrics. In the context of B2B marketing, definitions emphasize the strategic use of preferential treatment as a relationship marketing tool aimed at enhancing customer loyalty, satisfaction, and profitability. Several definitions also highlight potential negative consequences of customer prioritization, including opportunistic behavior, feelings of entitlement, perceived injustice, and even harm to other customers. Particularly in recent studies, this ethical dimension is becoming prominent, evaluating social and psychological implications of preferred treatment and instructing firms to carefully re-evaluate the fairness and transparency of their prioritization strategies. Gaps in the existing definitions and conceptualizations mostly point to the narrow focus and a lack of a comprehensive definition that would integrate various dimensions of customer prioritization, encompassing both its benefits and potential downsides. Additionally, we observe that none of the definitions explicitly addresses specific challenges and complexities found when managing international customer relationships across different markets, cultures, and regulatory environments.

Thus, we propose our own definition of customer prioritization as follows:

Customer prioritization is a specialized tool utilized by organizations to enhance firm performance through the evaluation of the value of potential customers. This evaluation is conducted based on formal or informal rules established within the company. Consequently, a hierarchical waiting list for customer treatment is formed, ensuring that resources are allocated efficiently based on the perceived value of each customer. The process involves a careful evaluation of international factors that might impact the customer prioritization, including cultural sensitivity, legal and regulatory compliance, global supply chain dynamics, and technological advancements. Finally, both the benefits and potential downsides of customer prioritization should be considered before the implementation of the actual prioritization strategy (Maria Gracner, Gregor Pfajfar, John W. Cadogan).

Antecedents

The literature review in this study shows theories that have been used to explain customer prioritization. Only two significant antecedents were identified in the paper by Huttinger et al. (2014): growth opportunity and reliability. Furthermore, growth opportunity, operative excellence, reliability, and relational behavior have a positive impact on customer prioritization. It is obvious that suppliers focus mostly on growth opportunity, reliability, and relational behavior.

Outcomes

Customer prioritization is mostly associated with positive consequences (Homburg et al., 2008). Financial outcomes: profit growth, sales growth, and service cost growth. Behavioral outcomes: customer entitlement and customer gratitude (Xia and Kukar-Kinney, 2014). Relationship commitment, increased purchases, share of customer, word of mouth, and customer feedback (Lacey et al., 2007).

Core benefit provision has a positive indirect effect on profit growth (through gratitude and sales growth), whereas its negative indirect effect (through entitlement and service cost growth) is insignificant. However, preferential treatment and status elevation can have an important influence on profit growth because they provoke a negative indirect effect on profit growth that undermines their positive indirect effect; status elevation does so to a greater degree than preferential treatment (Xia & Kukar-Kinney, 2014).

Homburg et al. (2008) presented a framework that shows how customer prioritization affects the facets of relationships a firm has with different levels of important customers (with the most important and with the less important customers). Every firm is advised to assess each customer based on the customer's importance to the firm, using specific criteria. However, every company has its own approach and knows its customers better than any framework in a paper, as it should be adapted to each firm implementing the customer prioritization concept. Every firm should decide which customers are important to them. Commonly, the importance of a customer is based on the potential sales they can bring (Zeithaml et al., 2001), which supports the results of Homburg's paper. The framework shows the outcomes of customer prioritization: relationship characteristics and performance outcomes (e.g., Bolton et al., 2004). They demonstrated the influence of customer prioritization on the relationship characteristics of the most and less important customers for the firm and analyzed the outcomes. They also studied the effect of customer prioritization on marketing and sales costs and included two control variables (past customer profitability and expected future customer profitability) which might influence customer prioritization and performance outcomes (Boulding et al., 2005). They defined customer prioritization as the degree to which customers are treated differently with respect to marketing instruments according to their importance to the firm. This means that the more the most important customers are treated with particular attention to product, price, sales, communication, and processes, the higher the level of customer prioritization (Bolton, Lemon & Verhoef, 2004; De Wulf, Odekerken-Schröder, and Iacobucci, 2001; Lacey, Suh, and Morgan, 2007; Ryals, 2005). Conversely, when customers are treated in the same way, the level of customer prioritization is lower. They also used special characteristics of a relationship: customer satisfaction, customer loyalty, and the customer's share of wallet (e.g., Anderson and Mittal, 2000; Bolton, Lemon, and Verhoef, 2004; Verhoef, 2003). Measures of performance outcomes on the overall level of the customer portfolio follow prior work that links marketing actions to profitability (Bowman and Narayandas, 2004; Kamakura et al., 2002; Rust et al., 2004). Generally, they use average sales per customer, average customer profitability, and marketing and sales costs in relation to sales. As a result, customer prioritization can positively affect a firm's profits (e.g., Brady, 2000; Kumar and George, 2007). The results show that customer prioritization positively affects the satisfaction of the most important customers and does not negatively affect the less important customers. Also, sales income is positively affected by the prioritization of the most important customers, but this effect is not significant for less prioritized customers.

Furthermore, customer prioritization positively affects a firm's profitability by reducing the firm's expenses. Thus, customer prioritization helps to increase financial returns through operational efficiencies and revenue enhancements by increasing the satisfaction of the most important customers.

Higher levels of preferential treatment positively affect relationship commitment. Higher levels of preferential treatment also positively influence increased purchases and share of customer. Preferential treatment positively influences new customer attraction, mainly through positive word of mouth.Preferential treatment affect positive word of mouth.

Preferential treatment significantly influence customer feedback. Customer feedback may require a higher level of preferential treatment (Lacey et al., 2007).

Moderators

Few of the reviewed studies used moderators in their models. For all moderators (ability to assess customer profitability, quality of customer information, selective organizational alignment, selective senior-level involvement, selective elaboration of planning and control, compensation according to prioritization outcomes, prioritization-consistent shared beliefs), the results show that the link between prioritization strategy and customer prioritization is stronger when the moderator value is high (Homburg et al., 2008). Dyadic tenure, competitive intensity, prioritization transparency (Wetzel et al., 2014).

For moderators (ability to assess customer profitability, quality of customer information, selective organizational alignment, selective senior-level involvement, selective elaboration of planning and control, compensation according to prioritization outcomes, prioritization-consistent shared beliefs) the link between prioritization strategy and customer prioritization is stronger when the moderator value is high (Homburg et al., 2008). This paper shows that the link between a prioritization strategy and customer prioritization is positively moderated by the ability to assess customer profitability, the quality of customer information, selective organizational alignment, selective senior-level involvement, selective elaboration of planning and control, and (to a lesser extent) compensation according to prioritization objectives. Furthermore, the relationship between a prioritization strategy and customer prioritization is stronger when there is a high degree of prioritization-consistent shared beliefs among customer-contact employees. The moderating effect on the strategy–performance link is not significant. Therefore, the alignment of “hard factors” tends to be more significant in fulfilling a prioritization strategy. This result is crucial because research emphasizes the importance of organizational culture in the performance of marketing strategies (e.g., Dobni & Luffman, 2000).

Future research directions based on systematic literature review

Firms could better understand the customer prioritization concept if future studies examine customer prioritization behavior across different company departments. This could help to understand how to target the most important customers better and present various methods to increase positive outcomes and customer loyalty. Furthermore, such research could help increase productivity and improve product design to treat customers better in the right group and time. A literature review has shown that some studies were limited to specific markets. Studying multiple markets can also help to understand the development of the customer prioritization concept. The impact of differential effects between preferential treatment and its consequences over time would certainly be applicable. For instance, future research can investigate customer behaviors for 24 months.

Moreover, future research might address the effects of word of mouth in interactions of customers in different tiers or with different prospects (Homburg et al., 2008). Also, future studies could focus on the company level to validate managers' assessments of average customer sales, profitability, marketing, and sales costs. It implies that further research may be dedicated to performance outcomes using customer account data but at the company level, and this will not show the results in general. Additionally, in the Homburg paper, the financial outcomes were studied only at the level of the entire customer portfolio. Thus, future research can be provided in each tier. This study is answering the fundamental question of whether customer prioritization brings positive outcomes in general. Some studies in the future can investigate how different approaches to customer prioritization (e.g., in price) can affect the firm's outcomes. Next, research could examine in greater detail whether firms apply different methods of customer prioritization, and how different approaches (e.g., some firms might focus on prioritization in price) can affect the firm's outcomes. The role of organizational culture can also affect the implementation of customer prioritization, and this can help to understand the company's nature.

Furthermore, investigations in other industries can also help to achieve comprehensive results. Some studies are limited to investigating purchasers' opinions, and future research can be dedicated to suppliers' opinions (Huttinger et al., 2014). In the Xia and Kukar-Kinney study, only two characteristics were identified: structure and uniqueness. Thus, future research should examine additional factors. Expectations of the customers were not measured either. Future findings can be more realistic in more generalizable samples. Also, future research should be dedicated to understanding consumers' perceptions and their influence on business (Xia and Kukar-Kinney, 2014). In Table A3 in the Appendix, we can see the analysis of future research. This helps to analyze all areas of the provided concept and understand new research avenues.

5 QUALITATIVE RESEARCH: INTERVIEW

5.1 Research purpose and questions

The purpose of the qualitative part of the research was to explore the implementation of customer prioritization strategies in export-oriented firms and to understand how managers apply these strategies in international markets. The central research question guiding this investigation is: How is customer prioritization understood by international marketing managers, and what are the key components that constitute this concept?

5.2 Methods of data collection

We selected the interview method to gain insights into the nature of customer prioritization strategies and how sales managers implement these strategies within their firms. Initially, we developed a semi-structured interview guide. This guide underwent a pre-test phase involving three sales managers, leading to the refinement of certain questions to better align with our research objectives and understand how international sales managers perceive customer prioritization and what components constitute this phenomenon. The final interview guide comprised three sections. The first focused on general demographic information about the interviewee and their company, including variables such as gender, tenure as a manager in an export-oriented sales department, industry type, number of employees, and the number of markets in which the company operates. The second section addressed the firm's international activities, ranging from basic export data, such as total international sales over the past three years and the duration of the firm's involvement in foreign markets, to more detailed insights, such as identifying the most important foreign markets and the rationale behind their significance, methods for measuring performance in foreign markets, and whether specific performance metrics are prioritized over others. The third section constituted the core of the interview guide, focusing on customer prioritization within the firm. This section was organized around the study's main themes: conceptual understanding of customer prioritization, barriers to its effective implementation, the influence of organizational structure on prioritization, performance outcomes, and strategies for implementation. Key questions explored whether prioritization strategies targeted products, countries, customers, or combinations thereof; how subsidiaries were categorized; and the strategies and tactics commonly employed in prioritization.

To ensure respondents were qualified to address these topics, purposeful sampling was employed. Participants were selected from international firms that had entered at least one foreign market through a subsidiary rather than through exporting or franchising. Additionally, all firms primarily served business customers—a critical criterion, as business-to-business (B2B) relationships often emphasize prioritization strategies to sustain profitability in foreign markets (Homburg et al., 2008). This emphasis aligns with insights from relationship marketing research (e.g., Lindgreen et al., 2006; Mathur & Kumar, 2013), which highlights the distinct nature of B2B customer prioritization compared to end-customer strategies. Thirteen in-depth, semi-structured interviews were conducted with managers from sales departments of export-oriented firms. All respondents were responsible for sales in foreign markets and provided insights regarding business customers in their most significant international markets. The interviews were conducted either in person or via Teams video calls, with each session lasting approximately 45 minutes. For detailed information about the interviewees and their professional backgrounds within the company, please refer to Table 4. The sample consists of 13 interviews with top managers. Detailed information about the interviewees and their professional backgrounds within the company can be seen in Table 4. In terms of demographics, the interviewees were between the ages of 33 and 57. An overview of the set of 29 guiding questions can be found in Appendix 2.

Table 4: Sample Characteristics of Interview Participants

Interviewee	Gender	Age	Years in the company	Size of the firm	Industry	Main foreign markets
Interviewee A	Male	33	2 years	SME	food processing	Romania, Czech Republic
Interviewee B	Male	46	7 years	large	electrical installations	Croatia
Interviewee C	Male	57	20 years	large	machinery production	Germany, Russia
Interviewee D	Male	40	15 years	SME	automation process control	Croatia, Serbia
Interviewee E	Male	37	7 years	SME	manufacture of bathroom fittings	Germany
Interviewee F	Male	37	4 years	SME	software developer	Poland, Hungary, Czech Republic
Interviewee G	Male	42	7 years	large	automotive industry	Germany
Interviewee H	Male	35	5 years	large	SaaS	USA, Poland, Czech Republic
Interviewee I	Male	39	10 years	large	pharmaceutical industry	Serbia, Romania, Germany
Interviewee J	Male	41	8 years	SME	SaaS	Serbia
Interviewee K	Male	40	15 years	SME	broadcasting industry	Europe, MENA
Interviewee L	Male	37	7 years	large	pharmaceutical industry	Russia
Interviewee M	Male	35	6 years	SME	machinery production	CIS countries

Source: Own work

5.3 Data analysis

Finally, data analysis was conducted. The interviews were transcribed and reviewed, after which they were combined and categorized into themes. To enhance comprehension of the topic, visualization tools such as quotes, tables, figures, word clouds, and comparison matrices were utilized. Additionally, descriptive statistics were employed to present and identify patterns and provide an overview of the data (Fisher & Marshall, 2009).

In analyzing the data, we adopted a combination of inductive and deductive approaches, commonly referred to in business literature as the Gioia methodology (Gioia et al., 2013; Magnani & Gioia, 2023). Qualitative rigor was primarily ensured through our analytical approach, particularly in categorizing data into primary and secondary groups to facilitate their later organization into a more systematic format. During the initial analysis phase, fidelity to participants' language was maintained, resulting in a potentially extensive number of primary categories. Although this abundance of categories may initially seem overwhelming, this stage of confusion is deemed crucial, echoing Magnani and Gioia's (2023) sentiment that clarity often emerges after navigating through complexity.

As the analysis progressed, commonalities and differences among the numerous categories were identified, akin to Strauss and Corbin's concept of axial coding. This process gradually reduced the relevant categories to a more manageable number. Subsequently, these categories were labeled or described, preferably retaining participants' language, and examined collectively for underlying patterns. At this juncture, a multifaceted analytical approach was adopted, encompassing informant terms, codes, as well as abstract, second-order theoretical concepts such as themes, dimensions, and overarching narratives—aiming to answer the fundamental question, 'What is the underlying phenomenon?' from a theoretical standpoint.

Engaging in a gestalt analysis, as advocated by Gioia and Chittipeddi (1991), prompted the formulation of additional inquiries, guiding subsequent interviews towards concepts and tentative relationships emerging from previous discussions - a process akin to Glaser and Strauss's theoretical sampling (2017). In the secondary analysis phase, a deeper exploration of the theoretical landscape was undertaken, examining whether emerging themes suggested concepts that could aid in describing and explaining observed phenomena. Special attention was given to emerging concepts lacking sufficient theoretical grounding in existing literature or those standing out due to their relevance to a new domain.

Once a viable set of themes and concepts was established, and theoretical saturation was achieved, exploration of further condensing second-order themes into aggregate dimensions was pursued (see Figure 10). This process culminated in the construction of a data structure, facilitating the visual representation of findings and illustrating the progression from raw data to terms and themes - an essential aspect of demonstrating rigor in qualitative research (Pratt, 2008; Tracy, 2010).

5.4 Research findings based on in-depth interviews

4.4.1 Thematic analysis

Four major themes emerged from our research: prioritization tactics and strategies, international customer profitability, headquarter-subsidiary relationships, and customer relationship management. We argue that these are key elements driving customer prioritization strategies in foreign markets. Furthermore, we predict that the choice of prioritization tactics and strategies influences international customer profitability that together with headquarter-subsidiary relationships form successful customer relationship management. Moreover, we could argue that some of the first-order categories that form these four identified themes can be treated as forms of customer prioritization (e.g., customer segmentation, customization, personalization), some as inputs to customer prioritization strategy development (e.g., customer value analysis, risk management), and some as outcomes of customer prioritization (e.g., customer loyalty, satisfaction, and retention, strategic alignment).

a) Prioritization tactics and strategies

Enterprises undergoing scrutiny divulge that their **prioritization tactics and strategies** vary contingent upon factors such as product line, customer firm size, industry relevance, and the significance of foreign markets - a contextual prioritization framework, in essence. Consequently, we contend that customer segmentation should be approached in a two-fold manner: firstly, delineating segments within each of these four pivotal factors independently; secondly, discerning commonalities across identified segments within these four factors to establish global segments. Subsequently, resource allocation ought to align with the identification of the most salient customer segments, where customization and personalization levels surpass those of other segments.

The foundation of customer prioritization lies in distinguishing between high-value and low-value customers. This is highlighted in the quote:

"We distinguish between our most significant and least significant customers for our business (C)."

This illustrates the customer segmentation process, where firms categorize customers based on their importance to the business. By segmenting customers, companies can focus on those that generate the most revenue, align with strategic goals, or require specialized attention, making prioritization efforts more structured and effective.

The way firms implement customer prioritization depends on their market position and industry focus. The following quotes illustrate this:

"We are a newly established company in the market, and our approach involves implementing a customer prioritization concept that focuses on customer groups across various markets, rather than exclusively targeting foreign markets (A)."

"We prioritize our customers within the industries that hold the greatest significance for our company (M)."

These quotes highlight the prioritization context, where firms define the scope of their prioritization efforts - whether they focus on specific industries, geographic markets, or customer groups. For example, a newly established company may choose a broader approach, whereas an established firm may focus on niche industries with high strategic value.

Once key customers are identified, firms allocate resources to maximize their satisfaction and engagement. This is evident in the quote:

“Our best key-account managers serve our most important international customers (C).”

This demonstrates a resource allocation strategy, where companies assign top talent (e.g., key account managers) to manage relationships with their most strategically important customers. By ensuring that high-value customers receive premium service, companies can strengthen relationships and drive long-term business growth.

Prioritized customers often receive exclusive benefits and personalized services, as reflected in the quote:

“We grant our most important customers services not available to other customers, which turns our products into real personal experiences for them (E).”

This highlights customization and personalization as a key tactic in customer prioritization. By offering tailored services, firms can enhance customer satisfaction, increase loyalty, and create stronger emotional connections with their most valuable customers.

These factors together form a logical framework for effective customer prioritization strategies. Customer segmentation establishes a clear distinction between high- and low-priority customers. Prioritization context ensures that prioritization efforts are aligned with market and industry dynamics. Resource allocation directs top talent and strategic resources to key customers. Customization and personalization enhance the experience of prioritized customers, fostering long-term loyalty. By integrating these factors, firms can develop a structured and effective approach to customer prioritization, ensuring that their most valuable customers receive the attention and resources necessary for sustained business success.

b) International customer profitability

The assessment of international customer profitability encompasses a spectrum of methodologies, ranging from broad risk management principles to more comprehensive approaches such as Activity-Based Costing (ABC), which categorizes customers into A, B, and C groups, alongside customer value analysis. A discernible trend reveals a growing reliance on contemporary data analytics and technological advancements - including big data, artificial intelligence (AI), blockchain, and machine learning - to meticulously allocate profits to individual customers, thereby enhancing profitability assessments. However, while some firms adopt customer prioritization strategies with the explicit aim of bolstering short-term profitability - such as prioritizing support, upselling, and cross-selling - our investigation highlights notable disparities in the customer prioritization strategies employed by firms based on their short-term versus long-term orientations. Notably, long-term-oriented approaches, such as relationship marketing, customer loyalty programs, and customer success management, are favored by certain firms seeking sustained profitability and customer retention.

International customer profitability ensures that firms maximize profitability by leveraging data-driven insights, balancing short- and long-term financial goals, and mitigating risks when selecting high-value international customers. A key consideration in international customer profitability is managing potential risks associated with serving different markets. This is evident in the quote:

“We diligently record all comments and requests from our customers, striving to fulfill their needs and preferences (F).”

Here, risk management involves carefully monitoring and responding to customer feedback to reduce uncertainties and mitigate potential financial or reputational risks. By keeping track of customer demands, companies can proactively address rising issues, ensuring sustained profitability in international markets.

To maximize profitability, companies must assess customers based on their financial potential, as reflected in the quote:

“We prioritize our customers based on the potential profit they can generate for our company (D).”

This highlights the importance of customer value analysis, where firms evaluate customers not just based on existing revenue but also on future profit potential. In international markets, where profitability may vary across regions, such analysis is crucial in resource allocation and decision-making.

A well-structured prioritization strategy must balance immediate financial gains with long-term profitability. The quote:

“Prioritizing our customers enables us to enhance our profitability in the short term (G).”

demonstrates that customer prioritization is often designed to yield immediate financial benefits. However, successful firms must also consider long-term value creation, ensuring that short-term profits do not come at the expense of sustainable international growth.

Advanced data-driven decision-making enhances international customer profitability. This is evident in the quote:

"We employ customer prioritization strategies based on product importance using advanced data analytics, prioritizing those we believe will be most successful in the market or hold the highest significance within our firm (D)."

By leveraging data analytics and technology, firms can optimize customer prioritization decisions by predicting market success, identifying key customers, and allocating resources effectively. In international contexts, where market conditions vary, using data-driven insights ensures companies focus on profitable customer segments.

These factors together form a logical framework for achieving profitability in international customer prioritization. Risk management ensures that customer needs are met while minimizing uncertainties in new markets. Customer value analysis identifies the most financially valuable customers for the company. Long vs. short-term orientation balances immediate profits with sustainable, long-term growth. Finally, data analytics and technology enhance decision-making, ensuring firms invest in the most profitable customers. By integrating these factors, firms strategically prioritize international customers, ensuring both short-term profitability and long-term success, ultimately strengthening their global competitive position.

c) Headquarters-subsidiary relationships

We posit that in the international arena, customer prioritization strategies must be tailored in accordance with the entry mode adopted by firms in foreign markets. Naturally, firms venturing into foreign markets with a subsidiary view such markets as pivotal, with significant growth potential. Consequently, customers in these markets warrant prioritization over those in markets where the company enters via agents, distributors, or other less resource-intensive entry modes. Accordingly, we regard headquarters-subsidiary relationships as a crucial determinant of customer prioritization strategy. Subsidiaries play a pivotal role in devising appropriate customer prioritization strategies in foreign markets by furnishing performance feedback and transferring insights regarding the specific needs and preferences of foreign customers to the headquarters and other subsidiaries. The efficacy of this process hinges upon the subsidiary's ability to assert its voice and ensure that it is heard and heeded by other stakeholders, alongside the development of effective communication channels. Export sales managers have underscored subsidiary autonomy as a cornerstone of the organizational structure of international firms, which facilitates the cultivation of international customer prioritization strategies. Lastly, strategic alignment emerges as both a prerequisite and a consequence of efficient customer prioritization at the foreign subsidiary level. It is a prerequisite insofar as subsidiaries must align with the goals, codes of conduct, strategies, and corporate culture of the headquarters. Conversely, it is a consequence in that effective customer prioritization can bolster the profitability of the subsidiary, augmenting its strategic significance and enhancing alignment with the headquarters and other subsidiary networks.

Headquarters – subsidiary relationship is fundamental in ensuring that subsidiaries effectively contribute to the broader organizational strategy while also adapting to local market needs. The foundation of effective headquarters-subsidiary relationships is ensuring that subsidiary actions align with the headquarters' global vision while still allowing for localized market responses. This strategic allignment is reflected in the quote:

"Subsidiary prioritization is a success when it enables headquarters' global vision to empower local agility to create shared success (B)."

Here, subsidiary prioritization is successful when it balances global strategy with local responsiveness, ensuring that the company's overarching vision is realized while still adapting to local market conditions.

A crucial factor in enabling subsidiaries to execute customer prioritization strategies effectively is the degree of decision-making power they hold (i.e., autonomy). The quote:

"Our subsidiaries operate autonomously, allowing them to make decisions independently. However, we retain oversight and final decision-making authority over their actions (I)."

illustrates that subsidiaries are given operational independence, yet headquarters maintains control to ensure consistency with the global vision. This autonomy fosters market-specific adaptations, a key aspect of customer prioritization.

Subsidiary effectiveness is also determined by the experience and insights gained from successful markets (i.e., knowledge transfer), as stated in the quote:

"We have established subsidiaries in markets where we have achieved success (K)."

This highlights that headquarters strategically invests in subsidiaries where they have already built market knowledge, ensuring that best practices from one region can be transferred and applied elsewhere. Such knowledge transfer enhances the subsidiary's ability to prioritize high-value customers based on proven strategies.

The success of a subsidiary in customer prioritization depends on open communication channels between the headquarters and local teams, also depicted in subsidiary's voice. The quote:

"Our subsidiary has a voice, and we actively listen to their feedback, striving to address their wishes and comments appropriately (C)."

demonstrates that effective communication enables subsidiaries to influence decision-making. When subsidiaries share market insights and customer feedback, headquarters can adjust global strategies accordingly, ensuring customer needs are met more effectively.

Lastly, ensuring that customer prioritization efforts are data-driven and continuously improved (i.e., performance feedback) is essential. The quote:

“We are actively monitoring our customers' responses to our products (G).”

indicates that subsidiaries engage in ongoing performance monitoring, allowing for adaptive decision-making. By systematically gathering feedback, subsidiaries refine their customer prioritization strategies, ensuring that high-value customers receive the attention and services they require.

Each of these factors - strategic alignment, autonomy, knowledge transfer, subsidiary’s voice, and performance feedback - are interconnected and jointly shape the headquarters-subsidiary relationship in customer prioritization. Strategic alignment ensures that subsidiary efforts contribute to global success. Autonomy grants subsidiaries the flexibility to implement customer prioritization locally. Knowledge transfer enables subsidiaries to apply proven customer prioritization strategies. Subsidiary’s voice ensures that subsidiaries’ market insights influence headquarters’ decisions. Performance feedback provides the data needed to refine and enhance prioritization efforts. Ultimately, these factors work synergistically to create a strong headquarters-subsidiary relationship, which is a key driver of customer prioritization strategy.

d) Customer relationship management

Conclusively, our research elucidates the role of customer prioritization strategy in nurturing enduring customer relationships, a phenomenon commonly referred to as customer relationship management (CRM). We find that customer loyalty emerges as a pivotal factor, with some firms opting to prioritize customers based on their existing loyalty, while concurrently acknowledging that loyalty can also stem from heightened levels of customer satisfaction - a sentiment frequently experienced by those customers who receive prioritized treatment. In sum, effective customer prioritization strategies can engender increased customer retention rates and foster a heightened propensity among customers to engage in recurrent consumption.

Thus, CRM element is crucial as it ensures that valuable customers receive tailored attention, fostering long-term relationships that drive business growth. A core aspect of customer prioritization is identifying which customers provide the highest long-term value to the company. This is reflected in the quote:

“We prioritize our customers based on various factors: revenue contribution, loyalty and retention (A).”

Here, customer loyalty and retention are explicitly mentioned as key criteria for prioritization. Companies recognize that repeating customers and those who consistently engage with the brand contribute significantly to business success. By focusing on these customers, firms can allocate resources more effectively, strengthening relationships with those most likely to generate sustained revenue.

Once high-value customers are identified, enhancing their experience (i.e., customer satisfaction) becomes a priority. This is illustrated in the quote:

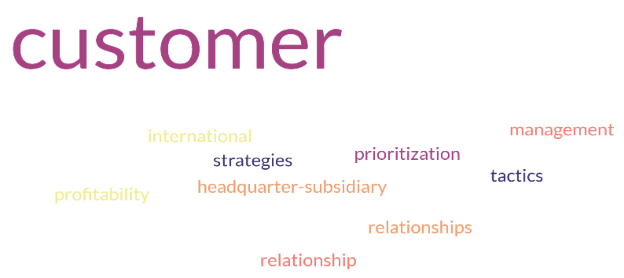
“Customers prioritized within our company experience heightened satisfaction, leading to increased loyalty and a greater propensity to return to us repeatedly (M).”

This statement highlights the cyclical relationship between customer satisfaction and loyalty. When prioritized customers receive better service, tailored interactions, and exclusive benefits, their satisfaction increases, which in turn leads to greater retention and repeat business. This reinforces the importance of managing prioritized customer relationships effectively.

Ultimatelly, the connection between loyalty and retention and customer satisfaction forms the foundation of a strong CRM strategy. Identifying and prioritizing loyal, high-value customers ensures that resources are directed toward relationships that matter most. Enhancing customer satisfaction through superior service and engagement strengthens customer commitment, leading to higher retention and long-term loyalty. A well-structured CRM strategy continuously reinforces this cycle - prioritized customers receive better service, which boosts satisfaction, leading to repeat business and long-term retention, ultimately driving profitability.

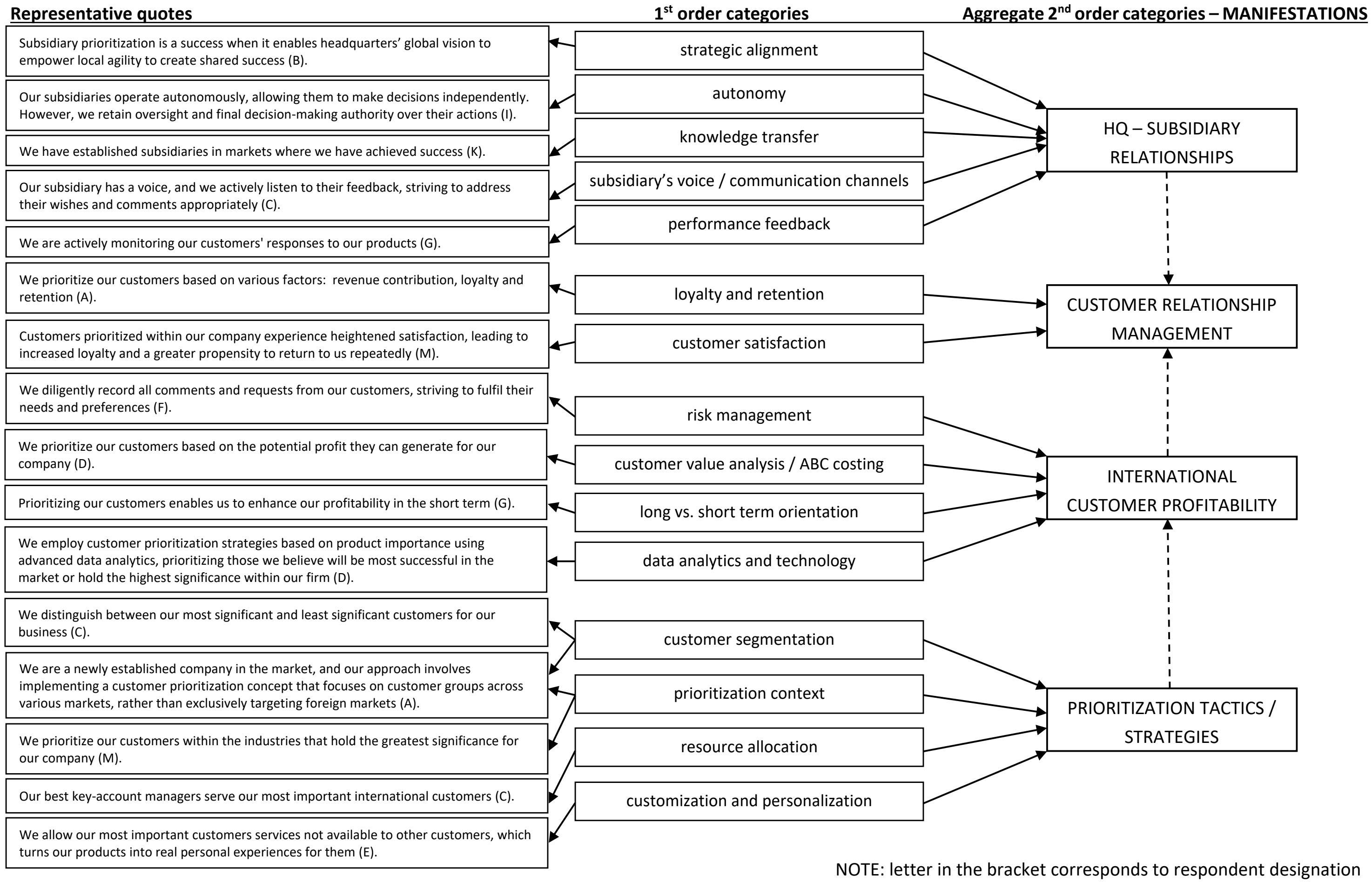
Finally, when analysing the main keywords being repeated by the interviewees, the following picture can be obtained (see Figure 10):

Figure 10: Keywords analysis



Source: Own work

Figure 11: Data structure



Source: Own work

4.4.2 Facets of customer prioritization strategy

In formulating a customer prioritization strategy, it is imperative to comprehend how sales managers target and prioritize different customer groups. The following quotes offer valuable insights into this dynamic:

“Yes, we prioritize our customers, we separate them in A, B and C groups - Interviewee D

“Our prioretized customers recive more attantion from our product manager.” - Interviewee C

“We are a market-oriented company, and we always listen to our customers and employ customer prioritization strategies.” - Interviewee A

“Of course, income is crucial for every company, and we endeavor to enhance it through the implementation of customer prioritization strategies. Our most prioritized customers enjoy certain privileges; for instance, we strive to accommodate their requests promptly and address their inquiries expeditiously.” - Interviewee F

“Yes, work in sales department is always related to understanding how we target and prioritize our customers.” - Interviewee G

“We have different markets and our customers have different level of customer prioritization strategy – Interviewee C

“Targeting is a key for successful sales operations.” - Interviewee G

“Implementation of customer prioritization is useful.” - Interviewee M

When analysing interviewee’s responses on their perspective on customer prioritization we see similar answers. They described the Customer Prioritization primarily as a specific marketing strategy, which target customers and prioritize the groups of them. The participants also note that customer prioritization is crucial for the firm’s success.

When analyzing the responses of interviewees regarding their perspectives on customer prioritization, we observe recurring themes. They primarily depict customer prioritization as a specific marketing strategy aimed at targeting and prioritizing customer groups. Based on the analysis provided, key messages are closely linked to how interviewees describe customer prioritization and its perceived value. This is evident in the following excerpts:

“Our sales managers always undrstand how they should prioritize our customers. We have some informal rules.” - Interviewee A

“Sometimes we prioritizing our customers, but mostly all of them are equal for us because we have regional managers in different markets - Interviewee B

“We believe that customer prioritization plays important role if the firm's development.” - Interviewee C

“We would like to prioritze our potential customers in the beginning of the communication with them - Interviewee D

Interview respondents underscored the paramount importance of implementing a customer prioritization strategy. These organizations exhibit a readiness to cater to customer needs while simultaneously aiming to expand their market presence by accommodating as many customers as feasible. Firms must adopt a customer-centric approach, while also adhering to customer prioritization protocols. By doing so, sales managers can optimize profitability within shorter time frames, thereby positively impacting overall company operations. During forays into new markets, company managers diligently heed the feedback of prospective or existing partners, striving to meet their needs with precision. Recognizing that contented customers serve as valuable ambassadors, these endeavors bolster the company's reputation and foster growth. Conversely, neglecting potential or lukewarm customers risks losing them to competitors, underscoring the critical importance of attentive listening and accurate prioritization. In practical terms, instances abound where dissatisfied customers, whether due to unmet offers or lacklustre supplier engagement, defect to competitors offering more responsive service. Retrieving such customers becomes increasingly arduous, potentially resulting in missed opportunities as resources are diverted to higher-priority orders.

Further along the workflow, suppliers engage in their own prioritization processes, a factor that can significantly influence customer perceptions of trust, attitude and satisfaction with the supplier, as corroborated by recent research findings (Brozović et al., 2023). For instance, prolonged equipment assembly times at the factory, delayed responses from support staff to customer inquiries, or interactions with less proficient employees or project managers may prompt customers to seek alternative vendors. In such instances, customers are within their rights to transition to another supplier who can deliver high-quality services and comprehensive support throughout the entire product or service implementation cycle.

Hence, it is imperative to meticulously draft contracts between customers and suppliers, ensuring transparency regarding service costs and potential additional expenses incurred throughout project execution (Nyu et al., 2022). A conscientious supplier who provides accurate information and fulfils contractual obligations is more likely to foster enduring customer loyalty. Every business aspires to differentiate itself to attract and retain a burgeoning customer base, employing various strategies and methodologies in its management practices. Customer re-prioritization stands out as a method capable of swiftly and decisively influencing the overall health of a company. In export-oriented markets, companies must heed the insights of foreign market sales managers who serve as conduits for customer feedback. Effective communication between the head office, such as the sales department director, and foreign customers is paramount. This proactive approach not only facilitates rapid growth in a globalized setting but also underscores the significance of market prioritization. However, instances may arise where head offices or directors become preoccupied with tasks deemed more critical, be it in the domestic market or in more lucrative and rapidly expanding foreign markets. This underscores the necessity for market prioritization strategies to efficiently allocate resources and maximize opportunities for growth.

Interviewees emphasized the significance of customer prioritization strategy. Such companies are ready to satisfy the requirements of their customers and strive to be ready to take on as many customers as possible in order to grow their market. SMEs must be customer-centric, but of course must also follow customer prioritization. In this way, sales managers will be able to extract as much profit as possible in a shorter period, which can have a positive impact on the activities of the entire company. During the period of entering new markets, managers of such companies also try to listen to their potential or existing partners and try to satisfy their needs as accurately as possible, since satisfied customers can bring new customers. In this case, the company's reputation will play an important role in its development. Of course, if companies ignore new customers, or customers who are not currently “hot”, then they may go to competitors. Therefore, it is very important to listen and understand them correctly, as well as prioritize them. In practice, many dissatisfied customers who did not receive an offer, or due to the indifferent attitude of suppliers, received a low-quality product or service, may go to other suppliers who have more employees to process the order and provide the service or product. In this case, it will be very difficult to return such a customer, but nevertheless, it is possible that in the event of the loss of such an order, the company paid more attention to more priority orders. When developing customer prioritization strategy it is important to understand what strengths and weaknesses of the current strategy are.

Further in the process of performing work, the supplier also prioritizes its companies, which can affect the trust and attitude of the customer towards the supplier (Brozović et al., 2023). For example, if the equipment takes a long time to assemble at the factory, or support takes a long time to respond to messages or questions from the customer, or less competent employees or project managers work with a certain customer, then the customer also has the right to change the vendor and work with another one in the future, where he will receive high-quality services, as well as support throughout the full cycle of product or service implementation.

Therefore, it is very important to honestly and correctly draw up contracts between customers and suppliers, as well as to properly inform the customer about the cost of services, as well as the cost of additional services that may arise during the implementation of the project (Nyu et al., 2022). Since a satisfied customer will always remain with a conscientious supplier. Every business wants to be unique in order to attract and retain as many new customers as possible. Companies use certain strategies and methods in their management. And customer re-prioritization is one of those methods that can quickly and effectively affect the state of the entire company. In export-oriented markets, companies must listen to foreign market sales managers who receive information from their customers. In this case, the head office or management, for example the director of the sales department, must also respond properly to questions or requirements of foreign customers. This will allow the company to grow quickly in a globalization environment. But sometimes head offices or directors can be busy with tasks that are of higher priority to them, for example, tasks in the home market, or tasks in more profitable and fast-growing foreign markets. In this case, we are talking about market prioritization.

The next quotes confirm these findings:

“Sometimes we are prioritizing the markets, it means we have the most important markets and the less important markets and we will pay attention to the first one.– Interviewee M

“We need to listen our customers to be market oriented and to be successful on the export markets. – Interviewee K

“We want to attract new customers and for this we need to pay attention for them – Interviewee L
“Our sales department listen all our customers and we are market oriented but the most important customer’s plays for the crucial role.” – Interviewee J

“We started in Europe. So that means, Poland, Hungary, Czech Republic, Slovakia, Romania, ex-Yugoslavia. So these are the markets that we are developing, you know, the longest time. And of course we have also the, the customers there that are bringing the most of the value. This is very fast growing market such as CIS, Vietnam or Korea, or in Indonesia are generating the tremendous growth. For the future, it will be Latin America, where we are expecting. And then the two biggest markets are United States and China, – Interviewee I

“We pay attention to the most profitable markets.” – Interviewee H

A key finding of the study is the association between customer prioritization and organizational structures within the firm, such as the relationship between headquarters and subsidiaries, as well as the underlying rules and practices, which directly impact its effectiveness. This observation aligns with the perspective of Lee et al. (2015), who assert that organizational structure plays a crucial role in achieving marketing objectives. They highlight several facets of organizational structure, including formalization, autonomy, and centralization.

Autonomy, which stands in contrast to formalization, allows for greater freedom in decision-making concerning customer prioritization. Conversely, centralization, akin to formalization, denotes centralized power in customer prioritization decision-making processes. Future research is needed to explore the relationships between these underlying concepts.

6 QUANTITATIVE RESEARCH

6.1 Research purpose and questions

The purpose of the quantitative research is to investigate what are the drivers of export performance in export-oriented companies, either global standardized market oriented behavioral strategies or flexible, adaptive localized market oriented behavioral strategies. The research also seeks to examine how organizational structures, such as **formalization**, and **centralization**, and **environment** influence the relationship between various market orientations and customer export performance. Thus, the key research question guiding this study is: Is global or adaptive market orientation driving performance?

6.2 Methods of data collection

The online platform 1ka was used to collect quantitative data in a flexible format. During the research, I tried to adapt the prepared questionnaire to other online platforms, but the final decision was to use 1ka. Additionally, online questionnaires titled "Customer Prioritization in International Markets" helped to get quicker results and a larger number of respondents, creating more cooperativeness in primary data collection.

The purpose of the questionnaire is to collect information on firms' customer prioritization decisions in international markets. I aim to explore multiple dimensions and strategies of firms' customer prioritization and try to quantify various internal and external firm factors to identify common practices and outcomes. Furthermore, for the respondents, this platform allows them to provide answers at a convenient time and ensures anonymity, which makes them feel more comfortable in providing specific information.

The questionnaire was prepared in English because some managers can be foreigners, which helps to receive more answers from different companies. The questionnaire starts with an introduction page that explains the idea of the research topic. Then it includes guidelines for completing the questionnaire and general questions to gain a better understanding of the respondents, followed by more detailed questions focused on customer prioritization.

The questionnaire consists of 38 questions. It starts with general information about the company and respondents and then continues with specific questions about the implementation of the customer prioritization concept. The questionnaire concludes with a thank-you page, asking if respondents want to receive a copy of the final managerial report from the study by entering an email address. The online questionnaire is provided in Appendix 3.

During the research, the scales were adapted by Homburg et al. (2008) for Adaptive Marketing Orientation, Huttinger et al. (2014) for Global Market Orientation, Cadogan et al. (2001) for Centralization, Walker & Ruekert (1987), Barclay (1991) for Formalization, Samiee &

Chirapanda (2019) for Export Customer Performance, and Maltz & Kohli (1996), Worren et al. (2002) for Environment.

The questionnaire includes open and yes/no questions, multiple choice, close-ended questions, and Likert Scale questions for better understanding of the researched topic. It was shared on online platforms such as LinkedIn, and Slo Export database was used to receive the emails of managers of the companies. Participants were asked to share the questionnaire with their colleagues to broaden the potential reach of the questionnaire. Presently, individuals are more likely to engage with a questionnaire when a clear incentive is provided. Consequently, this questionnaire encompasses 208 valid answers. Descriptive statistics was used to identify observed means, modes, standard deviations, and frequency of answers (Fisher & Marshall, 2009).

6.3 Data analysis

The collected data was analyzed using descriptive statistics to summarize the responses and gain insights into the common practices of customer prioritization. The Principal Component Analysis (PCA) was conducted to identify underlying factors, followed by Confirmatory Factor Analysis (CFA) to evaluate the validity and reliability of the measures. Reliability was further tested using Cronbach's alpha and composite reliability scores to ensure internal consistency.

To test the hypotheses, linear regression was employed using SPSS, examining the relationships between variables such as global market orientation**,** adaptive market orientation**,** formalization**,** centralization, and customer export performance. This statistical approach helped assess the impact of organizational structures and market orientation on export outcomes.

6.3.1 Sample description

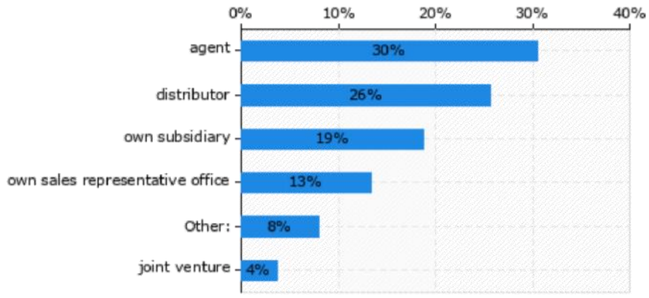
The sample consists of 208 respondents. Most of respondents are male (54%), rest is female (46%). The sample consists of 5% baby boomers, 12% generation X, 80% millenials, 3% of generation Z. The position they hold in the company is mostly general manager (24%), followed by sales manager (21%), commercial director (18%), owner or founder of the firm (15%), entrepreneur (7%), while the rest are key account managers or salespeople to foreign markets. The average number of years respondents are employed in the company is approximately 10.5 years. All firms operate on B2B markets, while 35% sell also directly to consumers and 8% also to government. 67% of firms categorize themselves as high-tech firms. Majority of firms in the sample can be categorized as SMEs (87%), followed by large companies 7% and micro firms (6%). 76% of firms are in private ownership.

The respondents are firm representatives coming from the following industries: industrial manufacturing – 24.49%; consumer goods and retail – 16.33%; technology and digitalization – 16.33%; energy, engineering & heavy industry – 12.24%; luxury & specialized products –

12.24%; medical equipment and pharmaceuticals – 10.2%; automotive industry and transport – 8.16%. International focus of the firms is mostly on Eastern Europe (45%), Western Europe (25%), Americas (10%), Asia (10%), with the rest being focused on either one specific single market outside of the regions previously mentioned, or have a global focus.

The representation of companies abroad, expressed as a percentage, is illustrated in Figure 12. This figure indicates that 30% of respondents operate as agents, 26% as distributors, 19% have established their own subsidiaries, 13% maintain their own sales offices, and 4% are represented through joint ventures.

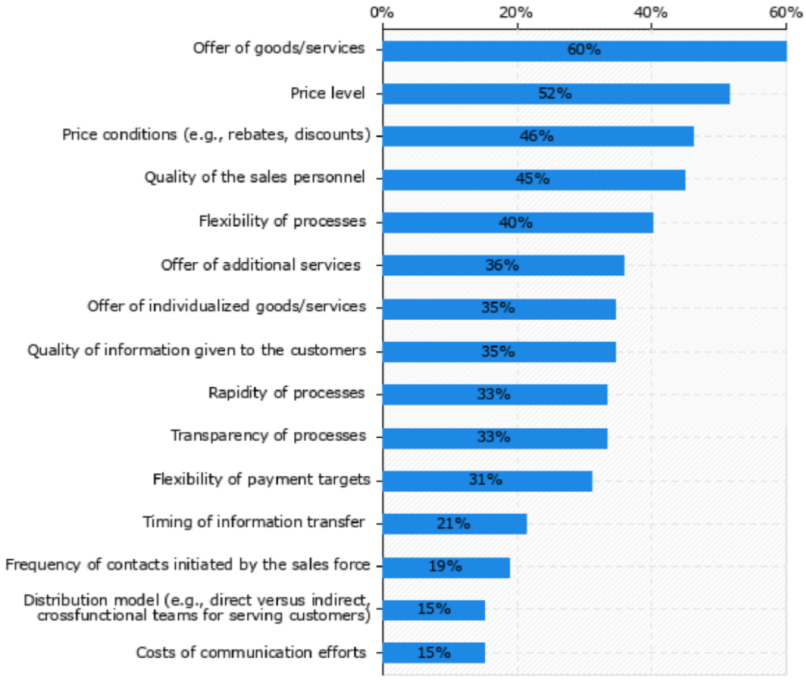
Figure 12: Respondents divided by how the company represented abroad in percentage



Note: Sample size n = 208; Company abroad (how the company represented abroad).

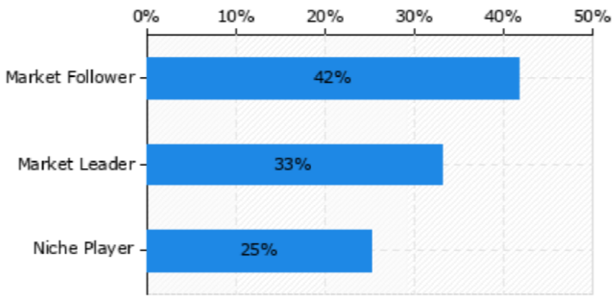
Analysing values of companies provide insight into customer prioritization strategy. Respondents were asked to provide answers on how they choose to prioritize some the customers, by offering them some benefits, which we they not do for others (product, price, sales, processes, communication). The resultes are presented in Figure 13. Offer product 60%, offer of goods/services, offer of individualized goods/services, offer of additional services 36%, price level 52%, price conditions (e.g., rebates, discounts), flexibility of payment targets 31%, distribution model (e.g., direct versus indirect, cross functional teams for serving customers) 15%, quality of the sales personnel 45%, frequency of contacts initiated by the sales force 19%, rapidity of processes 33%, flexibility of processes 40%, transparency of processes 33%, quality of information given to the customer's 35%, timing of information transfer 21%, costs of communication efforts 15%.

Figure 13: How respondents prioritize the customers



Note: Sample size n = 208.

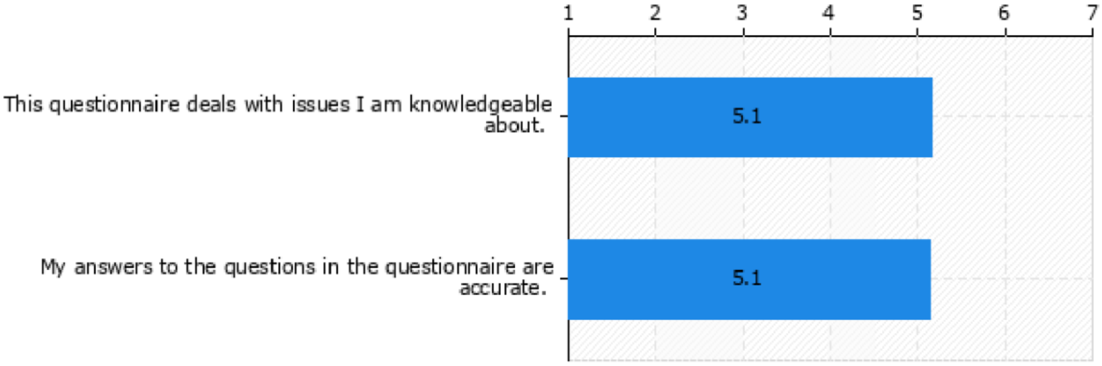
Figure 14: Participants description regarding comparison with an international competition



Note: Sample size n = 208.

Figure 14 shows as that 42% of the respondents are Market Followers, 33% are Market Leaders and 25% are Niche Players.

Figure 15: Agreement with the following statements regarding accurancy



Note: Sample size n = 208; Likert scale 1 – totally disagree to 7 – totally agree.

Figure 15 shows that respondents have good knowledge about the subject at level (5.1) and their questions are accurate (5.1).

6.3.2 Assessment of validity and reliability

The initial phase of data evaluation commenced with conducting validity and reliability assessments for all utilized measures, adhering to the procedure outlined by Nunnally and Bernstein (1994). To allocate items to their respective underlying factors, I employed Principal Component Analysis with Varimax rotation. I set a threshold of .40 and above for factor loadings from the outset. This analysis yielded a discernible six-factor solution, with the identified factors collectively accounting for 71.03% of the variance, and all eigenvalues exceeding one. Subsequently, I evaluated the validity of our measures through Confirmatory Factor Analysis (CFA) using the software AMOS, using the maximum likelihood procedure. I ran CFA for the whole model including the variables in the hypothesised relationships and the following results were obtained: $\chi^2_{(215)} = 333.92$, $p < .000$, RMR = .06, CFI = .93, IFI = .94 and RMSEA = .05. As overall goodness-of-fit indices indicate a favorable fit to the data (Haier et al., 2010), and standardized factor loadings are both high and statistically significant (Anderson & Gerbing, 1988), convergent validity was established. Moreover, scales exhibit discriminant validity as average variance extracted (AVE) in all cases exceeds or equals .50 (Fornell & Larcker, 1981).

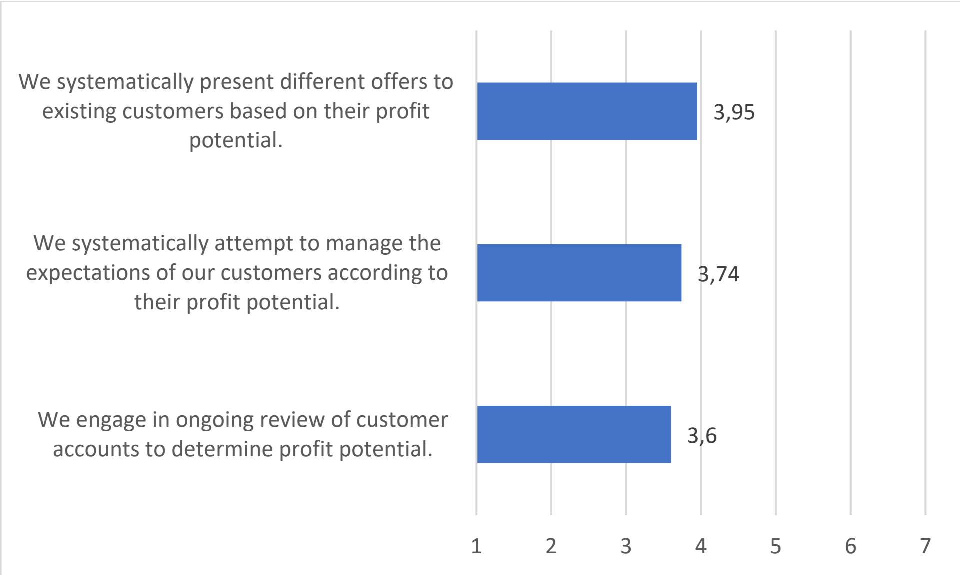
Moreover, a squared root of AVE is higher than correlations between the observed constructs, which confirms the discriminant validity. Finally, I examined the reliability or internal consistency of these measures using Cronbach's alpha and composite reliability (C.R.) scores. As depicted in Table 8, all scales demonstrate a satisfactory level of reliability, with all variables exceeding the generally accepted threshold of .70 (Nunnally, 1978).

6.4 Findings

6.4.1 Descriptive analysis

Descriptive analysis of global market orientation statements shows that respondents agreed slightly more with the statement that they systematically present different offers to existing customers based on their profit potential ($\bar{x}$ = 3.95; σ = 2.09) compared to their engagement in ongoing review of customer accounts to determine profit potential ($\bar{x}$ = 3.6; σ = 2.15), with their systematic attempt to manage the expectations of their customers according to their profit potential falling between ($\bar{x}$ = 3.74; σ = 2.13). Export sales managers likely assessed global market orientation this way because tailoring offers based on profit potential is a more immediate and actionable strategy compared to the continuous review of customer accounts, which requires ongoing data analysis and resource allocation.

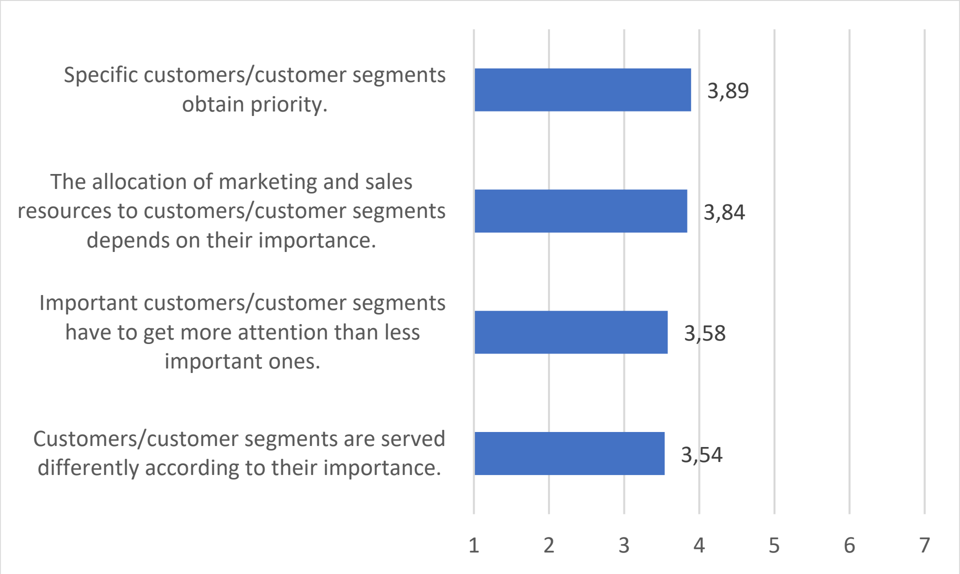
Figure 16: Global market orientation descriptive analysis



Note: Sample size n = 208; Likert scale 1 – totally disagree to 7 – totally agree.

The analysis of adaptive market orientation statements shows that respondents agreed slightly more with the statement that specific customers/customer segments obtain priority ($\bar{x}$ = 3.89; σ = 2.14) compared to the statement that customers/customer segments are served differently according to their importance ($\bar{x}$ = 3.54; σ = 2.13). Statements that the allocation of marketing and sales resources to customers/customer segments depends on their importance ($\bar{x}$ = 3.84; σ = 2.18) and that important customers/customer segments have to get more attention than less important ones ($\bar{x}$ = 3.58; σ = 2.20) received also some support.

Figure 17: Adaptive market orientation descriptive analysis



Note: Sample size n = 208; Likert scale 1 – totally disagree to 7 – totally agree.

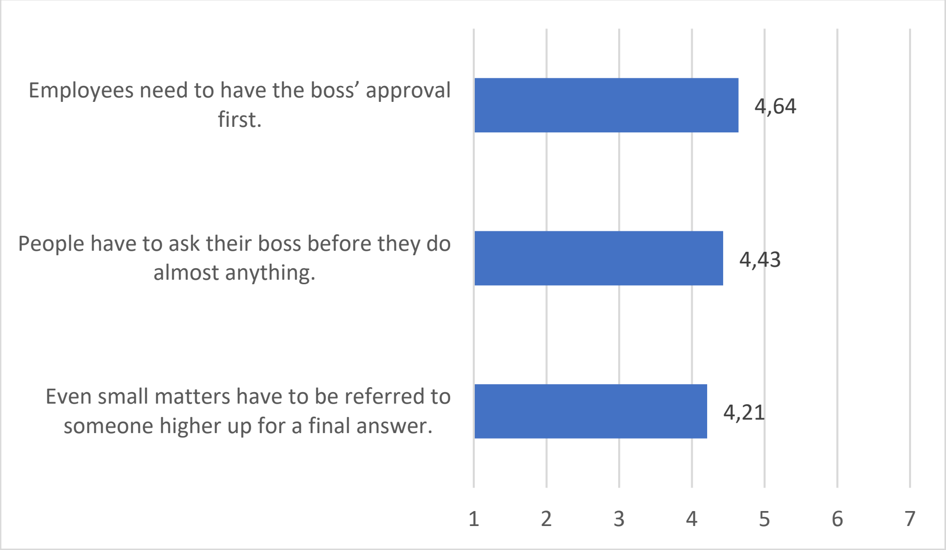
The analysis of formalization statements shows that respondents agreed slightly more with the statement that for the people who do international marketing in this firm rules and regulations have a very important place in the unit's operations ($\bar{x}$ = 4.84; σ = 1.64) compared to individuals frequently refering to the international unit as a "bureaucracy" ($\bar{x}$ = 4.48; σ = 1.74). Statements that for the people who do international marketing in this firm there is little action taken unless the decision fits with standard operating procedure ($\bar{x}$ = 4.62; σ = 1.62) and that for the people who do international marketing in this firm those who wish to make their own decisions are quickly referred to a policy manual ($\bar{x}$ = 4.53; σ = 1.71) received also support.

Figure 18: Formalization descriptive analysis

Note: Sample size n = 208; Likert scale 1 – totally disagree to 7 – totally agree.

The analysis of centralization statements shows that respondents agreed slightly more with the statement that employees need to have the boss' approval first ($\bar{x}$ = 4.64; σ = 1.64) compared to the statement that even small matters have to be referred to someone higher up for a final answer ($\bar{x}$ = 4.21; σ = 1.85). Statement that the people have to ask their boss before they do almost anything ($\bar{x}$ = 4.43; σ = 1.83) received also some support.

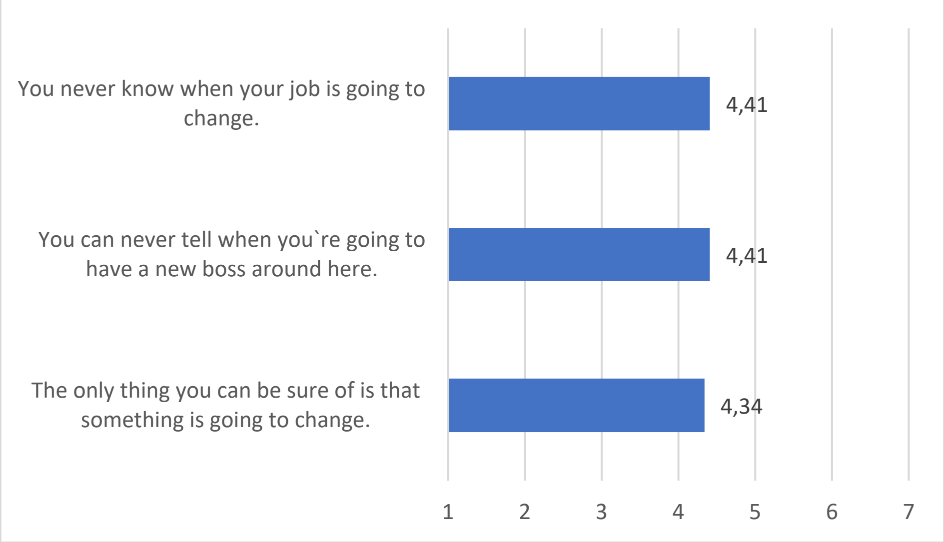
Figure 19: Centralization descriptive analysis



Note: Sample size n = 208; Likert scale 1 – totally disagree to 7 – totally agree.

The analysis of internal export marketing department environment statements shows that respondents agreed very similarly to all three statements: you never know when your job is going to change ($\bar{x}$ = 4.41; σ = 1.86), you can never tell when you`re going to have a new boss around here ($\bar{x}$ = 4.41; σ = 1.92), and the only thing you can be sure of is that something is going to change ($\bar{x}$ = 4.34; σ = 1.78).

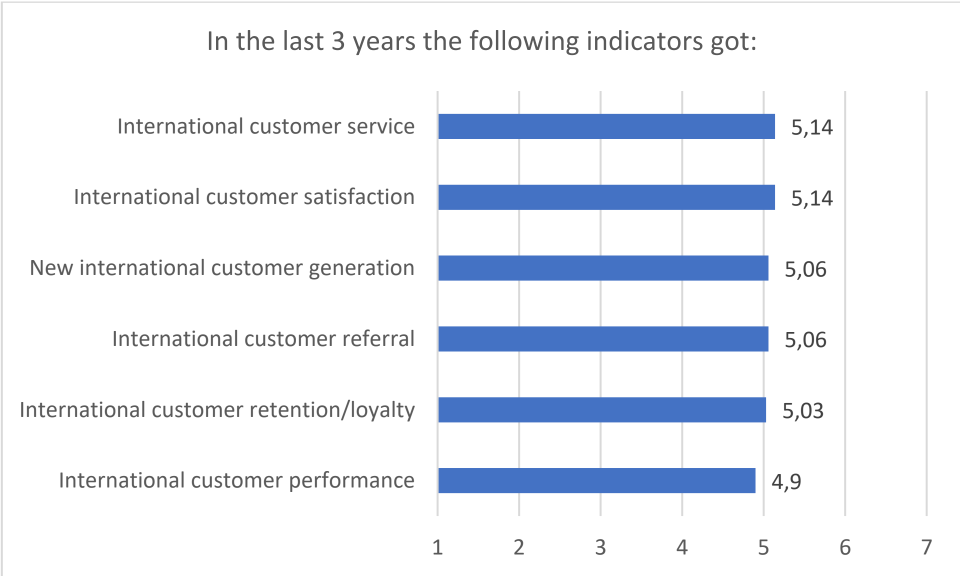
Figure 20: Internal export marketing department environment descriptive analysis



Note: Sample size n = 208; Likert scale 1 – totally disagree to 7 – totally agree.

The analysis of export performance statements shows that respondents agreed slightly more that in the last 3 years international customer service ($\bar{x}$ = 5.14; σ = 1.49) and international customer satisfaction ($\bar{x}$ = 5.14; σ = 1.59) got better compared to the international customer performance ($\bar{x}$ = 4.90; σ = 1.61). Other indicators received the following support: international customer referral ($\bar{x}$ = 5.06; σ = 1.56), new international customer generation ($\bar{x}$ = 5.06.; σ = 1.69), international customer retention / loyalty ($\bar{x}$ = 5.03; σ = 1.59). Export sales managers likely assessed export performance this way because improvements in international customer service and satisfaction are often the first visible indicators of enhanced market engagement, directly influencing customer perceptions and relationships.

Figure 21: Export performance descriptive analysis



Note: Sample size n = 208; Likert scale 1 – much worse to 7 – much better.

6.4.2 Hypotheses analysis

Hypotheses were tested by employing linear regression in SPSS. The results show a strong and positive relationship between global market orientation and export performance, thus supporting hypothesis 1. When examining the effects of moderators on this relationship, it is important to note that all moderators were included in the model at once, alongside the control variables. I consider moderators to be the structures impacting the relationship between global and adaptive market orientation and export performance. Lee, Kozlenkova, and Palmatier (2015) argue that organizational structure can be used to achieve marketing objectives, and they highlight the following organizational structure facets: formalization, environment, and centralization.

I hypothesized that formalization, as rules governing prioritization, would affect the relationship between market orientation and export performance. Therefore, environment and centralization were chosen as control variables. I perceive environment as the opposite of formalization, allowing freedom in decision-making regarding market orientation, while centralization, similar to formalization, refers to the centralized power of market orientation decision-making.

Adaptive marketing orientation focuses on short-term adjustments to respond to changing market conditions. While this approach can provide agility in addressing immediate customer needs, it may negatively impact customer export performance for several reasons.

First, frequent changes in marketing strategies can create inconsistency in the firm's value proposition, leading to customer confusion and diminished brand loyalty (Jaworski & Kohli, 1993). Second, the reactive nature of adaptive marketing may divert resources away from long-term strategic initiatives that are crucial for success in export markets, such as building relationships and understanding cultural nuances (Zhou et al., 2005). Lastly, the emphasis on short-term results may misalign with the broader objectives required to sustain customer relationships in diverse and complex international markets (Narver & Slater, 1990). Adaptive marketing orientation has a negative influence on customer export performance (hypothesis 2).

Formalization, defined as the extent to which organizational processes are standardized through rules and procedures, can undermine the effectiveness of global market orientation in improving customer export performance. High levels of formalization limit organizational flexibility, thereby constraining the ability to respond to dynamic insights gained from global market orientation (Mintzberg, 1979). Additionally, bureaucratic structures inherent in formalized organizations slow down decision-making, reducing agility in implementing global market strategies (Katsikeas et al., 2006).

Moreover, formalized environments may stifle creativity and innovation, which are essential elements for crafting effective marketing strategies in competitive export markets (Homburg et al., 2012). Formalization, defined as the extent to which organizational processes are standardized through rules and procedures, can undermine the effectiveness of global market orientation in improving customer export performance. High levels of formalization limit organizational flexibility, thereby constraining the ability to respond to dynamic insights gained from global market orientation.

Increased formalization decreases the impact of global market orientation on customer export performance (hypothesis 3a). Internal environment dynamics, such as organizational turbulence or changes, can amplify the role of global market orientation in driving customer export performance. In dynamic internal environments, reliance on market-oriented strategies becomes critical for aligning organizational activities with the needs of export markets (Slater & Narver, 1994). Turbulence within the organization often necessitates greater adaptability, which can be effectively achieved by leveraging global market insights (Cadogan et al., 2009).

Furthermore, these internal changes may foster a culture of openness and responsiveness, enabling firms to better integrate global market information into their strategies, thereby enhancing their performance in export markets (Zhou et al., 2005). Increased internal environment dynamics/turbulence/changes increase the impact of global market orientation on customer export performance (hypothesis 5a).

Centralization refers to the concentration of decision-making authority within an organization. It is hypothesized to have no significant influence on the relationships examined in this study. Whether decision-making authority is centralized or decentralized may not substantially alter the ability of an organization to leverage global market orientation or adapt to internal dynamics. Prior research suggests that both centralized and decentralized structures can achieve similar results, either through streamlined decision-making processes in centralized systems or localized expertise in decentralized systems.

Thus, the overall impact of centralization on these relationships is expected to be neutral. Centralization has no impact on any of the hypothesized relationships (hypothesis 4a, 4b). Global market orientation is hypothesized to have a significant impact on the success of new export products, while its influence on other factors remains limited. This is because global market orientation helps firms proactively identify and respond to customer needs in diverse markets, leading to better product-market fit (Narver & Slater, 1990).

Firms with a strong market orientation can anticipate trends, design products that cater to specific customer preferences, and effectively communicate their value propositions, all of which are critical for the success of new products in export markets (Zhou et al., 2005). However, other factors, such as customer export performance, may depend more on operational or organizational capabilities, limiting the direct impact of global market orientation in these areas. Global market orientation has an impact on new export product success and none of the other factors (hypothesis 1).

In the analyses of differences in gender and industry, we identified significant differences between two genders in the assessment of formalization (mean for male = 4.44 and female = 4.87) and centralization (mean for male = 4.21 and female = 4.72). This means that female respondents were assessing their firm’s formalization and centralization higher compared to their male counterparts. The comparison across industries did not reveal any significant differences. There are also no statistical differences in answers between firms that have a separate international marketing department and those that do not. We can see the visualization of the results in Table 5, which represents tests of hypothesized relationships, and in Table 6, which represents measurement scales and reliability estimates and Table 7, which represents correlations, reliability estimates, and descriptive statistics.

This study provides valuable insights into the practices and factors that influence customer prioritization in international markets. The findings suggest that global market orientation and adaptive market orientation drive export performance, while organizational structures such as formalization significantly impact the relationship between global/adaptive market orientation and export performance. Additionally, gender differences in the perceptions of organizational structures highlight the importance of considering individual perspectives when analyzing organizational dynamics.

By using quantitative data collection and rigorous statistical analysis, this research contributes to a better understanding of customer prioritization strategies and the organizational factors that influence success in international markets. These findings have practical implications for managers seeking to optimize their customer prioritization approaches and improve their companies' export performance.

Table 5: Tests of hypothesized relationships

Hypotheses		Model 1			Model 2		
		Coefficient	t-value	R^2	Coefficient	t-value	R^2
H_1	GMO → PERF	.24*	2.72	.34	.25**	2.59	.27
H_2	AMO → PERF	-.15**	-1.97		-.10	-1.06	
H_{3A}	GMO x FORM → PERF	-.51**	-2.09		-.29	-1.08	
H_{3B}	GMO x CENT → PERF	.02	.09		.14	.58	
H_{4A}	AMO x FORM → PERF	.23	1.03		.05	.19	
H_{4B}	AMO x CENT → PERF	-.16	-.88		-.25	-1.24	
H_{5A}	GMO x ENV → PERF	.51*	2.62		.13	.59	
H_{5B}	AMO x ENV → PERF	-.17	-1.08		.02	.12	
Controlled paths							
AGE → PERF		.01	1.42		.01	1.38	
IND → PERF		-.08	-.39		.11	.44	

*$p < .01$, **$p < .05$.

LEGEND: GMO = global market orientation, AMO = adaptive market orientation, FORM = formalization, CENT = centralization, ENV = dynamic (internal/export marketing department) environment, PERF = export performance.

NOTE: In Model 1, the dependent variable under consideration is export customer performance, whereas in Model 2, the focus shifts to export new product success.

Table 6: Measurement scales and reliability estimates

		Factor loadings	C.R.	Cronbach Alpha	AVE
Adaptive marketing orientation			0.85	0.81	0.59
(Seven-point likert scale, adapted from Homburg, Droll & Totzek, 2008)					
AMO1	Customers/customer segments are served differently according to their importance.	0.77			
AMO2	The allocation of marketing and sales resources to customers/customer segments depends on their importance.	0.82			
AMO3	The form of customer care is differentiated according to the importance of customers/customer segments.	0.71			
AMO4	Important customers/customer segments have to get more attention than less important ones.	0.77			
Global market orientation			0.86	0.75	0.67
(Seven-point likert scale, adapted from Huttinger, Schiele & Schroer, 2014)					
GMO1	We engage in ongoing review of customer accounts to determine profit potential.	0.77			
GMO2	We systematically present different offers to existing customers based on their profit potential.	0.83			
GMO3	We systematically attempt to manage the expectations of our customers according to their profit potential.	0.85			
Centralization			0.81	0.76	0.58
(Seven-point likert scale, adapted from Cadogan et al., 2001)					
CENT1	In this firm’s international operations even small matters have to be referred to someone higher up for a final answer.	.65			
CENT2	In this firm’s international operations people have to ask their boss before they do almost anything.	.85			
CENT3	In this firm’s international operations employees need to have the boss’ approval.	.78			

To be continued

Table 6: Measurement scales and reliability estimates (cont.)

		Factor loadings	C.R.	Cronbach Alpha	AVE
Formalization			0.80	0.84	0.50
(Seven-point likert scale, adapted from Walker & Ruekert, 1987; Barclay, 1991)					
FORM 1	For the people who do international marketing in this firm there is little action taken unless the decision fits with standard operating procedure.	0.68			
FORM 2	For the people who do international marketing in this firm individuals frequently refer to the international unit as a "bureaucracy".	0.72			
FORM 3	For the people who do international marketing in this firm those who wish to make their own decisions are quickly referred to a policy manual.	0.67			
FORM 4	For the people who do international marketing in this firm rules and regulations have a very important place in the unit's operations.	0.75			
Export customer performance			0.91	0.90	0.62
(Seven-point likert scale, adapted from Samiee & Chirapanda, 2019)					
PERF1	International customer performance	0.70			
PERF2	International customer satisfaction	0.85			
PERF3	International customer retention/loyalty	0.86			
PERF4	International customer referral	0.77			
PERF5	International customer service	0.83			
PERF6	New international customer generation	0.72			
Environment			0.80	0.81	0.57
(Seven-point likert scale, adapted from Maltz & Kohli, 1996; Worren et al., 2002)					
ENV1	You can never tell when you're going to have a new boss around here.	0.84			
ENV2	You never know when your job is going to change in this business unit.	0.76			
ENV3	The only thing you can be sure of in this SBU is that something is going to change.	0.65			

Table 7: Correlations, reliability estimates, and descriptive statistics

Measures	**1**	**2**	**3**	**4**	**5**	**6**
1. Global market orientation	.82					
2. Adaptive market orientation	.53*	.77				
3. Formalization	.47*	.28*	.71			
4. Centralization	.43*	.23	.67*	.76		
5. Environment	.47*	.19	.64*	.60*	.75	
6. Export performance	.44*	.20	.39*	.38*	.41*	.79
Average variance extracted (AVE)	.67	.59	.50	.58	.57	.62
Mean	3.76	3.58	4.61	4.42	4.38	5.05
Standard Deviation	1.74	1.72	1.37	1.46	1.59	1.29

*$p < .01$

Notes: Correlation matrix appears below the diagonal, square root of AVE on diagonal.

7 DISCUSSION

7.1 Summary of main findings

The main findings of this thesis indicate that new product success in export markets is more effectively driven by a global market orientation (standardization) rather than an adaptive market orientation, due to factors such as efficiency, brand consistency, and market responsiveness. The study examines customer prioritization and its implications for business strategies in international markets. During the systematic literature review, it provided answers to the questions: What is customer prioritization, and what are its implications for business strategies in international markets? Thus, a new definition of customer prioritization is proposed, describing it as a strategic tool where firms evaluate customers based on formal or informal rules. This evaluation leads to a hierarchical system for customer treatment, ensuring resource efficiency. The study also considers international factors (e.g., cultural sensitivity, legal compliance, global supply chain management, and technology) and highlights the benefits and downsides of customer prioritization. The main drivers of customer prioritization include growth opportunity and reliability (Huttinger et al., 2014). Other influencing factors include operative excellence and relational behavior. Suppliers tend to focus on growth opportunity, reliability, and relational behavior when prioritizing customers. Customer prioritization leads to financial and behavioral benefits (Homburg et al., 2008). Financial outcomes include increased profit, sales growth, and reduced service costs. Behavioral outcomes encompass enhanced customer commitment, loyalty, purchases, word-of-mouth, and feedback. Preferential treatment improves customer relationships but has mixed profitability effects. The effectiveness of prioritization depends on factors such as customer profitability assessment, quality of customer data, organizational alignment, senior-level involvement, and shared beliefs within the company (Homburg et al., 2008). These factors enhance the link between prioritization strategy and customer prioritization. However, their impact on overall performance outcomes is limited. Organizational culture plays a crucial role in marketing strategy success (Dobni & Luffman, 2000). The qualitative study explores how customer prioritization is understood by international marketing managers and what key components constitute this concept. Four major themes emerge: prioritization tactics and strategies, international customer profitability, headquarters-subsidiary relationships, and customer relationship management. The study suggests that prioritization strategies influence international profitability, which, together with HQ-subsidiary relationships, shapes customer relationship management. Some aspects of customer prioritization include customer segmentation, customization, and personalization. Inputs to strategy development include customer value analysis and risk management. Outcomes of customer prioritization consist of customer loyalty, satisfaction, retention, and strategic alignment. The survey explores whether a standardized (global) or adaptive market orientation drives performance in international markets. Only global market orientation (standardization) contributes to export success, while adaptive market orientation does not. Centralization does not affect the relationship between market orientation (global vs. adaptive) and export performance. A dynamic export marketing department influences the relationship between global market orientation and export performance but not the relationship between adaptive market orientation and export performance. Customer prioritization is a key strategic tool that helps firms allocate resources efficiently and improve financial and customer-related outcomes. The effectiveness of prioritization depends on organizational structure, data quality, and senior-level involvement. In international markets, global (standardized) market orientation is more effective in driving export success than an adaptive market approach. Table 8 presents a structured overview of research on customer prioritization through three main research methods.

Table 8: Findings

Methods	*Research questions*	*Results*
Systematic literature review	What is customer prioritization, and what are its implications for business strategies in international markets?	An analysis of definitions was provided, and a new definition was proposed. Additionally, a model was created with antecedents, moderators and outcomes. We propose our own definition of customer prioritization as follows: *Customer prioritization is a specialized tool utilized by organizations to enhance firm performance through the evaluation of the value of potential customers. This evaluation is conducted based on formal or informal rules established within the company. Consequently, a hierarchical waiting list for customer treatment is formed, ensuring that resources are allocated efficiently based on the perceived value of each customer. The process involves a careful evaluation of international factors that might impact the customer prioritization, including cultural sensitivity, legal and regulatory compliance, global supply chain dynamics, and technological advancements. Finally, both the benefits and potential downsides of customer prioritization should be considered before the implementation of the actual prioritization strategy (Maria Gracner, Gregor Pfajfar, John W. Cadogan).* Antecedents. Customer prioritization is primarily influenced by growth opportunity and reliability. Additional factors such as operative excellence and relational behavior also contribute positively. Suppliers focus mainly on growth opportunity, reliability, and relational behavior. Outcomes. Customer prioritization leads to positive financial and behavioral outcomes. Financial benefits include profit growth, sales growth, and reduced service costs, while behavioral outcomes involve customer entitlement, gratitude, relationship commitment, increased purchases, word of mouth, and feedback. Preferential treatment boosts relationship commitment and customer engagement but may have mixed effects on profitability. Firms should assess

To be continued

Table 8: Findings (cont.)

		customer importance based on potential sales. Prioritization improves customer satisfaction, loyalty, and share of wallet while enhancing profitability through operational efficiencies and revenue growth. Preferential treatment strengthens customer relationships and attracts new customers via positive word of mouth. Moderators. The effectiveness of prioritization depends on customer profitability assessment, quality of customer data, organizational alignment, senior-level involvement, and shared beliefs. These factors strengthen the link between prioritization strategy and customer prioritization. However, their impact on overall performance outcomes is less significant. Organizational culture plays a key role in successful marketing strategies.
Outcomes of interviews	How is customer prioritization understood by international marketing managers, and what are the key components that constitute this concept?	Our research highlights four major themes: prioritization tactics and strategies, international customer profitability, headquarter-subsidiary relationships, and customer relationship management. These elements shape customer prioritization in global markets. Also, we predict that the choice of prioritization tactics and strategies influences international customer profitability that together with headquarter-subsidiary relationships form successful customer relationship management. We could argue that some of the first-order categories that form these four identified themes can be treated as forms of customer prioritization (e.g., customer segmentation, customization, personalization), some as inputs to customer prioritization strategy development (e.g., customer value analysis, risk management), and some as outcomes of customer prioritization (e.g., customer loyalty, satisfaction, and retention, strategic alignment).
Outcomes of the survey	Are standardized or adaptive market orientation driving performance?	Only global market orientation (standardization) drives export new product success and not also adaptive market orientation. Centralization has no effect on the relationship between global vs. adaptive market orientation and export performance, Dynamic export marketing department internal environment impacts only the relationship between global market orientation and export performance, but not relationship between adaptive market orientation and export performance.

Source: Own work

7.2 Discussion

Export new product success is more effectively driven by a global market orientation (standardization) rather than an adaptive market orientation. This can be explained through several key factors related to efficiency, brand consistency, and market responsiveness. A global market orientation emphasizes uniform strategies across different international markets, allowing firms to benefit from economies of scale, cost efficiencies, and faster product rollouts (Levitt, 1983). By maintaining consistency in product design, branding, and marketing, companies can reduce production expenses and enhance global brand recognition (Zou & Cavusgil, 2002). Standardization also facilitates knowledge transfer across markets, improving innovation and product development (Hult et al., 2008). Additionally, launching standardized products accelerates time-to-market, which is crucial for maintaining a competitive edge in global exports (Calantone et al., 2006). Conversely, an adaptive market orientation, which involves tailoring products to fit local preferences, presents challenges that can hinder export success. Customization leads to higher production and marketing costs, making profitability harder to achieve (Katsikeas et al., 2006). Moreover, excessive adaptation can dilute a company's global brand identity, resulting in inconsistent messaging and weaker customer loyalty (Theodosiou & Leonidou, 2003). Furthermore, modifying products for different markets increases development time, reducing agility in responding to global trends (Calantone et al., 2006). Empirical research suggests that firms implementing a standardized global strategy tend to perform better in export markets. Zou and Cavusgil (2002) found that standardized approaches enhance performance by leveraging core competencies. Similarly, O'Donnell and Jeong (2000) argue that firms with strong global orientations achieve higher market share and stronger financial outcomes in export ventures. In summary, while adaptive strategies may be beneficial in some localized contexts, they do not drive export new product success as effectively as a standardized approach. The ability to streamline operations, build a cohesive global brand, and bring products to market efficiently gives standardization a distinct advantage in international trade.

The effect of global versus adaptive market orientation on export performance is not influenced by centralization, as centralization primarily affects decision-making efficiency rather than market responsiveness or competitive strategy. This can be understood by analyzing the role of centralization in organizational structure and its interaction with market orientation. Centralization refers to the extent to which decision-making authority is concentrated at higher levels of management (Jaworski & Kohli, 1993). In highly centralized organizations, strategic decisions are made by top management, which can streamline operations but may also reduce flexibility in responding to market changes. In contrast, decentralized structures allow for greater responsiveness by empowering local managers to make market-specific decisions (Atuahene-Gima & Murray, 2004). However, when considering the impact of global versus adaptive market orientation on export performance, centralization does not play a significant moderating role. For firms pursuing a global market orientation, centralization may align well with their strategy, as standardized approaches benefit from strong control and uniformity across markets (Zou & Cavusgil, 2002). However, firms with a decentralized structure can also implement global standardization effectively if they have clear corporate guidelines and a strong global brand strategy. Therefore, whether an organization is centralized or decentralized does not fundamentally alter the advantages of standardization in export markets. Similarly, for firms adopting an adaptive market orientation, decentralization might seem beneficial because it allows for local responsiveness. However, research suggests that the effectiveness of adaptation is primarily driven by market conditions and competitive dynamics rather than the degree of centralization (Theodosiou & Leonidou, 2003). Even in centralized organizations, adaptation can occur if headquarters establish mechanisms to gather and process local market intelligence effectively. On the other hand, decentralized firms may struggle with adaptation if local managers lack the resources or strategic vision to implement meaningful changes (Katsikeas et al., 2006). Empirical studies have found no significant interaction between centralization and the impact of global versus adaptive market orientation on export performance. Zou and Cavusgil (2002) argue that the success of standardization or adaptation strategies depends more on market dynamics than organizational structure. Similarly, O'Donnell and Jeong (2000) suggest that firms can achieve export success with either centralized or decentralized structures, provided they effectively implement their chosen market orientation strategy. In conclusion, centralization does not influence the relationship between global versus adaptive market orientation and export performance because its primary impact is on decision-making processes rather than strategic effectiveness. Regardless of whether decisions are made at the corporate level or locally, the key determinant of export success is the firm's ability to execute its market orientation strategy efficiently within the global competitive landscape.

The internal environment of a dynamic export marketing department plays a crucial role in strengthening the relationship between global market orientation and export performance, but it does not significantly impact the relationship between adaptive market orientation and export performance. This distinction can be explained by examining how internal organizational dynamics support different market orientation strategies. A dynamic export marketing department is characterized by flexibility, rapid decision-making, and the ability to integrate market intelligence into strategy execution (Morgan et al., 2012). Such an environment is particularly beneficial for firms pursuing a global market orientation because standardization requires efficient coordination, cross-market learning, and seamless execution across multiple export regions (Zou & Cavusgil, 2002). When an export marketing department is dynamic, it enhances the firm's ability to implement standardized strategies effectively by ensuring smooth knowledge transfer, rapid problem-solving, and consistent global branding efforts (Hult et al., 2008). As a result, firms with a strong global market orientation and a dynamic internal environment are more likely to achieve superior export performance. In contrast, an adaptive market orientation focuses on tailoring strategies to specific local market conditions, which relies more on external market responsiveness than internal departmental dynamics (Theodosiou & Leonidou, 2003). Since adaptation requires deep engagement with local consumer preferences, competitive landscapes, and regulatory environments, its success is primarily driven by external factors such as market heterogeneity and competitive intensity rather than internal departmental agility (Katsikeas et al., 2006). Even in firms with a dynamic export marketing department, adaptation remains dependent on external feedback loops and local market conditions rather than internal structural flexibility. Empirical research supports this distinction. Zou and Cavusgil (2002) found that firms with strong internal capabilities in market intelligence processing and strategic execution performed better when implementing global market orientation. Similarly, Hult et al. (2008) emphasized that a dynamic marketing environment enhances global strategy execution by fostering efficiency and alignment. However, studies on adaptive market orientation suggest that its success is more contingent on market-level variables than on internal organizational structures (Cadogan et al., 2009). In summary, the internal dynamism of an export marketing department plays a critical role in optimizing the execution of a global market orientation strategy, thereby strengthening its link to export performance. However, since adaptive market orientation relies more on external factors than internal structures, a dynamic internal environment does not significantly influence its effectiveness in driving export success.

Some of these findings may be influenced by cultural characteristics of Eastern Europe, which shape firms' strategic approaches in export markets. A key factor is high power distance (Hofstede, 2001), as many Eastern European firms have centralized decision-making. This could explain why centralization does not moderate market orientation effects—since hierarchical control is already the norm, it does not create a unique influence. High uncertainty avoidance further reinforces the preference for standardized strategies, as firms may favor stability over flexible, adaptive approaches. Additionally, relationship-based business practices mean that adaptive market orientation depends more on external partnerships than internal structures, reducing the role of a dynamic export marketing department. Lastly, the efficiency-driven mindset of post-transition economies (Meyer & Peng, 2005) makes standardization appealing, as it reduces costs and enhances economies of scale. Overall, these cultural traits may contribute to why global market orientation is more effective in driving export success in Eastern Europe, while adaptation and internal departmental flexibility play a lesser role.

Our research identifies four key themes in customer prioritization: strategic tactics, international profitability, headquarters-subsidiary dynamics, and customer relationship management (CRM). These elements collectively shape how firms prioritize customers in global markets (Homburg, Droll, & Totzek, 2008). The choice of prioritization strategies directly affects profitability and CRM success, with segmentation, personalization, and customer value analysis playing critical roles (Rust, Lemon, & Zeithaml, 2004). Effective segmentation enables firms to tailor their offerings to different customer groups, maximizing engagement and profitability. High-value customers receive personalized communication and services, fostering loyalty and retention, while lower-priority customers are managed through standardized interactions (Reinartz & Kumar, 2003). Strategic segmentation allows firms to allocate resources efficiently, strengthening long-term customer relationships and enhancing overall firm performance (Zeithaml, 2000). Prioritization significantly influences international profitability, as research suggests that focusing on high-value customers yields greater returns (Kumar & Reinartz, 2016). Customer lifetime value (CLV) serves as a fundamental metric for guiding CRM efforts, optimizing marketing investments, and improving retention strategies (Blattberg, Getz, & Thomas, 2001). However, while tailored customer experiences enhance engagement and loyalty, poor execution—such as perceived unfairness—can damage relationships, particularly in culturally diverse markets (Bolton, Lemon, & Verhoef, 2004). Firms must remain adaptable to ensure that prioritization strategies remain effective across different global contexts (Sheth, 2020).

Additionally, headquarters-subsidiary relationships play a critical role in aligning CRM strategies. Effective coordination ensures that subsidiaries implement strategies that reflect both corporate objectives and local market needs (Nohria & Ghoshal, 1997). Knowledge transfer across subsidiaries enhances CRM outcomes, enabling firms to strike a balance between centralized strategic direction and localized market customization (Gupta & Govindarajan, 2000). The degree of subsidiary influence within a multinational enterprise (MNE) affects its ability to prioritize customers effectively, reinforcing the importance of strategic alignment between headquarters and international branches (Birkinshaw, Hood, & Jonsson, 1998). This study contributes to the literature on customer prioritization by highlighting the structural role of subsidiaries in global CRM strategies. Understanding the interplay between prioritization, profitability, and organizational dynamics provides valuable insights for firms navigating competitive international markets.

Our study on customer prioritization in an international context makes several significant contributions to theory. Foremost, it fills a crucial gap by being the first study to explicitly and comprehensively examine the importance of the formality of customer prioritization. Previous research on customer prioritization and its impact on business performance has largely overlooked the role of formality (e.g., Homburg et al., 2008). By highlighting the critical role of international sales departments' coordinative processes and activities in shaping the formality of customer prioritization across subsidiaries, our study addresses this gap. Additionally, we demonstrate that customer prioritization serves as a valuable capability that ultimately leads to improvements in business performance.

Secondly, our research contributes to the conceptual understanding of customer prioritization. From the international marketing perspective, we understand customer prioritization as an organizational ability that enables companies to reallocate and optimize their sales resources across markets, thereby creating a locally sustainable competitive advantage and effectively addressing the challenges and opportunities presented by dynamic environments. By developing a conceptual model of customer prioritization, we identify and elucidate four distinct manifestations of this concept (see Figure 1). Lastly, our study highlights the dearth of theoretically grounded research on customer prioritization and underscores the need to conceptualize it as a dynamic capability that evolves over time and in response to varying contextual factors. In this regard, we advocate for future researchers to adopt dynamic capabilities theory as a framework for investigating customer prioritization and its implications.

The quantitative results confirm that adaptive marketing orientation negatively impacts customer export performance. This finding reinforces the theoretical perspective that frequent adjustments in marketing strategies can lead to inconsistency in the firm's value proposition, causing customer confusion and eroding brand loyalty (Jaworski & Kohli, 1993). Moreover, the resource-intensive nature of adaptive marketing may detract from strategic initiatives such as relationship-building and cultural alignment, both critical for sustaining export performance in diverse international markets (Zhou et al., 2005). These results highlight the inherent trade-offs between agility and consistency in export-oriented marketing strategies. This finding advances the literature on market orientation by contextualizing the limitations of adaptiveness in export settings. While agility is often considered a strategic advantage, this study demonstrates that excessive short-term adjustments can hinder long-term relationship-building and brand equity. It suggests the need for a hybrid marketing approach that integrates responsiveness with strategic consistency.

7.3 Practical implications

The key takeaway for managers is that performance can be positively influenced by promoting the formality of customer prioritization in Slovenian international companies. Formality in this context suggests to managers that sales representatives should implement customer prioritization meticulously, carefully evaluating each customer to determine its applicability. Managers are encouraged to conduct regular assessments, such as annual evaluations, of customer prioritization practices within the company. During these assessments, it is crucial to evaluate the potential future profitability of customers based on their expertise, financial resources, and operational plans. This initial evaluation will enable managers to identify areas for improvement and recognize the importance of enhancing international sales team capabilities in customer prioritization. Based on the assessment of customer prioritization formality within the organization, managers can devise targeted interventions to enhance customer prioritization and leverage resources available in marketing and sales departments more efficiently. These interventions may involve reallocating personnel or exchanging knowledge and resources, depending on resource availability. For instance, creating interest groups that convene in informal settings can facilitate the sharing of knowledge and expertise among sales employees, fostering open communication and enhancing customer prioritization practices. Following the implementation of interventions, management can select sales employees to serve as champions for customer prioritization. In addition to these interventions, managers can promote customer prioritization by fostering a supportive organizational culture and providing necessary instructional support. It is important for managers to recognize the pivotal role of sales managers in assessing, cultivating, and nurturing the formality of customer prioritization. Additionally, our findings indicate that international customer prioritization needs to be aligned with the surrounding institutional and environmental context. Therefore, it is imperative for managers to continuously monitor the external environment and make timely adjustments to international marketing and sales strategies accordingly. For managers, quantitative results underscore the importance of stability in export marketing. Firms should avoid over-relying on short-term market responsiveness and instead invest in long-term initiatives such as customer relationship management and cultural competency training. Managers can adopt integrated planning tools that balance immediate market needs with strategic objectives, ensuring a consistent value proposition in international markets. Managers should critically assess the level of formalization in their organizations, especially in export-oriented contexts. Implementing more flexible processes, such as cross-functional teams and decentralized decision-making units, can enhance the ability to respond to dynamic market conditions. Furthermore, fostering a culture of innovation and creativity can counteract the limitations of formalized structures. Managers operating in turbulent environments should prioritize investments in market intelligence systems and cross-functional training to improve adaptability. Encouraging a culture of openness and responsiveness can enhance the ability to align internal changes with market demands, ultimately boosting export performance. Managers should focus on aligning decision-making structures with their organizational goals and market conditions rather than adhering to rigid paradigms of centralization or decentralization. Both approaches can be effective when implemented strategically and in alignment with operational needs. Managers should leverage global market insights to design products that align with customer preferences in export markets. Investing in advanced analytics and customer feedback mechanisms can enhance product-market fit and improve the success rate of new product launches.

7.4 Suggestions for future research

The research has several limitations. Firstly, the study was confined to Slovenia, suggesting the need for future research to include data from other countries to enhance the generalizability of findings. Secondly, the small number of firms involved in our qualitative study restricts our ability to determine whether our findings can be replicated and generalized across a broader context. Additionally, we acknowledge that our assessment of customer prioritization, which informed the development of the conceptual framework (see Figure 1), may be subjective. As a small-sample, qualitative study, we do not assert that firms universally embrace any particular manifestation of customer prioritization; rather, we suggest a tendency towards these manifestations.

Moreover, the research was conducted during the pandemic period of 2021-2022, which may have influenced the results. Lastly, while our exploration of the formality of customer prioritization in international sales and marketing has been narrowly focused on the operational interface, future research should broaden its scope to encompass both strategic and operational levels. Given the evolving trends in the dynamic international business landscape, where firms increasingly adopt strategic customer prioritization approaches, further research into this phenomenon is both timely and essential. Future quantitative studies could evaluate the extent to which firms align with customer prioritization strategies and empirically test the proposed relationships, deepening our understanding of its connection to organizational profitability.

The relatively underexplored domain of international customer profitability highlights the need for research that examines the nuanced interplay between prioritization strategies and profitability, particularly in the context of diverse global markets. From an international marketing perspective, it would be valuable to investigate why, when, and how firms prioritize different countries and regions, especially given the rising geopolitical tensions and deglobalization trends. While significant progress has been made in understanding customer prioritization in B2B contexts, there remains a gap in understanding how practices differ between B2B and B2C firms or within organizations serving both client types.

Additionally, exploring countertrends such as penalizing customers or managing production capacity to meet preferential treatment demands could offer fresh insights for scholars. Future research should focus on developing frameworks that guide firms in implementing ethical and effective customer prioritization strategies, accounting for diverse contexts, customer segments, and moral considerations. This includes investigating the role of emerging technologies, such as big data analytics, blockchain, and AI, in shaping customer prioritization practices and addressing challenges related to increasing personalization and automation of customer interactions. Such studies could provide actionable insights into navigating the complexities of contemporary customer relationship management in global markets.

Future research should explore frameworks that enable firms to achieve this balance, such as leveraging digital tools to predict market trends while maintaining core brand values. This study extends the literature by identifying internal environment dynamics as a critical moderator of the effectiveness of global market orientation. It underscores the role of organizational adaptability in leveraging market insights for performance improvement. Future research should delve deeper into the specific organizational capabilities that enhance this alignment, such as leadership agility and cross-departmental collaboration. This study refines the theoretical understanding of global market orientation by delineating its areas of pronounced impact. It advances the literature by highlighting the role of market orientation in driving innovation and product success in export contexts. Future research could investigate how emerging technologies, such as AI and machine learning, enhance market orientation's effectiveness in new product development.

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APPENDICES

Appendix 1: Summary in Slovenian language / Daljši povzetek disertacije v slovenskem jeziku

Primerjava globalnih in prilagojenih strategij trženjsko naravnanega vedenja v izvoznem poslovanju podjetij.

Na dinamičnem in zelo konkurenčnem svetovnem trgu podjetja običajno izbirajo med dvema osnovnima strateškima pristopoma: globalno tržno usmerjenimi strategijami, ki predstavljajo standardizirano trženje, da bi dosegle ekonomije obsega in zagotovile skladnost blagovne znamke na različnih trgih; in prilagodljivimi tržno usmerjenimi strategijami, ki tržna prizadevanja prilagodijo edinstvenim potrebam lokalnih trgov (Levitt, 1983; Zou in Cavusgil, 2002). Ta disertacija temeljito preučuje, kako se določanje prednostnih nalog strank ujema z globalnimi in prilagodljivimi strategijami, ter zagotavlja integriran okvir za uravnoteženje standardizacije in prilagajanja pri upravljanju odnosov s strankami (CRM, ang. customer relationship management). Študija je še posebej pomembna za slovenska izvozno usmerjena podjetja, ki morajo krmariti po raznolikih mednarodnih trgih z različnimi nivoji konkurenčnosti. Z analizo kvalitativnih in kvantitativnih podatkov raziskava ponuja praktične vpoglede v to, kako lahko podjetja strateško prednostno obravnavajo stranke, da bi povečala izvozno uspešnost in ohranila globalno konkurenčnost.

Ugotovitve razkrivajo štiri ključne teme, ki so ključne za določanje prednostnih strank: strateške taktike, dobičkonosnost mednarodnih strank, odnosi med sedežem in hčerinsko družbo ter upravljanje odnosov s strankami. Raziskava poudarja pomen prilagojenih strategij v različnih tržnih kontekstih in poudarja, kako lahko podjetja uravnotežijo stroškovno učinkovitost globalnih strategij s prednostmi prilagodljivih strategij, ki so povezane z zadovoljstvom strank. To ravnovesje je ključnega pomena za podjetja, ki želijo okrepiti odnose s strankami, izboljšati zadovoljstvo in zvestobo ter na koncu doseči dolgoročni uspeh na mednarodnih trgih. S celovito analizo, kako lahko podjetja uskladijo svoje strategije s prednostnim obravnavanjem strank, ta raziskava zagotavlja dragocene smernice za izvozno usmerjena podjetja, ki si prizadevajo izboljšati svojo uspešnost na globalnih trgih in ohraniti trajnostno konkurenčno prednost.

Namen te doktorske disertacije je raziskati in poglobiti razumevanje tega, kaj je prioritizacija kupcev in kakšne so njene posledice za poslovne strategije na mednarodnih trgih, ali standardizirana ali prilagodljiva tržna usmerjenost spodbuja uspešnost, kako prioritizacijo kupcev razumejo menedžerji mednarodnega trženja in katere so ključne sestavine tega koncepta. Globalne in prilagoditvene strategije so obravnavane v literaturi o mednarodnem trženju. Levitt (1983) je predstavil idejo globalizacije s prepričanjem, da bi morala podjetja standardizirati izdelke, da bi zadovoljila univerzalne potrebe. Zou in Cavusgil (2002) predstavljata bolj diferenciran pogled, saj predlagata, da bodo podjetja morda morala sprejeti prilagoditvene strategije, da bi se odzvala na razmere na lokalnem trgu. V strategijah, usmerjenih v globalni trg, se koncept kupca običajno osredotoča na univerzalne potrebe kupcev, ki presegajo regionalne razlike. Podjetje, ki sprejme to strategijo, verjame, da je osnovni sklop želja strank (kot sta kakovost ali inovativnost) skupen vsem trgom, zaradi česar standardizira izdelke in trženjska sporočila. Podobno bi usmerjenost k strankam v globalnem pristopu pomenila odzivanje na enoten nabor globalnih pričakovanj strank. Pri določanju prednostnih nalog za stranke bi lahko podjetja razvrstila segmente strank na globalni ravni in poudarila velike, strateško pomembne skupine strank, ki obstajajo na več trgih.

Nasprotno pa prilagodljive tržno usmerjene strategije vključujejo prilagajanje koncepta strank določenim lokalnim trgom. Pri tem se podjetje osredotoča na razumevanje različnih potreb strank v različnih regijah in temu ustrezno prilagaja svojo ponudbo. Usmerjenost k strankam v prilagodljivi strategiji pomeni bolj granularen pristop, kjer so povratne informacije strank lokalizirane, izdelki ali storitve pa so prilagojeni regionalnim zahtevam. Kar zadeva prednostno razvrščanje strank, bi prilagodljiva strategija vključevala prednostno razvrščanje različnih segmentov strank glede na lokalni kontekst, pri čemer se določene skupine strank štejejo za bolj dragocene na enem trgu kot na drugem, kar omogoča bolj diferencirano dodeljevanje virov.

Do zdaj, vsaj po mojem vedenju, še nobena raziskava ni temeljito preučila prednostnega razvrščanja strank in tržno usmerjenega vedenja skozi prizmo globalnih in prilagodljivih strategij. Ta študija z raziskovanjem, kako prioritizacija strank sodeluje s temi strateškimi usmeritvami, prispeva k globljemu teoretičnemu razumevanju, kako lahko podjetja uravnotežijo standardizacijo in prilagajanje pri upravljanju odnosov s strankami. To raziskovanje bo zapolnilo vrzel v literaturi in ponudilo dragocen vpogled podjetjem, ki se spopadajo z vprašanjem, ali uporabiti globalni ali prilagoditveni pristop, zlasti na izvozno usmerjenih trgih, s kakršnimi se soočajo slovenska podjetja.

Raziskovalni problem postane še posebej pomemben, če upoštevamo izvozno odvisnost slovenskih podjetij, od katerih se mnoga za svojo rast in preživetje močno zanašajo na mednarodne trge. Ta podjetja se pogosto soočajo z izzivom izbire med globalno in prilagodljivo tržno usmerjeno strategijo, da bi optimizirala svoje izvozne dejavnosti. Zaradi razmeroma majhnega domačega trga se slovenska podjetja pogosto širijo na raznolike mednarodne trge, kjer morajo uravnotežiti prednosti standardizacije - kot so prihranki stroškov in doslednost blagovne znamke - s potrebo po lokalnem prilagajanju za izpolnjevanje različnih preferenc porabnikov. Ta stalna strateška dilema ni edinstvena za slovenska podjetja, temveč se z njo sooča večina izvozno odvisnih podjetij po vsem svetu. Vrednost te študije je v njenih praktičnih posledicah: s preučevanjem učinkovitosti globalnih in prilagoditvenih tržno usmerjenih strategij ponuja spoznanja, ki lahko slovenskim podjetjem - in drugim v podobnem položaju - svetujejo, kako se učinkoviteje približati kupcem na mednarodnih trgih. Ugotovitve bodo podjetjem pomagale pri sprejemanju bolj celovitih strateških odločitev, kar bi lahko povečalo njihovo uspešnost in konkurenčnost na globalnem trgu.

Namen te doktorske disertacije je primerjati globalne in prilagodljive tržno usmerjene vedenjske strategije v izvoznih dejavnostih podjetij, s posebnim poudarkom na njihovem vplivu na prednostno obravnavo strank. S preučevanjem slovenskih izvoznih podjetij želi ta raziskava zagotoviti vpogled v učinkovitost teh strategij v različnih tržnih kontekstih. Poleg tega ponuja priporočila, kako lahko podjetja izboljšajo svoje tržno usmerjeno vedenje, da bi se bolje uskladila s potrebami strank, kar bi na koncu izboljšalo njihov konkurenčni položaj na globalnem trgu (Cadogan, Diamantopoulos in Siguaw, 2002). Prav tako je namen te doktorske disertacije raziskati in zagotoviti globlje razumevanje, kako globalne in prilagodljive strategije tržno usmerjenega vedenja vplivajo na izvozno uspešnost v izvoznih dejavnostih podjetij. Na vse bolj povezanem in konkurenčnem globalnem trgu se podjetja, zlasti tista v izvozno odvisnih gospodarstvih, kot je Slovenija, nenehno spopadajo z izzivom usklajevanja svojih strategij, da bi zadovoljila različne potrebe strank in hkrati ohranila učinkovitost poslovanja.

Sistematičen pregled literature o tem konceptu nam lahko da široko sliko o njegovem razvoju, opravi raziskavo o razvoju koncepta prednostne obravnave strank, poda pomembne opredelitve in definicije pojma ter izlušči glavne dejavnike vpliva in posledic (Paul in Criado, 2020). Ugotovitve tovrstne metodologije lahko pomagajo zagotoviti tudi nove poti za prihodnje raziskave. Koncept prednostnega razvrščanja strank je zelo pomemben na poslovnem in trženjskem področju in lahko po izvedbi prinese plodne rezultate, zato je ta koncept ključen za raziskovanje. Sekundarni podatki so bili zbrani s poglobljenim sistematičnim pregledom literature znanstvenih člankov, čemur je sledila sinteza glavnih ugotovitev. Ta del je bil analiziran z uporabo opisne metode za povzemanje člankov s področij določanja prednosti strank.

Izvedla sem primarno raziskavo, kjer sem uporabila mešano raziskovalno metodo, saj sem zbrala tako kvalitativne kot kvantitativne podatke. Izbrana kvalitativna metoda so bili poglobljeni intervjuji, uporabljena kvantitativna metoda pa spletni vprašalnik za vodilne menedžerje izvozno usmerjenih podjetij.

Najprej sem opravila 13 intervjujev s slovenskimi izvozno usmerjenimi podjetji. Intervjuji so v povprečju trajali 45 minut, intervjuvanci pa so bili vodje prodaje in generalni direktorji. Vprašanja iz poglobljenih intervjujev so se navezovala na raznolike pristope pri prednostni obravnavi strank na tujih trgih. Namen poglobljenih intervjujev je bil dobiti vpogled v to, kako menedžerji razumejo prednostno obravnavo kupcev ter kakšne so različne strategije in taktike, ki jih uporabljajo za doseganje ciljev prednostne obravnave kupcev. Poleg tega so imeli intervjuvanci na voljo čas za podajanje premišljenih in poglobljenih odgovorov, kar mi je omogočilo celovit vpogled v obravnavano temo.

Drugič, da bi bolje razumeli dejavnike, ki vplivajo na koncept prednostnega obravnavanja strank v izvozno usmerjenih podjetjih, so bili podatki zbrani z anketo z vodilnimi menedžerji slovenskih podjetij. Zbrala sem odgovore 208 anketirancev iz različnih starostnih skupin, položajev in panog. Uporabljena je bila spletna anketa, pri čemer se moramo zavedati, da imajo lahko spletne ankete težave z veljavnostjo zaradi izbire vzorca, pomanjkljivega nadzora kakovosti anketiranca in slabe zasnove ankete, kar lahko privede do nižje stopnje odzivnosti (Kumar et al., 2018). V svoji raziskavi sem uporabila spletne vprašalnike z vprašanji z več možnostmi izbire, odprtimi in zaprtimi vprašanji, vključno z Likertovo lestvico, da bi pridobila celovit vpogled v dojemanje in stališča strank. Vprašalnik je bil razvit na podlagi predhodno uveljavljenih lestvic v literaturi in predhodno preizkušen na vzorcu 10 vodstvenih delavcev. Po manjših spremembah je bil vprašalnik po elektronski pošti poslan 1067 podjetjem, ki so bila na seznamu podatkovne baze SloExport, pred tem pa je bil opravljen telefonski klic, da bi se povečala stopnja odzivnosti. Izbrano je bilo namensko vzorčenje, ker so me zanimala izvozno usmerjena podjetja, vsaka druga tehnika vzorčenja pa bi lahko vključevala podjetja, ki sploh ne poslujejo na tujih trgih. Po nekaj krogih opominjanja je zbiranje podatkov trajalo približno štiri mesece v obdobju med avgustom in decembrom 2023. Zbrala sem 208 vprašalnikov, kar pomeni 20-odstotno stopnjo dejanskega odziva.

Iz moje kvalitativne raziskave so izšle štiri *glavne teme*: taktike in strategije določanja prednosti, dobičkonosnost mednarodnih strank, odnosi med sedežem in podružnicami ter upravljanje odnosov s strankami. Trdim, da so to ključni elementi, ki določajo strategije prednostnega razvrščanja strank na tujih trgih. Še več, predvidevam, da izbira taktik in strategij določanja prednosti vpliva na donosnost mednarodnih strank, ki skupaj z odnosi med sedežem in podružnico tvorijo uspešno upravljanje odnosov s strankami. Poleg tega lahko trdimo, da lahko nekatere kategorije prvega reda, ki tvorijo te štiri opredeljene teme, obravnavamo kot oblike prednostnega razvrščanja strank (npr. segmentacija strank, prilagajanje, personalizacija), nekatere kot vhodne podatke za razvoj strategije prednostnega razvrščanja strank (npr. analiza vrednosti strank, upravljanje tveganj) in nekatere kot rezultate prednostnega razvrščanja strank (npr. zvestoba, zadovoljstvo in zadržanje strank, strateško prilagajanje).

Podjetja, ki so bila vključena v raziskavo, razkrivajo, da se njihove **taktike in strategije prednostnega razvrščanja** razlikujejo glede na dejavnike, kot so proizvodna linija, velikost podjetja stranke, pomembnost panoge in pomen tujih trgov - v bistvu kontekstualni okvir prednostnega razvrščanja. Zato trdimo, da je treba k segmentaciji strank pristopiti v dveh korakih: prvič, opredeliti segmente znotraj vsakega od teh štirih ključnih dejavnikov neodvisno; in drugič, razbrati skupne značilnosti med opredeljenimi segmenti znotraj teh štirih dejavnikov, da se oblikujejo globalni segmenti. Nato bi bilo treba dodeljevanje virov uskladiti z opredelitvijo najpomembnejših segmentov strank, kjer ravni prilagajanja in personalizacije presegajo ravni drugih segmentov.

Ocenjevanje **donosnosti mednarodnih strank** zajema spekter metodologij, ki segajo od splošnih načel obvladovanja tveganj do bolj diferenciranih pristopov, kot je izračun stroškov na podlagi dejavnosti (ABC), ki stranke razvršča v skupine A, B in C, skupaj z analizo vrednosti strank. Opazen trend razkriva vse večje zanašanje na sodobno podatkovno analitiko in tehnološki napredek - vključno z velikimi podatki, umetno inteligenco, veriženjem blokov in strojnim učenjem - za natančno razporejanje dobička posameznim strankam, s čimer se izboljšujejo ocene dobičkonosnosti. Medtem ko nekatera podjetja sprejemajo strategije določanja prednostnih nalog strank z izrecnim ciljem krepitve kratkoročne dobičkonosnosti - kot so dajanje prednosti podpori, prodaji navzgor in navzkrižni prodaji - pa naša raziskava izpostavlja opazne razlike v strategijah določanja prednostnih nalog strank, ki jih podjetja uporabljajo glede na svojo kratkoročno in dolgoročno usmerjenost. Zlasti dolgoročno usmerjeni pristopi, kot so trženje na podlagi odnosov, programi zvestobe strank in upravljanje uspešnosti strank, so prednostni za nekatera podjetja, ki si prizadevajo za trajno dobičkonosnost in ohranitev strank.

Predvidevam, da je treba na mednarodnem prizorišču strategije prednostnega razvrščanja strank prilagoditi v skladu z načinom vstopa podjetij na tuje trge. Seveda podjetja, ki se na tuje trge podajajo s hčerinskim podjetjem, takšne trge obravnavajo kot ključne z velikim potencialom rasti. Zato je treba strankam na teh trgih dati prednost pred tistimi na trgih, na katere podjetje vstopa prek zastopnikov, distributerjev ali drugih načinov vstopa, ki zahtevajo manj virov. V skladu s tem menimo, da so **odnosi med sedežem in hčerinsko družbo** ključni dejavnik strategije dajanja prednosti strankam. Hčerinske družbe imajo ključno vlogo pri oblikovanju ustreznih strategij prednostnega razvrščanja strank na tujih trgih, saj zagotavljajo povratne informacije o uspešnosti in prenašajo vpogled v posebne potrebe in želje tujih strank na sedež in druge hčerinske družbe. Učinkovitost tega procesa je odvisna od sposobnosti podružnice, da uveljavlja svoj glas in zagotovi, da ga druge zainteresirane strani slišijo in upoštevajo, skupaj z razvojem učinkovitih komunikacijskih kanalov. Vodje izvozne prodaje so poudarili avtonomijo podružnic kot temelj organizacijske strukture mednarodnih podjetij, ki olajšuje razvoj strategij določanja prednostnih nalog mednarodnih strank. Nazadnje, strateška usklajenost se kaže kot predpogoj in posledica učinkovitega določanja prednostnih nalog za stranke na ravni tujih podružnic. Predpogoj je, ker se morajo hčerinska podjetja uskladiti s cilji, kodeksi ravnanja, strategijami in korporativno kulturo sedeža. Nasprotno pa je posledica, saj lahko učinkovito dajanje prednosti strankam okrepi dobičkonosnost podružnice, poveča njen strateški pomen ter okrepi usklajenost s sedežem in drugimi mrežami podružnic.

Nenazadnje pa rezultati poglobljenih intervjujev pojasnjujejo vlogo strategije določanja prednosti strank pri negovanju trajnih odnosov s strankami, kar je pojav, ki se običajno imenuje **upravljanje odnosov s strankami**. Ugotavljamo, da se zvestoba strank kaže kot ključni dejavnik, pri čemer se nekatera podjetja odločajo za prednostno obravnavo strank na podlagi njihove obstoječe zvestobe, hkrati pa priznavajo, da lahko zvestoba izhaja tudi iz višjih ravni zadovoljstva strank, kar pogosto občutijo stranke, ki so deležne prednostne obravnave. Če povzamem, lahko učinkovite strategije prednostnega razvrščanja strank povečajo stopnjo zadrževanja strank in spodbujajo večjo nagnjenost strank k ponavljajoči se potrošnji.

Ugotovitve ponujajo dragocen vpogled v prednostno obravnavo strank v mednarodnem kontekstu in dopolnjujejo obstoječe trženjske raziskave. Doktorska disertacija poudarja, kako posebne taktike in strategije določanja prednosti strank vplivajo na strukturo in učinkovitost upravljanja odnosov s strankami (CRM). Na primer, določanje prednosti strank narekuje vrsto in pogostost interakcij z različnimi segmenti strank (Peng et al., 2012). Stranke z visoko prioriteto so običajno deležne pogostejše in bolj personalizirane komunikacije, medtem ko so stranke z nižjo prioriteto vključene v standardizirane in manj pogoste interakcije, kar oblikuje zaznavanje strank in kakovost odnosov (Venkatesan in Kumar, 2004). Poleg tega je določanje prednosti strank temelj prizadevanj za segmentacijo in ciljno usmerjanje, kar podjetjem omogoča razvrščanje strank glede na njihovo vrednost in donosnost ter s tem prilagajanje strategij CRM in učinkovito razporejanje virov (Peng et al., 2012; Farhan et al., 2018). Ta ciljno usmerjeni pristop ne le optimizira prizadevanja za CRM, temveč tudi povečuje donosnost, saj zagotavlja, da so najbolj dragocene stranke deležne usmerjene pozornosti in storitev, ki spodbujajo dolgoročne odnose. Učinkovite strategije določanja prednostnih nalog strank so zato sestavni del doseganja uspeha CRM.

Ugotovitev, da taktike in strategije prednostnega razvrščanja strank pomembno vplivajo na donosnost mednarodnih strank, je dobro podprta v trženjski literaturi. Lee in Griffith (2019) na primer poudarjata pomen dodeljevanja virov najbolj donosnim strankam in poudarjata, da osredotočanje trženjskih prizadevanj na segmente z visoko vrednostjo prinaša večje donose. Takšna prioritizacija povečuje zadovoljstvo in zvestobo strank, kar na koncu vodi k večji prodaji in dobičkonosnosti (Homburg et al., 2008). Mathur in Kumar (2013) nadalje poudarjata, da lahko povezovanje določanja prednosti strank z dinamiko odnosov izboljša njihovo lojalnost, kar pozitivno vpliva na dobičkonosnost. Poleg tega je analiza življenjske vrednosti stranke (CLV; ang. customer lifetime value) ključna za razumevanje dobičkonosnosti na mednarodnih trgih (Venkatesan in Kumar, 2004). Empirični dokazi družbe McKinsey kažejo, da lahko izboljšanje izkušenj strank več kot podvoji rast v primerjavi s konkurenco v panogi (Bough et al., 2023). Prednostno obravnavanje spodbuja dobičkonosnost z mehanizmi, kot je „proces, ki ga poganja hvaležnost", kjer prilagojene ugodnosti in prilagojene izkušnje spodbujajo zvestobo, ponovne nakupe in pozitivno govorjenje od ust do ust, zlasti v mednarodnih kontekstih, ki zahtevajo krepitev zaupanja (Wetzel et al., 2014; Blattberg et al., 2009; Ain et al., 2024). Vendar se lahko dajanje prednosti obrne v nasprotno smer, če privede do upravičenosti strank ali dojemanja nepravičnosti, zlasti v kulturno raznolikih okoljih, kjer se dojemanje pravičnosti razlikuje (Wetzel et al., 2014; Butori & De Bruyn, 2013; Newman et al., 2019). Prilagojene interakcije so bistvene za krepitev odnosov in sprožanje hvaležnosti, saj standardizirani pristopi pogosto ne prinesejo pomembnih rezultatov, kar poudarja potrebo po prilagodljivosti na mednarodnih trgih (De Wulf et al., 2001; Ruz-Mendoza et al., 2021). Tako je dinamično medsebojno vplivanje med taktikami določanja prednosti in donosnostjo mednarodnih strank ključnega pomena za podjetja, ki si prizadevajo za uspeh na konkurenčnih globalnih trgih. Vendar pa je razmeroma malo znanega o tem, kako se posamezne razsežnosti prednostne obravnave in dobičkonosnosti, kot so kontekstualni vplivi na obvladovanje tveganj, medsebojno prepletajo in oblikujejo uspešnost mednarodnih podjetij.

Kvantitativna raziskava mi je omogočila vpogled v odnos med globalnimi standardiziranimi strategijami (globalna tržna usmerjenost) in prilagodljivimi strategijami obravnave strank (prilagodljiva tržna usmerjenost) ter izvozno uspešnostjo slovenskih podjetij. Pri tem sem proučevala, kako formalizacija in centralizacija ter dinamično poslovno okolje vplivajo na to povezavo. Rezultati kažejo, da globalna tržna usmerjenost pozitivno vpliva na izvozno uspešnost ($\beta = .24$; $t = 2.72$), prilagodljiva tržna usmerjenost pa negativno ($\beta = -.15$; $t = -1.97$). Raziskava prav tako ugotavlja, da povečana formalizacija zmanjšuje vpliv globalne tržne usmerjenosti na izvozno uspešnost ($\beta = -.51$; $t = -2.09$), medtem ko vloga formalizacije pri odnosu med prilagodljivo tržno usmerjenostjo in izvozno uspešnostjo ni pokazala statistično značilnih vplivov. Rezultati tudi kažejo, da povečana dinamičnost poslovnega okolja povečuje vpliv globalne tržne usmerjenosti na izvozno uspešnost ($\beta = .51$; $t = 2.62$), medtem ko podobno kot prej, ta vpliv pri odnosu med prilagodljivo tržno usmerjenostjo in izvozno uspešnostjo ni bil zaznan. Proučevanje vloge centralizacije ni obrodilo statistično značilnih rezultatov. Ugotovili smo tudi pomembne razlike med spoloma pri oceni formalizacije (povprečje za moške = 4,44 in ženske 4,87; lestvica od 1 – popolnoma se ne strinjam, do 5 – popolnoma se strinjam) in centralizacije (povprečje za moške = 4,21 in ženske 4,72; enaka lestvica kot prej). To pomeni, da so anketiranke ocenjevale večjo formalizacijo in centralizacijo svojega podjetja v primerjavi s svojimi moškimi kolegi. Primerjava med panogami ni pokazala nobenih pomembnih razlik. Prav tako ni statističnih razlik v odgovorih med podjetji, ki imajo ločen oddelek za mednarodno trženje, in tistimi, ki ga nimajo.

Ta doktorska disertacija predlaga, da donosnost mednarodnih strank pomembno oblikuje strategije CRM, kar je v skladu z ugotovljenim vplivom donosnosti na razporejanje virov (Homburg et al., 2008). Podjetja pogosto dajejo prednost odnosom s strankami na podlagi CLV, ki je napovedna metrika dolgoročne donosnosti (Venkatesan in Kumar, 2004; Blattberg et al., 2009). Z osredotočanjem virov na stranke z visoko CLV lahko podjetja optimizirajo prizadevanja za CRM in povečajo donosnost na mednarodnih trgih (Rust et al., 2004). Ta pristop vključuje prepoznavanje donosnih segmentov čezmejnih strank in strateško razporejanje naložb v trženje za izpolnjevanje njihovih posebnih potreb (Venkatesan in Kumar, 2004). Model storitveno-profitne verige dodatno poudarja potrebo po uskladitvi praks CRM z merili dobičkonosnosti za izboljšanje rezultatov (Hogreve et al., 2017). Razvijanje ciljno usmerjenih strategij CRM za mednarodne stranke visoke vrednosti pogosto vključuje ponudbo ekskluzivnih ugodnosti, osebno komunikacijo in proaktivne storitve, ki spodbujajo zvestobo in zadržanje strank (Kim & Baker, 2020). V bistvu zadovoljstvo, zadržanje in zvestoba donosnih strank potrjujejo izvajanje ciljno usmerjenih pobud CRM.

Dinamika odnosov med sedežem in hčerinsko družbo je ključnega pomena pri oblikovanju praks CRM v multinacionalnih podjetjih. Učinkovita strateška usklajenost med sedežem in hčerinskimi družbami zagotavlja, da so pobude CRM skladne s cilji podjetja in se odzivajo na razmere na lokalnem trgu. Dejavniki, kot so usklajevanje, nadzor in obvladovanje konfliktov, pomembno vplivajo na uspešnost teh odnosov (Roth in Nigh, 1992). Prenos znanja s sedeža na podružnice povečuje učinkovitost CRM z izmenjavo najboljših praks in globalnih vpogledov v stranke, kar na koncu izboljša zadovoljstvo in zvestobo strank (Jean et al., 2015). Ta proces je še posebej pomemben v mednarodnem okolju, kjer se podružnice srečujejo z različnimi izzivi in priložnostmi, ki zahtevajo prilagojene strategije CRM. Centrala lahko podružnice usmerja z vpogledom v globalne trende, učinkovitimi taktikami določanja prednostnih nalog in kulturno prilagojenimi pristopi CRM, medtem ko podružnice nudijo pomemben prispevek s prilagajanjem praks CRM na podlagi dinamike lokalnega trga in želja strank. Za uspešno določanje prednostnih nalog strank je potrebna „selektivna organizacijska uskladitev“ med sedežem in podružnicami (Homburg et al., 2008). Ta pristop usklajuje centralizirano strateško vodenje z decentralizirano avtonomijo, kar podružnicam omogoča, da prilagodijo prizadevanja na področju CRM, hkrati pa ohranjajo skladnost s krovnimi cilji podjetja. Z vzpostavitvijo tega ravnovesja lahko multinacionalke povečajo učinkovitost svojih strategij CRM in spodbujajo večje zadovoljstvo strank.

Doktorska disertacija nudi pomemben prispevek k literaturi o določanju prednostnih nalog strank, saj ugotavlja, da je strukturni položaj hčerinske družbe znotraj multinacionalk ključni dejavnik, ki vpliva na določanje prednostnih nalog strank v mednarodnem okolju. Ta koncept se ujema s konceptoma *teže* in *glasu* podružnic avtorjev Bouqueta in Birkinshawa (2008), ki preučujeta, kako tuje podružnice pridobivajo pozornost sedeža podjetja. V svoji doktorski disertaciji razumem *glas* in *težo* podružnice kot dejavnike ali mehanizme, prek katerih se v mednarodnih podjetjih izvaja določanje prednostnih nalog za stranke. V tem kontekstu je podružnica z večjim *glasom* in *težo v* boljšem položaju, da učinkovito služi strankam. Natančneje, *sposobnost v* tem smislu se nanaša na sposobnost hčerinskega podjetja, da se hitreje odzove, pokaže večjo pozornost do strank ter bolje izpolnjuje njihove potrebe in želje v primerjavi s hčerinskim podjetjem z manjšim *glasom* in *težo*. Na primer, odvisno podjetje A, ki ima večji *glas* in *težo* kot odvisno podjetje B, bo verjetno imelo večjo odzivnost in sposobnost osredotočanja na stranke, kar bo omogočilo boljše storitve za stranke. To razumevanje lahko razširi teorijo odnosov med sedežem in hčerinsko družbo ter poudari potrebo po interdisciplinarni oceni prednostnega obravnavanja strank, ki bi vključevala stališča strokovnjakov s področja trženja in mednarodnega poslovanja.

Prilagodljiva trženjska usmerjenost ima lahko včasih nenamerne posledice za uspešnost izvoza strank, saj v strategije podjetja vnaša nedoslednost in preusmerja dragocene vire stran od doseganja dolgoročnih ciljev. Čeprav so prilagodljive strategije zelo učinkovite pri povečanju odzivnosti in prilagodljivosti podjetja na kratek rok, lahko dolgoročno povzročijo tudi izzive. Raziskava Chena in drugih (2021) kaže, da agilnost, ki jo ponujajo prilagodljivi trženjski pristopi, čeprav je koristna v smislu takojšnje odzivnosti na trgu, lahko povzroči težave pri razporejanju virov, ki na koncu ogrozijo razvoj dolgoročnih odnosov s strankami. Natančneje, te strategije lahko povzročijo pomanjkanje osredotočenosti na ohranjanje zaupanja in zvestobe v daljšem časovnem obdobju, ki sta bistvena za ohranjanje trajnih odnosov s strankami na konkurenčnih izvoznih trgih. Zato morajo podjetja, ki uporabljajo prilagoditvene strategije, skrbno uravnotežiti kratkoročne prednosti, ki jih ponujajo, kot je hitro prilagajanje spremembam na trgu, z zavezanostjo k stabilnosti in doslednosti svojih strategij sodelovanja s strankami. To ravnovesje je ključnega pomena za zagotovitev, da dolgoročna zvestoba in zaupanje, ki ju stranke nudijo podjetju, nista ogrožena zaradi zasledovanja kratkoročnih koristi.

Poleg tega lahko visoka stopnja formalizacije v organizacijski strukturi podjetja prav tako oslabi učinkovitost globalne tržne usmerjenosti, saj zmanjšuje sposobnost podjetja, da ostane prilagodljivo, in zavira inovacije. Formalizirane strukture, ki sicer zagotavljajo operativno učinkovitost in nadzor, lahko ovirajo ustvarjalnost in odzivnost - dva ključna elementa za podjetja, ki želijo uspeti na hitro spreminjajočih se svetovnih trgih. Raziskava Smitha in drugih

(2022) razkriva, da toge strukture pogosto zavirajo pretok inovativnih idej in odzivnost na zahteve trga, ki sta bistvena za ohranjanje konkurenčnosti na svetovnem trgu. Zato se lahko podjetja, ki se zanašajo na visoko formalizirane strukture, znajdejo v slabšem položaju, ko gre za hitro odzivanje na nove trende, zahteve strank in nastajajoče tržne priložnosti.

Glede na te izzive so hibridni organizacijski modeli, ki spodbujajo tako prilagodljivost kot ustvarjalnost, vse bolj v ospredju kot potencialno učinkovitejša rešitev. Z združevanjem elementov centraliziranih in decentraliziranih struktur ti modeli podjetjem omogočajo, da se bolj dinamično odzivajo na spremembe na trgu, hkrati pa ohranjajo strateško doslednost. Garcia in Lin (2023) trdita, da hibridni modeli spodbujajo kulturo inovativnosti in agilnosti ter podjetjem omogočajo, da svoje strategije prilagodijo razmeram na lokalnem trgu, hkrati pa zagotavljajo skladnost z globalnimi cilji podjetja. Prožnost, ki je značilna za takšne modele, podjetjem pomaga bolje krmariti med nepredvidljivimi spremembami na trgu in ohranjati konkurenčnost v različnih regijah.

Poleg tega se zdi, da spodbujanje dinamičnega notranjega okolja, ki spodbuja nenehno prilagajanje in povezovanje, povečuje koristi globalne tržne usmerjenosti. Podjetja, ki aktivno vlagajo v orodja, tehnologije in razvoj delovne sile za organizacijsko prilagajanje, so bolje opremljena za usklajevanje notranjih sprememb s spreminjajočimi se zahtevami zunanjega trga. Po podatkih Wanga in drugih (2022) imajo podjetja, ki dajejo prednost stalnemu razvoju tehnologije, usposabljanju vodij in znanju zaposlenih, večjo verjetnost, da bodo ohranila konkurenčno prednost na dinamičnih svetovnih trgih. To stalno vlaganje v notranji razvoj ne le povečuje sposobnost podjetja, da se odziva na spremembe, temveč prispeva tudi k izboljšanju splošne uspešnosti v vse bolj povezanem svetu.

Zanimivo je tudi, da raziskave kažejo, da centralizacija ali obseg, v katerem je odločanje skoncentrirano v višjih slojih podjetja, nima pomembnega vpliva na tukaj obravnavane odnose. To kaže, da so lahko tako centralizirane kot decentralizirane organizacijske strukture učinkovite, če so usklajene z operativnimi cilji in strateškimi prednostnimi nalogami podjetja. Ta ugotovitev se ujema z nedavnimi študijami (npr. Lee et al., 2021), ki poudarjajo pomen strukturne usklajenosti s strateškimi cilji podjetja. Pri organizacijski strukturi ni univerzalnega pristopa, zato morajo podjetja prednostno oblikovati strukture, ki podpirajo njihove edinstvene operativne zahteve. Na primer, zelo centralizirana struktura lahko dobro deluje v podjetjih, ki se globalno osredotočajo na ohranjanje stroge doslednosti na trgih, medtem ko je decentraliziran model morda primernejši za podjetja, ki delujejo na raznolikih in zelo lokaliziranih trgih.

Globalna tržna usmerjenost ima pomembno vlogo pri spodbujanju uspeha novih izvoznih izdelkov, saj omogoča boljše prilagajanje izdelka trgu in spodbuja inovacije. Raziskava Pereza in drugih (2022) poudarja, da lahko podjetja z uporabo napredne analitike in povratnih informacij strank bistveno izboljšajo usklajenost med svojo ponudbo izdelkov in različnimi potrebami strank. Na podatkih temelječi pristopi, kot so ankete med strankami, testiranje izdelkov in tržna analitika, podjetjem pomagajo bolje razumeti preference porabnikov in prilagoditi svoje izdelke, da bi izpolnili te zahteve. Z uporabo teh vpogledov pri razvoju izdelkov in tržnih strategij lahko podjetja izboljšajo svojo odzivnost in položaj na trgu.

Poleg tega sprejetje pristopov, ki temeljijo na podatkih, podjetjem omogoča učinkovitejše inovacije z ugotavljanjem trendov, vrzeli na trgu in priložnosti za diferenciacijo. To lahko privede do bolj prilagojenih izkušenj strank in večjega zadovoljstva strank, kar je bistveno za dolgoročni uspeh na svetovnem trgu. Vendar se je treba zavedati omejitev raziskovalnih pristopov uporabljenih v tej doktorski disertaciji, ki lahko zagotovijo le posnetek trenutnega stanja. Prihodnje raziskave bi morale upoštevati longitudinalne modele, ki lahko zajamejo spreminjajočo se naravo izvozne uspešnosti skozi čas, ter vključiti večji nabor malih in srednje velikih podjetij (MSP), da bi pridobili širše razumevanje o tem, kako različne vrste podjetij upravljajo strategije globalnega trga. MSP imajo lahko drugačno dinamiko izvoznih dejavnosti kot velika podjetja, zato se njihovo dojemanje in praktična vpeljava koncepta prednostne obravnave strank lahko tudi razlikujeta.

Poleg tega je treba v vsaki celoviti analizi dejavnikov uspešnosti na svetovnih trgih upoštevati tudi zunanje dejavnike, kot so geopolitična tveganja, regulativne spremembe in gospodarski premiki. Ti dejavniki lahko spremenijo razmere na trgu in vplivajo na vse, od dobavnih verig do vedenja potrošnikov. Kot ugotavljata Ahmed in Zhou (2023), je razumevanje teh zunanjih vplivov in njihovo vključevanje v strateško načrtovanje bistveno za podjetja, ki želijo uspešno krmariti po zapletenosti globalnega trga. Z upoštevanjem teh dejavnikov se lahko podjetja bolje pripravijo na morebitne motnje in razvijejo odpornejše in prilagodljivejše strategije.

Zaključimo lahko, da prilagodljive trženjske strategije sicer ponujajo pomembne prednosti v smislu prilagodljivosti in odzivnosti, vendar morajo podjetja te kratkoročne prednosti uravnotežiti z dolgoročno usmeritvijo v stabilnost, zvestobo strank in dosledne inovacije. S sprejetjem hibridnih organizacijskih modelov, vlaganjem v stalni notranji razvoj in uporabo pristopov, ki temeljijo na podatkih, za usklajevanje izdelkov s potrebami strank, lahko podjetja izboljšajo svojo uspešnost na svetovnem trgu in se bolje spopadajo z izzivi, ki jih prinaša vse bolj dinamično in konkurenčno poslovno okolje.

Appendix 2: In- depth interviews

I have received verbal informed consent from participants and took care in the analysis and presentation of the results to ensure their anonymity is maintained.

Questions

Dear colleague!

Today I will make with you interview with respect to the relations between your company and export ventures and the major product of your company. The interview will be about international activities about the firm they work for. There are no “right” or “wrong” answers; we are only interested in your personal opinions. This interview plan will be in a flexible manner. It can be adapted, if necessary, to the topics the interviewer seeks to explore, the type of informant being interviewed, and so forth. I appreciate your time and help. Semi-structured interviews should last from 60 to 90 minutes. We value your feedback, and we’ll keep all of your answers anonymous. All the information collected will be treated in the strictest confidence and resultes will be treated anonymously.

Name of the company?

Position, since when?

How many years in total you work for this company?

Year of establishment?

Industry?

No. of employees?

Total sales last year / are sales growing, declining or staying stable?

Total international (export) sales last year / are (export) sales growing, declining or staying stable?

Number of years the company is active in export/International marketing?

How your company view on the international activities, whether in terms of countries, products or both? How they view the venture, is it somehow different than the theory says: a given product in a given country.

How many markets you are present in?

What is the main international destination country for the product for which the questionnaire will be filled in?

How do you understand “product”, “product lines” in your company? Is it similar to Apple case?

For you is it better to talk about venture level or country level or export market you responsible for? For what you are responsible? Could you tell me more about this?

Your most common market/venture has (circle) high, moderate, low potential?

Does your firm follow the 80/20 rule (20% of markets generate 80% of revenue)?

Regularly how many ventures do you have, what is your most important product and market?

What is your least important product and market?

What is a typical market?

Why did you choose these?

How many countries are you personally responsible for sales in?

How many products are you personally responsible for selling?

Is in old market for your company? How many years?

Who is in charge of developing international marketing strategy and selection of markets you go to? Do you think this is the most efficient? Can you tell us more about it?

Do you think your firm is market oriented? How do you understand the concept of market orientation? Do you understand the concept of customer prioritization? What are the activities you perform to become more market oriented and to prioritize your customers?

For as market orientation is an approach to business that prioritizes identifying the needs and desires of consumers and creating products and services that satisfy them. Companies that have a market orientation consider the opinions and needs of their target market as a critical component of their research and development (R&D) for new products.

How and how much do foreign subsidiaries contribute to the success of the firm (weight)? How well are they integrated in the network? How is the communication and knowledge sharing between subsidiaries alone and towards headquarter? Are subsidiaries heard (voice)? When are they heard? Is it only when having problems or they contribute also to innovation? How do they divide subsidiaries in groups (for your understanding: countries, strategically important ones together, those who have own R&D vs the rest, etc.)?

How do they measure performance in foreign markets? What are the major KPIs they follow? At what level do they measure performance: subsidiary level, product level, foreign country level, product line level, etc.? Which of these levels is more important than the other?

How do you understand the venture in your company?

The table below represents the export activities of an exporting firm. Do you understand this table, would you like to add something?

The ticks identify which products the firm exports, and where it exports them too. (e.g. The v in column Product 1, row Market 1, indicates the firm exports Product 1 to Market 1). Shaded cells indicate that the firm does not export that product to that market. For instance, Product 3 is not exported to any market, it is sold only in the domestic market.

	Product 1	Product 2	Product 3	Product 4	Product 5
Domestic Market	V		V	V	
Export Market 1	V				V
Export Market 2				V	
Export Market 3		V			
Export Market 4				V	
Export Market 5		V			V

Appendix 3: Customer questionnaire

CUSTOMER PRIORITIZATION IN INTERNATIONAL MARKETS

The purpose of this study is to collect information on firms' customer prioritization decision in international markets. We aim to explore multiple dimensions and strategies of firms' customer prioritization and try to quantify multiple internal and external firm factors in order to identify common practices and outcomes. These data are necessary to complete the doctoral thesis.

Thank you for agreeing to participate in this study. All the information collected will be treated in the strictest confidence and the questionnaires will be treated anonymously. You may respond in complete frankness, all your answers will remain absolutely confidential, while final data presented at the aggregate level.

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SEB UL, Slovenia

Guidelines for completing the questionnaire:

Please answer all questions related to the relationship between your company and your international customers and the main export product of your company in the past 3 years. The products can be consumer goods (e.g. cars, clothes, refrigerators), industrial goods (e.g. pumps, electronic valves), raw materials (e.g. steel, wood, coffee) or services (e.g. business consulting, IT). International customers relate to the company representing your company in the main market abroad (agent, distributor, joint venture, your subsidiary, sales representative office, etc.)

What is the product and what is the main international destination for this product for which the questionnaire is to be completed?

Product: ______________________________

Country: _______________________________

Company abroad (drop down menu: agent, distributor, joint venture, own subsidiary, own sales representative office, other): _______________

Relationship duration with the company abroad (years):_______

Q1. We choose to prioritize the customers, by offering them some benefits, which we do not do for others (product, price, sales, processes, communication). Tick off those benefits.

Product

Offer of goods/services ☐

Offer of individualized goods/services ☐

Offer of additional services ☐

Price

Price level ☐

Price conditions (e.g., rebates, discounts) ☐

Flexibility of payment targets ☐

Sales

Distribution model (e.g., direct versus indirect, cross functional teams for serving customers) ☐

Quality of the sales personnel ☐

Frequency of contacts initiated by the sales force ☐

Processes

Rapidity of processes ☐

Flexibility of processes ☐

Transparency of processes ☐

Communication

Quality of information given to the customer's ☐

Timing of information transfer ☐

Costs of communication efforts ☐

Q2. Our customer international management strategy states that... (1 - strongly disagree to 7 - strongly agree).

Specific customers/customer segments obtain priority.

Customers/customer segments are served differently according to their importance.

The allocation of marketing and sales resources to customers/customer segments depends on their importance.

The form of customer care is differentiated according to the importance of customers/customer segments.

We invest in important customers/customer segments.

We want to build long-term relationships with important customers/customer segments.

Important customers/customer segments have to get more attention than less important ones.

A differentiated approach of customer care helps us to better exploit the potential of each customer (segment).

Clearly defined priorities concerning customers/customer segments are a means of augmenting the efficiency of customer care.

Q3. Please indicate your level of agreement with the following statements regarding customer faithfulness by using a scale from 1 (strongly disagree) to 7 (strongly agree).

Customer acquisition faithfulness
We pre-qualify customers according to their profit potential before deciding whether to contact them.
We pre-qualify customers on the basis of their customer acquisition cost and revenue potential.
We systematically present different offers to prospects based on the prospects profit potential.

Customer maintenance faithfulness
We engage in ongoing review of customer accounts to determine profit potential.
We systematically present different offers to existing customers based on their profit potential.
We systematically attempt to manage the expectations of our customers according to their profit potential.

Q4. Our firm…(1 – strongly disagree to 7 – strongly agree)

... allocates our best employees (e.g., most experienced, trained, intelligent) to our relationships with our best international customers.
... shares our best ideas (e.g., newest, most innovative) with our best international customers.
… allocates more financial resources (e.g., capital, cash) to the relationships with our best international customers.
… grants our best international customers the best utilization of our physical resources (e.g., equipment capacity, scarce materials).
… shares more of our capabilities (e.g., skills, know-how, expertise) with our best export customers.
… gave our best international customers better treatment than most other customers got.
… placed our best international customers higher up the priority list compared to other customers.
… gave some our best international customers faster service than most other customers got.

Q5. We identify specific international customer groups (differentiate customer groups from each other) based on their (1 – strongly disagree to 7 – strongly agree)...

Customer segmentation
We identify specific international customer groups based on the expected lifetime value/profitability of each customer for our firm.
We identify specific international customer groups based on their demographic characteristics (e.g., size, location, industry).
We identify specific international customer groups based on their buying behavior.

We identify specific international customer groups based on the customers' uses/applications of our goods/services.
We identify specific international customer groups based on the benefits that they expect from buying our goods/services.
We identify specific international customer groups based on the value that they expect to receive from buying our goods/services.
Customer prioritization & targeting
We prioritize customers that we have identified based on their expected importance for our firm.
We target our selling efforts to different customers.
We develop specific selling strategies for each targeted customer.
We have more than one sales force, which are targeted at different customer groups.
Relationship objectives & selling models
We set different relationship objectives for different customers.
We employ different selling models for selling to different customers.
When we set relationship objectives and develop selling models for a customer, we consider the customer's preferences.
When we set relationship objectives and develop selling models for a customer, we consider the costs and value associated with this customer.

Q6. Please indicate your agreement with the following statements regarding your international customers by using a scale (1 – strongly disagree to 7 – strongly agree)...

Belief in the Customer Concept
We believe that this firm's international customers cannot all be satisfied with the same set of products and services.
We believe that this firm's international customers should be identified and acquired one-by-one / individually.
We believe that this firm's international customers' responses to marketing actions should be observed at the individual level.
Interaction Response Capacity
Our firm has systems in place that record each customer's transactions (e.g., purchases, payments).
Our firm can identify all transactions pertaining to each individual customer.
Our firm possesses transaction information on individual customers at all times.
Our firm analyzes previous consumer transactions at the individual customer level to predict future transactions for that customer.
Customer Empowerment
Our firm encourages international customers to provide their opinions of its products or services to the firm.

Our firm encourages international customers to share opinions of its products or services with other customers.
Our firm encourages international customers to participate interactively in designing products and services.
Customer Value Management
Our firm has an excellent idea of what each individual customer in the international market has been contributing to its profits.
Our firm predicts what each individual customer in the international market will contribute to its profits in the future.
Our firm computes the revenue generated as a result of every marketing action directed at an individual customer in the international market.

Q7. How often have any of the following activities occurred over the previous five years? (indicate the level by choosing on a scale from 1 (to a very little extent) to 7 (to a great extent)
… the activities in our international markets influence the outcomes of the whole firm.
… work in our international markets is connected to the work in all our markets.
… the activities in the rest of the firm influence the outcomes in our international markets.
… our international markets depend on the effective functioning of the whole firm to keep performing their own tasks effectively.
… new products are developed in one international-market and then sold internationally.
… the international unit successful bids for corporate investments in foreign markets.
… the international unit successfully attracts new corporate investments in R&D or manufacturing in foreign markets.
… the international unit successfully proposes the transfer of manufacturing to a foreign market.
Our international operations have a history of delivering what has been promised to upper management.
Our international operations have a history of strong international management.
The credibility of our top international management is high.
Members of the international team (e.g., sales reps, purchasing agents, etc.) feel strong ties with the rest of the firm.
What this firm stands for is important to our international team.
Members of the international team behave the same as the rest of the firm.
Members of the international team behave like departmental representatives who were driven by their respective departmental agendas.
Members of the international team are committed to common project objectives.
Members of the international team value their membership in the firm.
Members of the international team feel that they have a personal stake in the success of the firm.
Our firm's international marketing managers involve other company managers in international marketing decisions.

Our firm's international marketing managers welcome the input of other company managers in international marketing decisions.
Our firm's international marketing managers work at developing connections with people in positions of authority throughout the firm.
Our firm's international marketing managers work with upper management to focus the international unit’s efforts towards meeting corporate goals and values (maintaining strategic alignment)

Q8. In our firm’s international operations (1 – strongly disagree to 7 – strongly agree)...
... even small matters have to be referred to someone higher up for a final answer.
... people have to ask their boss before they do almost anything.
... employees need to have the boss’ approval first.
For the people who do international marketing in this firm there is little action taken unless the decision fits with standard operating procedure.
For the people who do international marketing in this firm individuals frequently refer to the international unit as a “bureaucracy”.
For the people who do international marketing in this firm those who wish to make their own decisions are quickly referred to a policy manual.
For the people who do international marketing in this firm rules and regulations have a very important place in the unit’s operations.
For the people who do international marketing in this firm written records of everyone's job performance are kept.
International marketing personnel behave autonomously.
International marketing personnel are self-directed in pursuit of export opportunities.
International marketing personnel act independently to carry out their ideas through to completion.
Management approves of independent activities by international marketing personnel to develop new international opportunities.
The only thing you can be sure of in the way we structure our international operations (e.g., market research and selection, international strategy, entry mode selection) is that something is going to change.
The way we structure our international operations (e.g., market research and selection, international strategy, entry mode selection) keep changing.
We try to create small, autonomous units to encourage innovation and flexibility.
We frequently rotate people between different product areas.
The way we do things keeps changing.
You can never tell when you're going to have a new boss around here.
You never know when your job is going to change.
The only thing you can be sure of is that something is going to change.
I'm always evaluated based on the same criteria.
It seems like we're always reorganizing.

Q9. In the last 3 years the following indicators got (1 - "much worse" – 7 - "much better"):
International Customer Performance
International Customer satisfaction
International Customer retention/loyalty
International Customer referral
International Customer service
New International customer generation

Q10. Compared with your business venture's international objectives, how well have you performed in each of the following indicators over the last 3 years? (1. = below expectation –7. exceeded expectation)
Revenues from new products or services
Growth in revenue from new products or services
Export profitability of new products or services

Q11. Assess your performance over the last 3 years by choosing on a scale from 1. = was below expectation –7. exceeded expectation:
Overall profitability
Return on investment (ROI)
Return on assets (ROA)
Overall market share relative to target market objective.
Sales volumes relative to target market objective.
Sales growth relative to target market objective.

Q12. How would you rate your International performance in 2022 based on the following factors?
Overall profitability
Profit growth
Return on investment
Return on assets
Sales revenues
Sales volumes
Sales growth
Market share

Q 13. Approximately what was percentage change in the sales in the past three years? Please tick one of the boxes below.

Decline in sales		**Remain static**	**Growth in sales**
More than 40%			**+0-9%**
31-40%			**+10-19%**
21-30%			**+20-29%**

11-20%			**+30-39%**
1-10%			**+40-49%**
			+50-59%
			+60-69%
			+70-79%
			+80-89%
			+90-99%
			+100% or more

Q 14. Using the scale below, enter the number 0 to 10 that best represents your firm's percentage Return on sales, before tax, last three financial years?

Less than 2%	
2%-3.9%	
4%-5.9%	
6%-7.9%	
8%-9.9%	
10%-11.9%	
12%-13.9%	
14%-15.9%	
16%-17.9%	
18%-19.9%	
20% or more	

Q 15. Consider only your firm's new products and services (P&S). Please tick a box on each line to indicate how satisfied you are with your firm's last performance in its export operations.

	Strongly dissatisfied (1)	**dissatisfied**	**Neutral**	**satisfied**	**Strongly satisfied (7)**
International revenues from new P&S					
Growth in International revenues from new P&S					
International market share for new P&S					

International sales volumes of new P&S					
Growth in International sales volumes of new P&S					

Q 16. Last three financial years, your firm's total export sales…
Grew by…%
Or
Declined by… %

Demographics:

ABOUT YOURSELF
Gender:____________________
Year of birth: _____________________________
What is your job title? _______________________
Since when are you at the current position:______________________________
How many years in total you work for this company: ____________________________
Q 17. Are you a person with responsibility for export decision making? (please tick one)
yes no
Q 18. Please indicate your agreement with the following statements (1-strongly disagree, 7-strongly agree)
This questionnaire deals with issues I am knowledgeable about.
My answers to the questions in the questionnaire are accurate.

Q 19. ABOUT THE COMPANY YOU WORK FOR
Year of firm's establishment: __________________________________
Approximately what year international operations began:______________________
Industry: ____
Q 20. Approximately what percentage of your company's export sales are directly generated by …
Business to consumer sales
Business to business sales
Business to government sales
Total 100%
Q 21. Approximatelly what percentage of your company's export sales is generated by…
Physical products
Services
Total 100%
Q 22. Your business orientation is (tick one):
high-tech, low-tech
Q 23. No. of employees: ______________________________________
Q 24. Of this number, approximately how many are directly involved in the company's export activities?
Q 25. Does your company have a separate formal export department? (please tick one) yes no
Q 26. Type of ownership (public/private): ________________________
Q 27. Sales turnover last year (millions of Euros): ____________________________________
Q 28. International sales as a percentage of Total Anual Sales Turnover (%): _______________
Q 29. Approximately what percentage of your annual total profit is derived from exports?
Q 30. Approximately how many countries did your company export to in the last year?______________
Q 31. What is the percentage of your company's sales to each region of the world? (Please note that the sum should be 100%)

EU and UK, Eastern Europe, Russia, Mainland China, Middle East, Other Asian Countries, Australia/New Zealand, North America, South & Central America, Africa

Q 32. Compared with your international competition, your company is best described as… (tick one of the following)

very small player, small player, about average player, large player, very large player

THIS CONCLUDES THE QUESTIONNAIRE!

Thank you very much for your time and valuable contribution to the study.

To receive a copy of the final managerial report from the study, please enter your email address below*:

____

(please use BLOCK CAPITALS)

* Alternatively, please feel free to request a report via email from mvlasova555@gmail.com.

Appendix 4: Tables

Table A1: Review of the literature regarding measurement of market orientation

Author (year)	**MO components**	**Dependent variable**	**+/- relationship between dependent variable and market orientation**	**Measurement of MO**	**Level of MO (Domestic or Foreign market)**	**Levels of measurement (Corporate, SBU level, firm level)**
Narver, J. C., & Slater, S. F. (1990)	✓ customer orientation ✓ competitor orientation ✓ interfunctional coord nation **Decision criteria:** ✓ long-term focus ✓ profitability	✓ business performance	positive	**MKTOR** scale - 15-item scale, 7-place response format.	Domestic	SBU
Jaworski, B. J., & Kohli, A. K. (1993)	✓ intelligence generation ✓ intelligence dissemination ✓ response design ✓ response implementation	✓ employees ✓ business performance	both positive	32-item scale, 5-point market orientation scale.	Domestic	SBU
Kohli, A. K., Jaworski, B. J., & Kumar, A. (1993)	✓ intelligence generation ✓ intelligence dissemination ✓ responsiveness	-	-	**MARKOR** scale - 20-item scale, 5-place response format.	Domestic	SBU
Deshpandé, R., Farley, J. U., & Webster, F. E. Jr. (1993)	✓ customer orientation	✓ company performance	positive	**Customer Orientation Scale** - 9-item scale, 5-place Likert-type agreement response format	Domestic	Firm level, single business unit.
Diamantopoulos, A., & Hart, S. (1993)	✓ intelligence generation ✓ intelligence dissemination ✓ responsiveness	✓ company performance	results are mixed	12-item scale	Domestic	Firm level

To be continued

Table A1: Review of the literature regarding measurement of market orientation (cont.)

Author (year)	MO components	Dependent variable	+/- relationship between dependent variable and market orientation	Measurement of MO	Level of MO (Domestic or Foreign market)	Levels of measurement (Corporate, SBU level, firm level)
	✓ summary scale for Market Orientation synthesized from Narver and Slater (1990), Kohli, Jaworski and Kumar (1993), and Deshpand´e, Farley and Webster (1993).	-	-	**MORTN scale**	Domestic	No
Cadogan, J. W., Diamantopoulos, A., & Mortanges, C. P. (1999)	**Export market orientation:** ✓ export intelligence generation ✓ export intelligence dissemination ✓ export intelligence responsiveness ✓ coordinating mechanism	✓ export performance	✓ positive	**Export market orientation scale,** includes Intelligence generation (11 items), Intelligence Dissemination (18 items), Responsiveness (17 items), Coordinating Mechanism (25 items).	Foreign	Export firms
Gounaris, S. P. (2006)	**Internal market orientation:** ✓ internal market intelligence generation ✓ internal-intelligence dissemination ✓ response to internal-intelligence	✓ empowerment ✓ job satisfaction ✓ participation in decision making	✓ all positive		Domestic	Firm level

To be continued

Table A1: Review of the literature regarding measurement of market orientation (cont.)

Author (year)	MO components	Dependent variable	+/- relationship between dependent variable and market orientation	Measurement of MO	Level of MO (Domestic or Foreign market)	Levels of measurement (Corporate, SBU level, firm level)
Keskin, H. (2006)	✓ collection and use of market information ✓ development of market-oriented strategy ✓ Implementation of market-oriented strategy	✓ performance ✓ inovativeness ✓ learning orientation	✓ MO has no direct influence on firm performance (MO has an indirect effect on firm performance via learning-orientation and firm innovativeness) inSMEs ✓ MO has a positive impact on learning-orientation in SMEs ✓ MO positively leads to firm innovativeness via learning-orientation in SMEs	There have been empirical measurements of market-orientation developed by a number of scholars (MKTOR scales of Narver and Slater, 1990), and by using a set of processes and activities (MARKOR scales of Kohli et al., 1993).	Domestic	SME
Farrel, M. A., Oczkowski, E., & Kharabsheh, R. (2008)	✓ firm's customer orientation ✓ competitor orientation ✓ interfunctional coordination	✓ business performance	✓ positive	**MKTOR** scale.	Domestic	Firm level
Morgan, N. A., Vorhies, D. W., & Mason, C. H. (2009)	✓ market intelligence generation, ✓ market intelligence dissemination, ✓ responsiveness to market intelligence	✓ firm performance	✓ positive	**MARKOR** scale	Domestic	Firm level

To be continued

Table A1: Review of the literature regarding measurement of market orientation (cont.)

Author (year)	**MO components**	**Dependent variable**	**+/- relationship between dependent variable and market orientation**	**Measurement of MO**	**Level of MO (Domestic or Foreign market)**	**Levels of measurement (Corporate, SBU level, firm level)**
Smirnova, M., Naudé, P., Henneberg, S. C., Mouzas, S., &, Kouchtch, S. P. (2010)	✓ customer orientation ✓ competitor orientation ✓ interfunctional coordination	✓ relational capabilities ✓ business performance	✓ MO has significant effect on export performance ✓ the level of the firm's orientation towards gathering information on competitors has no influence on relational capabilities ✓ customer orientation and interfunctional coordination has positive impact on relational capabilities	**MKTOR** scale.	Domestic	Firm level
Ellis, P. D. (2010)	✓ customer orientation ✓ competitor orientation	✓ firm performance	✓ positive	Set of eight questions, 4 per each construct (anchor points: 1 = not at all/never, 8 = to a great extent/very frequently)	Domestic vs Export	Export firms
Laukkanen, T., Nagy, G., Hirvonen, S., Rejonen, H., & Pasanen, M. (2013)	✓ firm's customer orientation ✓ competitor orientation ✓ interfunctional coordination	✓ brand performance ✓ market performance	✓ both positive	Farrell et al. (2008) with 14 measure items.	Domestic	Firm level
Kiessling, T., Isaksson, L., & Yasar. B. (2015)	✓ customer orientation ✓ competitor orientation	✓ corporate social responsibility (CSR)	✓ positive	Applied 6 of Ellis (2010) set of eight questions that measure the level of market orientation on a seven-point Likert scale.	Domestic	Firm level

To be continued

Table A1: Review of the literature regarding measurement of market orientation (cont.)

Author (year)	**MO components**	**Dependent variable**	**+/- relationship between dependent variable and market orientation**	**Measurement of MO**	**Level of MO (Domestic or Foreign market)**	**Levels of measurement (Corporate, SBU level, firm level)**
Owino, O. J., Kibera, F. (2015)	✓ market intelligence generation, ✓ market intelligence dissemination, ✓ responsiveness to market intelligence	✓ performance	✓ positive	**MARKOR**	Domestic	Firm level
Felix R., (2015)	✓ customer orientation ✓ competitor orientation	✓ corporate social responsibility ✓ corporate reputation ✓ employee commitment	✓ supported ✓ rejected ✓ rejected	7-point Likert scales	Domestic	Firm level
Mahmoud, A. M., Blankson,C., Owusu-Frimpong, N., Nwankwo, S., & Trang, T.P. (2016)	✓ intelligence generation, ✓ intelligence dissemination ✓ responsiveness ✓ marketing culture (Kolar, 2006)	✓ innovativeness ✓ learning orientation ✓ business performance	✓ A bank's market orientation will be positively associated with its learning orientation ✓ A bank's market orientation will be positively associated with its innovation ✓ Innovation mediates the relationship between market orientation and business performance-supported	26 items were used to measure market orientation with the aid of a five point Likert scale ranging.	Domestic	Bank branches – referred to as strategic business unit (SBUs),

To be continued

Table A1: Review of the literature regarding measurement of market orientation (cont.)

Author (year)	**MO components**	**Dependent variable**	**+/- relationship between dependent variable and market orientation**	**Measurement of MO**	**Level of MO (Domestic or Foreign market)**	**Levels of measurement (Corporate, SBU level, firm level)**
Taghian, M. (2016)	✓ intelligence generation ✓ intelligence dissemination ✓ organizational responsiveness	✓ change in market share ✓ overall financial performance ✓ marketing planning	✓ all supported	**MARKOR**	Domestic	Firm level
Pascucci, F., Bartoloni, S. & Gregori, G. L. (2016)	✓ export intelligence generation ✓ export intelligence dissemination ✓ export intelligence responsiveness	✓ export performance	✓ positive	Cadogan, Diamantopoulos, and Mortanges (1999) and Cadogan et al. (2001, 2006). 17 items were measured on a 7-point scale.	Foreign	Firm level
Sisay, D. T., Verhees, F. J. H. M. & van Trijp, H. C. M. (2017)	✓ customer orientation ✓ competitor orientation ✓ interfunctional coordination	✓ Business performance ✓ Livelihood performance	✓ All positive except competitor orientation ✓ does not influence performance	**MKTOR** scale.	Domestic	Firm level
Pantouvakis, A, Vlachos, I & Zervopoulos, PD. (2017)	✓ intelligence generation ✓ intelligence dissemination ✓ organizational responsiveness	✓ firm C	✓ partially accepted	**MARKOR** scale	Domestic	Firm level
Prifti,R., & Alimehmeti, G. (2017)	✓ intelligence generation ✓ intelligence dissemination ✓ organizational responsiveness	✓ innovations ✓ performance	✓ positive	**MARKOR** scale	Domestic	Firm level

To be continued

Table A1: Review of the literature regarding measurement of market orientation (cont.)

Author (year)	MO components	Dependent variable	+/- relationship between dependent variable and market orientation	Measurement of MO	Level of MO (Domestic or Foreign market)	Levels of measurement (Corporate, SBU level, firm level)
PhiHo, L. K., Nguyen, C. N., Adhikaria, R., Miles, M. P., & Bonneya, L. (2018)	✓ customer orientation ✓ competitor orientation ✓ interfunctional coordination.	✓ innovation ✓ financial chain performance	✓ competitor orientation has an insignificant relationship with innovation ✓ interfunctional coordination has a positive effect on innovation ✓ customer orientation has a positive effect on innovation ✓ no significant relations between three dimensions of MO and financial chain performance	**MKTOR** scale.	Domestic	Firm level
Molander S., Fellesson M., & Friman M. (2018)	✓ intelligence generation ✓ intelligence dissemination ✓ organizational responsiveness	✓ with the characteristics of a buyer- dominated relationship type, the buyer controls out activities of intelligence generation, intelligence dissemination, and responsiveness. ✓ with the characteristics of the provider- dominated relationship type, provider will controls the activities of intelligence generation, intelligence dissemination, and responsiveness. ✓ with the characteristics of a collaborative relationship type, both parties share control over activities of intelligence generation, intelligence dissemination, and responsiveness.	✓ positive	**MARKOR** scale	Domestic	Firm level

To be continued

Table A1: Review of the literature regarding measurement of market orientation (cont.)

Author (year)	**MO components**	**Dependent variable**	**+/- relationship between dependent variable and market orientation**	**Measurement of MO**	**Level of MO (Domestic or Foreign market)**	**Levels of measurement (Corporate, SBU level, firm level)**
Abidemi, B. T., Halim F., & Alshuaibi, A. I. (2018).	✓ customer orientation ✓ competitor orientation ✓ interfunctional coordination	✓ organizational performance	✓ positive	**MKTOR** scale.	Domestic	Firm level
Yu Q., Yen, D. A., Barnes, B. R. & Huang, Y. (2019).	✓ internal information generation ✓ internal information communication ✓ internal information responsiveness	✓ Employee organizational commitment	✓ positive	The measures of IMO built on previous empirical studies referring to a higher-order construct of three sub-dimensions, which allows assessment of the degree to which a firm is internal market-oriented, rather than forcing an either-or evaluation (Yu et al., 2016).	Domestic	Firm level
Pratono, A. H., Darmasetiawan, N. K., & Yudiarso A., Jeong B. G. (2019).	✓ intelligence generation ✓ intelligence dissemination ✓ responsiveness	✓ sustainable competitive advantage ✓ learning organization	✓ both positive	**MARKOR** scale	Domestic	Firm level
Udriyaha, U., Thama, J., & Azama S. M. F. (2019)	✓ customer orientation ✓ competitor orientation ✓ interfunctional coordination.	✓ competitive advantage	✓ positive	**MKTOR** scale.	Domestic	Firm level

Source: Own work

Table A2: Conceptual assumptions regarding market orientation's homogeneity/ heterogeneity, and units of analysis

Paper Authors, year	**Context of the firm**	**Unit of analysis**	**Market orientation assumed homogenous across the whole firm (Single MO) or is heterogenous and can differ across parts/units of the firm (multiple MOs)**		**Discussions regarding assumptions made**
			Single MO	**Multiple MOs**	
Narver, J. C., & Slater, S. F. (1990)	Multinational	1 firm, 140 SBU SBU level		✓	The empirical results demonstrate that "differences in individual SBU orientations … [show] considerable variation" (p. 33), with market orientation scores vary from a low of 2.7 to a high of 6.0 (on a potential range of 1-7), with a mean in the region of 4.5 (depending on business-type)
Jaworski, B. J., & Kohli, A. K. (1993)	Multinational	- 13 firms, 27 SBUs from MSI sampling frme - 102 firms and 229 SBU from D&G sampling frme - 230 firms SBU level		✓	"…it would be very interesting to compare perceptions of employees at different levels of an SBU and account for differences in perceptions, if any, concerning the SBU's market orientation".
Deshpandé, R., Farley, J. U., & Webster, F. E. Jr. (1993)	Unspecified	50 firms, 2 marketing executives in a SBU of each firm were interviewed SBU level		✓	-
Cadogan, J. W., Diamantopoulos, A., & Mortanges, C. P. (1999)	Exporters	Firm level	✓		"…this study provides some benchmarks for each of the export market orientation components."
Homburg and Pflesser (2000)	Manufacturing firms	Firm level	✓		-

To be continued

Table A2: Conceptual assumptions regarding market orientation's homogeneity/ heterogeneity, and units of analysis (cont.)

Paper Authors, year	**Context of the firm**	**Unit of analysis**	**Single MO**	**Multiple MOs**	**Discussions regarding assumptions made**
Rose and Shoham (2002)	Exporters	Firm level		✓	"Our study builds on this finding by assessing the impact of a general market orientation and assessing multiple dimensions of performance". "…our findings extend domestic market orientation research by establishing an empirical link between three dimensions of export performance (change in sales, profit, and change in profit) and a general market orientation". "Additional research is needed to further assess the influence of intelligence dissemination and the performance consequences of the export environment".
Cadogan, J. W., (2003)	Exporters (manufacturing firms)	Firm level		✓	"Increasing market orientation levels requires significant resource investments (Slater and Narver, 1994) and managers need to be sure that their investments will reap suitable rewards". "… if a firm has a strong market orientation in its domestic
					markets, this will not automatically be transferred into a high degree of market orientation in its export operations (Hooley and Newcomb, 1983; Cadogan et al., 2001)".
Gebhardt et al. (2006)	Multifirms	Firm level	✓		-
Ledwith and O'Dwyer (2009)	Small firms	Firm level	✓		-
Özturan et al. (2014)	Manufacturing firms	Business Unit		✓	-
Jaeger et al (2016)	Publicly traded companies	Firm level	✓		-
Frosen et al (2016)	Manufacturing; wholesale and retail trade; information and communication; and professional, scientific, technical firms	Firm level	✓		"Not everything that counts can be counted" - therefore, a market oriented organizational culture is needed to tap into the tacit, fuzzy aspects of markets".
Kiessling et al (2015)	Traded firms	Firm level	✓		-

Source: Own work

Table A3: Future research analysis

Challenge	Research gap	Research questions	Sources	Domains	Theoretical lenses
Understanding the prediction of the shareholder value	Will a company be rewarded simply for making appropriate customer data available and publicly acknowledging the addressing of the issue of customer value? Will those companies that take the lead in reporting these measures force their competition to follow suit? What is the impact of this strategy on behavior and financial returns?	How customer lifetime value affects shareholder value?	Berger, PD; Eechambadi, N; George, M; Lehmann, DR; Rizley, R; Venkatesan, R, 2006	Relationship Marketing, Customer Lifetime Value.	Consumer Theory
		"How the power of social influence and customer–firm interactions in predicting non-transactional behaviors, immediate customer profitability, and long-term customer value"	Cambra-Fierro, J; Gao, L; Melero-Polo, I, 2021	Customer Management, Customer Lifetime Value.	Social Capital Theory
		What kind of CLV models useful for market segmentation and the allocation of marketing resources for acquisition, retention, and crossselling.	Gupta, S; Hanssens, D; Hardie, B; Kahn, W; Kumar, V; Lin, N; Ravishanker, N; Sriram, S, 2006	Customer Management, Customer Lifetime Value.	Consumer Theory

To be continued

Table A3: Future research analysis (cont.)

Challenge	Research gap	Research questions	Sources	Domains	Theoretical lenses
		How firms can implement customer profitability measurement models for resource allocation purposes?	Holm, M; Kumar, V; Rohde, C, 2012	Customer Lifetime Value, Customer Relationship Management	Consumer Theory
		Customer lifetime value, general mathematical framework.	Ma, M; Li, ZH; Chen, JY, 2008	Customer Management, Customer Lifetime Value, Customer Relationship Management	Consumer Theory
Understanding how can firms grow the value of the customer asset.	Additional research is needed to understand how and where customer management touches the organization. Understanding how to develop, implement, manage, and monitor customer and brand management solutions.	How firms can maximize customer lifetime value and customer equity.	Kumar, V; Lemon, KN; Parasuraman, A, 2006	Customer Management	Consumer Theory
		How firms can employ value champions in business markets?	Keranen, J; Liozu, S, 2020	Customer Management	Consumer Theory
		How firms can use preferential treatment and how firms can gain from this?	Pez, V; Butori, R; de Kerviler, G, 2015	Customer Management	Consumer Theory

To be continued

Table A3: Future research analysis (cont.)

Challenge	Research gap	Research questions	Sources	Domains	Theoretical lenses
Understanding of characteristics of more/less valuable customers.	Firms could gain insights into the factors that drive long-term customer value if future research examines the shared characteristics of more/less valuable customers across different acquisition cohorts.	How differ companies actions during and after pandemic regarding valuable customers.	Ana Alina Tudoran, Charlotte Hjerrild Thomsen, Sophie Thomasen, 2024	Customer Management	Marketing Research
		"How adaptation and extension of customer prioritization can provide vendors with insights into the process that culminates in individual customer profitability"	Bowman, D; Narayandas, D, 2004	Customer Management	Consumer Theory
Understanding the impact of a preferential treatment on customers.	Future research should investigate the impact of a preferential treatment on non privileged consumers likely appears different. Additional research should specify how to select consumers in a non-contractual setting.	"How companies align their preferential treatment"	Butori, R; De Bruyn, A, 2013	Preference Heterogeneity	Consumer Theory, Equity Theory
		Does customer prioritization pay off, and how should it be implemented?	Homburg, C; Droll, M; Totzek, D, 2008	Customer Relationship Management	Consumer Theory

To be continued

Table A3: Future research analysis (cont.)

Challenge	Research gap	Research questions	Sources	Domains	Theoretical lenses
		How firms use effects of preferential treatment levels on relational outcomes?	Lacey, R; Suh, J; Morgan, RM, 2007	Customer Management	Consumer Theory
		Performance implications of prioritization?	Zablah, AR; Bellenger, DN; Straub, DW; Johnston, WJ. 2012	Customer Management	Consumer Theory
		What is the impact of negative moral emotions on customer responses to preferential treatment?	Pontes, V; Pontes, N; Greer, DA; Beatson, A, 2021	Customer Management	Consumer Theory
		How interaction orientation influence on firm performance?	Ramani, G; Kumar, V, 2008	Customer Management	Consumer Theory
		How companies select customers and use resource allocation strategy?	Venkatesan, R; Kumar, V, 2004	Customer Management	Consumer theory
Understanding the suppliers strategies.	However, it would be an interesting undertaking to examine further strategies for the supplier.	What are antecedents of preferential customer treatment by suppliers?	Huttinger, L; Schiele, H; Schroer, D, 2014	Customer Management	Consumer theory
		What is the impact of preferred supplier status on excessive buyer requests?	Hammerschmidt, M; Wetzel, HA; Arnold, TJ, 2018	Customer Management	Consumer theory
		What are antecedents as well as consequences of supplier satisfaction?	Vos, FGS; Schiele, H; Huttinger, L, 2016	Customer Management, Industrial	Consumer theory

Source: Own work

Table A4: Customer prioritization conceptualizations, its uniqueness, similarities to other definitions and gaps in the conceptualizations

Author	Definition / conceptualization	Uniqueness vs. similarities	Gaps
Ain et al. (2024)	The authors define customer prioritization as deliberate elevation of product or service provided to selected customers, which differentiates the customer experience by offering a higher value compared to what is available to the general customer base. Preferential treatment is a deliberate act of elevating the value offered to selected customers, leading to differentiated experience.	The authors explicitly link preferential treatment to a differentiated customer experience and focus on how if influences customers' emotions and behaviors. They examine the impact of preferential treatment on impulse buying, customer delight and advocacy through the lens of affective events theory.	limited to the retail sector and may not cover variability in other contexts
Baxter (2012)	Customers' preferential treatment exclusively depends on seller's perceptions of customer financial attractiveness. In other words, buyer's financial attractiveness influences seller's commitment, their resource allocation to the relationship and preferred customer treatment.	The conceptualization covers supplier's perspective on customer financial attractiveness as a key driver for preferential treatment, reviewing it through resource-based view and industrial marketing and purchasing (IMP) network theory.	limited to B2B relationships with the focus on financial criteria for preferential treatment, neglecting other potential factors
Bemelmans et al. (2015)	The authors focus on conceptualizing preferred customer status as an outcome of relationship development, attractiveness and satisfaction, preferential resource allocation, maturity of supplier relationship management, relationship-specific investments and suggestions for innovation or improvement.	The conceptualization provides a comprehensive overview of antecedents and benefits of obtaining preferred customer status. The definition is aligned with those authors who emphasize long-term relationship as criteria for customer prioritization.	limited to B2B relationships and construction industry, which might not be fully generalizable to all other contexts
Blader & Rothman (2014)	The authors treat preferential treatment as favouring some group members of others, and explore the effect of empathy on perceptions of preferential treatment, specifically endorsement of need norms and fairness, all looked through accountability framework.	The conceptualization focuses on psychological mechanisms behind preferential treatment, offering a unique perspective on the subjective evaluation of preferential treatment through empathy and accountability. The definition aligns with those who incorporate ethical considerations in their definitions.	limited to perceptions of preferential treatment and does not account for actual implications for customer behavior

To be continued

Table A4: Customer prioritization conceptualizations, its uniqueness, similarities to other definitions and gaps in the conceptualizations (cont.)

Butori & de Bruyn (2013)	The authors introduce non-contractual forms of preferential treatment and name it discretionary preferential treatment (DPT), which they define as "the selective granting of non-contractual advantages to a limited number of customers." (p. 358). DPT is evaluated by customers on four dimensions: imposition, justification, surprise, and visibility.	The authors introduce a new concept of DPT and identify four dimensions that customers use to evaluate DPT. The focus of this definition is on the individual differences and subjective evaluation of the preferential treatment, which is the aspect that aligns this definition to those that emphasize fairness and customer perceptions.	limited to unearned preferential treatment that does not reflect the dynamics of planned or earned preferential treatment
Chan et al. (2019)	DPT is "an explicit strategy of the firm that authorizes the offering of structured or prespecified benefits to selected customers based on contractual and publicly stated rules and policies to reward customers for time and effort they invest in the firm (e.g., spending)." Similarly, it is "an explicit strategy of the firm that authorizes its employees to use discretion to select a limited number of customers, based on their personal judgment (rather than publicly stated rules and policies) to grant non-contractual advantages as an unexpected benefits above and beyond the core services to surprise and delight customers." (p. 372)	The conceptualization is further enhanced through appraisal theory and relationship marketing literature, but in its essence it is similar to DPT proposed by Butori & de Bruyn (2013).	limited to hospitality services treatments and similar contexts
Chark & Wang (2023)	The authors define customer prioritization as the practice of giving selective customers elevated social status recognition and/or additional or enhanced products and services above and beyond standard firm value propositions and customer service practices. Customer loyalty and buying history are considered key criteria in preferential treatment selection, with specific implications for observer reactions and relationship norms.	The definition incorporates social dynamics of preferential treatment, relationship norms in particular that come into effect especially in cases of unearned preferential treatment. The core of the definition relies on Lacey et al. (2007) definition.	limited to B2B relationships
Choi et al. (2024)	The authors evaluate preferential treatment through perceived status, effort, and loyalty. Specifically, they examine the impact of service agent type (AI vs. human) on consumer satisfaction with preferential treatment, considering the factors listed above.	The authors uniquely explore the emerging role of AI in delivering preferential treatment, and compare its perceptions to human-delivered preferential treatment. This definition is aligned to those who emphasize enhancing the value proposition for customers.	limited to services and may not account for broader aspects of customer prioritization in other marketing contexts

To be continued

Table A4: Customer prioritization conceptualizations, its uniqueness, similarities to other definitions and gaps in the conceptualizations

Homburg et al. (2008)	"Customer prioritization implies that a firm is highly customer centric for the most important customers and at a lower level for less important customers." (p. 110) "This idea of customer prioritization implies that selected customers receive different and preferential treatment regarding marketing instruments." (p. 116)	The authors see customer prioritization as a strategic approach to differentiating treatment based on customer importance. They explicitly define customer prioritization based on differential treatment with respect to marketing instruments, and emphasize the potential impact on firm performance and customer relationships.	limited to the performance-related outcomes and does not account for other potential consequences (e.g., social or ethical)
Huang (2012)	"...the notions that customers have heterogeneous ''lifetime values'' to a firm, that such values can and should be measured, that premium customers according to such measures should be especially pampered, and that the less profitable customers according to such measures should be discriminated against or even fired have been widely accepted." (p. 497)	It is unique by proposing measurement (forecasting as evident from the paper), but at the same time builds on the Customer Lifetime Value (CLV) research (e.g., Venkatesan & Kumar, 2004).	limited to customer lifetime value modelling
Hüttinger et al. (2012)	The authors define preferential treatment as a decision of the supplier to provide a better service to certain buyers. This decision is influenced by customer attractiveness, supplier satisfaction and preferred customer status.	The conceptualization provides a comprehensive overview of drivers of preferential treatment from the supplier's perspective. The definition is similar to those that emphasize better customer treatment based on customer value and relationship quality.	the conceptualization may not adequately address the dynamic nature of preferential treatment and how it evolves over time
Hüttinger et al. (2014)	The authors explore drivers of preferential treatment by suppliers in the automotive industry, including growth opportunities, operative excellence, reliability, and relational bahavior.	The conceptualization covers drivers of preferential treatment from both, buyer and supplier perspectives, examining factors beyond financial attractiveness. The definition is similar to those who emphasize earning preferential treatment through valuable contributions.	limited to automotive industry context and might not fully capture other dynamic contexts

To be continued

Table A4: Customer prioritization conceptualizations, its uniqueness, similarities to other definitions and gaps in the conceptualizations (cont.)

Kim & Baker (2020)	The authors define preferential treatment as giving selected customers elevated social status, recognition, and/or additional or enhanced products and services beyond standard firm value propositions and customer service practices. They conceptually align preferential treatment with loyalty programs in the hotel industry context, differentiating treatment between program and non-program customers and incorporate negative effects of unearned preferential treatment in the assessment.	This is one of the strongest connections between preferential treatment and loyalty. The authors highlight a critical role of the firm explanations and compensation in mitigating negative perceptions of unearned preferential treatment. The core definition is based on Lacey et al. (2007) and similar to those who emphasize offering exclusive privileges to selected customers.	limited to hospitality industry and may not incorporate the complexities of other industries and contexts
Lacey et al. (2007)	"Preferential treatment is defined as the practice of giving selective customers 'elevated social status recognition and/or additional or enhanced products and services above and beyond standard firm value propositions and customer service practices." (p. 242)	Preferential treatment is considered as a proactive and progressive relationship marketing strategy, while at the same time builds on economic and customization components of preferential treatment proposed by Gwinner, Gremler & Bitner (1998).	limited to relationship marketing view on customer prioritization
Libai et al. (2020)	The authors explore the impact of AI on customer relationship management, particularly the use of AI for personalized interactions and customer prioritization. Customer prioritization in their view is executed based on expected customer profitability that leads to different treatments in terms of service levels, pricing and promotions, which can potentially result in customer abandonment.	The authors uniquely highlight the potential of AI in automating customer prioritization, and at the same time raise ethical concerns of fairness and transparency of such AI usage. Similar to other definitions is a part where they emphasize preferential treatment based on customer value, offering personalized experiences and potentially abandoning low-value customers.	limited to technological / measurement side of customer prioritisation
Mathur & Kumar (2013)	Customer prioritization is the extent to which customers are treated differently with regard to marketing instruments based on their importance to the firm. Customer prioritization is conceptualized as firm's ability to effectively use relationship investments to retain customers, depending on the relationship quality and length.	The definition emphasizes the role of customer prioritization in customer retention. The authors view customer prioritization through the lens of resource-based view and dynamic capabilities theory, treating customer prioritization as a strategic capability in the firm. The similarity to other definitions is in its emphasis of treating customers differently.	the definition may not fully cover ethical aspects of customer prioritization and neglects potential negative consequences

To be continued

Table A4: Customer prioritization conceptualizations, its uniqueness, similarities to other definitions and gaps in the conceptualizations (cont.)

Newman et al. (2019)	Customer prioritization is measured through exclusive promotions, that the authors define as "as an invitation-only, non-contractual promotional offer intended for a certain individual that can be acted upon by only that individual due to verifiable eligibility and redemption criteria set forth by the promoter (i.e., firm)." (p. 77)	The authors offer the view on customer prioritization through sales promotion lens	focusing solely on exclusive promotions as prioritization tools, applicable more in B2C than B2B setting
Nollet et al. (2012)	The authors introduce a 4-step process of a purchaser (buying organization) becoming a preferred customer: initial attraction, performance, engagement, and sustainability. Each step is influencing the supplier's decision to grant the customer a preferred status that manifests in terms of better product quality and availability, support in the sourcing process, delivery or/and prices.	The authors introduce a strategic approach for buying organizations to become and remain preferred customers, highlighting the dynamics of the buyer-seller relationships. The core of the definition is similar to those that emphasize the role of long-term partnerships in achieving preferential customer status.	limited to B2B relationships and may not fully capture the dynamics of other contexts
Polyakova et al. (2020)	"Preferential treatment is the provision of benefits to some customers but not others (Jiang et al., 2013; Söderlund et al., 2014). There are many forms of preferential treatment, such as random-draw prizes (e.g. customer sweepstakes), milestone prizes (e.g. for the one-millionth customer), introductory gifts, surprise gifts, exclusive previews, selective discounts, initial bonuses and free upgrades, among many others." (p. 693)	The distinction in preferential treatment forms is made based on the rewards that lead to customers selection for such treatment.	focusing solely on the customer benefits and applicable more in B2C than B2B setting
Pontes et al. (2021)	"Preferential treatment is a common practice in service encounters where only a few customers receive special benefits, such as priority boarding, access to exclusive events, and special discounts or offers, that go beyond the firm's core service (Lacey et al., 2007). Such treatment may be formally earned by the customer through loyalty programs or given spontaneously (and thus unearned) by the service provider. By offering preferential treatment, service providers fulfil the natural need for status and distinction individuals seek in consumption experiences (Drèze and Nunes, 2009; Henderson et al., 2011)." (p. 3034)	Distinction between formally earned and spontaneously given (unearned) preferential treatment, but extensively building on previous conceptualizations (e.g., Lacey et al., 2007).	limited to services and B2C context

To be continued

Table A4: Customer prioritization conceptualizations, its uniqueness, similarities to other definitions and gaps in the conceptualizations (cont.)

Pontes et al. (2023)	Customer prioritization is defined as giving selected customers elevated social status recognition or / and additional or enhanced products and services above and beyond standard firm value propositions and customer service practices. Preferential treatment is conceptualized with potential harm to others, impacting attitudes towards the service provider through negative moral emotions, and moderated by individual's need for distinction.	The authors uniquely investigate the moderating role of the need for distinction on the effects of preferential treatment, especially in the light of negative consequences. The definition is similar to those that focus on offering exclusive privileges to selected customers.	limited to services and does not encompass a wide variety of exclusive privileges
Pulles et al. (2016)	The authors argue that a preferred customer status can be achieved through customer attractiveness and supplier satisfaction, which in turn lead to preferential resource allocation from suppliers.	The definition highlights the role of customer attractiveness and supplier satisfaction in achieving preferred customer status and obtaining preferential resource allocation. The definition is aligned with those authors who emphasise the role of long-term partnership in achieving preferential treatment.	limited to B2B relationships and may not fully capture the dynamics of other contexts
Ramani & Kumar (2008)	"… customer value management represents the extent to which the firm can define and dynamically measure individual customer value and use it as its guiding metric for marketing resource allocation decisions." (p. 29)	Customer value management is conceptualized as one of the key components of interaction orientation.	limited to resource allocation view on prioritization (i.e., how much profit each customer generates), measured through CLV
Ruz-Mendoza et al. (2021)	"The idea of prioritizing specific customers has received significant attention under the label of "preferential treatment", understood as "the practice of giving selective customers' elevated social status recognition and/or additional or enhanced products and services above and beyond standard firm value propositions and customer service practices." (p. 341). Preferential treatment is delivered through customized firm-initiated interactions (FII), that can lead to improved relationship strength, profitability, customer gratitude and positive word-of-mouth.	Acknowledging the equation of customer prioritization and preferential treatment, while adopting conceptualization provided in the literature earlier (e.g., Lacey et al., 2007). The conceptualization distinguishes between standardized and customized FII as mechanisms to deliver preferential treatment and focuses on building strong B2B relationships.	limited to B2B relationships and may not fully capture the dynamics of other contexts

To be continued

Table A4: Customer prioritization conceptualizations, its uniqueness, similarities to other definitions and gaps in the conceptualizations (cont.)

Söderlund et al. (2014)	Preferential treatment is conceptualized as receiving something extra compared to other customers in service encounters, which may in turn impact the perceived justice and customer satisfaction.	The conceptualization focuses on social and ethical implications of preferential treatment, while at the same time highlighting the potential conflict between increased satisfaction and perceived injustice. The definition is well aligned with those authors who incorporate additional benefits and personalized experiences in their conceptualizations.	limited to services application
Tessaro et al. (2023)	Preferred customer status has a purchaser / buying organization who receives better treatment than other customers from a supplier, in terms of product quality and availability, support in the sourcing process, delivery or/and prices.	The authors highlight a preferred customer status as a key to accessing supplier resources and examine specific challenges faced by start-ups in achieving it. The focus is on value contribution and relationship development as a base for better treatment, emphasizing earning preferential treatment through long-term partnerships.	comprehensive conceptualization from the international marketing viewpoint that may be validated in other contexts
Varella-Neira et al. (2010)	The authors emphasize the need for objective criteria for preferential customer status, as a lack of preferential treatment is leading to customer dissatisfaction, especially after a service failure.	Considers ethical implications of perceived injustice of not receiving preferential treatment, emphasizing negative emotional and behavioral consequences, particularly when customers perceive a lack of equity and transparent criteria.	limited to services application
Wetzel et al. (2014)	The authors define customer prioritization as a double-edged sword, triggering both positive, gratitude-driven and negative, entitlement-driven processes, with tactics differing in their ability to impact the firm's profitability.	Dual process model of customer prioritization highlighting positive and negative consequences is unique, with the analysis of the psychological mechanisms of gratitude and entitlements as a response to customer prioritization. Similar to other definitions that build on the trade-off.	limited to B2B relationships

To be continued

Table A4: Customer prioritization conceptualizations, its uniqueness, similarities to other definitions and gaps in the conceptualizations (cont.)

Xia & Kukar-Kinney (2014)	"Preferential treatment is a prevalent relationship marketing practice of companies treating some customers better than others."	Acknowledging that preferential treatment is a prevalent relationship marketing practice, focusing on dual mechanisms of fairness and gratitude in consumer responses to preferential treatment highlighting the potential for embarrassment and the role of social comparison; but similarly than others adopting the view that some (regular) customers are treated differently (better) than others (non-regular customers).	limited to relationship marketing view on the concept and limited in the scope of prioritization possibilities, not addressing implications for firm strategy or ethical considerations of prioritization
Yeniarias & Kaya (2022)	The study focuses on customer prioritization as a job demand that can impact (increase) job stress and customer service performance in SMEs, with business ties acting as a moderating resource.	Focuses on the organizational implications of customer prioritization by applying the job demands-resource model to examine potential negative consequences of customer prioritization on employee well-being and service quality.	limited to SMEs context and may not fully cover the dynamics of customer prioritization in larger firms
Zheng et al. (2023)	Preferential treatment is conceptualized in the context of Airbnb as giving selective customers elevated social status recognition and/or additional or enhanced products and services above and beyond standard firm value propositions and customer service practices.	Uniquely examines the challenges and consequences of preferential treatment through the lens of a sharing economy focusing on the potential for unfulfilled expectations and the impact of online reviews, while emphasises the provision of additional benefits and elevated status similar to definitions that highlight offering exclusive privileges to selected customers.	Limited to the context of Airbnb and might not be fully applicable for other platforms within the sharing economy

Source: Own work