

## **Managing Market Knowledge and Environmental Dynamism When Internationalizing: Export Performance of Indonesian SMEs**

**Cindy Augustie**

**Mohammed Soufiane Benmoussa**

*Universiti Utara Malaysia, Malaysia*

Despite growing body of research, the literature is inconclusive regarding the scenarios under which SMEs learn from their previous modes of foreign entry and how this learning process influences future mode choices. Based on the internationalisation process and the assumption that some skill development is entrepreneurial is entrepreneurial oriented, while some are non-entrepreneurial oriented, the current study developed and tested hypotheses to explain how market knowledge affects the export performance of Indonesian SMEs, as well as the effect of environmental dynamism on the interrelationship. In general, the authors argue that environmental dynamism would encourage SMEs to expand their market knowledge, thereby improving their export performance. Using SPSS 2.0 and PLS-SEM 3.3, we examined the relationship between market knowledge and export performance in a sample of 174 Indonesian SMEs and discovered some support. However, we identify several notable exceptions regarding how environmental dynamism affects the interrelationship. In this way, we contribute to the creation of novel insights that assist SMEs in optimising their export performance.

**Keywords:** *Dynamic Capability View, Environmental Dynamism, Export Performance, Innovativeness, Resource-Based View*