Research paper

Prioritizing B2B marketing capabilities: Crossvergence in advanced and emerging economies

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ABSTRACT

Marketing capabilities in business-to-business (B2B) settings are increasingly gaining attention of international business managers and scholars. However, research has not examined which B2B marketing capabilities are most influential across developed and emerging economies from a firm performance view. Selecting the most potentially relevant marketing capabilities is driven by an executive panel and prior literature. Drawing on the crossvergence phenomenon, this study presents an empirical test of a parsimonious conceptual model, identifying the key capabilities driving customer satisfaction, sales revenue, and profitability at the strategic business unit (SBU) level. Using data from 702 senior managers in the United States (US), Denmark, and Chile, the authors find the convergence and divergence of B2B marketing capabilities influence. In particular, the results indicate that three capabilities are universal to marketing practice: (1) segmentation and targeting capability as the baseline for cultivating a higher-order marketing capability; (2) pricing capability as the main driver of SBU profitability; and (3) new offering development capability as the key driver of SBU customer satisfaction. Building over the findings, the study suggests that political view on the market, industry structure, and the more rational nature of B2B firms seem to be the pivotal tenets of the marketing capabilities convergence.

1. Introduction

Fortune 500 firms, especially those in business-to-business (B2B) settings, are in the midst of building up their marketing capabilities (Jaworski & Lurie, 2019; Mora Cortez & Johnston, 2018). Capabilities are broadly defined as the processes and routines by which a firm transforms its resources into valuable outputs (Morgan & Slotegraaf, 2012, p. 91). Previous research has established that marketing capabilities are central to explaining the link between organizations' marketing activities and their performance over time (e.g., Guo et al., 2018; Morgan, 2019; Vorhies & Morgan, 2005). Indeed, B2B companies with more advanced marketing capabilities enjoy a revenue growth 30% greater than the average firm within their industry (Delmulle, Grehan, & Sagar, 2015). Heterogeneity in organizational capabilities resembles a firm's ability to identify the nature of the served markets and their dynamics (e.g., Varadarajan, 2011). Since marketing is a contextual discipline (Sheth, 2011), the needed marketing capabilities leveraging firms' performance in the long run can differ across countries and industries (Mora Cortez & Johnston, 2018). In this vein, extant research calls for investigating marketing capabilities in different environments

(e.g., Feng, Morgan, & Rego, 2017). Furthermore, the literature suggests that *not all marketing capabilities are equal* (Jaworski & Lurie, 2019) and questions *whether the same level of the same marketing capabilities may be more or less valuable in different settings* (Morgan, 2019). Therefore, we aim to determine which B2B marketing capabilities are more impactful on meeting firms' performance objectives across different geographic settings.

Understanding the direct impact of marketing capabilities on firm performance and their association with related concepts has been the focus of much marketing research in local and international settings. In a local setting, previous studies examined the role of marketing capabilities in innovation-based sustainability strategies (Mariadoss, Tansuhaj, & Mouri, 2011), effective market-driven firms (Vorhies, Harker, & Rao, 1999), market performance (Guo et al., 2018; Vorhies & Morgan, 2005), growth (Feng et al., 2017; Morgan, Slotegraaf, & Vorhies, 2009), firm's strategic choices (Di Benedetto & Song, 2003), transformation of intelligence (Helm, Krinner, & Endres, 2020), and customer value creation (Guenzi & Troilo, 2006). In an international setting, previous studies examined the role of marketing capabilities in positional advantage (Martin, Javalgi, & Cavusgil, 2017), shaping strategic intentions (Kaleka

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& Morgan, 2019), export marketing strategy implementation (Morgan, Katsikeas, & Vorhies, 2012), manufacture upgrade performance (Eng & Spickett-Jones, 2009), export performance (Pham, Le Monkhouse, & Barnes, 2017), international joint ventures (Fang & Zou, 2009), and choice of entry mode (Ripollés & Blesa, 2012). However, to this point, scarce empirical evidence exists concerning *the ability to create, maintain, and leverage the same set of general marketing capabilities in ways that cope with context-based variance across country markets* (Morgan, Feng, & Whitler, 2018, p. 89). We maintain that connecting a diverse set of marketing capabilities to specific firm performance dimensions in multiple countries is needed to ignite the advancement of such a literature stream.

To address this topic, we develop and test a conceptual framework based on dynamic marketing capabilities (e.g., Fang & Zou, 2009) and the convergence-divergence (C—D) theoretical underpinnings (e.g., Ozturk & Cavusgil, 2019) in international business (IB). Dynamic capabilities "reflect the speed and degree to which a firm's idiosyncratic resources can be aligned and realigned to match the opportunities and requirements of the business environment, while also shaping it" (Katkalo, Pitelis, & Teece, 2010, p. 1178). The connection between dynamic capabilities and organizational performance is more complicated than simple (Kachouie, Mavondo, & Sands, 2018). The main challenge emerges from the idea of dynamic capabilities that both match market needs and create market change (Teece, 2007). This is consistent with the view of effective marketing actions as being market-driven while simultaneously driving markets (Xu, Guo, Zhang, & Dang, 2018). This duality explains the C—D tenet of marketing capabilities, suggesting that, due to institutional characteristics (e.g., cultural, political), some marketing capabilities should converge in relevance when accounting for B2B firm performance across nations (e.g., Mora Cortez & Johnston, 2018).

Extant marketing research identifies many B2B marketing capabilities [1] (e.g., new offering development, pricing, channel management) associated with firm performance (Lenka, Parida, & Wincent, 2017; Vorhies & Morgan, 2005). Surprisingly, the same literature offers little insight into the relative value of different B2B marketing capabilities (Morgan & Slotegraaf, 2012). To the best of our knowledge, marketing scholars have investigated such a potential variability only from a qualitative approach (e.g., Mora Cortez & Johnston, 2018) or used secondary data in the form of heuristics to identify marketing capabilities (e.g., Wu, 2013), while others neglected institutional differences across markets (e.g., Feng et al., 2017). Moreover, there is a need for establishing the connection between marketing capabilities with distinct dimensions of B2B firm performance (Morgan & Slotegraaf, 2012), considering country-level differences in emerging versus developed economies (Fahy et al., 2000). Thus, we address two research questions: (1) How are different B2B marketing capabilities linked to customer satisfaction, sales revenue, and profitability? and (2) How does the relative value of B2B marketing capabilities differ in emerging versus developed economies? Using data from myriad sectors in the United States (US), Denmark, and Chile, we test the derived conceptual model by means of 702 datapoints obtained from primary sources at the strategic business unit (SBU) level. We close prior methodological gaps by accounting for the threats of endogeneity, providing a robust statistical approach.

We advance research in three major ways. First, we contribute to the intriguing C—D literature in marketing (e.g., Douglas & Craig, 2011; Ozturk & Cavusgil, 2019), which focuses on why organizational practices are adopted or not to a new country context (Mellahi, Demirbag, Collings, Tatoglu, & Hughes, 2013). We suggest that not all *apparently* key marketing capabilities are positively related to firm performance, but neither does a completely chaotic mechanism exist sustaining their influence. Therefore, we provide empirical evidence for the idea that some universal patterns are part of business development across borders (Burgess & Steenkamp, 2006).

Second, we contribute to the marketing capabilities prioritization nascent literature. While research on marketing capabilities is conclusive in showing that they are associated with superior performance (Morgan, 2019) and enable firms to continuously adapt (Katkalo et al., 2010), we examine which B2B marketing capabilities drive different operational and organizational level outcomes (customer satisfaction, sales revenue, and profitability) because performance is multidimensional (Morgan & Slotegraaf, 2012). Thus, a capability can be significant to merely achieve a single goal. For example, our findings indicate that, while social media capability (in the US) is relevant to positively influence customer satisfaction, this capability has no impact on sales revenue or profitability.

Third, we contribute to the broader IB focus on emerging markets, which states that modern marketing is likely to be all about non-advanced economies due to their top growth rates, challenges in infrastructure, and shortage of resources (Sheth, 2011). We examine B2B marketing capabilities in Chile, extending the common attention to countries such as India or China (Guo et al., 2018). In this vein, we also answer calls for more marketing research in Latin America (Fastoso & Whitelock, 2011) and empirically compare the region with advanced economies (Mora Cortez & Johnston, 2018). For instance, our findings indicate that, while channel management capability positively drives sales revenue in the US and Denmark, this capability influences profitability in Chile.

2. Literature review

2.1. Marketing capabilities in B2B settings

The last 20 years show a growing number of B2B firms advocating the development of marketing capabilities. Academic research on marketing capabilities has also matured in parallel (see an overview of B2B marketing capabilities for the 2000–2020 period in Web Appendix A). Yet, although the idea of marketing capabilities being key to outperform competitors and co-create superior value to customers has been widely endorsed by empirical studies (e.g., Di Benedetto, 1999; Helm et al., 2020; Morgan et al., 2009), agreeing about which specific marketing capabilities are more influential on performance remains elusive. Interestingly, Kamboj and Rahman (2015) identified that the majority of extant studies measure marketing capability in terms of the four Ps of marketing (i.e., pricing, product development, promotion, and place) and report a positive and significant relation with firm performance. However, Vorhies and Morgan's (2005) and Eng and Spickett-Jones's (2009) seminal studies suggest a broader view on marketing capability, including themes such as selling, market research, and marketing planning (e.g., ability to segment and target market), which we take into consideration. Furthermore, Herhausen, Miočević, Morgan, and Kleijnen (2020) identified a digital marketing capability gap in extant B2B marketing literature. [2] Following this stream of research, our study considers e-commerce capability (linked to the channel gap), social media capability (linked to the social media gap), and digital intelligence capability (linked to the digital technologies gap; see Herhausen et al., 2020, p. 285) as key dimensions of a higher-order marketing

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[1] We note that extant literature does not differentiate marketing capabilities between B2B and B2C settings (e.g., Morgan et al., 2009; Vorhies & Morgan, 2005). Indeed, Morgan and Slotegraaf (2012) state that marketing capabilities identified in the literature are valuable to both B2B and B2C firms. However, we argue that how to develop marketing capabilities and why they are relevant depend on the setting (Morgan, 2019).

[2] Digital marketing includes all activities, institutions, and processes facilitated by digital technologies. As an emergent context, digital marketing offers opportunities to contribute to B2B marketing literature. We thank an anonymous reviewer for this comment.

capability.

Past research has studied B2B marketing capabilities mostly in developed countries such as the US (e.g., Mariadoss et al., 2011; Krush, Sohi, & Saini, 2015), United Kingdom (e.g., Kaleka & Morgan, 2019; Yu, Ramanathan, & Nath, 2014), Australia (e.g., Merrilees, Rundle-Thiele, & Lye, 2011; O'Cass & Weerawardena, 2010), and Germany (Helm et al., 2020; Wilden, Gudergan, Akaka, Averdung, & Teichert, 2019). Consequently, the findings of these studies cannot be generalized for developing countries (Kamboj & Rahman, 2015). In addition, our literature review indicates that marketing capabilities research is growing in the Chinese and Indian setting (e.g., Buccieri, Javalgi, & Cavusgil, 2020; Guo et al., 2018) but almost nonexistent in other emerging countries. Hence, in our study we focus on a setting different from China and India.

Furthermore, most of the studies were conducted in a single-country setting (e.g., Mitręga, 2020). One exception is Mora Cortez and Johnston's (2018) study, in which the authors conduct in-depth interviews and find a convergence zone of B2B marketing capabilities required to successfully face future challenges for the US, Chile, Mexico, and Peru. However, their study omitted how firm's performance is accounted, which precludes carrying out a comparison of the specific relevance of each identified marketing capability. This ignores that the importance of marketing capabilities depends on the institutional context in which a firm is operating (Wu, 2013). Therefore, our study contributes to closing a B2B marketing research gap.

2.2. B2B marketing capabilities as dynamic capabilities

Dynamic capabilities theory conceptualizes resources as the stocks of tangible (e.g., equipment) and intangible (e.g., reputation) assets available to the firm, whereas capabilities are the processes by which firms identify and acquire needed resources and transform them into realized marketplace value offerings (Morgan et al., 2012, p. 273). Although marketing capabilities were considered static in nature (Day, 1994), firms operating in open economies (e.g., US, Denmark, Chile) have been prompt in adopting a market orientation (i.e., principal cultural foundation of learning organizations; Slater & Narver, 1995), which has a liberating effect on marketing capabilities (Kumar, Jones, Venkatesan, & Leone, 2011) and simultaneously shapes them to be more dynamic in nature (Jaworski & Lurie, 2019).

The dynamic quality of capabilities accounts for the acknowledgement that firms must establish processes in response to environmental market changes (Fang & Zou, 2009) and marketplace trajectories not being easily recognized (see Teece, Pisano, & Shuen, 1997). Marketing capability is understood as a higher-order capability through which a firm aligns lower-order capabilities with the evolving nature of the market (Wilden et al., 2019). Indeed, all dynamic capabilities are higher-order capabilities (Zahra, Sapienza, & Davidsson, 2006). Thus, firms can continuously adapt their marketing programs based on a dynamic marketing capability (Khan, 2020). Lower-order capabilities enable a firm to maintain the *status quo* and are deemed ordinary (operational) and static, while higher-order capabilities enable a firm to adjust how it currently makes its living in a non-static fashion (Collis, 1994; Helfat & Winter, 2011).

In this vein, Jaworski and Lurie (2019) indicate that marketing capabilities are inherently dynamic because they represent the ability for a firm not just to accomplish a *onetime* adaptation, but to continuously adapt as its *theory of the business* changes (p. 372). Teece (2007) suggests that dynamic capabilities can be disaggregated into the capacity to (1) sensing and shaping new opportunities and threats (*sensing capability*); (2) seizing opportunities (*seizing capability*); and (3) maintaining competitiveness through protecting, combining, enhancing, and, when required, reconfiguring the business firm's intangible and tangible assets (*reconfiguring capability*). If specific marketing capabilities can totally or partially serve as sensing, seizing, or reconfiguring capabilities, the higher-order marketing capability is inevitably dynamic.

Sensing capability refers to the scanning, search, and exploration processes deployed to generate knowledge about a firm's internal operations, customers, markets, competitive landscape, and general environment (Wilden et al., 2019). The most common marketing capability related to *sensing* is market research since it facilitates capturing and interpreting available information in different ways (e.g., a conversation at a trade show, a survey score; Teece, 2007). Similarly, digital intelligence capability driving the adequate deployment of smart devices can contribute to grasping data more efficiently and scanning the fit of current technologies with customer needs (Lenka et al., 2017). Furthermore, new product development capability may influence processes to direct internal R&D and select new technologies, which are key to establishing a satisfactory analytical system (Teece, 2007).

Seizing capability refers to the processes that facilitate decision-making for specifying a possible business model and allocating investment (Wilden et al., 2019). An important marketing capability related to *seizing* is channel management since it involves selecting partners and distribution channels (Mikalef, Conboy, & Krogstie, 2021, p. 82), creating future growth paths. In addition, personal selling and e-commerce capabilities contribute to designing mechanisms to capture value, which is essential to exploiting opportunities (Teece, 2007). The former capability entails the human ability to adapt communication with customers to maximize sales effectiveness. The latter capability relates to the ability to develop transactional platforms to maximize sales efficiency.

Reconfiguring capability refers to processes supporting and putting an emerging strategy from the seizing capability deployment into practice (Wilden et al., 2019). Reconfiguration is necessary to maintain evolutionary fitness and, on some occasions, to escape from unfavorable path dependencies (Teece, 2007). An interesting marketing capability related to *reconfiguring* is pricing since it entails defining the right selling prices for products and services, which may require recombining resources and skills to maximize complementarities inside (e.g., product/service features) and outside (e.g., customer needs) the firm to implement changes (Teece, 2012). In addition, traditional communication and social media capabilities take part in the continuous alignment and realignment of specific intangible assets such as brands (Pranjal & Sarkar, 2020; Mora Cortez, Freytag, & Ingstrup, 2022). Overall, marketing capabilities are inherently dynamic due to the transforming nature of the market and their active role in sensing, seizing, and reconfiguring. However, we adhere to the idea of some dynamic capabilities serving both static and non-static purposes and that change often takes time (see Helfat & Winter, 2011).

2.3. The importance of prioritizing B2B marketing capabilities

Determining which marketing capabilities to develop has become an increasingly important challenge in ever more competitive marketplaces (Xu et al., 2018). In this vein, Morgan and Slotegraaf (2012) argue that studying the effects of various marketing capabilities on performance outcomes, especially the outcomes that are of utmost importance to upper management, provides a promising arena for calibrating and verifying the value of marketing in B2B firms (p. 104). Similarly, Guo et al. (2018) indicate that the boundary conditions under which one kind of marketing capability might be more relevant than another remain unclear.

Prioritizing B2B marketing capabilities responds to the fundamental question of *fit* in terms of decisions to be made and their influence according to the market environment (Morgan, 2019). In addition, endogenous conditions to the focal firm may direct the goal setting since different results require different capabilities (Ashkenas & Chandler, 2017). For instance, a firm involved in a reputation crisis (e.g., due to an industrial accident) would prefer to increase customer satisfaction levels over sales revenue or profitability levels in the short- and mid-term. This goal unfolding allows differentiating marketing strategy from marketing capabilities. Ashkenas and Chandler (2017) argue that a strategy (i.e., decisions concerning where to compete and how to compete;

Varadarajan, 2011) that makes sense might be impossible to carry out if the focal firm is missing the right capabilities.

Jaworski and Lurie (2019) note that marketing capabilities can be firm-specific, arguing that there is no single *winning* marketing planning process. These authors stress that *improved marketing capabilities yield different, higher quality choices than the organization made before, and consequently get better results* (p. 373). Therefore, a firm is required to identify its key marketing choices, which are framed by an overarching strategy. Firms should start by building the capabilities needed to make the three or four most important marketing choices first, then move on to building the capabilities for the five or six next most important marketing choices, and so on (Jaworski & Lurie, 2019, p. 374). However, in certain settings (e.g., country), such marketing choices can be similar across firms, making some capabilities more valuable in reaching goals. Overall, firms must carefully select which capabilities are the highest priority based on both internal and external factors (Morgan, 2019).

2.4. C—D of B2B marketing capabilities in advanced and emerging economies

Despite the central role that convergence plays in understanding market development and marketing decisions, there is a dearth of studies in the IB literature that examine the convergence hypothesis (Ozturk & Cavusgil, 2019). According to Kaufman (2016), the C—D phenomenon relates to whether systems are becoming more similar or dissimilar over time and across nations and regions. On one hand, supporters of convergence, such as Levitt (1983), advocate for homogenization of markets based on assumptions regarding the standardization of customer needs and general preference of low price and good quality. On the other hand, supporters of divergence, such as De Mooij (2010), advocate for heterogenization of markets based on assumptions regarding indigenous cultural values maintaining distances between societies. In brief, the former view argues that firms should operate under a *universal* frame, while the latter view argues that firms should operate under a *contextual* frame (see Kaufman, 2016).

Marketing literature has typically viewed international market expansion as an evolutionary process (e.g., Douglas & Craig, 2011), which involves the blending of different socioeconomic influences and business ideology in cross-cultural managerial settings, leading the development of new and unique values systems among individuals and firms in a society (Ralston, 2008). This blending perspective establishes the foundation of the crossvergence hypothesis (see Ralston, Gustafson, Cheung, & Terpstra, 1993). It represents a transitional state of convergence and divergence perspectives. The crossvergence hypothesis posits that different values across the globe blend in a particular way to generate a cross-bred value system (Ozturk & Cavusgil, 2019).

Marketing capabilities are the type of advanced management skills that can vary from country to country because they diffuse slowly across national borders (Fahy et al., 2000). Moreover, the environment in which a firm operates is important in determining the returns to a firm's capability investments (Wu, 2013). As a result, marketing scholars have suggested that capabilities should have greater value when deployed in ways that are consistent with the external environment (Feng et al., 2017, p. 79). However, it is widely accepted that modern conceptions of the business field are affected by US thinking (Mellahi et al., 2013), and a few universal patterns of marketing management exist (Burgess & Steenkamp, 2006). Similarly, Tayfur (2013) states that globalization, competitive pressures, and Western management-style practices promoted as universal truths make organizations and their practices more alike (p. 634). This intertwined view on marketing capabilities development is consistent with the crossvergence phenomenon. Hence, the extent of the marketing capabilities crossvergence can be assessed comparing different countries (Wu, 2013). B2B markets are a rich setting to explore the marketing capabilities crossvergence as rational decision-making prevails in industrial procurement (Lilien, 2016),

driving convergence; but, at the same time, there is a tendency to deliver more customized, solution-oriented offerings (Tuli, Kohli, & Bharadwaj, 2007), driving divergence (see Ralston, 2008 and Mora Cortez & Johnston, 2018 for factors influencing C—D).

Overall, prior marketing and IB literature provides a broad discussion on how B2B marketing capabilities help firms to achieve superior organizational performance, how a higher-order marketing capability is dynamic in nature, how important is to prioritize B2B marketing capabilities, and how B2B marketing capabilities might converge and diverge (i.e., crossvergence) across different settings. However, there is a lack of understanding on how prioritizing B2B marketing capabilities takes part in demonstrating the crossvergence phenomenon in advanced and emerging economies. We develop and test a conceptual model indicating the association between a select group of B2B marketing capabilities and key dimensions of performance to account for the significance of such capabilities.

3. Conceptual model and hypothesis development

3.1. Marketing capabilities identification and selection

Following Vorhies and Morgan (2005) and Mora Cortez and Johnston (2018), to gain insights into decisive marketing capabilities in practice, we conducted a two-day online workshop with 20 managers involved in senior [3] B2B marketing roles in the US. This approach is congruent with the practice-centered view on marketing strategy deployment (see Jaworski, 2018). One of the authors and an IB consultant conducted the field activity with the managers and debated (1) the emergence and importance of marketing capabilities for B2B firms, (2) the different forms to categorize marketing capabilities, and (3) how to prioritize them.

Synthesizing insights from extant research and our workshop with senior B2B marketing managers, we identify 10 distinct capabilities encompassing relevant decisions made by B2B marketers: (1) market segmentation and targeting, (2) pricing, (3) new offering development, (4) traditional marketing communication, (5) social media, (6) channel management, (7) digital intelligence, (8) market research, (9) e-commerce, and (10) personal selling. Market segmentation and targeting capability refers to the ability to group customers by applying one or more base variables and selecting the most attractive customer groups (e.g., Dibb & Simkin, 2001). Pricing capability refers to the ability to extract the optimal revenue from the firm's customers (e.g., Vorhies & Morgan, 2005). New offering development capability refers to the ability to create and launch new services, products, or solutions (e.g., Morgan et al., 2009). Traditional marketing communication capability refers to the ability to inform customers and manage customer perceptions via non-digital channels (e.g., Duncan & Moriarty, 1998). Social media capability refers to the ability to inform customers and manage customer perceptions via digital networks (e.g., LinkedIn, Twitter). Channel management capability refers to the ability to establish and maintain channels of distribution and downstream influencers that co-deliver value to end-user customers (e.g., Vorhies & Morgan, 2005). Digital intelligence capability refers to the ability to capture and manage real time data through smart devices using wireless machine-to-machine communication (e.g., Lenka et al., 2017). Market research capability refers to the ability to discover information about customer needs and broad market trends (e.g., Vorhies et al., 1999). *E*-commerce capability refers to the ability to acquire and process customer orders via a website or online platform (e.g., Gregory, Ngo, & Karavdic, 2019). Personal selling capability refers to the ability to acquire and process customer orders via the sales force or similar agents (e.g., Eng & Spickett-Jones, 2009).

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[3] Selected managers are VP, SVP, or C-level executives with at least 15 years in diverse B2B industries.

Finally, the workshop participants assessed (1) the extent to which the selected capabilities are essential for implementing an effective marketing strategy and (2) the extent to which other capabilities (different from the 10 marketing capabilities under consideration) are essential for implementing an effective marketing strategy (using a 5-point scale running from 1 = *very low* to 5 = *very high*). We ran a *t*-test to account for the mean difference ($M_1 = 4.60$, $M_2 = 2.85$), finding a significant result ($\Delta M_{1-2} = 1.75$, SE = 0.18, $t = 9.95$, $p < .01$). Hence, the selected capabilities are perceived as more relevant than any other marketing capabilities to reach firms goals (see Web Appendix C for further validation of the capabilities selection).

3.2. Connecting marketing capabilities with performance

Drawing on the chain of marketing performance outcomes framework (see Katsikeas, Morgan, Leonidou, & Hult, 2016), we conceive performance as a multidimensional construct. This theoretical approach conceptualizes performance outcome associated with firms' marketing efforts comprising (1) *operational performance*, which refers to "the fulfillment of goals within different value-chain activity areas of the firm" (Katsikeas et al., 2016, p. 2) that may subsequently lead to (2) *organizational performance*, which refers to "the economic outcomes resulting from the interplay among an organization's attributes, actions, and environment" (Combs, Crook, & Shook, 2005, p. 261). Following this duality, our study aims to account for both operational (customer satisfaction; Fornell, Mithas, Morgeson III, & Krishnan, 2006) and organizational (sales revenue and profitability; Edeling & Himme, 2018) performance (see Fig. 1).

We theorize that developing capabilities associated with *where* to compete will influence the development of capabilities associated with *how* to compete. Market segmentation and targeting capability is conceptualized as an architectural capability (i.e., encompassing information- and planning-related processes), crucial to marketing strategy deployment (Dibb & Simkin, 2001). Particularly, segmentation provides direction for a firm's resource allocation, which helps managers to cultivate segment-specific capabilities as part of shaping the environment (Mora Cortez, Clarke, & Freytag, 2021). The rationale is that *identified market segments serve as a mirror to appraise a firm's strengths and weaknesses in meeting the segments' current and future needs* (Hlavacek, 2002, p. 62). Indeed, knowing the needs of particular market segments spurs B2B marketers to nurture the vital skills to focus product development efforts, develop profitable pricing strategies, select appropriate channels of distribution, develop and target promotion messages, and enhance other related marketing activities (Hutt & Speh, 2016). Further, scholars regard marketing capabilities as complementary, indicating that interdependencies between individual capabilities exist, which implies a higher-order approach (see Eng & Spickett-Jones, 2009; Vorhies & Morgan, 2005). Hence, we hypothesize that market segmentation and targeting capability is an antecedent of a higher-order marketing capability. [4] This relationship is expected to be supported in both emerging and developed economies because segmentation and targeting capability enables conceiving and implementing appropriate marketing strategies in different settings (for both local vendors and exporters; Morgan et al., 2012), which implies concurrent progress in diverse dimensions of a higher-order marketing capability. Formally,

H1. Market segmentation and targeting capability is positively associated with a higher-order marketing capability in both emerging and developed economies.

Institutional theorists conceive the emergence and evolution of markets as a social process (Slimane, Chaney, Humphreys, & Leca, 2019). In this vein, though prior literature supports a positive association between marketing capabilities and firm performance (e.g., Feng et al., 2017), we do not expect the relationships between the nine dimensions of marketing capability and the three aspects of performance to necessarily converge in different countries. While we analyze the marketing capability dimensions influence at the granular level of performance (i.e., customer satisfaction, sales revenue, and profitability), we propose hypotheses at the holistic level of performance, [5] building over institutional factors from the C—D literature (e.g., Mora Cortez & Johnston, 2018; Ralston, 2008).

Cavusgil, Knight, and Riesenberger (2014) indicate that the dominant political view on markets in advanced economies is capitalist, while rapidly transitioning to capitalism (since the 1980s) in emerging markets, which suggest that nowadays firms in both emerging and advanced economies are required to compete under high levels of market liberalization (p. 260). Interestingly, market liberalization fosters firms to acquire greater managerial autonomy and market orientation which imbue them with a stronger commercial logic (Li, Cui, & Lu, 2014), placing greater emphasis on the development of marketing capabilities (Fahy et al., 2000). However, firms in emerging markets do not have enough resources nor the bandwidth to cultivate all the different dimensions of a higher-order marketing capability. Thus, a more limited set of marketing capabilities are expected to be related to organizational performance in emerging markets than in developed markets.

Pricing capability is associated with extracting revenue from customers, influencing firm performance in developed markets (Vorhies & Morgan, 2005). Price affects both the cost and perceived quality sides of the customer value equation (Morgan, 2012). Therefore, a more advanced pricing capability allows to justify higher prices for higher quality offerings (Hinterhuber, Snelgrove, & Stensson, 2021). The literature on emerging markets suggests that contrary to the belief that B2B customers are price takers, decision-makers can be persuaded to accept high prices (e.g., Batsakis, Theoharakis, Azar, Singh, & Singh, 2019). Thus, a strong pricing capability aligns internal choices with external conditions, increasing firm performance. Indeed, Mora Cortez and Johnston (2019) identify pricing as a capability linked to value co-creation in emerging settings. Formally,

H2. Pricing capability is positively associated with firm performance in both emerging and developed economies.

New offering development capability is associated with the creation and launching of new products/services, influencing firm performance in developed markets (Vorhies & Morgan, 2005). New offerings are a crucial asset for B2B firm development in different settings (Hlavacek, 2002). In an emerging economy, multinational enterprises (MNEs) arrive with their offerings and technologies, generating knowledge spillovers to local firms via demonstration effects and personnel mobility (Xie & Li, 2018, 2018, p. 226). Hence, both local and MNEs can cultivate an effective new product/service development capability for improving firm performance. Moreover, B2B customers in emerging markets got used to accessing high-quality, useful offerings, stressing the need for suppliers to build stronger new product/service capabilities in order to be competitive (Keegan, 2014). Formally,

H3. New offering development capability is positively associated with firm performance in both emerging and developed economies.

Traditional marketing communication capability is associated with communicational skills in non-digital channels, influencing firm performance in developed markets (Vorhies & Morgan, 2005). Traditional communication (e.g., advertising) is essential for developing B2B brand awareness, which significantly drives firm performance (Hutt & Speh, 2016). Empirical studies conducted in developed settings indicate that

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[4] We operationalize the higher-order marketing capability as a second-order construct with nine dimensions.

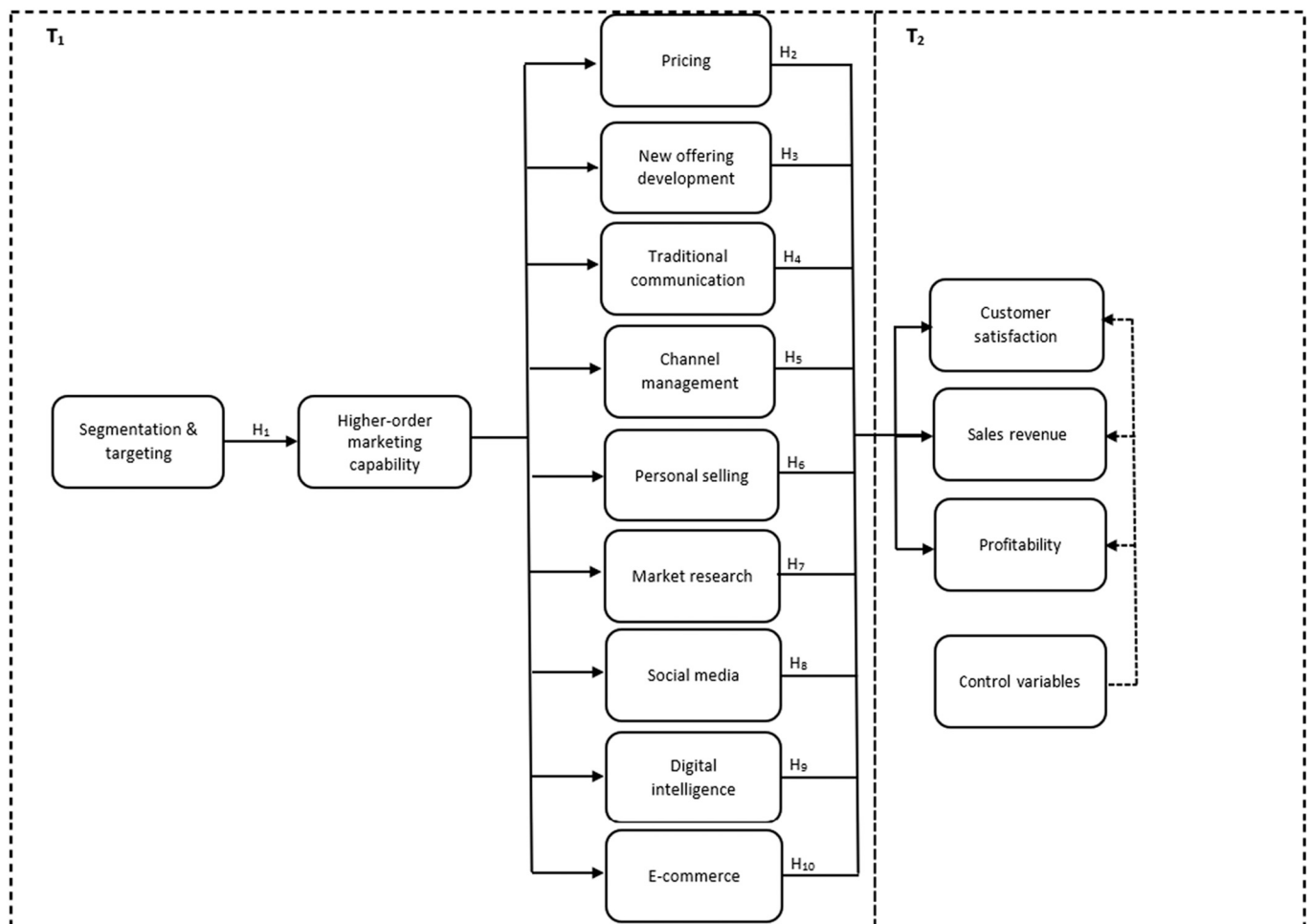[5] Although this approach allows assessing the C—D phenomenon, it also responds to space limitations.

Fig. 1. Conceptual model.

product homogeneity strengthens such a link (e.g., Homburg, Klarmann, & Schmitt, 2010). Cavusgil et al. (2014) acknowledge that functional standardization in emerging countries is usually high (due to exhaustive competition), and promotion serves as a path for differentiation. Thus, B2B firms in emerging economies should also be able to increase performance by invigorating a traditional communication capability. Formally,

H4. Traditional communication capability is positively associated with firm performance in both emerging and developed economies.

Channel management capability is associated with managing distributors and other intermediaries, influencing firm performance in developed markets (Vorhies & Morgan, 2005). Channel partners may increase a seller's market penetration or reinforce its value proposition. Indeed, managing networks of actors is central for B2B firms' enhancement since maintaining effective and productive relationships is related to positive returns (Hlavacek, 2002). The IB literature has indicated that relationship- and partner management-related skills are key for thriving in emerging markets (e.g., Guanxi in China or Jeitiño in Brazil; Cavusgil et al., 2014). Due to the inherent turbulence in non-advanced countries, B2B firms need to incur in several distribution network adjustments to seize market opportunities (Bortoluzzi, Chiarvesio, & Tabacco, 2015), which remarks the influence of a strong channel management capability. Formally,

H5. Channel management capability is positively associated with firm performance in both emerging and developed economies.

Personal selling capability is associated with salespeople

management skills, influencing firm performance in developed markets (Vorhies & Morgan, 2005). The B2B sales force role relates to acquiring customers but also to establishing a dynamic and trustworthy interaction with customers over time. Salespeople are key to be responsive when deviations from the status-quo surface in B2B arenas (e.g., service failure, technological change; Hutt & Speh, 2016). In this vein, the fast pace, evolving nature of emerging settings offers chances for salespeople to engage in positive adaptation, and consequently co-create and capture value for the firm (Luu, 2021). Thus, a robust personal selling capability in emerging countries should also influence firm performance. Formally,

H6. Personal selling capability is positively associated with firm performance in both emerging and developed economies.

Market research capability is associated with obtaining information on customer needs and market trends, influencing firm performance in developed markets (Vorhies & Morgan, 2005). Market research is a driver for cultivating market intelligence, which is a key ingredient for good decisions (Chari, Luce, & Thukral, 2017, p. 42). In addition, market research beyond the knowledge enhancement can contribute to establish a value-in-use oriented (not only transactional) channel of communication, facilitating deep understanding by B2B firms (Hlavacek, 2002). Because emerging countries are changing rapidly, developing a sound market research capability helps firms to achieve better results (Chari et al., 2017). Indeed, Mora Cortez and Johnston (2019) indicates that market research in emerging markets (e.g., Chile, Peru) is a capability linked to learning about customers, which in turn leads to firm performance. Formally,

H7. Market research capability is positively associated with firm performance in both emerging and developed economies.

Social media capability is associated with customers' digital interaction (e.g., via LinkedIn) to enhance positive organizational perceptions, influencing firm performance in developed markets (Cawsey & Rowley, 2016). However, while social media capability may entail fruitfully reconfiguring diverse resources, the adoption and use of social media by B2B firms is a major challenge (Herhausen et al., 2020). Indeed, Foltean, Trif, and Tuleu (2019) indicate that firms' return on social media advancement builds on respecting rules and fitting current skills in their institutional environment. In this vein, Mora Cortez and Johnston (2019) do not identify social media as a primary capability driving performance in emerging settings, whilst acknowledge social media capability as a channel for discovery related to firm performance in developed settings. Formally,

H8. Social media capability is positively associated with firm performance only in developed economies.

Digital intelligence capability is associated with capturing real time data via smart, connected, wireless devices, influencing firm performance in developed markets (Herhausen et al., 2020). Lenka et al. (2017) discuss that intelligent products or hardware at a network level opens new value creation scenarios (p. 96). Nevertheless, the effect of digital intelligence capability on making better decisions is dependent on the firm's analytical skills (Ritter & Pedersen, 2020), which are more advanced in developed markets. Moreover, digitalization is an expensive, difficult endeavor that takes time, and requires solid institutions to flourish in B2B settings. Emerging countries are typically characterized by the absence of specific regulation on data utilization (Ritter & Pedersen, 2020), hindering the acceptance by customers (Kropp & Totzek, 2020), which in turn precludes any significant influence on firm performance. Formally,

H9. Digital intelligence capability is positively associated with firm performance only in developed economies.

E-commerce capability is associated with acquiring and managing customer orders using a website/platform, influencing firm performance in developed markets (Pires & Aisbett, 2003). E-commerce helps B2B firms to seizing value not only for sellers focusing on local markets but also exporters (Gregory et al., 2019). E-commerce capability effectiveness depends on (1) sellers having access to the IT knowledge and hardware and software required by e-commerce and (2) all actors trusting the institutions ensuring the security of online transactions (Sila, 2013). In comparison with developed economies, emerging economies are characterized by the underdevelopment of certain institutions (Sheth, 2011), causing markets to suffer from lack of reliable and adequate information for stakeholders; inefficient judicial systems; and the deficit of intermediary institutions that facilitate business (Rottig, 2016). Due to these institutional voids, firms in emerging markets face more uncertainty, higher risks and, thus, higher transaction costs, which drive customers to hesitate about adopting digital channels for commercialization (Sila, 2013), hindering the potential benefits of a robust e-commerce capability. Formally,

H10. E-commerce capability is positively associated with firm performance only in developed economies.

4. Method

4.1. Context selection: United States (US), Denmark, and Chile

The data for the empirical validation of the conceptual model were drawn from three different countries: (1) the US, (2) Denmark, and (3) Chile. The institutional dissimilarity across the countries represents an opportunity to investigate the marketing capabilities crossvergence phenomenon (see country institutional profile in Table 1). The US is the

Table 1
Country cultural-socioeconomic profile.

Factor	United States	Denmark	Chile
Population (in millions)[a]	330.005	5.812	19.458
GDP PPP (in billions USD)[a]	21,374	348.1	476.7
GDP PPP per capita (USD)[a]	65,118	59,830	25,155
GDP distribution (agriculture, industry, services)	1%, 19%, 80%	1%, 22%, 77%	4%, 32%, 64%
Competitiveness (0–100)[b]	83.7	81.2	70.5
Patents per million of habitants[d]	863.9	217.1	20.9
Uncertainty avoidance (0–100)[c]	46	23	86
Collectivism (0–100)[c]	9	26	77
Masculinity (0–100)[c]	62	16	28
Power distance (0–100)[c]	40	18	63

Source:
[a] World Bank (2020).
[b] IMD competitiveness ranking.
[c] Hofstede insights.
[d] WIPO (2019).

world's largest economy, ahead of China. The GDP grew by 2.2% in 2019 – against 3% in 2018 (IMF, 2020). While those growth levels are favorable for a developed country, structural factors of the US economy are not at their prime. The country is facing escalating inequalities and outdated infrastructure, which are hindering potential GDP growth (World Bank, 2020). The US's most representative export products are lubricating petroleum oils, cars, medicaments, and other vehicle parts. The US's most relevant trade partners are Canada, Mexico, and China. From a cultural perspective, the US is relatively high in masculinity and individualism, and relatively low in uncertainty avoidance and power distance (Table 1; Hofstede Insights, 2020).

Denmark has a prosperous and competitive economy (World Bank, 2020). In 2019, the country reached a GDP growth of 2.37%, sustaining its economic development pace (as 2018 GDP growth was 2.39%; IMF, 2020). As a small country (see Table 1) with an open economy and a structural balance of payments surplus, Denmark is highly dependent on foreign trade. A weaker global trade would hit the Danish shipping industry (Denmark is the world's fifth largest shipping operator) and limit exporters' access to key markets. Denmark's most representative export products are medicaments, crude petroleum, swine meat, direct current motors and generators, and lubricating petroleum oils. Denmark's most relevant trade partners are Germany and Sweden. From a cultural perspective, Denmark is similar to other countries in the Scandinavian region but relatively diverges from the US (the cultural difference totalizes 108; Hofstede Insights, 2020).

Chile has been one of Latin America's fastest-growing economies in recent decades, thanks to a robust macroeconomic framework, which enabled the country to mitigate the effects of an unstable international context and diminish the population living in poverty (on US$5.5 per day) from 30% in 2000 to 3.7% in 2017 (World Bank, 2020). However, >30% of the population is economically vulnerable, and income inequality continues high. Political reforms are struggling, fostering a GDP growth fall from 3.9% in 2018 to 1.1% in 2019 (IMF, 2020). Chile's most representative export products are copper, chemical wood pulp, frozen fish, fruits, and wine. Chile's most relevant trade partners are China, the US, and Japan. From a cultural perspective, Chile is similar to other countries in the Latin American region, but substantially diverges from the US (the cultural difference totalizes 165) and Denmark (the cultural difference totalizes 171; Hofstede Insights, 2020; see sample characteristics in Web Appendix D).

4.2. Measure development

To operationalize the constructs in the conceptual model, we adapted well-established scales that previous literature has validated. Specifically, we used marketing capabilities measures developed by

Vorhies and Morgan (2005) and Eng and Spickett-Jones (2009). However, social media, e-commerce, and digital intelligence capability constructs are new to this study. Following Churchill's (1979) measure development procedure, new measures were generated. First, we carefully specified the conceptual domain of the constructs. Next, we asked 15 US senior marketing managers [6] to provide insights into these constructs by means of in-depth interviews. Based on these interviews and a review of the marketing and IB literature, we developed preliminary measures for the three constructs. Then the practitioner panel reviewed the whole proposed item pool by judging the degree of relevance of each of the items per factor on a 7-point scale ranging from not relevant (1) to extremely relevant (7), similar to Eng and Spickett-Jones (2009). This led to the elimination of items from the survey instrument with an average score ≤ 4. Also, the panel suggested minor revisions to items' operationalization.

All the marketing capabilities constructs are operationalized via a multi-item approach, except for the market segmentation and targeting capability (which is assessed as a single-item construct). The use of single-item measures is subject to discussion in IB and marketing research (Homburg, Schwemmle, & Kuehnl, 2015). We used a single-item measure for three reasons. First, single-item measures can be highly reliable and valid (Bergkvist & Rossiter, 2007). Second, the business agencies sponsoring this study were concerned about the length of the survey, and single-item measures ease administration (Drolet & Morrison, 2001). Third, prior impactful IB research has used single-item measures (e.g., Holm, Eriksson, & Johanson, 1996). Furthermore, our results are steady whether we assign a reliability of 1 or 0.8 to the single-item construct (Jöreskog & Sörbom, 1982). We assess all the marketing capabilities through respondents' subjective appraisals of the scale items regarding SBU realities by the end of 2018, with values running from 1 (totally deficient) to 9 (world-class excellence).

We measured SBU performance along three major manifestations in extant marketing capabilities literature: customer satisfaction, sales revenue, and profitability (e.g., Morgan et al., 2012). We selected well-established measures for such performance variables (e.g., Vorhies & Morgan, 2005). Following practitioner panel recommendations, all three scales were measured relative to planned objectives with values ranging from −5 (far behind the SBU expected results) to +5 (far exceeding the SBU expected results). The revised questionnaire was subsequently refined in personal interviews with three academics familiar with research on marketing capabilities and IB in B2B settings. We assessed content validity of items by following MacKenzie, Podsakoff, and Podsakoff (2011, p. 304) recommended content adequacy test. We asked the academics to rate how well each item fits each dimension on a 5-point scale (1 = not at all, 5 = completely). We ran a one-way repeated measures ANOVA to analyze whether each item's mean significantly differs from its preassigned dimension in comparison with all remaining dimensions. The results were satisfactory for all items ($ps < 0.05$). Finally, an electronic pretest was performed using a sample of 50 marketing managers in Europe (in countries different from Denmark). We received 27 completed questionnaires. The pretest informed adequacy of the survey's language, clarity of instructions, and lucidity of response formats. We purposively asked the managers to provide feedback on the single-item construct, resulting in comments such as "the item is clear" and "I believe the item captures the essence of the concept." To increase the reliability of our results, we measured percentage sales growth for year 2019 (in comparison with year 2018) as indicator of sales revenue and objective ROA for year 2019 as indicator of profitability (Morgan et al., 2009). Correlations for all dependent and independent variables in our data set are summarize in Web Appendix E. A listing of the items and response formats for our final construct measures is displayed in the Appendix.

In addition to the focal variables identified in our conceptual model,

we also collected data on extraneous variables that may affect SBU performance (Morgan et al., 2012). SBU size may be a relevant variable since many aspects of international marketing strategy are related to firm size. In line with previous studies, the natural logarithm of number of employees was used to measure SBU size. SBU's role in the value chain is controlled by a dummy variable (manufacturer/producer = 1/ distributor = 0). To control for the form of primarily serving the market, we included two dummy variables (consumable goods [OPEX] and services) with capital goods [CAPEX] as reference point. To account for internal variability in the settings, we control for competitive intensity and market turbulence, which were examined using four and three items, adapted from Jaworski and Kohli (1993), respectively. Finally, to control for potential generational bias on assessing the marketing capabilities and SBU performance, we also accounted for the experience of the interviewee (using the total number of years working in business).

4.3. Data collection

Our sampling frame focuses on SBUs in the manufacturing and service arenas within the B2B setting. In the absence of secondary data at the SBU level, we collected primary data in line with other studies on marketing capabilities (e.g., Krush et al., 2015). We draw on three main sources to build the dataset for the study. In the US, data were collected using an online survey conducted by a professional data collection firm. Invitations to participate in the study were sent to 2026 pre-qualified informants (i.e., director or higher hierarchy in a B2B SBU). In Denmark, a subsidiary of the US data collection firm sent the survey invitation to 1397 pre-qualified informants. In Chile, a different data collection firm sent the survey invitation to 1321 pre-qualified informants. We collected data during two time periods (T1: marketing capabilities and T2: SBU performance). The data collection involved a reminder email after two, four, and six weeks. The survey instructed each informant to think about his/her SBU during 2018 (T1) and its performance during 2019 (T2) to answer the survey accordingly. The data collection was sponsored by three business agencies in the target countries. The surveys in the US, Denmark, and Chile were conducted in English, Danish, and Spanish, respectively. The non-English surveys were a translated version of the English survey (using a translation-back-translation procedure), a task executed by a professional translator and reviewed by two senior marketing scholars from the US. On average, informants took 19 min to complete the survey (including both responses from T1 and T2). Respondents were rewarded for participation by the data collection firms in all the countries.

Over an eight-week period (T1), 1834 informants attempted to initiate the survey and 1135 effectively passed the filter questions. We included four questions in the survey to verify the appropriateness of the key informants (Campbell, 1955): [1] current title (director or higher), [2] tenure in current SBU (18 months or higher at T1), [3] knowledgeable about marketing strategy (4 or higher on a scale running from 1 to 5), and [4] knowledgeable about SBU performance (4 or higher on a scale running from 1 to 5). The resulting complete answers totaled 916 in T1 and decreased to 709 in T2, representing a 15% response rate, similar to that reported by other studies of senior-level managers (e.g., Gupta, Kumar, Grewal, & Lilien, 2019). To ensure data quality, we reviewed the fulfillment of attention checks (we included three items where we instructed the informant to mark a particular answer) and dropped outliers that were outside three standard deviations from the mean of the dependent variables (Winkler, Rieger, & Engelen, 2020). The resulting 702 final usable answers account for 239, 257, and 206 complete surveys in the US (11.8% response rate), Denmark (18.4% response rate), and Chile (15.6% response rate), respectively. Non-response bias was assessed by (1) a comparison of sample characteristics to known values of the sample frame, such as the number of employees and SBU age, and found non-significant differences ($p > .05$), and (2) a pairwise *t*-test comparison of mean responses for early and late responses, using a median split, and found, again, non-significant

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[6] Different from those collaborating in the conceptual model development

differences (*p* > .05; Hulland, Baumgartner, & Smith, 2018). Selection bias due to incomplete responses was examined by a cross-tabulation of initial descriptive questions (e.g., work experience, SBU annual sales) through a median split (early vs. late responses) and the two groups (complete vs. incomplete) using chi-square tests, resulting in non-significant differences (*p* > .05).

4.4. Scale validation

Psychometric properties are consistent across the international samples. We describe the scale validation for the US sample. The coefficient alphas of most of the multi-item scales are >0.80. The lowest coefficient alpha is 0.739 for traditional marketing communication. All average extracted variances (AVEs) exceed 0.50 (Bagozzi & Yi, 1988). We further assess the validity and reliability of the scales using exploratory and confirmatory factor analysis (CFA). The exploratory factor analysis (EFA) shows sufficiently high loadings (> 0.50) per item per construct, and the items belonging to each construct are classified into separate factors (Verhoef & Leeflang, 2009). We conducted a CFA for all the constructs in our conceptual framework (including dependent variables but excluding controls), representing the measurement model (Anderson & Gerbing, 1988). After purifying the multi-item constructs (using modification indices as guide), the CFA model fit the data well ($\chi^2 = 1145$, d.f. = 702, Tucker-Lewis index [TLI] = 0.946, comparative fit index [CFI] = 0.954, root mean square error of approximation [RMSEA] = 0.049, and standardized root mean square residual [SRMR] = 0.037). All standardized factor loadings span from 0.627 to 0.923 (*p* < .05), denoting convergent validity. The computed composite reliabilities are all >0.70 (Bagozzi & Yi, 1988). Discriminant validity is assessed via pairwise constraint models, such that the correlation between the constructs is 1. All tested chi-square differences show significantly better model fit for the free estimation (Anderson & Gerbing, 1988). The Fornell and Larcker (1981) test also denotes discriminant validity, limiting collinearity bias. To further dissipate the concern on potential collinearity, we conducted a regression model using copula correction for endogeneity, finding consistent results and variance inflator factors (VIFs) < 4 for all independent variables.

To establish the adequacy for our sample size for conducting a CFA analysis of all the constructs simultaneously, we used the power analysis recommended by MacCallum, Browne, and Sugawara (1996). This procedure has been vastly used in IB and marketing research (e.g., Krush et al., 2015). Overall, MacCallum et al. (1996) indicate that an estimated model with at least 100 degrees of freedom requires a minimum sample size (n) of 132 to achieve a power level of 0.80. All the US, Denmark, and Chile samples fulfill this requirement. As robustness checks, we obtained objective data (from a sub-sample of firms per country) necessary to calculate return on assets (ROA; as profit measure) and sales revenue growth in comparison with the previous year (in percentage; as sales revenue measure), finding consistent results with the subjective analysis. This robustness check is common practice in marketing research (e. g., Vorhies & Morgan, 2005).

To avert the eventuality of common method variance (CMV) and its potential bias, we applied five suggestions from the literature: (1) participants were guaranteed of the anonymity and confidentiality of the study, (2) the survey design used distinct endpoint scale anchors for the dependent variables and contemplated alternate objective measures (return on assets [ROA]) for profitability and sales growth percentage for sales revenue, (3) item ambiguity was checked by a panel of three academic experts (from a large state university in the US), (4) data collection was conducted at two different time points (T1, T2; SBU performance was assessed at T2, about 11 months later than T1), and (5) we randomized the order of the questions using an online platform (Hulland et al., 2018; Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). The temporal separation between the marketing capabilities measures and SBU performance measures also abates the severity of simultaneity issues that might generate endogeneity threats (Gupta et al., 2019). To

further ameliorate CMV concerns, per Podsakoff et al. (2003), we included a direct measure of a latent common method factor, allowing items to load on their respective theoretical constructs as well as on a latent CMV factor, and compared the magnitude of the coefficients with and without this additional factor. None of the differences surpassed 0.20, a common threshold used in marketing research (e.g., Schaarschmidt, Walsh, & Evanschitzky, 2018). These analyses suggest that CMV bias is not a major concern.

4.5. Measurement invariance

To be able to compare the estimated coefficients across samples, establishing measurement invariance at the configural and metric level is required (Hewett, Money, & Sharma, 2006). We tested measurement equivalency of all the constructs pertaining to our conceptual model using procedures recommended by Steenkamp and Baumgartner (1998). To assess configural invariance, EFA was conducted on the US, Denmark, and Chile responses separately and on the pooled sample. The structure of the factor loadings is consistent across samples, indicating configural equivalency of the measures. Next, we assessed metric invariance using CFA. We ran a CFA in which the loadings for all items were constrained to be equal across countries and then allowed to be estimated freely (Steenkamp & Baumgartner, 1998). A chi-square difference test in which the constrained and unconstrained models were compared resulted in a non-significant value ($\chi^2 = 52.61$, df = 56, *p* > .10), indicating metric equivalency of the measures (see invariance test in Web Appendix F).

5. Model specification and findings

A firm's decision to develop multiple dimensions of a marketing capability is a choice that may be endogenously determined. Similarly, as the conceptual model is parsimonious to enhance managerial utility, the model estimation is susceptible to omitted variables bias, which is a source of endogeneity (Papies, Ebbes, & Van Heerde, 2017). Thus, failing to account for endogeneity in our model could derive to potentially mis-specified and biased results. Instrumental variables are the most common approach to address endogeneity. However, in practice and marketing research, it can be difficult to find valid exogenous instruments (Gupta et al., 2019). As an alternative, we tested our framework using structural equation modeling (SEM) with model implied instrumental variables, via a two-stage least squares estimator (MIIV-2SLS; Bollen, 2019). MIIV-2SLS allows correcting for potential endogeneity threats by using observed variables in the model as instrumental variables (Bollen, 2019). The selection of the instruments follows Bollen & Bauer (2004) algorithm. We tested Sargan's overidentifying constraints. We found that most of Sargan's tests are not rejected at the α = 0.01 level (see Web Appendix G), indicating that our results are robust to endogeneity (Bollen, 2019).

In Table 2 we present the results from the conceptual model using a MIIV-2SLS approach, reporting unstandardized coefficients, bootstrapped standard errors, and one-tailed tests. Moreover, the summary of the findings is depicted in Fig. 2. We focus on the significant effects identified during the model testing. The baseline effect of the segmentation and targeting capability on the higher-order marketing capability construct is positive and significant ($\beta_{US} = 0.985$, $SE_{US} = 0.206$) in the US at the α = 0.05 level. More important, the positive and significant result is consistent across all the samples ($\beta_{DK} = 0.779$, $SE_{DK} = 0.143$; $\beta_{CH} = 0.711$, $SE_{CH} = 0.243$; see Table 2) at the α = 0.05 level, supporting H_1. This revalidates the idea that segmenting industrial markets is essential for understanding customers and how to serve them and pivotal for strategy deployment, which has been requested to be empirically tested by several prior studies (e.g., Thomas, 2016). The segmentation and targeting capability role in marketing strategy deployment is the first conforming tenet of convergence in B2B arenas across countries with different characteristics (see Fig. 2).

Table 2

MIIV-2SLS coefficients per country.

Path	United States (n = 239)			Denmark (n = 257)			Chile (n = 206)		
	β	SE	p-value	β	SE	p-value	β	SE	p-value
PRICING → SAT	0.224	0.203	0.136	0.215	0.185	0.123	0.066	0.101	0.258
NOD → SAT	0.203	0.152	0.091†	0.213	0.136	0.059†	0.170	0.096	0.038*
COMMUNIC → SAT	−0.133	0.172	0.220	−0.022	0.152	0.443	0.069	0.112	0.269
SOCIAL_M → SAT	0.163	0.096	0.044*	0.028	0.079	0.363	0.041	0.081	0.306
CHANNEL → SAT	0.098	0.167	0.279	0.086	0.138	0.266	0.030	0.090	0.371
DIG_INT → SAT	0.330	0.276	0.131	0.109	0.197	0.290	0.054	0.049	0.135
RESEARCH → SAT	0.172	0.214	0.210	0.113	0.171	0.254	−0.039	0.092	0.335
ECOMM → SAT	−0.311	0.185	0.046*	−0.108	0.127	0.198	0.008	0.049	0.432
P_SELLING → SAT	0.197	0.167	0.119	0.283	0.166	0.044*	0.191	0.093	0.020*
PRICING → SALES	0.158	0.232	0.248	0.175	0.222	0.215	0.140	0.143	0.162
NOD → SALES	0.132	0.174	0.223	0.194	0.163	0.117	0.127	0.137	0.177
COMMUNIC → SALES	−0.162	0.196	0.204	−0.155	0.182	0.196	0.139	0.156	0.243
SOCIAL_M → SALES	0.054	0.109	0.310	0.005	0.095	0.481	0.032	0.116	0.390
CHANNEL → SALES	0.378	0.191	0.024*	0.299	0.166	0.036*	0.008	0.128	0.474
DIG_INT → SALES	−0.140	0.315	0.329	−0.252	0.236	0.143	−0.231	0.140	0.049*
RESEARCH → SALES	0.407	0.243	0.047*	0.352	0.205	0.043*	−0.140	0.130	0.141
ECOMM → SALES	0.016	0.212	0.470	0.051	0.152	0.369	0.074	0.070	0.145
P_SELLING → SALES	0.158	0.190	0.203	0.205	0.198	0.152	0.147	0.132	0.132
PRICING → PROFIT	0.307	0.230	0.091†	0.406	0.215	0.030*	0.283	0.129	0.014*
NOD → PROFIT	−0.149	0.172	0.193	−0.014	0.158	0.464	0.032	0.123	0.401
COMMUNIC → PROFIT	0.026	0.194	0.447	0.023	90.176	0.435	0.002	0.143	0.444
SOCIAL_M → PROFIT	−0.120	0.108	0.133	−0.056	0.092	0.272	0.073	0.104	0.241
CHANNEL → PROFIT	0.040	0.188	0.415	0.010	0.161	0.476	0.221	0.115	0.027*
DIG_INT → PROFIT	−0.021	0.308	0.473	−0.140	0.231	0.271	0.059	0.126	0.320
RESEARCH → PROFIT	−0.056	0.242	0.409	−0.066	0.199	0.371	−0.149	0.117	0.101
ECOMM → PROFIT	0.149	0.209	0.237	0.138	0.148	0.175	−0.005	0.063	0.470
P_SELLING → PROFIT	0.636	0.189	0.001*	0.450	0.192	0.010*	−0.085	0.118	0.237
CONTROLS	Included			Included			Included		

Note: The coefficients for segmentation and targeting capability are all significant at the α = 0.05 level (one-tailed).

* At the α = 0.05 level (one-tailed).
† At the α = 0.10 level (one-tailed).

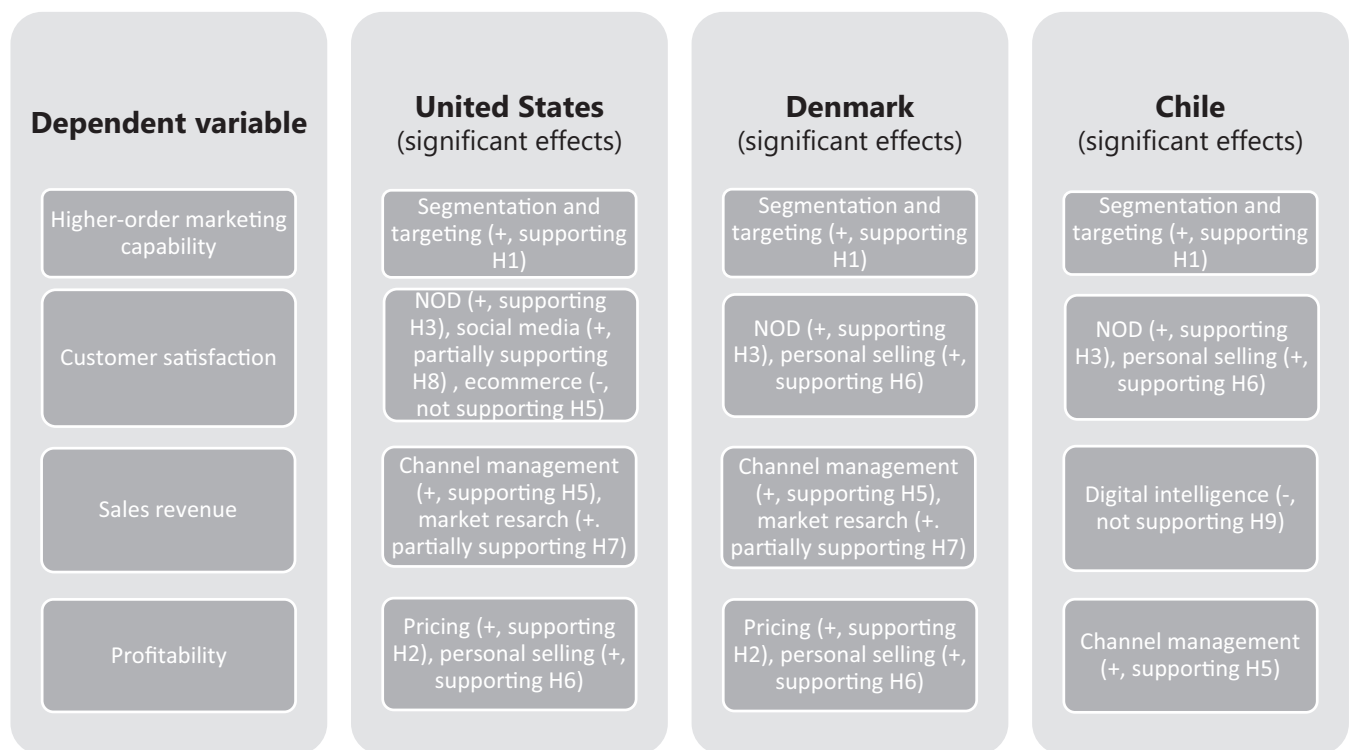| Dependent variable	United States (significant effects)	Denmark (significant effects)	Chile (significant effects)
Higher-order marketing capability	Segmentation and targeting (+, supporting H1)	Segmentation and targeting (+, supporting H1)	Segmentation and targeting (+, supporting H1)
Customer satisfaction	NOD (+, supporting H3), social media (+, partially supporting H8), ecommerce (-, not supporting H5)	NOD (+, supporting H3), personal selling (+, supporting H6)	NOD (+, supporting H3), personal selling (+, supporting H6)
Sales revenue	Channel management (+, supporting H5), market resarch (+. partially supporting H7)	Channel management (+, supporting H5), market resarch (+. partially supporting H7)	Digital intelligence (-, not supporting H9)
Profitability	Pricing (+, supporting H2), personal selling (+, supporting H6)	Pricing (+, supporting H2), personal selling (+, supporting H6)	Channel management (+, supporting H5)

Fig. 2. Summary of findings.

Focusing on customer satisfaction (SAT) as dependent variable, the new offering development (NOD) capability effect is positive and significant in the US, Denmark, and Chile ($\beta = 0.203$, $p < .10$; $\beta = 0.213$, $p < .10$; $\beta = 0.177$, $p < .05$, respectively; see Table 2). This finding shows the relevance of developing new offerings that perform better or cost less as crucial for any industrial company and should be deemed the "seed corn" for the future (Hlavacek, 2002, p. 105). The new offering development capability influence on customer satisfaction is the second conforming tenet of convergence in B2B arenas across countries with different characteristics (See Fig. 2). The divergence associated with customer satisfaction emerges from the positive effect of social media capability ($\beta = 0.163$, $p < .05$) and the negative effect of e-commerce capability ($\beta = -0.311$, $p < .05$) in the US, which are not supported in Denmark or Chile (see Table 2). A potential reason for the former effect might be that the US is extremely high in individualism (see Table 1) and the social media platforms allow suppliers to "show off" via text, photos, or videos and to directly communicate with buyers, which might increase their satisfaction. The reason for the latter effect might be that B2B e-commerce platforms in the US may not be perceived by buyers as user-friendly to substitute for personal selling efforts. In addition, the US population is fairly well distributed across regions, facilitating personal customer service from sales reps (while Danish and Chilean populations are heavily concentrated in Copenhagen and Santiago, respectively), which might lead to customers perceiving e-commerce platform usage as a sign of lack of interest from suppliers. Another partially divergent effect is associated with personal selling capability (see Fig. 2). In both Denmark and Chile, personal selling capability positively influences customer satisfaction ($\beta = 0.283$, $p < .05$; $\beta = 0.191$, $p < .05$, respectively; see Table 2). The US customer service tradition may explain why the personal selling capability effect on customer satisfaction is positive but not significant ($\beta = 0.197$, $p = .12$). We argue that customers' expectation of service from sales reps is probably higher in the US than in any other country because service is at the heart of the American culture (Lesonsky, 2019).

Focusing on sales revenue (SALES) as a dependent variable, there is no marketing capability indicating convergence across the samples. However, channel management (CHANNEL) and market research (RESEARCH) capabilities are positive and significant in the US and Denmark ($\beta_{CHANNEL} = 0.378$, $p < .05$; $\beta_{RESEARCH} = 0.407$, $p < .05$; $\beta_{CHANNEL} = 0.299$, $p < .05$; $\beta_{RESEARCH} = 0.352$, $p < .05$, respectively; see Table 2). A possible explanation for the non-significant effect of channel management capability in Chile is the highly concentrated B2B setting in mining (e.g., Chile is the copper world leader producer), leading suppliers to serve the market directly with branches close to mining sites; while the US and Denmark are much more diversified in terms of industry (see Hausmann et al., 2014), which drives working with specialized distributors to reach customers. A possible explanation for the non-significant effect of market research capability in Chile is the lack of statistical skills in comparison with the US and Denmark (see Coursera, 2020), because to exploit the selling benefits of market research, strong data management and processing skill is required. In addition, we identified another uniqueness of the Chile setting. The effect of digital intelligence (DIG_INT) on sales revenue is negative and significant ($\beta = -0.231$, $p < .05$; see Table 2). A potential reason might be that customers are not prepared to use smart devices due to lack of technological infrastructure (e.g., Sheth, 2011), avoiding purchasing offerings that involve sophisticated digital functionalities. Another explanation can be customers being concerned about the nonexistence of formal data privacy policies and suppliers perhaps using the captured data to "strong-arm" them, as Chile is very high in uncertainty avoidance (see Table 1).

Focusing on profitability (PROFIT) as dependent variable, the pricing (PRICING) capability effect is positive and significant in the US, Denmark, and Chile ($\beta = 0.307$, $p < .10$; $\beta = 0.406$, $p < .05$; $\beta = 0.283$, $p < .05$, respectively; see Table 2). This finding confirms pricing's vital role in the industrial realm in which buying decisions are typically more rational and less influenced by advertising appeals and supports that bad pricing decisions are a major cause of poor profit performance (Hlavacek, 2002, p. 204). The pricing capability influence on profitability is the third conforming tenet of convergence in B2B arenas across countries with different characteristics (See Fig. 2). The divergence associated with profitability arises from the positive effect of channel management capability ($\beta = 0.221$, $p < .05$) in Chile (which is not significant in the US or Denmark) and the positive effect of personal selling capability in the US and Denmark ($\beta = 0.636$, $p < .05$; $\beta = 0.450$, $p < .05$, respectively; see Table 2), which is not supported in Chile. A possible explanation for the former effect is the different downstream actors participating in the mining industry in Chile, which are not distributors but technical complementors with high impact on the offering performance. For example, in a mining site there are several contractors and public agencies with influential participation in operations and supply-chain. Hence, having a strong relationship downstream allows suppliers to operate with higher margins. A possible explanation for the latter effect is that, in Denmark and the US, the business interactions tend to be more formal, while in Chile (and Latin America in general) they tend to be more informal with high social pressure to provide discounts while negotiating, with many firms getting business solely based on (tag) price (see Becker, 2004). Thus, salespeople may be used to granting price concessions to avoid uncertainty while satisfying customers.

Consolidating our findings (Fig. 2), we show that pricing capability dimension is positively associated with performance in all three countries; new product development capability dimension is positively associated with performance in all three countries; traditional communication capability dimension is not associated with performance in all three countries; channel management capability dimension is positively associated with performance in all three countries; personal selling capability dimension is positively associated with performance in all three countries; market research capability dimension is positively associated with performance only in the US and Denmark; social media capability dimension is positively associated with performance only in the US; digital intelligence capability dimension is negatively associated with performance in Chile; and e-commerce capability dimension is negatively associated with performance in the US (see Fig. 2). We, thus, also provide support to H$_2$, H$_3$, H$_5$, and H$_6$, and partial support to H$_8$. All in all, our findings indicate that not all marketing capability dimensions are key to enhancing firm performance in different settings.

6. General discussion

6.1. Theoretical implications

Our findings have several implications for the B2B marketing capabilities C—D literature, for research calling for marketing capabilities prioritization, and for the broader IB literature. First, we add to studies that analyze the relative importance of B2B marketing capabilities in different settings (the US, Denmark, and Chile), which are scarce and driven either by qualitative approaches (e.g., Mora Cortez & Johnston, 2018) or by heuristics to account for marketing capabilities (e.g., Wu, 2013). Our study is the first to provide empirical support to the cross-vergence idea of a higher-order (dynamic) marketing capability in B2B settings. While most previous research acknowledges the positive influence of a wide range of marketing capabilities (e.g., Vorhies & Morgan, 2005), our findings indicate a more granular selection of relevant B2B marketing capability dimensions when considering multiple settings. Interestingly, digital intelligence capability in Chile and e-commerce capability in the US have a negative effect on sales revenue and customer satisfaction, respectively. Institutional theory helps in understanding this situation. It is argued that firms developing a capability free from mimetic pressures are more likely to understand how the consequences and mechanisms of the capability specifically fit within the business context, while firms developing a capability for the mere concern of appearing legitimate without performing the activities

typically associated with that capability will result in ceremonial adoption, lacking real "internalization" of the capability, thus compromising the effectiveness of the capability (Hillebrand, Nijholt, & Nijssen, 2011, p. 594).

A key strength of our model is the rich-data approach to enhance causal inferences. In particular, we control for a number of possible alternative explanations for C—D via a link between marketing capability dimensions and SBU performance. Also, we accounted for potential omitted variables and reverse causality biases by computing the model coefficients using the MIIV-2SLS estimator (which accounts for endogeneity). Overall, we identify that the crossvergence of the 10 selected capabilities is driven by the significant, positive effect of segmentation and targeting, pricing, new offering development, channel management, market research, and personal selling. The US and Denmark are the most similar countries (r [7] = 0.778) with five matched significant effects on the different dimensions of SBU performance, then Chile and Denmark ($r = 0.572$) with three matched significant effects, and finally Chile and the US ($r = 0.369$) with two matched significant effects. Hence, political view on the market and industry structure seem to be more impactful than cultural traits in explaining the C—D tenets of marketing capabilities crossvergence. This is consistent with the argument of rational decision-making reigning in B2B settings (Lilien, 2016).

Second, we contribute to the nascent marketing capabilities prioritization literature. Due to firms' limited resources and an uncertain market environment, marketing research is increasing its attention toward an influence-based categorization of capabilities. In this vein, Morgan (2019) agrees that not all marketing capabilities are critical and that, because of the nature of a marketing capability, a firm cannot successfully build (or re-build) multiple capabilities at the same time; this means that firms must carefully select which capability is the highest priority (p. 3). We extend this research stream by identifying the specific B2B marketing capabilities showing convergence across three different settings. Our analyses reveal important distinctions across the 10 selected capabilities. In particular, we find that three capabilities: (1) *segmentation and targeting*, (2) *pricing*, and (3) *new offering development* represent the final convergence in the conceptual model.

Market segmentation and targeting capability is the baseline capability catalyzing the development of a higher-order (dynamic) marketing capability, with a positive and significant effect in the US, Denmark, and Chile. Hence, the chance of nurturing specialized capabilities is subject to whether companies possess the ability to segment their market effectively. Pricing capability is the main positive force fostering SBU profitability in the US, Denmark, and Chile. Thus, implementing a sophisticated pricing skill set serves as a value-capturing tool independent of the setting. New offering development capability is the foremost positive force enhancing customer satisfaction in the US, Denmark, and Chile. Therefore, the nurturing of skills related to develop new products and services is the lifeblood to engage and amuse customers. The three highlighted capabilities represent the primary focus of firms developing a marketing capability system in *phases*, which marketing scholars recently called for (see Jaworski & Lurie, 2019, p. 374).

Third, we also contribute to the broader IB literature. We extend research focus on international arenas by purposively contrasting developed economies with an emerging economy, all representing different institutional backgrounds (Hofstede Insights, 2020; Wu, 2013). The selection of the emerging economy goes beyond BRICS (Brazil, Russia, India, China, and South Africa), which IB scholars have long called for (e.g., Becker, 2004). In addition, by selecting Chile, we answer calls for more marketing research in Latin America (Fastoso & Whitelock, 2011). Our findings support the general idea of different marketing capabilities having varying effects based on their context (Eng & Spickett-Jones, 2009). The environment and firms are mutually

influential in a recursive process, leading to a state of continuous transformation. Such evolving, complex environment-firm interplay supports the voices for a new wave of market globalization discussions, a substantial theme in the IB literature (Ozturk & Cavusgil, 2019). In this vein, we extend research on fusion marketing, acknowledging that, rather than a clash of marketing capabilities, there seems to be an interesting fusion of worldwide marketing capabilities (Sheth, 2011).

More important, we contribute to the dynamic capability's theory in the IB literature (Fang & Zou, 2009). Our findings indicate that B2B firms in different countries are required to embrace all features of a dynamic marketing capability from an overall performance view. Firms operating in both emerging and developed countries can accomplish success by investing in cultivating sensing-, seizing-, and reconfiguring-oriented capabilities simultaneously. New product development in the first category; pricing and personal selling in the second category; and channel management in the third category. Thus, these dimensions represent the enablers of B2B firms' organic growth. Also, we partly contribute to identifying the context in which a dynamic capability works best, as called for in the IB literature (see Zahra, Petricevic, & Luo, 2022, p. 13), because, in our study, open, developed, Western economies show a more nuanced (multifocal) relationship between dimensions of a higher-order (dynamic) marketing capability and firm performance.

6.2. Managerial implications

Based on our findings, we recommend that practitioners cultivate B2B marketing capabilities considering the specific served country, recognizing potential convergence and divergence zones across borders. We propose some actionable suggestions for firms by identifying which B2B marketing capabilities to nurture in the US, Denmark, and Chile, respectively.

First, focusing on the US, managers interested in increasing customer satisfaction levels should prioritize (1) *new offering development* and (2) *social media* capabilities. While new offering development is a relatively "technical" skill, social media management is a relatively "soft" skill; thus, firms need different profiles in charge of their nurturing. Commonly, B2B firms have internalized the development of new offerings and outsourced the management of social media, which might be a sign of higher perceived relevance of the former over the latter. In addition, US managers should be concerned about the negative influence of *e-commerce* capability on customer satisfaction. There may be the case that an e-commerce platform, once implemented, is broadly marketed to customers without consideration of their preference. As customer satisfaction is positively related to stock prices (see Fornell et al., 2006), practitioners should investigate which customers are more comfortable doing business via an online platform. US managers interested in increasing sales revenue levels should prioritize (1) *market research* and (2) *channel management* capabilities. The former relates to *learning* about the markets, possibly to adapt the value proposition of a firm, making the offering more compelling. The latter relates to *accessing* markets, possibly to identify the best ways to reach customers and deliver a firm's offering effectively, which is complicated in a very large country. US managers interested in increasing profitability levels should prioritize (1) *pricing* and (2) *personal selling* capabilities. The former leads to the most observed and manipulated decision in a B2B firm (the selling price), commonly administered by the sales department but influenced by the marketing and finance departments. Managers are called to equate the benefits delivered to customers (highlighting the value-in-use) with the total cost of ownership to enable a highly profitable value-based pricing (Hlavacek, 2002). The latter leads to facilitating a rich buyer-seller human-based interaction, contributing to diminishing customer objections or resolving doubts in a timely manner.

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[7] Non-parametric correlation (positive effect coded 1; non-significant effect coded 0; and negative effect coded −1).

Second, focusing on Denmark, managers interested in increasing customer satisfaction levels should prioritize (1) *new offering development* and (2) *personal selling* capabilities. The former is consistent with the US findings, enhancing the practical relevance of innovating through new products and services. While it is intuitive and sufficiently stressed in the literature, developing new offerings is not properly instituted in industrial firms due to a highly rigid strategic approach, lacking the autonomy to foster an innovative culture (see Hutt & Speh, 2016). The latter is an interesting finding for managers as Danish businesses are process-based, impartially oriented in their decision-making. However, Danish society embraces a principle of democratic decision-making, which fosters the idea to treat everyone equally and to assign equal value to different opinions (Boxenbaum, 2006). Hence, salespeople should be able to interact with and esteem all actors in the buying center, not only focusing on the decision-maker and key influencer, which increases firm-level customer satisfaction. Danish managers interested in increasing sales revenue levels should prioritize (1) *market research* and (2) *channel management* capabilities. Both capabilities are consistent with US findings, implying that managers in developed economies should focus on customer knowledge and managing downstream actors. Whereas the US is the third biggest country in the world, Denmark is one of the smallest developed countries. The implication is that either maximizing the return on market research or channel management capabilities is not related to the geographic size setting when interested in enhancing sales revenue. Danish managers interested in increasing profitability levels should prioritize (1) *pricing* and (2) *personal selling* capabilities. Both capabilities are consistent with US findings, similar to the convergence related to sales revenue. Hence, managers can obtain higher margins by implementing refined pricing structures stressing the superiority in value and having a competent sales force to communicate the value propositions.

Third, focusing on Chile, managers interested in increasing customer satisfaction levels should prioritize (1) *new offering development* and (2) *personal selling* capabilities. Both capabilities are consistent with Denmark findings, implying that competent managers with experiences in non-equivalent countries from an economic view are equally capable of nurturing key capabilities. Developing new offerings is more difficult in emerging economies (Sheth, 2011). However, the leading Chilean mining industry is attracting multinationals and their investments in innovation as world-class mining operators such as BHP Billiton, Glencore, and Anglo American establish centralized standards, requesting continuous improvements from suppliers. Personal selling is relevant for customers, because Chile is high in collectivism and uncertainty avoidance, which requires extensive buyer-seller collaboration (Becker, 2004). In addition, Chile is relatively high in power distance where personal service takes on even more significance in attracting and retaining customers (Ueltschy, Laroche, Zhang, Cho, & Yingwei, 2009). Chilean managers interested in increasing sales revenue levels should deprioritize *digital intelligence* capability. While counterintuitive, this finding derives an important contribution to managers relating to the fact that highly digital offerings require salespeople and customers to be trained in technical and user-based principles (Lenka et al., 2017), and companies may not be assigning adequate resources for the analog-to-digital transition. In addition, since selling digital solutions involves salespeople being more digital themselves, it is important to consider that salespeople adopt new technology only hesitantly (Bill, Feurer, &

Klarmann, 2020). Chilean managers interested in increasing profitability levels should prioritize (1) *pricing* and (2) *channel management* capabilities. Multinationals can take advantage of the universality of the pricing capability and disseminate advanced pricing structures across borders. Channel management capability represents a unique opportunity for Chilean managers. The relevance of the mining industry (located in Northern Chile) has developed several public and private technical complementors (including online platforms) that contribute to mining site operations (Stubrin, 2017). This model has been replicated in the other two key industrial clusters in the country: (1) pulp and paper (e.g., Arauco, CMPC, LP) in Central Chile, and (2) salmon farming (e.g., Australis, Mowi, Cermaq) in Southern Chile, driving a multi-actor perspective of business in the country. Hence, managers need to develop multilateral relationships with all the stakeholders relating to the end-users.

6.3. Limitations and directions for further research

While our study addresses important gaps in previous investigations, it also has some limitations that provide avenues for future research. First, our findings are based on data that contain information on B2B marketing capabilities in Chile as an emerging economy. Further research may replicate this study in different emerging settings, such as Africa, the Middle East, or Eastern Europe. Also, the advanced economies are traditional *Western* countries. Thus, replications can consider *Eastern* advanced countries, such as South Korea and Japan. Second, our cross-sectional design is a limitation. We encourage researchers to adopt a longitudinal design, which could reveal the dynamics of crossvergence over time, leading to stronger causal inferences. Third, we collected data from individual senior managers, but future studies could gather full socio-metric data from all involved individuals pertaining to capabilities' nurturing. Even though we proactively took several measures to limit CMV bias, future researchers might gather company data firsthand or generate valid proxies to capture the different marketing capabilities. Fourth, we focused on direct effects to account for the prioritization of marketing capabilities robustly and clearly. Future research could investigate moderators to the segmentation and targeting capability and the higher-order marketing capability association. For example, exploring what types of knowledge strengthen such associations represents a fruitful avenue for future scholarship in the marketing capabilities development and organizational learning literature streams. Also, there might be synergies between marketing capabilities affecting SBU performance. For instance, while traditional communications capability does not have a direct influence, it may reinforce the pricing capability and SBU profitability association. Fifth, we prioritized 10 dimensions of a marketing capability. This precluded any assessment of more integrative capabilities, such as interorganizational learning, that might be examined by future studies (e.g., Morgan & Slotegraaf, 2012). Sixth, it is important that further research explores how the dimensions of a higher-order marketing capability are adapted in response to environmental forces in international markets.[8] Finally, we identified segmentation and targeting, pricing, and new offering development as the key universal marketing capabilities in B2B settings. A natural question that arises is: *How to build such marketing capabilities?* In light of the limited existing literature, we encourage researchers to adopt a grounded theory approach.

Appendix A. Supplementary data

Supplementary data to this article can be found online at https://doi.org/10.1016/j.indmarman.2022.07.002.

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[8] We thank an anonymous reviewer for this comment.

Appendix A. Survey instrument

Please rate your business unit regarding the degree of mastery/competence in terms of the following marketing capabilities as of December 31, 2018. 9-point scale running from 1 ("totally deficient") to 9 ("world-class excellence").

Segmentation and targeting (adapted from Vorhies & Morgan, 2005*)*

- Ability to effectively segment and target market

Pricing (adapted from Vorhies & Morgan, 2005*)*

- Using pricing skills and systems to respond quickly to market changes
- Knowledge of competitors' pricing tactics
- Doing an effective job of pricing products/services

New offering development (adapted from Vorhies & Morgan, 2005*)*

- Ability to develop new products/services
- Successfully launching new products/services
- Ensuring that product/service development efforts are responsive to customer needs

Traditional marketing communication (adapted from Vorhies & Morgan, 2005*, and modified in the pilot study)*

- Developing advertising programs
- Public relations skills
- Exhibition skills at trade shows

Social media (developed in the pilot study)

- Interacting with customers on social media
- Generating content on social media
- Responding to our customers' messages on social media

Channel management (adapted from Vorhies & Morgan, 2005*)*

- Strength of relationships with intermediaries (i.e., specifiers, integrators, distributors, wholesalers, retailers, agents, or commission agents)
- Attracting and retaining the best intermediaries (i.e., specifiers, integrators, distributors, wholesalers, retailers, agents, or commission agents)
- Adding value to our intermediaries' businesses (i.e., specifiers, integrators, distributors, wholesalers, retailers, agents, or commission agents)
- Providing high levels of service support to intermediaries (i.e., specifiers, integrators, distributors, wholesalers, retailers, agents, or commission agents)

Digital intelligence (developed in the pilot study)

- Generating digital mechanisms to obtain data on the use/execution of our products/services
- Deploying online systems to transmit data to the cloud
- Obtaining real-time data to anticipate customer needs

Market research management (adapted from Vorhies & Morgan, 2005*)*

- Gathering information about customers and competitors through market research
- Using market research skills to develop effective marketing programs
- Tracking customer wants and needs identified by market research
- Making full use of marketing research information

E-commerce (developed in the pilot study)

- Ensuring customer can make online purchases without contacting a salesperson
- Maintaining a digital platform for customers to self-manage their purchases
- Enabling customers to monitor the status of a delivery/visit online without contacting a salesperson
- Enabling customers to check their consumption online without contacting a salesperson

Personal selling (adapted from Vorhies & Morgan, 2005*)*

- Giving salespeople the training they need to be effective
- Sales management skills

- Providing effective sales support to the sales force

Please rate the performance of your business unit in the year 2019 with respect to the planned objectives. 11-point scale running from −5 ("far behind from the expected results") to 5 ("far exceeding the expected results").

Customer satisfaction (adapted from Vorhies & Morgan, 2005*)*

- Customers are satisfied with the performance of our products/services
- If our customers could restart their purchase, they would prefer us again
- Customers feel good about having selected our offer
- Customers are happy to work with us

Sales effectiveness (adapted from Vorhies & Morgan, 2005*)*

- Growth in sales revenue
- Acquiring new customers
- Increasing sales to existing customers

Profitability (adapted from Vorhies & Morgan, 2005*)*

- Business unit profitability
- Return on sales (ROS)
- Contribution margin of our main product/service

Please rate your business unit context and characteristics as of 2019. 7-point scale running from 1 ("strongly disagree") to 7 ("strongly agree").

Competitive intensity (adapted from Jaworski & Kohli, 1993*)*

- Competition in our industry is cutthroat
- There are many "promotion wars" in our industry
- Anything that one competitor can offer, others can match readily
- Price competition is a hallmark of our industry

Market turbulence (adapted from Jaworski & Kohli, 1993*)*

- In our kind of business, customers' product preferences change quite a bit over time
- We are witnessing demand for our products and services from customers who never bought them before
- We cater to many different customers in comparison with what we used to in the past

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