

# Export Ambidexterity in Small- and Medium-sized Family Firms

A Case of New Zealand Clustered Wineries

By

Sara Yaghoubi

A thesis

Submitted to the Victoria University of Wellington in fulfilment of the requirements of the  
degree of Master of Commerce in International Business

Victoria University of Wellington  
School of Marketing and International Business

2019

## **ACKNOWLEDGEMENTS**

I would like to take this chance to thank a number of amazing people who have contributed to my journey towards the fulfilment of this thesis.

My supervisor Dr Yang Yu at Victoria University of Wellington and the School of Marketing and International Business for providing a friendly and pleasant study environment. I would also like to thank Madeleine Collinge for proof-reading my thesis.

I wish to express my gratitude to the managers and owners of small and medium wineries in Marlborough who generously spent their time and shared their experiences. My research would have been impossible without them.

And finally, last but by no means least, I must express my very profound appreciation to my family back home, my wonderful parents and brothers for providing me with unfailing support and endless encouragement throughout my years of study, and through the process of researching and writing this thesis. This accomplishment would not have been possible without them, and I would not be where I am today had I not received their support. Thank you.

## ABSTRACT

Ambidexterity, defined as the ability to simultaneously explore new knowledge and exploit existing knowledge, allows firms to adapt over time, build a sustainable competitive advantage and achieve growth in the long run. However, due to the tensions and trade-offs between exploration and exploitation, pursuing ambidexterity or developing a more balanced strategy can be challenging. Previous research on ambidexterity has focused primarily on large and well-established organizations and the outcomes of ambidexterity such as performance, whereas little is known about how ambidexterity of small- and medium-sized family businesses in an international business context is managed, especially with regard to exporting, which is the most common form of internationalisation for those firms.

Therefore, the purpose of this qualitative case study is to understand how small- and medium-sized family firms manage ambidexterity in exporting. Specifically, I shed light on both market and product domains in exporting and further the impact of industrial cluster on firms' approach to becoming ambidextrous. Using data from semi-structured interviews with six family-owned wineries located in the Marlborough wine region, New Zealand, the research provides evidence that family firms' unique characteristics, that is, the socioemotional wealth, guide them to particular types of export exploration and exploitation activities in both market and product domains. These are not only aligned with their non-economic goals but also create synergies among seemingly contradictory ambidextrous activities. These findings suggest a behaviour logic and path to explain how ambidexterity in exporting is achieved, through combining and integrating exploration and exploitation in a balanced way. The findings also show that cluster membership improves family firms' ability to achieve export ambidexterity by providing access to critical resources.

Overall, the study adds to the growing body of literature on family business internationalisation and organizational ambidexterity by focusing on the export context. It further links ambidexterity research to industrial cluster literature.

**Keywords:** family firms, ambidexterity, clusters, exploitation and exploration, export strategy, New Zealand wineries

# TABLE OF CONTENTS

<b>ACKNOWLEDGEMENTS .....</b>	<b>II</b>
<b>ABSTRACT.....</b>	<b>III</b>
<b>LIST OF TABLES .....</b>	<b>VI</b>
<b>ABBREVIATIONS .....</b>	<b>VII</b>
<b>CHAPTER 1. INTRODUCTION .....</b>	<b>1</b>
<b>1.1 Research Background.....</b>	<b>2</b>
<b>1.2 Research Questions and Intended Contribution .....</b>	<b>5</b>
<b>1.3 Outline of Thesis Structure .....</b>	<b>7</b>
<b>CHAPTER 2. LITERATURE REVIEW .....</b>	<b>8</b>
<b>2.1 Ambidexterity in Organizations .....</b>	<b>9</b>
<b>2.1.1 Exploitation and exploration framework.....</b>	<b>9</b>
<b>2.1.2 Ambidexterity in the context of exploitation and exploration .....</b>	<b>10</b>
<b>2.1.3 Ambidexterity and export .....</b>	<b>13</b>
<b>2.2 Family Firms .....</b>	<b>17</b>
<b>2.2.1 Family firms and export ambidexterity .....</b>	<b>17</b>
<b>2.3 Industrial Clusters and Export Ambidexterity .....</b>	<b>25</b>
<b>2.4 Chapter Summary .....</b>	<b>27</b>
<b>CHAPTER 3. RESEARCH METHODOLOGY .....</b>	<b>29</b>
<b>3.1 Philosophical Worldview .....</b>	<b>30</b>
<b>3.2 Research Design .....</b>	<b>30</b>
<b>3.2.1 Case study method .....</b>	<b>31</b>
<b>3.3 Sampling and Data Collection .....</b>	<b>32</b>
<b>3.3.1 Sample frame.....</b>	<b>32</b>
<b>3.3.2 Case selection.....</b>	<b>33</b>
<b>3.3.3 Data collection .....</b>	<b>36</b>
<b>3.3.4 Validity and reliability .....</b>	<b>38</b>
<b>3.3.5 Ethical issues.....</b>	<b>39</b>
<b>3.4 Data Analysis.....</b>	<b>40</b>
<b>CHAPTER 4. RESEARCH FINDINGS .....</b>	<b>43</b>
<b>4.1 Overview of the Cases.....</b>	<b>44</b>
<b>4.2 Export Market Ambidexterity .....</b>	<b>51</b>
<b>4.3 Export Product Ambidexterity .....</b>	<b>57</b>
<b>4.4 Cluster Effect.....</b>	<b>62</b>

4.4.1	Marlborough industrial cluster .....	63
4.4.2	New Zealand winegrower (NZW).....	64
<b>CHAPTER 5. DISCUSSION AND CONCLUSIONS .....</b>		<b>66</b>
5.1	Discussion.....	67
5.1.1	Family firms' export ambidexterity .....	67
5.1.2	Industrial cluster and export ambidexterity.....	73
5.2	Theoretical and Managerial Implications.....	74
5.3	Limitations and Suggestions for Future Research .....	76
<b>REFERENCES.....</b>		<b>79</b>
<b>APPENDICES .....</b>		<b>94</b>
Appendix A: Participant Information Sheet .....		94
Appendix B: Participant Consent Form .....		96
Appendix C: Semi-Structured Interview Guide.....		97

## **LIST OF TABLES**

<b>Table 2.1:</b> Summary of Literature of Family Business and Organizational Ambidexterity ...	18
<b>Table 3.1:</b> Summary of Case Firms' Details .....	35
<b>Table 4.1:</b> Examples from the Data for Exploration and Exploitation Activities .....	46

## **ABBREVIATIONS**

**FF:** Family firms

**FW:** family-owned winery

**SMEs:** Small- and medium-sized enterprises

**IC:** Industrial clusters

**IB:** International business

**FDI:** Foreign direct investment

**NZW:** New Zealand winegrowers

## **CHAPTER 1. INTRODUCTION**

The goal of this thesis is to discover how family-owned companies within a cluster manage the export ambidexterity in market and product domain.

This chapter begins with an outline of the study background, presented based on the relevant literature, and reveals why the author chose the research topic by explaining the gaps in the field. After introducing the conceptual approach undertaken, the chapter then describes the purpose of the paper together with the research question and the intended contribution and a brief structure of the thesis is provided.



## 1.1 Research Background

In organization and management literature, ambidexterity implies the ability to exploit current knowledge as well as to explore new knowledge (March, 1991; Tushman & O'Reilly III, 1996). Firms are consequently faced with the need to manage ambidexterity, because exploitation of current sector knowledge allows a business to secure short-term viability, while exploration of new knowledge should assist in ensuring future survival (Levinthal & March, 1993; Raisch & Birkinshaw, 2008). As Tushman and O'Reilly III note, the ability to simultaneously explore *and* exploit allows firms to adapt over time and build a sustainable competitive advantage and achieve a higher likelihood of business sustainability and growth in the long run (Tushman & O'Reilly III, 1996, 2004).

In the international business (IB) field, ambidexterity has been researched mainly in areas such as foreign direct investment (FDI) and the positive impact of ambidexterity on international performance of multinational business (Hsu, Lien, & Chen, 2013; Stettner & Lavie, 2014; Vahlne & Jonsson, 2017). However, ambidexterity in exporting, the most common way for firms' internationalisation process particularly for family-owned small- and medium-sized enterprises (SMEs), which this thesis discusses, has not received enough attention. Export involves operating in a market defined by geographic and psychic distance, where firms must deal with new competition rules in diverse cultural, economic or political conditions including distribution channels, regional rivalry and potentially different businesses practices (Villar, Alegre, & Pla-Barber, 2014). Consequently, firms need to enhance their existing knowledge and acquire new knowledge in order to decrease foreign market uncertainty, facilitate the managing of overseas market complexities, ease adjustment to the export markets, and ensure that the company is responsive through current market demands and at the same time adjust to future market shifts (providing both short- and long-term benefits). Therefore, applying processes of exploitation and exploration simultaneously in exporting is a significant determinant of firms' success in the long run (Garcia, Calantone, & Levine, 2003; Kyriakopoulos & Moorman, 2004; Sousa & Filipe Lages, 2011; Tushman & O'Reilly III, 1996). As in a dynamic situation like export markets, companies need a balance of adequate exploitation to secure their existing liabilities, and exploration to guarantee their future viability, simultaneously (Levinthal & March, 1993).

This research concentrates on two primary domains of export exploitative and explorative abilities: product and market related; accordingly, an ambidextrous strategy employed to both market and product fields (Lisboa, Skarmeas, & Lages, 2011; Voss & Voss, 2013). In the context of an export market, exploitation means a firm's path-dependent improvement and deployment of information regarding market, customers and competitors in its current export markets, enabling the firm to obtain efficiency and short-term success. Export market exploration, focusing on generating new awareness and seeking fresh export markets and opportunities, creates variation and renews the firm's market portfolio, guaranteeing long-term survival (Garcia et al., 2003; Lisboa et al., 2011). Similarly, within the product domain, product exploitation highlights increasing profits from current product capabilities by improving and increasing current product knowledge, skills, and processes, and product exploration stresses developing new products, technologies, and product capabilities (Voss & Voss, 2013).

Because exploitation and exploration require different learning processes, and both need resources which can be in conflict with each other (Karafyllia & Zucchella, 2017; Lisboa, Skarmeas, & Lages, 2013; Lubatkin, Simsek, Ling, & Veiga, 2006), managing exploitation *and* exploration within and between markets and products in exporting and in general export ambidexterity could pose a strong challenge, particularly, for small companies. As stated by Voss and Voss (2013) SMEs in addition to potential lack of resources, cope with additional limitations which do not allow them to design company structures facilitating resource allocation between the conflicting activities of exploitation and exploration.

Despite this, as reported by Chetty and Campbell-Hunt (2003), businesses can attain resources through internal and external relationships with other firms, making stronger and more extensive business networks a valuable way for firms to overcome this constraint (Vasilchenko & Morrish, 2011). In this respect, industrial clusters (IC), which could be easily described as a spatial geographic concentration (agglomeration) of related businesses (McCann & Folta, 2008), provide this network that could deliver resources for their members to achieve ambidextrous strategies; yet earlier literature on clusters has concentrated on an IC ability to promote a competitive advantage in members and support and expand internationalisation (Dana & Winstone, 2008). Researchers do not directly investigate the relationship between cluster and export ambidexterity in regard to markets and products, since exploitation and exploration will likely need different sorts of skills, and the influence of IC on these kinds of activities will be diversified. This is also in line with Stadler, Rajwani, and Karaba (2014), who

expressed that more empirical studies of exploration and exploitation are needed in order to comprehend how networks and social capital support ambidexterity.

In family firms (FFs), where the family owns the majority of stock and exercises full managerial control (Gallo & Sveen, 1991), the ambidexterity concept is imbued with additional subtle differences. FFs by their nature are dealing with the mutual conflict between family and business systems in which their interaction gives rise to idiosyncratic features. These characteristics, primarily related to family values and which scholars commonly refer to as socioemotional wealth (SEW), impact on firms' strategic decisions and the way they operationalize strategies (Berrone, Cruz, & Gomez-Mejia, 2012; Gómez-Mejía, Haynes, Núñez-Nickel, Jacobson, & Moyano-Fuentes, 2007). As such, becoming an ambidextrous organization for FFs is not less important than for non-family businesses, but they also, put high value into it to ensure their long-term durability and business continuity, which is grounded in their SEW (Goel & Jones, 2016). Evidently, FFs' characteristics provide a supplementary perspective in order to address ambidexterity, which makes this research area relevant and worthwhile (Moss, Payne, & Moore, 2014). Although recent studies in FFs have shown that FFs' characteristics and values promote a high level of strategic ambidexterity and facilitate their longer-term durability (Hiebl, 2015; Moss et al., 2014; Veider & Matzler, 2016), they have failed to explain how FFs approach ambidexterity and manage trade-offs between exploration and exploitation.

Furthermore, for small family-owned firms, one of the most traditional forms of business in the world economy which is estimated to comprise nearly 70% of businesses worldwide (Ramadani & Gërguri-Rashiti, 2017), export is a primary channel to enter foreign markets (Kontinen & Ojala, 2010). Hence, exploring their success factors in the international marketplace is quite crucial, as their success and long-term durability would also hugely affect the economy and social well-being in any nation. In previous literature related to FFs' exports, external factors, such as restrictions deriving from the home or host environment, and internal elements regarding familiness, have been employed to expand the success and sustainability of these firms (Casillas & Moreno-Menéndez, 2017). However, the internal settings, such as ambidextrous strategies, have been widely identified as the essential survival kit to explain the international operation of firms, have not been investigated adequately (Mashahadi, Ahmad, & Mohamad, 2016). Researchers in both ambidexterity and family business disciplines underlining the lack of consideration of how firms are able to accomplish ambidexterity

(Andriopoulos & Lewis, 2009; Goel & Jones, 2016). To address this knowledge deficit, this thesis tries to develop an understanding of how FFs manage their export ambidexterity. The matter of how FFs deal with the complexity emerging from internationalisation is one of the most important topics in the domains of FF study and internationalisation. Consequently, it appears necessary to endeavour to understand the difficulty of decision-making processes connected with FFs' internationalisation (Claver, Rienda, & Quer, 2009; Naldi, Nordqvist, Sjöberg, & Wiklund, 2007), primarily when addressing family SMEs, which are frequently described by resource restrictions, absence of managerial skills, and also develop and change over generations (Calabrò, Brogi, & Torchia, 2016).

By studying six small- and medium-sized family-owned wineries (FWs) in New Zealand, this thesis has attempted to address these research objectives, since the wine sector confronts a limited domestic market and the necessity to discover new international markets (Pacheco, 2017). Also, studies reveal that the wine industry tends to clustering and hence provides a good context for analysing this phenomenon (Porter & Bond, 2004; Porter & Stern, 2001). In that regard, the New Zealand wine industry provides a great context, as wine is the fifth largest export product in New Zealand's economy ("New Zealand Winegrowers Annual Report - New Zealand Wine," 2019), and, according to Woodfield (2012), family-owned businesses in the New Zealand wine industry are higher than average.

## **1.2 Research Questions and Intended Contribution**

In line with earlier statements, this thesis seeks to address the emerging issue in literature through answering the following main research question:

*How do small- and medium-sized family firms in the industrial cluster deal with ambidexterity in exporting (with respect to market and product)?*

By addressing this research question, this paper expects to develop a greater understanding of how family firms manage ambidexterity in the context of exporting regarding market and product, and how clusters may help their members to gain an ambidextrous export strategy. Accordingly, the study will contribute to the literature in four ways:

First, the complexities of an ambidextrous strategy are especially questionable for smaller companies, provoking supplementary research connecting ambidexterity in small firms to

strategic performance (Simsek, 2009). In this regard, this thesis focuses on the export ambidexterity strategy, whose positive impact on export performance already has been confirmed, but how small family firms have managed this strategy has not yet been investigated. Additionally, this points to the fact that the majority of research on ambidexterity has been carried out in a domestic context, and there are insufficient studies in the context of exporting (Lisboa et al., 2013; Mashahadi et al., 2016).

Second, this research investigates the important but overlooked effect of industrial clustering on the ambidexterity strategy. Although a large body of literature regarding clusters has been presented and the possible benefits to companies are widely recognized, studies on how cluster resources contribute to companies' ambidextrous strategy is still a fresh research issue. Also, answering propositions that FF exploration activities are densely affected by environmental features (Sharma & Salvato, 2011), would be a great stepping stone for more research on clusters' role in FFs.

Third, this perspective contributes to a more comprehensive understanding of FFs in the IB domain. By investigating FFs' unique features in export processes and strategies, this research offers comprehensive insights into FFs' internationalisation behaviours. Additionally, this paper, contrary to the mainstream of ambidexterity research in IB which has widely focused on FDI, applies the international ambidexterity framework to the case of family SMEs exporters based in New Zealand, since, internationalisation, and especially exporting, is the cornerstone of the New Zealand economy. New Zealand is a small island economy located in the South-Pacific, far from larger markets, and highly reliant on the SMEs' activities and trade in global markets (Rochford, 2010).

Finally, research into FFs in the wine industry, especially in the New Zealand context, is rare regarding the inclination toward family ownership (Woodfield, 2012). With the potential increase in production and more accepted quality of New Zealand wines, the demand to expand, sustain and develop global marketing channels becomes vital for the future of the nation's wine sector (Alonso, 2010). Hence, this paper could demonstrate how small family wineries and cluster are successfully acting in this context. Thereby it would also answer a call from Kontinen and Ojala (2010), who propose that investigations are required on the internationalisation of FFs centred on particular industries.

In light of these research questions, a review of extant research on export ambidexterity in family firms in relation to industrial clusters was developed, which will be presented in the next chapter.

### **1.3 Outline of Thesis Structure**

Following Perry (1998), the study is organized into five chapters including the current chapter, the introduction. In this chapter, the background of the research, research question and objectives, and the intended contributions were addressed; further, the author presented the research gaps. In general, this chapter acts as an overview of the study and the remainder of the thesis will be structured as follows.

Chapter two, the literature review, provides an extensive review of the relevant literature and key findings and arguments from the existing literature are analysed. The literature review is conducted with the fundamental intention of understanding the cluster roles and family SMEs' ambidextrous strategies in export, encompassing three subchapters on ambidexterity, family firms, and clusters.

After reviewing the related literature, the next chapter is the research methodology; it serves as a comprehensive blueprint that guides the research design stage, describes the adopted methodology and provides the justification for employing a qualitative technique for conducting this research. The author then explains the employed data collection and data analysis methods. Moreover, research validity and reliability, as well as ethical considerations, are highlighted in this chapter.

Chapter four releases the results and case findings and analyses the collected data within and across the cases and patterns of data among cases. The last chapter, discussion and conclusion, presents an in-depth discussion of the results and underlines the contributions of the study. Lastly, a summary of the key findings is provided in order to conclude the entire thesis, followed by the implications for managerial practices. Additionally, the limitations of the research are acknowledged and areas for future research, based on the findings of the present research, are recommended.

## **CHAPTER 2. LITERATURE REVIEW**

The previous chapter provided an introduction to this study, including the background, objectives, and research contribution. This chapter reviews the literature related to the fundamental issue of the research in order to provide a detailed understanding of background literature in export ambidexterity strategy in family firms and the role that industrial cluster could have on this strategy. Thus, this chapter is divided into three main sections. The first section will shed light on ambidexterity, in particular, two specific aspects: exploration and exploitation are highlighted in the ambidexterity literature. The main focus of the second section is reviewing articles related to family firms and their features, and the final section analyses studies related to clusters.

This comprehensive review and analysis of the literature assisted in identifying the research gap in relation to the research question and provided a background for theory development.

## **2.1 Ambidexterity in Organizations**

In the last few years, the notion of organizational ambidexterity has gained momentum in organizational studies. As Raisch, Birkinshaw, Probst, and Tushman (2009) point out, the number of studies explicitly referring to the ambidexterity notion in leading management journals raised from fewer than 10 studies in 2004 to more than 80 in 2009. Literally, ambidexterity means ‘two-handedness’, that is, the ability to skilfully use both hands. However, the idea of ambidexterity in organizational studies can be loosely described as the ability to manage two different strategic activities with some degree of conflict, simultaneously (Gibson & Birkinshaw, 2004), such as alignment and adaptability (Gibson & Birkinshaw, 2004), efficiency and flexibility (Adler, Goldoftas, & Levine, 1999), incremental and radical innovation (Tushman & O'Reilly III, 1996), or exploitation and exploration (March, 1991). The common point in all studies regarding ambidexterity in organizations is that all of them consider it a dynamic capability (He & Wong, 2004; O'Reilly III & Tushman, 2008; Schreyögg & Sydow, 2010). As O'Reilly III and Tushman (2008) point out, “ambidexterity as a dynamic capability is not itself a source of competitive advantage but facilitates new arrangements of resource which can lead to competitive advantage” (p. 196). Consistent with the majority of studies in organizational ambidexterity which follow March's (1991) viewpoint, this research also applies exploration and exploitation notions.

### **2.1.1 Exploitation and exploration framework**

To better understand ambidexterity in this research as the ability to manage exploitation and exploration concurrently, it is necessary to first explain these two underlying concepts.

March (1991), in his ground-breaking paper, describes exploitation as “refinement, choice, production, efficiency, selection, implementation and execution” (p. 71). Exploitation is more involved in efficiency and improves quality than effectiveness and enables the company to perform better than its rivals in established niches. The company originally develops and applies current knowledge stocks to meet immediate demands in the external environment (Webb, Ketchen Jr, & Ireland, 2010). Exploitation capabilities provide organizations with a greater understanding and clearer picture of the value and applications of knowledge associated with their existing information bases; hence, they give the foundation on which to expand their existing skills, products, and processes. Organizations also take advantage of the continuity



given by utilizing known and successful strategies, which predominantly cause short-term gains (Benner & Tushman, 2003; Lamberg, Tikkanen, Nokelainen, & Suur-Inkeroinen, 2009).

On the other hand, exploration is referred to as “search, variation, risk-taking, experimentation, play, flexibility, discovery, and innovation” (March, 1991, p. 71). Exploration requires redirection from an organization’s existing knowledge base and skills, pointed at new opportunities, skills, and expertise, and indicates operations beyond the extent of what the organization currently knows (March, 1991; Smith & Tushman, 2005). As a result, exploration is defined by high costs in the short run; however, it is essential for the organizations’ long-term survival (Benner & Tushman, 2003).

### **2.1.2 Ambidexterity in the context of exploitation and exploration**

March (1991), after introducing the twin concepts of exploration and exploitation in his paper, also suggests that “organizational adaptation needs both exploitation and exploration to achieve persistent success” (p. 205). He believes that organizations are faced with the need to have a sufficient exploitation of current knowledge to secure short-term viability, while at the same time they have to provide sufficient resources to exploration of new knowledge in order to ensure their future survivability. Groups of scholars in organizational science and management have argued that organizations could achieve this long-term success by ‘ambidexterity’ (e.g. Benner & Tushman, 2003; Eisenhardt & Martin, 2000; Lubatkin et al., 2006; Tushman & O'Reilly III, 1996, 2004).

Tushman and O'Reilly III (1996) were among the first researchers who tried to throw light on ambidexterity through the lens of the exploitation and exploration context and marked the starting point for emerging discourses on ambidexterity between exploration and exploitation. They noted that the ability to simultaneously explore *and* exploit allows firms to adapt over time and build a sustainable competitive advantage and achieve a higher likelihood of business sustainability and growth in the long run. Therefore, ambidexterity is viewed as a driver of higher performance and survival, since it prevents the negative outcomes of focusing just on each of these activities. Organizations have to explore in order to find new opportunities to exploit, and simultaneously exploit to make money to invest in exploration (Stadler et al., 2014). McCarthy and Gordon (2011) compare ambidexterity to riding a bike, “the balancing of exploitation and exploration tensions are much like riding a bike, it requires a continuous and irregular shifting over time” (p. 255).

In that line, there is a large volume of published studies in a range of literature streams describing the positive and significant role of ambidexterity in exploitation and exploration on performance and firms' durability, conceptually and empirically (Benner & Tushman, 2003; Boumgarden, Nickerson, & Zenger, 2012; Gibson & Birkinshaw, 2004; O'Reilly III & Tushman, 2011; Raisch et al., 2009; Tushman & O'Reilly III, 2004). For instance, He and Wong (2004), examining how ambidexterity influences performance in the context of companies' approach to technological innovation, based on a sample of 206 manufacturing companies, found proof that the interaction between explorative and exploitative innovation strategies is positively linked to sales growth rates. Additionally, Sarkees and Hulland (2009), in their survey of senior managers in the United States, recognized that an ambidextrous strategy has a positive impact on four aspects of performance: revenues, profits, customer satisfaction, and new product introductions.

However, the majority of studies have been carried out on large companies rather than SMEs. Among the handful research on SMEs, almost all of them have highlighted that ambidexterity was a 'critical challenge' especially for small companies that lack the resources and capabilities essential for ambidexterity implementation (Lubatkin et al., 2006; Voss & Voss, 2013). Additionally, these studies follow the trend in organization ambidexterity and try to link ambidexterity to SMEs' performance and success (Chang, Hughes, & Hotho, 2011; De Clercq, Thongpapanl, & Dimov, 2014; De Oliveira Cabral, Coelho, Coelho, & Costa, 2015; Günsel, Altındağ, Kılıç Keçeli, Kitapçı, & Hızıroğlu, 2018; Lubatkin et al., 2006; Mashahadi et al., 2016; Voss & Voss, 2013). For instance, Lubatkin et al. (2006), by examining the domestic-oriented SMEs' strategy ambidexterity and their performance, not only confirms the impact of ambidexterity on performance but also expresses in SMEs, top management team behavioural integration is critical to achieving ambidexterity. Chang et al. (2011), by studying SMEs in Scotland and focusing on product innovation ambidexterity, also found that performance is mediated by innovation ambidexterity. More recently, based on the SMEs in the service industry, Voss and Voss (2013), although supported by the earlier findings, found that SMEs' age and size are effective, as older and larger companies have more experience, resources, and capabilities to achieve and benefit more from ambidexterity particularly regarding the product. In this regard, little attention has been paid to how these companies manage to accomplish ambidexterity according to their constraints, particularly in the international context.

### 2.1.2.1 Relationship between exploration and exploitation

As specified in the above statements, while organizations need to implement both exploration and exploitation to achieve long-term survival and prosperity, they demand fundamentally distinct administrative routines and managerial behaviours (Lubatkin et al., 2006), knowledge processes (Benner & Tushman, 2003; Lubatkin et al., 2006), structures, and purposes (Tushman & O'Reilly III, 1996). In other words, as Teece (2007) mentions, “the skills that lead to the identification and/or development of an opportunity are not the same as those needed to profit from or exploit the opportunity” (p. 1321). The problem appears because exploration and exploitation activities share the same resources. Hence, they are limited to resource constraints which lead to a trade-off situation and make managing ambidexterity more challenging (Andriopoulos & Lewis, 2009; Benner & Tushman, 2003; Debenham & Wilkinson, 2006).

Although scholars demand more comprehensive models to manage tensions between exploitation and exploration and support ambidexterity, such studies are limited (Andriopoulos & Lewis, 2009). The two main techniques recommended in the literature, which can ease those tensions, are the structural and contextual approaches. Duncan (1976) was the first to express that companies need to develop separate business units in order to achieve ambidexterity (Benner & Tushman, 2003; O'Reilly III & Tushman, 2013; Puranam, Singh, & Zollo, 2006). This method, which is known as structural ambidexterity, allows a firm to manage distinct projects while being involved in internally consistent assignments in separate organizational units assigned to either exploration or exploitation. Structural ambidexterity not only requires a lot of resources to create and control each individual unit, but also needs an experienced and knowledgeable management team to reinstate and adjust the different procedures and actions, which divided exploration and exploitation units follow (Hiebl, 2015; Smith & Tushman, 2005).

The structural technique has received considerable attention from researchers in the IB field. Researchers mostly pay attention to large multinational companies and, based on the structural mechanism for achieving ambidexterity, suggest that firms in a global market can succeed in ambidexterity through alliances or acquisitions (Lavie, Stettner, & Tushman, 2010; Stettner & Lavie, 2014). Organizations can externalize one or another set of actions by outsourcing or through making alliances (e.g. Lavie & Rosenkopf, 2006; Lin, Yang, & Demirkan, 2007; Rothaermel & Deeds, 2004). For instance, Stettner and Lavie (2014), by studying US-based software firms, demonstrated companies achieve ambidexterity and magnify their performance

by exploring through external-oriented modes such as acquisition and licensing, and exploiting internally. This is a broadly accepted approach since external knowledge acquisition requires fewer resources than internal knowledge creation (Cassiman & Veugelers, 2006; Dittrich, Duysters, & de Man, 2007). Other researchers, however, found that firms exploit their knowledge externally too, in the form of alliances or through licensing (Benner & Tushman, 2003; Grant & Baden-Fuller, 2004; Rothaermel & Deeds, 2004). In a nutshell, there is a general acknowledgment that external exploration and exploitation activities assist large international companies to achieve ambidexterity (Russo & Vurro, 2010; Stadler et al., 2014).

On the other hand, it is almost impossible for SMEs to organize two divided units in order to address diverse requirements in exploitation and exploration activities, as they are restricted in their resources (Lubatkin et al., 2006; Mashahadi et al., 2016; Voss & Voss, 2013). Thus, they mostly follow contextual ambidexterity, which Gibson and Birkinshaw (2004) defined as developing a set of processes or practices that allow and promote employees to make their own decisions about how to divide their time between conflicting demands for exploration and exploitation. They claim that organizational ambidexterity is contingent on how organizations merge operations, processes, and culture, which forms an individual's organizational behaviours. Therefore, the basic elements for this method are trust, support, and discipline inside the organization and employees (Schreyögg & Sydow, 2010). Nevertheless, apart from financial constraints, SMEs encounter a lack of managerial skills and knowledge management, which leads to the fact that even the contextual method is challenging for them (Rahman, Yaacob, & Radzi, 2016).

In view of all that has been mentioned so far, studies provide evidence that both managerial and organizational factors have to be taken into consideration in ambidexterity, particularly in SMEs, which mostly follow the contextual approach (Goel & Jones, 2016; Raisch et al., 2009; Voss & Voss, 2013).

### **2.1.3 Ambidexterity and export**

Foreign sales call for an intense phase of exploration and exploitation simultaneously geared towards determining potential opportunities and adapting themselves to future changes, analysing current demands, and understanding the institutional and regulatory structure in foreign markets (Battaglia, Neirotti, & Paolucci, 2018; Yeoh, 2004). Accordingly,

ambidexterity is a powerful determinant in the success of companies in the internationalisation path.

In accordance with the export feature, which is hard to determine in terms of future competition and markets, the importance of time, and the rapid pace of technological change, Teece, Pisano, and Shuen (1997) argue that exporting companies need dynamic capabilities to rebuild their competences. This view also empirically supports that dynamic capabilities seem to be the solution to achieve success in export markets (Griffith & Harvey, 2001; Leonidou, Katsikeas, Paliawadana, & Spyropoulou, 2007; Morgan, Kaleka, & Katsikeas, 2004). As such, based on the ambidexterity aspect, the ability of a firm to simultaneously explore and exploit qualifies it to adjust over time and hence generates a sustainable dynamic capability. However, because of social, cultural, political, and technological differences between operating environment and firms' overseas markets, and the elevated levels of unpredictability and risk inherent in foreign markets, building ambidexterity in export operations is much more difficult (Sousa & Filipe Lages, 2011).

However, ambidexterity or exploration and exploitation in the exporting context is an overlooked academic area, particularly in smaller firms, which do not have rich resources (Battaglia et al., 2018; De Oliveira Cabral et al., 2015; Hughes, Martin, Morgan, & Robson, 2010; Lisboa et al., 2011, 2013; Mac & Evangelista, 2016; Mashahadi et al., 2016). The current knowledge about ambidexterity in exporting is largely around its impact on export performance, following the agreement in the export literature that export strategy has a significant impact on export performance (Montgomery, 2004), and the positive impact of ambidexterity on firms' success, which has been proven. For example, De Oliveira Cabral et al. (2015), examined 498 Brazilian export firms and found support for their assumptions that ambidexterity positively impacts overall performance. From the export market exploitation and exploration dimension, Lisboa et al. (2013), from an online survey among 267 Portuguese export manufacturing companies, argues that export market ambidexterity enhances export performance. Furthermore, Mashahadi et al. (2016) studied the role of strategic technological and non-technological innovation ambidexterity on export performance of the herbal-based sector SMEs in Malaysia. They illustrate that strategic non-technological innovation ambidexterity has a significant role in determining the internationalisation performance of SMEs.

This research investigates export exploration and exploitation in both market and product, as both are important in order to succeed in exporting (Han, Kim, & Srivastava, 1998; Hughes et al., 2010; Lisboa et al., 2011). With reference to the earlier literature in ambidexterity, most studies are about a firm's technological knowledge and products; although in recent years, researchers have paid more attention to exploration and exploitation in customers and markets, they have been left with reasonably little explicit attention (Aspara, Tikkanen, Pöntiskoski, & Järvensivu, 2011; Lisboa et al., 2011, 2013; Mashahadi et al., 2016; Voss & Voss, 2013).

#### 2.1.3.1 Export market ambidexterity

Knowledge regarding markets has been known for a long time to be essential for organizations' survival and success (Li & Calantone, 1998). Learning about international markets is a significant factor of firms' improvement on the internationalisation path, especially for SMEs with limited domestic market (Sousa & Filipe Lages, 2011). Difficulties linked with low availability, accessibility, and quality of foreign market information are generally found in exporting (Toften & Ottar Olsen, 2003), and export market information can decrease overseas market uncertainty, assist control of overseas market complexities and allow adjustment to the export market (Petersen, Pedersen, & Lyles, 2008). Guidance and information on the market circumstances that will be provided through market exploitation and exploration activities promote firms' success by assisting export managers, since international markets in most cases are more complex and dynamic than domestic markets and require new and complementary knowledge of existing and potential export markets (Lisboa et al., 2013).

Export market exploitation is connected with the elaboration, refinement, and improvement of a firms' current understanding regarding their existing export markets (Lisboa et al., 2013). It allows firms to secure efficiency and reliability, provides them with short-term benefits (Garcia et al., 2003), indicates a firms' effort to lock in a convenient position in the marketplace and increases the economy of scale in existing foreign markets. Besides, market exploitation assists companies in generating robust export channel relations and building a close relationship with distributors and customers, which result in better-served export customers and higher export customer maintenance rates (Kyriakopoulos & Moorman, 2004; Lee, Lee, & Lee, 2003; Lisboa et al., 2013).

Export market exploration is related to new market knowledge, skills, and processes, and exploring new markets, which are currently unknown to firms (Lisboa et al., 2013). It

intensifies the flexibility of the exporting firms and allows them to expand their foreign market boundaries and portfolio, which ensures long-term durability (Garcia et al., 2003). Furthermore, market exploration familiarizes exporting firms with new channels of distribution, reveals new business opportunities, pinpoints latent customer needs, promotes adjustment to future market shifts and helps firms improve better export market offerings (Kyriakopoulos & Moorman, 2004; Lisboa et al., 2013; Vorhies, Orr, & Bush, 2011; Yalcinkaya, Calantone, & Griffith, 2007).

#### 2.1.3.2 Export product ambidexterity

Export product exploitation is connected with the firms' ability to refine and extend their current knowledge, skills, and processes regarding their existing export products. It indicates improving current products' quality and reliability or using resources to enhance production efficiency for current products. Likewise, export product exploration is related to innovation, in that sense, utilizing resources to discover new kinds of products or product capabilities, and acquiring new manufacturing technology and skills which are new to the firm (Debenham & Wilkinson, 2006; Lisboa et al., 2011; Voss & Voss, 2013; Yalcinkaya et al., 2007).

Therefore, in view of all that has been mentioned, exporting firms need to be ambidextrous in both market and product domains. Companies' obligation to be responsive to current market demands and simultaneously adaptive to future market changes involves sufficient exploitation to guarantee their current viability and dedicate sufficient energy to exploration to secure their future viability simultaneously. This within-function ambidexterity (market and product) describes complicated bundles of capabilities, rooted in the exporting firms' procedures, which leads to further organizational complexity and needs extra resources (Benner & Tushman, 2003).

Collectively, the evidence presented in this section shows that ambidexterity could support firms to achieve efficiency, and ensure successful performance and long-term success in both domestic and international contexts. However, exporting strategy, which is mostly adopted by SMEs with insufficient resources, ambidexterity has largely ignored. Although the positive influence of ambidexterity on SMEs' export performance is documented, the mechanism and extent to which they consider trade-offs between exploration and exploitation have not been addressed in previous studies.

## **2.2 Family Firms**

FFs represent one of the largest forms of traditional business structure and the main root for the creation of employment in most countries and drives economic growth all over the world. FFs are mainly considered small- and medium-sized enterprises and statistics in most countries explain that SMEs are absolutely dominating and play an essential part within national economies (Nicholson, Shepherd, & Woods, 2009; Ramadani & Gërguri-Rashiti, 2017; Schulze & Gedajlovic, 2010). However, the family business is a young field for research, as there was no significant scientific research on FFs 30 years ago. Researchers have begun to realize the importance of FF studies, since they are recognized to be unique and complicated due to the reciprocal influence of the family and the firm (Sharma, 2004).

Researchers have used various definitions in their research and there is no general agreement on the definition of 'family firms'. As Astrachan, Klein, and Smyrnios (2002), mention, the lack of an accepted definition of what frames a FF is one of the reasons the family businesses field is not broadly known as a distinct entity from other topics for comprehensive and in-depth analysis. Additionally, most empirical studies have not clearly explained the concept they propose by the term FF. However, in the literature review by Kontinen and Ojala (2010), they note three main criteria covered by most definitions (twelve articles) as ownership and management of the firm, and whether the firm is perceived as family owned. In accordance with these areas, a common explanation is the one that Gallo and Sveen (1991) apply as "a firm where the family owns the majority of stock and exercises full managerial control" (p. 181). Also, in some articles, they detect that continuity in the form of inheritance of the business by the next generation is one of the main characteristics of FFs. As such, Debicki, Matherne III, Kellermanns, and Chrisman (2009) propose that the principal distinction between FF and non-family businesses is the presence of generations.

### **2.2.1 Family firms and export ambidexterity**

In spite of the increasing popularity of organizational ambidexterity in management research, the notion has not been broadly investigated in combination with family business characteristics, and not much is known about ambidexterity in this context (De Massis, Frattini, & Lichtenthaler, 2013; Hughes et al., 2018). A major concern for family-owned companies is survival and longer-term durability, and ambidexterity is a valuable theory to explain higher performance and survival in businesses (e.g. He & Wong, 2004; O'Reilly III & Tushman, 2013;



Simsek, 2009; Tushman & O'Reilly III, 1996). As presented in Table 2.1, not much attention has been paid to family business and organizational ambidexterity. The literature mostly sees ambidexterity as a part of the FFs' entrepreneurial feature and does not use an explicit definition for exploration and exploitation activities (Goel & Jones, 2016). The review of literature showed that all studies have focused on domestic context and that ambidexterity positively influences FFs' performance (Allison, McKenny, & Short, 2014; Hiebl, 2015; Hughes et al., 2018; Stubner, Blarr, Brands, & Wulf, 2012).

**Table 2.1**

***Summary of Literature of Family Business and Organizational Ambidexterity***

<b>Studies</b>	<b>Literature/theory base</b>	<b>Method/sample</b>	<b>Findings</b>
Miller and Le Breton-Miller (2006)	Exploitation/Exploration Agency and Stewardship theory	Conceptual paper	Family firms' influence on pursuing exploration or exploitation (based on both agency and stewardship theory).
Sharma and Salvato (2011)	Exploitation/Exploration Family business and innovation	Conceptual paper	Offers four exploitation and exploration innovation pathways based on family firms' life cycle.
Stubner et al. (2012)	Organizational Ambidexterity family power, family experience and family culture	104 German family firms	Family influence leads to higher degrees of ambidexterity (related to family culture and power). Higher level of ambidexterity in family firms indeed leads to increased economic performance.
Moss et al. (2014)	Exploitation/Exploration Strategic consistency	94 family firms operating in four high-tech industries	Stronger relationship between exploration and exploitation strategic consistency and performance in family firms compared to non-family firms.
Allison et al. (2014)	Organizational Ambidexterity Innovation	149 publicly traded family firms	Family firm ambidexterity is stable over time.

Hiebl (2015)	Organizational Ambidexterity Agency theory	Conceptual paper	Provides a framework for the relationship between family involvement and firms' long-term survival based on the ability to reach high levels of organizational ambidexterity.
Goel and Jones (2016)	Entrepreneurial Exploitation/Exploration Review of family business research	Systematic Review of 59 articles (2001-2015)	Current state of the field in terms of entrepreneurial domain and family business.
Veider and Matzler (2016)	Organizational Ambidexterity Resource-based view, Agency and Stewardship theory	Conceptual paper	Provides insight into how family firm heterogeneity impacts organizational ambidexterity (related to governance, goals, and resources).
Hughes et al. (2018)	Entrepreneurial Orientation Family Influence	129 Finnish family firms	Exploitation is a key ingredient of family firm performance.
Strobl, Matzler, Nketia, and Veider (2018)	Exploitation/Exploration Individual innovation behaviour Family ownership	Sample of 195 firms, of which 120 were family firms	Top managers' innovation behaviour positively shapes firm level exploration/exploitation. Top managers' innovation behaviour has a stronger effect on firm-level explorative innovation in family businesses.
Arzubiaga, Iturralde, Maseda, and Kotlar (2018)	Exploitation/Exploration Innovation, Family Influence (family involvement in the TMT)	91 Spanish family SMEs	Family involvement in the TMT have different effects on the results of exploratory and exploitative innovation processes.

However, it has been widely accepted that, due to their unique feature, FFs provide an additional perspective to ambidexterity (Goel & Jones, 2016; Miller & Le Breton-Miller, 2006; Stubner et al., 2012; Veider & Matzler, 2016), as FFs are already dealing with one sort of system interplay: tension between family and business (Anderson & Reeb, 2003; Chua, Chrisman, & Sharma, 1999; Schuman, Stutz, & Ward, 2010). Due to the need to adjust and coordinate the interests of both the family and the business, FFs present an idiosyncratic arrangement. They know that by focusing on one side, problems will not be solved, but by

finding a way to achieve both would be the best way forward; therefore, instead of seeing the connection between business and family as a dilemma, they see a synthesis between them. This view manifests FFs' paradoxical thinking feature (Schuman et al., 2010; Ward, 2006). This distinctive structure has its own specific advantages and disadvantages, which form organizational strategy (Carnes & Ireland, 2013; Carney, 2005; Goel & Jones, 2016). However, this idiosyncratic structure could be a competitive advantage in export ambidexterity, particularly for family SMEs. As firms that pursue exploration and exploitation simultaneously have been discussed, control by managers who are expert in differences and conflicting goals (Smith & Tushman, 2005), fulfil various positions (Floyd & Lane, 2000), and involve in contradictory thinking (Gibson & Birkinshaw, 2004). Family-owned managers seem to have such features, as they have been dealing with conflicting subsystems like family and business and mostly are known as paradoxical thinkers (Ward, 2006).

Moreover, this confrontation between business and family system gives rise to particular behaviours and organizational cultures, which influence their strategic process in several ways (Chrisman, Chua, & Sharma, 2005; Kallmuenzer, Strobl, & Peters, 2018; Moores, 2009). FFs are committed to and have preferences or a strong tendency for non-economically derived goals or "affective endowments" of owners, which Gómez-Mejía et al. (2007) communally names 'socioemotional wealth' (SEW). This theory which is also known as the 'homegrown' theory of family business, could explain the roots of all the differences between FFs and non-family-owned companies (Gómez-Mejía et al., 2007). Berrone et al. (2012), identifies five major dimensions of SEW, and labels them FIBER. These characteristics are Family control and influence, Identification of family members with the firm, Binding social ties, Emotional attachment, and Renewal of family bonds to the firm through dynastic succession. Berrone et al. (2012), also suggest that, due to its breadth and extent, SEW has proven to be a great analytical lens for explaining a wide variety of FFs' phenomena.

In view of all that has been mentioned in this section, export ambidexterity in FFs reflects the exploration and exploitation activities they chose according to their SEW and their paradoxical thinking ability, which might lead to them facing different trade-offs (Berrone et al., 2012; Gomez-Mejia, Nunez-Nickel, & Gutierrez, 2001; Sirmon & Hitt, 2003). Therefore, in the following, based on SEW dimensions and FFs' literature, the possible impact they will have on exploration and exploitation has been reviewed.

### 2.2.1.1 Family control and influence

This dimension refers to the owner and family members' control and its impact on companies. Various types of ownership affect firms, and this, in turn, will influence the adopted strategy. FFs' propensity to more centralized structures and decision-making processes lead to the efficient designation of resources (Stubner et al., 2012) between exploitation and exploration in market and product domains.

Since the owner and manager are typically part of the same family, monitoring, contracts or other coordination between the two should be more efficient and thus less expensive and save on agency costs (Steier, 2003). Thereby, these slack resources, which mirror surplus and uncommitted liquid resources, are apt to create a favourable setting for taking strategic risks in FFs (Kotlar, De Massis, Frattini, Bianchi, & Fang, 2013), which are usually linked with exploration (March, 1991). Additionally, family managers have the power and autonomy to explore and renovate the firm. They can respond promptly and in idiosyncratic forms, promoting the evolution of exploratory actions (Miller & Le Breton-Miller, 2006).

On the other hand, besides the agency advantages in FFs, family management and governance might make them excessively generous to their family and relatives. This behaviour may lead to undeserved secure places with high compensation given to relatives in the firms (Lubatkin et al., 2006). The selection of key personnel in regard to family bonds instead of knowledge or skill and limiting high administration positions to family members depreciates ambidexterity capacity (Hauswald & Hack, 2013). The absence of external parties' involvement may also cause a deficiency of knowledgeable and expert personnel. As pointed out by Stewart (2003), an inward-focused network and convergence about strategic decisions lead to path dependency; because of that, agency problems in FFs may give rise to a greater resistance to reform and conservative behaviour (Naldi et al., 2007), and over-reliance on tradition and lack of restoration, having an adverse effect on exploration in particular (Sirmon, Arregle, Hitt, & Webb, 2008) and in ambidexterity in general. In contrast, Goel and Jones (2016) argue that exploration activities in FFs may be part of firm objects in order to support a family member's interests and desires. Exploration of these objects may have dual purpose: first, retaining the family member in the family; and second, considering them as a teaching and training opportunity for the whole family.

#### 2.2.1.2 Identification of family members with the firm

According to this dimension, close identification of the family with the company has a significant impact on internal and external process and attitudes (Berrone et al., 2012). For instance, this leads to their high emphasis on products' and services' quality (Carrigan & Buckley, 2008; Teal, Upton, & Seaman, 2003), and also makes them sensitive about their brand image to customers and external stakeholders (Micelotta & Raynard, 2011; Sharma & Manikutty, 2005). This characteristic of FFs is in line with product exploitation activities such as improving quality and reliability of products and service (Debenham & Wilkinson, 2006), and market exploitation. A number of studies have found that, due to their family firm image, FFs are more customer focused and market orientated (Arzubiaga et al., 2018; Tokarczyk, Hansen, Green, & Down, 2007).

Moreover, since family owners view the company as an extension of themselves, a representation of their values, and a pillar of the family's future (Denison, Lief, & Ward, 2004), they invest benevolently and patiently in their organizations and their essential key competencies. Thus, it is expected to affect their exploration and exploitation activities and ambidexterity strategies.

#### 2.2.1.3 Binding social ties

This aspect relates to family social capital and relationships. Mutual bonds and close relationships in family businesses are not particularly among family members but are expected to be extended to a wide set of interest groups (Miller & Le Breton-Miller, 2006). Kinship ties and trust-based relationships are unique to FFs, which derive from their SEW (Berrone et al., 2012).

As Mom, Van Den Bosch, and Volberda (2007) declare, success in ambidexterity is closely allied to the flow of knowledge. The more managers arrange top-down and bottom-up knowledge flows, the more they may achieve greater levels of ambidexterity. Close connections within organizations increases openness to knowledge resources in businesses (Jaworski & Kohli, 1993). It likewise assists companies to build up their connections among project teams and people in various departments (Chang et al., 2011). Therefore, connectivity can expedite exploration to rise through facilitating the amalgamation and improvement of specific knowledge and thoughts that corroborate such actions (McFadyen & Cannella, 2004).

Close connection in members of family encourages immersion, learning through doing and observing, and makes it easier for intra- and intergenerational tacit knowledge transfer (Cabrera-Suárez, Saá-Pérez, & García-Almeida, 2001). Thus, exploration in FFs might be facilitated by trust-based relationships among members, which equips internal human capital with better access to knowledge and resources that otherwise might not be available (Duran, Kammerlander, Van Essen, & Zellweger, 2016).

Furthermore, by excelling in their long-term, stable and trust-based relationships with their external stakeholder such as customers, suppliers, and distributors in foreign markets (Schulze & Gedajlovic, 2010), FFs leverage external knowledge and resources required for both export exploration and exploitation.

#### 2.2.1.4 Emotional attachment

According to Berrone et al. (2012), due to the dominance of familial relationships in these companies, there are long history and knowledge of common experience and past events. This history and knowledge converge to affect and form current firms' activities and relationships. Also, since the boundaries between family and business in FFs are unclear and blurred, emotions penetrate companies and influence the decision-making process (Berrone, Cruz, Gomez-Mejia, & Larraza-Kintana, 2010). This feature in the FF literature is often examined indirectly, such as studies of trust or family culture (Berrone et al., 2012). Interpersonal trust has an important role in FF governance and, as Raisch and Birkinshaw (2008) discuss, ambidextrous businesses are assumed to adjust the hard factors such as discipline and stretch soft factors like support and trust within their organizational settings.

FFs also have longer than normal duration of employment (Tsai, Hung, Kuo, & Kuo, 2006). Extended tenures have been proven to develop strong levels of experience and knowledge in terms of products and markets, essential for the accumulation of tacit knowledge, which is fundamental for the construction of new technologies (Duran et al., 2016). This extensive knowledge of a firm's assets and abilities permits adequate exploitation of existing markets and products, and leveraging organizational ties between new technologies and existing complementary resources, which is necessary for ambidexterity (Johannisson & Huse, 2000; Taylor & Helfat, 2009). In other words, in-depth knowledge allows an organization to explore new markets and products without breaking the exploitation of existing ones, which is the case in FFs (Carmeli & Halevi, 2009; Veider & Matzler, 2016). Thus, larger levels of family

experience designate further experience in developing an ambidextrous organization (Stubner et al., 2012).

#### 2.2.1.5 Renewal of family bonds to the firm through dynastic succession

The last dimension of SEW, which is the foundation of a long-term orientation view in FFs, addresses the intention of passing the business down to coming generations (Berrone et al., 2012). This feature is one of the core aspects of FFs and has significant implications for the time-frame in their decision-making and planning (Miller & Le Breton-Miller, 2006; Sirmon & Hitt, 2003; Stubner et al., 2012; Zellweger, 2007). As a result, they have been claimed to manifest a strong need to cultivate a mentality that makes them more likely to track future opportunities and be more explorative (Kellermanns & Eddleston, 2006). This framing informs and advocates managers to detect requirements and opportunities necessary for exploration.

FFs want to underpin the use of patient capitals, which are investments with long-term returns; hence, exploration projects, which mostly have a long time turnover, will be considered more in these companies (König, Kammerlander, & Enders, 2013; Zellweger, 2007). Consequently, FFs' tendency to form long-standing investments in growing key capabilities, cultures, and external partner relationships could be employed to improve exploitation and exploration (Miller & Le Breton-Miller, 2006). In general, this behaviour represents that FFs are more likely to have a long-term orientation, which is generally seen as a key driving factor for a high level of ambidexterity in exploration and exploitation activities. As Hiebl (2015) reports, high levels of strategic ambidexterity facilitate FFs' longer-term durability; thereby this tendency toward long-term prosperity in FFs is the central premise that researchers mainly draw on in this field of study (Allison et al., 2014; Moss et al., 2014; Veider & Matzler, 2016).

As discussed above, the ideas of conducting exploration and exploitation simultaneously, in the context of FF is full of subtle differences which indeed make accomplishing strategic ambidexterity more complicated; there are differences in how they approach exploration and exploitation when making strategic decisions in comparison to non-family businesses (Anderson & Reeb, 2003; Chua et al., 1999; Miller & Le Breton-Miller, 2006). Therefore, investigating how and to what extent they manage tensions between exploration and exploitation to balance them and accomplish an ambidextrous strategy could provide support to better understand the attainment of ambidexterity in FFs and their special behaviours, more particularly in the export context. Despite the growing body of knowledge in FF

internationalisation, researchers call for more insights (Astrachan, 2010; Pukall & Calabrò, 2014). Since the international activities performed by FFs is a developing arena, this field of inquiry first carried out by Gallo and Sveen (1991), who discussed restraining and promoting characteristics of FFs affecting their internationalisation. However, although it is commonly believed among scholars that family SMEs are most likely to be internationalised through low-commitment modes such as exporting over forms like alliances (Casillas & Moreno-Menéndez, 2017; Kontinen & Ojala, 2010; Kraus, Mensching, Calabrò, Cheng, & Filser, 2016; Minetti, Murro, & Zhu, 2015; Pukall & Calabrò, 2014), there is inadequate information on their export strategies, such as ambidexterity and how they manage market and product exploration and exploitation in the international context.

### **2.3 Industrial Clusters and Export Ambidexterity**

In 1920 the economist Alfred Marshall, was the first to recognize the advantages of colocation of British textile-related companies in the 19<sup>th</sup> century and introduce it as ‘industrial districts’. He pointed out physical conditions, like climate, soil quality, easy access to land and water, and resource endowments as the reasons that companies gather at a particular location (Marshall, 2013). The notion of IC has recently been further investigated by business strategist Porter (1998), who remarked upon and raised the significant potential role of clusters in improving firm, industry, local and national competitiveness. A widespread definition by Porter (1998) determines a cluster as “a geographic concentration of interconnected businesses, specialized suppliers, service providers, associated institutions and firms in relevant industries” (p. 78). He considers various participants and institutions to be members of the cluster, such as customers, suppliers, and companies in relevant industries as well as “governmental and other organizations like universities, standards-setting agencies, vocational education providers, and trade assistance providing specific training, information, research, and technical support” (p. 78). By studying the Californian wine cluster, Porter developed his concept of clusters, as he believed New World wine industries have a natural orientation towards cluster formations (Porter & Bond, 2004). As New World wineries, starting in the 1970s and 1980s, have had to produce a high-quality product with a reasonable price, in order to be able to compete effectively with Old World rivals, they adopt a coordinated procedure with research and development, an advanced supply chain, sustainable networks between growers and winemakers, and public and private sector infrastructure. As a result, the clusters have emerged to pursue this successful strategy (Aylward, 2004; Migone & Howlett, 2010). From this



perspective Porter and Bond (2004) describe clusters in their recent paper as: "...networks of companies, suppliers, service firms, academic institutions and organizations in related industries that, together, bring new products or services to market" (p. 4).

From this network perspective of clusters and New World wineries' successes in the international market, some authors claimed that the incentive for exports has played a crucial role in the evolution of wine clusters in which the network is considered to be their backbone (Aylward, 2004; Aylward, Glynn, & Gibson, 2006). In this regard, researchers have confirmed that the network relationship has a positive impact on firms' internationalisation, mainly among family SMEs with insufficient resources for internationalisation, because firms acquire these resources through their business networks (Calabrò, Torchia, Pukall, & Mussolino, 2013; Chetty & Campbell-Hunt, 2003; Getz & Carlsen, 2005; Kraus, Niemand, Angelsberger, Mastur, & Roig-Tierno, 2017). In addition to the network that clusters develop, they provide shared resources that cannot be copied by businesses outside the cluster. These resources are additionally considered in the advancement of a company's strategy (Molina-Morales, 2001). According to Zen, Fensterseifer, and Prévot (2011), who show the positive impact of cluster resources on the export performance of companies in two wine clusters in France and Brazil, and to Fensterseifer and Rastoin (2013), who pose that cluster resources positively impact the wineries' competitive advantage, in the following eight categories of cluster-specific resources have been identified: (1) Natural capital (Terroir): such as weather, soil, water resources, etc.; (2) Reputational capital: such as a region's reputation and terroir reputation related to certain types of wine; (3) Social capital: such as horizontal and vertical cooperative relations and networks in the region; (4) Specialization capital: such as providing qualified human resources, access to specialized equipment and inputs, logistics infrastructure, etc.; (5) Institutional capital: including presence of research and technology centres, presence of public and private wine-related institutions, educational and vocational training centres, etc.; (6) Information resources: such as access to economic and legal information regarding overseas markets; (7) Tourism-related infrastructure; and (8) Credit resources: access to credit specifically aimed at producers and wineries.

Research in line with cluster role and ambidexterity, or, in particular, the cluster resources that impact on firms' exploration and exploitation activities, is inadequate, and researchers have not treated this concept in clusters in much detail. Earlier studies have mostly focused on products and cluster networks (Bell, 2005; Camisón, Boronat-Navarro, & Forés, 2018; Ozer &

Zhang, 2015; Simmie, 2004), and have conflicting results; for instance, Bell (2005), by analysing Toronto's industry cluster, found that clusters drive innovation for two reasons: first, clustered companies profit from agglomeration economies like close suppliers, direct observation of rivals, and capacity to exploit the shared knowledge; and second, cluster benefit from network-based effects, in particular, develops social interaction. Ozer and Zhang (2015), through categorizing innovation as exploitative and exploratory innovation, exhibit a mixed result. However, more recently, Camisón et al. (2018), examined the role of the Spanish tourism cluster on the radical and incremental innovation of member firms, and highlighted the advantages for firms in a cluster to amplify both exploration and exploitation abilities.

Ozer and Zhang (2015), by studying manufacturers of end products in an industrial cluster, found that cluster membership magnified firms' exploitative product innovation, but it impeded their exploratory product innovation. They argue that, as firms increase their identity as a member of the cluster, they will probably employ similar innovation methods and routines (Boschma & Kloosterman, 2005). That sort of homogenous knowledge and systems will be expected to shift their clusters into 'blind spots' and stop them from employing new and different knowledge according to their market and technological changes outside the cluster (Pouder & St. John, 1996). Therefore, cluster membership will apparently hinder product exploratory innovation that wants new knowledge to produce new products.

## **2.4 Chapter Summary**

Regarding the reviewed literature, being ambidextrous allows companies to exploit existing competencies in response to the stable environment, while simultaneously exploring new skills to address the rapidly changing environment. Therefore, in a dynamic environment like the international market, being ambidextrous has been proven by researchers to have a positive impact on performance both in large multinational companies and SMEs. Research on ambidexterity, particularly in family SMEs, has been mostly restricted to the domestic market and ambidexterity influence on performance. Although previous research has indicated that FFs, due to their unique features, face specific constraints and advantages in both exploration and exploitation activities, it is still far from obvious how this balance between exploration and exploitation plays out. Therefore, understanding the mechanism and solutions, which they adopt to support and achieve ambidexterity, could throw some light on both FFs' internationalisation and on organizational ambidexterity literature.

Further, studies have shown the role and the positive impact of industrial clusters in the internationalisation of their member companies, through facilitating companies' access to resources; however, very little is known about clusters' influence on firms' ambidexterity.

Against this background, to address these research gaps, this thesis intends to understand how small- and medium-sized family firms manage ambidexterity in exporting and what impact industrial clusters could have on firms' approach to becoming ambidextrous.

## **CHAPTER 3. RESEARCH METHODOLOGY**

This chapter will reveal a rationale for the adopted methodology in accordance with the research question and the objectives, bearing in mind the main purpose of this study is to understand how small family-owned companies deal with ambidexterity in exporting, and to what extent and how these strategies may be influenced or effected by membership of the cluster.

In particular, this section provides a brief overview of how the research design is applied, and who are the focus respondents. This chapter also includes clarification of the selected specific methodology, research validity and reliability, and ethical considerations. Finally, it will discuss how data is analysed.

### **3.1 Philosophical Worldview**

While philosophical views stay generally addressed in research, they still impact the research and need to be recognized. The theoretical perspective of this research is social constructivism, which is frequently joined with interpretivism and typically perceived as an approach to qualitative studies. This view is based on the assumption of the social construction of reality and holds opinions that individuals try to understand and know the world in which they live (Creswell, 2018). This study focuses on the reaction of family firms toward the ambidexterity strategy during their internationalisation and the influence that industrial clusters may have on their strategy decisions.

### **3.2 Research Design**

Researchers in the IB field prefer qualitative methodology in their studies, as IB research usually studies dynamic and evolving phenomena and contexts. Consequently, it needs creative and flexible research approaches to explore the nature of business strategies and their non-linear pattern activities (Sinkovics, Penz, & Ghauri, 2008). Qualitative methods allow researchers to understand “soft inter-relationships among core factors” as they can render rich data (Marschan-Piekkari & Welch, 2004, p. 8).

In this study, the research question explains the rationale behind taking this particular research method, as this research question studies the nature instead of the frequency of a phenomenon. In some respects, this research is a pioneering attempt to integrate analysis of industry clustering *and* exporting ambidexterity in family-owned firms. For such an exploratory study, the qualitative method was an appropriate fit (Ghauri, 2004; Ghauri & Grønhaug, 2005; Piekkari, Welch, & Paavilainen, 2009). This method enabled the researcher not only to discover how FFs achieve ambidexterity in exporting and manage tensions between exploration and exploitation but also to provide insights into how clusters impact firms' decisions regarding their export market ambidexterity.

Additionally, according to Bae and Lawler (2000), companies are more willing to disclose qualitative data, and the use of qualitative measures facilitates a comparison between different companies, especially if they belong to different sectors. Ghauri (2004) supports this position and adds that, in SMEs, the informants are probably keen to learn and willing to engage in an academic study. Therefore, it is expected to be significantly easier compared to a quantitative

study to reach out to those who are themselves involved in the issues being studied (Ghauri, 2004).

### **3.2.1 Case study method**

The case study method is one of five common forms of qualitative design, which phenomenology, narrative research, grounded theory, and participatory action research (Creswell, Hanson, Plano Clark, & Morales, 2007). Collective or multiple-case study design was selected for this exploratory research to show different perspectives on the issue. The case study method has been known as one of the common methods for explorative and descriptive research where the connections among the key components are to be investigated. Case studies are holistic, enabling the examination of a phenomenon from different perspectives, and passing the barriers between various factors (Ghauri, 2002). As Selltiz et al. (1976 as cited in Yin, 2018) highlight, this method depends on the research's integrative abilities: the ability to investigate an object with multiple dimensions and then to pull the different components together in a cohesive argument.

Family business internationalisation and ambidexterity research has a contemporary nature, thus when the field of study is relatively less known, and the researcher is involved in theory building, a case study is considered a helpful method (Ghauri, 2002). Also, as Yin (1994) states, “case studies are a preferred approach when ‘how’ or ‘why’ questions are to be answered, when the researcher has little control over events and when the focus is on a current phenomenon in a real-life context” (p. 9). Therefore, according to Yin (2003), case studies are likely to be the selected strategy when researchers try to cover contextual conditions, as they think they are related to the phenomenon under study or the boundaries between the phenomenon and context are unclear. Additionally, case study design is quite popular in family businesses subjects, since, in this field, various theoretical viewpoints and levels of analysis are needed because of the heterogeneous characteristics dawning from the confronting family and business concept (Chua, Chrisman, & Bergiel, 2009; De Massis & Kotlar, 2014; Tagiuri & Davis, 1992). Hence, the case study is a powerful method that can be applied in a rigorous form to reach a more fine-grained contextual knowledge of family business phenomena and to improve research in the field (Leppäaho, Plakoyiannaki, & Dimitratos, 2016). Additionally, as this paper focuses on the family firms’ export strategy, which links this study to the IB field, among the several methods of qualitative research, the case study is the most preferred method (Pauwels & Matthyssens, 2004).

This research uses a comparative or multiple-case study method, which lets the researcher extend the analysis. In comparison to the single-case study method, the multiple-case study method in a general sense is preferred to a single-case design, even if it included two cases (Yin, 2003). According to Fletcher, Zhao, Plakoyiannaki, and Buck (2018), among the 197 IB papers they reviewed using the case study method, 160 papers employed multiple cases. It is also widely accepted that multiple-case studies are frequently more robust and compelling (Eisenhardt, 1989; Miles & Huberman, 1994). As multiple cases tone up the findings through replicating pattern-matching, as a result they raise trust in the robustness of the theory. The main criticism of this method points to its limited support for scientific generalization, because of the small number of samples. However, according to Yin, (2003), in most case studies the purpose of conducting research is to develop and generalize theories. At the same time, many academics react to these limitations by declaring that the case study method could stimulate theory development by letting it arise from data (Siggelkow, 2007). This Thesis, by reviewing the relevant studies in the earlier parts, has declared the necessity for examining new or emerging issues; hence, it requires explorative studies, such as the case study, to form hypotheses and develop a theory.

### **3.3 Sampling and Data Collection**

Based on the earlier discussion primary data is the main source for this study. This information was gathered through semi-structured interviews with the CEOs of case firms, and secondary data was obtained from different sources, which will be explained in more detail in the following subsections.

#### **3.3.1 Sample frame**

New Zealand family SMEs comprise a significant part of the New Zealand economy. Based on a report from the Ministry of Business, Innovation, and Employment (MBIE) in 2017, 97% of all enterprises were small- and medium-sized ("Small enterprise | Ministry of Business, Innovation and Employment," 2018). The context chosen for this study is companies within the New Zealand wine industry, which is dominated by medium and small family-owned wineries (Woodfield, 2012). Although it is accepted that the outlines of small- and medium-sized companies vary depending on the country, according to the latest report of the New Zealand winegrowers Industry (NZW) in 2018, among 697 wineries, 603 of them are small, which is defined by their annual sales not exceeding 200,000 litres, and only 17 of them are

considered a large companies with more than 4,000,000 litres' annual sales. The wine industry is a leading sector in terms of economy in many nations (including New Zealand), making a notable contribution to employment and income (Bigliardi & Galati, 2013; Vrontis, Bresciani, & Giacosa, 2016). Wine exporting has become an important business in New Zealand's economy, with exports into over 90 countries, making it the fifth largest export product with a total value of \$1.7 billion. In 2018 the value of New Zealand wine exports rose, for the 23rd year in a row, by 2.5% to reach \$1.7 billion. As a result of this progress, the contribution of New Zealand wine to the domestic economy is remarkable, since over 20,000 jobs have been provided by this sector so far ("New Zealand Winegrowers Annual Report - New Zealand Wine," 2019).

The New Zealand wine industry is one of its more mature industries, including over 697 wineries and 699 grape growers which cover 37,969 ha of production area, distributed in 10 main wine areas – Auckland/Northland, Canterbury/Waipara, Gisborne, Hawke's Bay, Marlborough, Nelson, Waikato/Bay of Plenty, Central Otago, Wairarapa and Waitaki Valley. Clusters have developed within some of these regions, but, with the exception of Marlborough, they are all identified to be in the embryonic phase (Dana & Winstone, 2008; "New Zealand Winegrowers Annual Report - New Zealand Wine," 2019).

In this study, cases were selected from New Zealand small- and medium-sized family-owned wineries in the Marlborough cluster. Marlborough is the most densely planted wine area with over 20,000 ha of vines (around 2/3 of the national total) cultivated by local wine producers and producing 77% of total New Zealand production, making Marlborough the country's largest wine region. Its wine producers include many of the famous names of New Zealand wine and as a region it has a greater international profile than any other New Zealand cluster. Additionally, wineries in the Marlborough region have formed a cluster which has already passed the embryonic cluster phase, making it the most advanced and developed among all the clusters in the industry, representing 510 grape growers and 141 wine companies ("About Marlborough," 2019; Aylward, 2004; Cooper, 2008; "Marlborough - New Zealand Wine," 2019).

### **3.3.2 Case selection**

In case study research, case selection is probably the most significant issue in this method of research. As in other modes of data collection, it is essential to determine the target population



for the research. It comprises those companies, individuals, or groups which will be delineated in the research. The following step is to evaluate the available population and, from this, researchers have to choose one or more cases for the research. Since in IB studies a criterion sampling strategy is the most frequently used, these elected cases would have to be based on criteria in line with the research problem (Fletcher et al., 2018; Ghauri, 2004).

For this research, the author planned to apply three main criteria in selecting the target cases. The target firms have to be a member of the cluster, be actively involved in exporting, and they must be a small to medium family owned winery (family are the majority owners, and the founder, family members, or both were either on the board of directors or in a senior management position).

According to Perry (1998), there are no specific patterns to the number of cases to be covered in the studies. In the same vein, Patton (2015) does not specify an exact number of cases that could work as a road map for researchers, arguing that for sample size in a qualitative study, there is no regulation and it has to be judged in context. A number of experts on the case study method have used their knowledge and experience to suggest a range that the number of cases in each research should be within. As an example, Eisenhardt (1989) argues “a number between four and ten cases often works well” (p. 545). Hedges (1985, as cited in Perry, 1998) suggests in practice for a serious project, four to six cases form a reasonable minimum, and determines the upper limit as 12, due to the high costs of qualitative interviews and the volume of qualitative data that can be efficiently assimilated. In a nutshell, the comprehensive accepted scope appears to be between four as the lowest and ten or twelve as the highest.

In this research, the researcher adopted the above guidelines as starting positions in order to design the research, following the Patton (2015) ideology: “The validity, meaningfulness, and perceptions developed from qualitative research have more to do with the information-richness of the selected cases and researcher's observational and analytical skills than with sample size” (p. 313).

Based on the available information among 141 Marlborough wineries, 23 family-owned wineries that are actively exporting were identified. Following that, four of them were removed due to their large size; therefore, from 19 small- and medium-sized family-owned wineries, six diverse cases were chosen. Cases were selected according to the defined criteria and in order

to maximize variety and capture heterogeneity in FFs; factors such as age, size, generation, and ownership percentage were also considered (see Table 3.1).

**Table 33.1**

***Summary of Case Firms' Details***

<b>Firm</b>	<b>Case A</b>	<b>Case B</b>	<b>Case C</b>	<b>Case D</b>	<b>Case E</b>	<b>Case F</b>
<b>Generation</b>	Many generations but first generation in wine industry	In succession phase to second generation	In succession phase to second generation	Fifth generation but first generation in wine making	Second generation but first generation in wine making	Founder
<b>Ownership</b>	100%	75%	100%	100%	100%	100%
<b>No. employees</b>	23	30	7	6	3	2
<b>Production per litre <sup>a</sup></b>	~3,987,000	~4,050,000	~488,988	~24,000	~189,000	~450,000
<b>Foundation year <sup>b</sup></b>	2003	1994	1996	1987	1996	2010
<b>Winery establishment</b>	2011	1994	1996	2015	2005	2010
<b>Age</b>	8	25	23	4	14	9
<b>Exporting since</b>	2012	2001	1998	2017	2005	2010
<b>Age at first international entry</b>	1	7	2	2	0	0
<b>CEO</b>	Family	Non-family	Family	Family	Family	Family
<b>Export volume (%)</b>	~70%	~95%	~66%	~90%	~99%	100%

*Note.* According to the New Zealand wine industry, companies' size determined by their annual sales (Small: annual sales < 200,000 lit; Medium: annual sales 200,000–4,000,000 lit; Large: annual sales > 4,000,000). Case A and B, still considered as a medium size by the industry; however, interviewees are expecting within the next two years move to the next category. Foundation year, referring to the time companies entered the wine industry (growing grapes).

### **3.3.3 Data collection**

As already noted, primary data is the main source for this study. This research is highly dependent on the individual interview, which is the most popular form of data selection in qualitative studies and the most important source of case study data collection (Mason, 2002; Yin, 2018). As stated by Oakley (1998), the qualitative interview is kind of framework that not only records the practices and standards but also evolves, tests and likewise reinforces them (Oakley, 1998, as cited in Jamshed, 2014). In this research a semi-structured interview method is chosen, because the study relies on open-ended questions, which indicates that an interview guide was designed to address a number of broad questions through deep interviews. Semi-structured interviews enable interviewees to give a meaningful interpretation via an open conversation rather than being limited to fixed categories; thus, the interviews will look like guided conversations. Insightful conversation on associated matters is crucial for successful case studies; semi-structured interviews give a level of flexibility to the researchers, enabling them to look into relevant, interesting, or unexpected opinions derived during the process of the interview (Rubin & Rubin, 2005; Yin, 2018). Moreover, frequently an interview is the most powerful and convenient method of collecting data; since it has its basis in human oral communication, it enables the capable questioner to adjust the technique, speed and order of inquiries to elicit the fullest answers from the interviewee (Qu & Dumay, 2011). Additionally, by using this method, the researcher could avoid the likelihood of someone other than targeted respondents delivering the information (Daniels & Cannice, 2004).

In this regard, after determining the six desired cases, in order to gather initial information about the selected firms' history and their strategy, secondary data collection began. Archive data used in this context included the company's website, industry magazines, media articles, and cluster website.

Additionally, for primary data the researcher first made contact with the companies over the telephone or through email, speaking with the general manager or a senior manager who were chosen as the main source of information in this study, to introduce the project and ask for their permission to further present the research information, consent forms, and interview questions. The procedure of collecting data from several people in the same company and assessing their responses' equivalence was not required for this research due to the centralised management practice in small family firms. Accordingly, this research was designed to collect information from a single decision maker in each case.

Approximately a week later, the researcher approached the managers again to find out if they would like to participate in the project. When target interviewees agreed to participate in this study, a suitable time for conducting the interview was organized. The location of the interview was chosen at the interviewees' convenience, usually their workplace. The primary data for the study was gathered through face-to-face semi-structured interviews, and all interviews were conducted during one month (April 2019) by the researcher.

#### 3.3.3.1 Semi-structured interview guide

Interview guides comprising a list of inquiries or problems that are to be investigated during an interview, are useful for maximizing use of interview time, as they support attaining systematic and comprehensive responses from the interviewees and also concentrate the interview on the specified line of enquiry (DiCicco-Bloom & Crabtree, 2006; Patton, 2002). Interview questions were developed after studying the relevant literature. Following Glaser and Strauss (2009), the interview guide began with more generic questions and progressively became more focused; thus, questions within the interview guide involved the main question and several complementary questions. The interview questions could be split into four main parts including an introduction. Interviews were started with an introduction to the interviewer,

the object, and background of the research and the subject matter. Following this, an inclusive discussion of the issues between the interviewer and interviewee took place, including an account of relevant experiences and strategies applied from the interviewee. All interviews were recorded, in order to capture the information more efficiently during the interviews, and this was transcribed after the interview. It was anticipated that each interview would last about one hour.

Interview questions are created and designed based on the typologies of interview questions by Kvale in 1996 (see Appendix C). This interview questionnaire was sent to the interviewees (informants) prior to the interview in order to effectively manage the time, to enable them to sufficiently describe actions through the strategy development phase and to help remind them of the strategies' implementation.

#### **3.3.4 Validity and reliability**

One of the key concerns of qualitative study is the issue of validity and reliability. For Kirk and Miller (1986), validity refers to the respondents' ability to give a valid response and reliability is about giving the same answer in various situations. The data which is collected should be rigorous and reliable, and also the right decision should be taken about what needs to be evaluated and what is relevant for the research purpose (Creswell, 2018). From developing the research questions through the gathering and interpreting of the data, multiple procedures were adopted to meet the required validity and reliability in this research.

As stated by Andersen and Skaates (2004), in qualitative studies, authors, in order to achieve rigour in their research, need to pay attention to the validity, as it has a high impact on the rigour in studies. Validity in qualitative research means to what degree we are measuring what is intended to be measured. In this study, a large number of articles in the related field were studied to examine validity. Additionally, validity is strengthened by the case selection method

and interviewing people at a high level in the organization such as a general manager to obtain a comprehensive understanding of the case. Before the interviews, they were notified about the research mission and limitations, which helped to enhance the likelihood of collected valuable data from the interviews in line with the scope of the thesis. The interview process provided an opportunity to have direct contact with the interviewees, which enabled the chance to audit the relevance and correctness of the data as it was collected. With an eye to the validity of the process within data collection and interpretation, existing theories and findings were applied to assist with distinguishing diversity in participants' responses. This helped to reach a better understanding of the perceived phenomenon.

Reliability refers to the consistency of measures, observing the same result regularly. There are several circumstances that may influence reliability; for instance, possible mistakes in the interview guide, interviewer errors and even the environment where the interview is conducted (DiCicco-Bloom & Crabtree, 2006). For the purpose of reducing response bias, several resources, if feasible, were used to confirm the respondents' information. By making use of the recorder, the researcher had more chances to analyse interviewees' information several times in order to avoid errors resulting from bad recall.

### **3.3.5 Ethical issues**

In order to achieve and maintain the academic ethics of this study, in advance of each interview with participants, the goal and the nature of this research were described explicitly for interviewees. The researcher made sure each participant read the consent form. Also, in the form, the researcher and her supervisor's address and phone number were provided. Through the interview, interviewees could ask any questions associated with the topic. Further, they had the right to refuse to answer any questions. All details of respondents and their firms in this research were kept confidential, except for the researcher and her supervisor. Interviewees and their firms are not able to be identified by others. All written materials such as interview notes,

questionnaires, and transcripts of interviews, as well as electronic data, were saved in a password-protected file and only the researcher had the right to access them. Moreover, after each interview, the informant had the right to withdraw from the study at any time before 15 May 2019.

### **3.4 Data Analysis**

According to Patton (2015), analysing qualitative data is challenging, since in analysis, although guidelines are available, there are no recipes; principles indicate direction, yet there is no significance test to run, determining if the findings are viable and valuable. Additionally, no straight-forward examinations can be used for reliability and validity. Hence, one of the most challenging tasks during the case study research is interpreting and analysing the qualitative data, with ‘authenticity’ being the main issue. The researchers have to manifest an authentic understanding of interviewees’ experience, which means not only do they need to understand the viewpoint of people and groups being investigated, but also the data has to be interpreted based on the context in which they are presented (Baxter & Jack, 2008). Additionally, according to Yin (2018), one of the least advanced aspects of a case study is the data and evidence analysis, of which, contrasting with statistical analysis, there are few established methods to use as guidelines.

One of the solutions available to researchers, in order to provide an authentic interpretation, lies in a close interconnection between data collection and data analysis during the lifecycle of the case study research. Interweaving data collection and data analysis immediately after the first case interview is the best strategy. This lets the theory evolve alongside the growing amount of data, enabling the research problem to be formed or even reformulated simultaneously. Additionally, this technique helps to see what has been learned and what still needs to be found out and what follow up questions need to be prepared in order to pursue emerging ideas. (Ghauri, 2002; Ghauri & Grønhaug, 2005; Miles & Huberman, 1994; Rubin

& Rubin, 2005). As a result, there is no definite stage of data analysis. Despite the fact that data analysis in case studies may not form a separate process, it does include some distinct phases.

Prior to speculating conclusions, in order to interpret the data in this paper a three-step structure design for analysing data involved (1) a presentation of the case information as a means to synthesize the main findings, (2) a within-case interpretation, and (3) cross-case analyses (Miles & Huberman, 1994). The within case method represents the conditions experienced by the respondents. The cross-case analysis was carried out after analysing each case and coding the materials, for the purpose of determining patterns and emerging themes, similarities and differences. Furthermore, cross-case analysis lead to a deeper explanation and understanding and to enhance generalizability.

In the beginning, the case's account was developed, to arrange the case study after the interview with each interviewee was conducted and transcribed; therefore, for analysing the data, the focus was on words as the medium. The transcription of each interview was prepared during the same day or day after the interview was carried out. In transcription, there was no software utilized, which assisted the researcher in writing memos and diagrams during the data transcription and data collection process. According to Lempert (2007), this can be helpful in interpreting part of data as they contain hints, suggestions, and clues about how to explicate them; as a result, a pivotal aspect of this part of the process is generating a chronology of phenomenon. To guarantee that none of the contextual information was missed in the transcription, like intonations, using the interview recordings was very productive. The second phase included within-case analysis conducted in order to fully understand case-specific patterns in advance to proceed to the third step. This stage of analysis is additionally a screening process where data collected was ordered into a more conceptual framework in order to be more understandable. For this purpose, codes were used to decompose and conceptualize data. According to Saldaña (2016), the coding methods are selected in line with the research



questions. As in this thesis, the nature of questions is epistemological to try to know and understand the phenomenon; for the first cycle of coding, structural coding and open coding were applied.

First, structural coding was applied to frame the interviews, hence, content-based or conceptual phrases which outline a section of data, related to the particular research question were developed (Guest & Macqueen, 2007, p. 124). This coding strategy labelling and indexing data was based on the research questions, which is particularly useful in semi-structured interviews (Saldaña, 2016). Then segments with similar codes were gathered together for in-depth analysis and open coding and generated categories and themes in the data.

The last phase included discovering cross-case patterns and variations. At this point, in order to improve understanding and connection of data, the researcher also consulted existing literature. Correspondingly, attention was given to the strongest results within the collected data; for instance, they were stated constantly across interviews, or they were proclaimed in one interview but also confirmed by archival data and previous literature.

## **CHAPTER 4. RESEARCH FINDINGS**

This chapter, following the applied methodology mentioned in the previous chapter, presents the results and key findings from interviews with reference to the aim of the research, which was to investigate the family SMEs' reactions and behaviour about export ambidexterity and their cluster influence. The chapter starts with the introduction of the six selected cases and then presents the main findings through the within-case and cross-case analyses.

The findings are presented under three main foci: export market ambidexterity, export product ambidexterity, and cluster effect on ambidexterity. Each segment has its own sub-themes, drawn from the data analysis.

## 4.1 Overview of the Cases

Six selected cases form the foundation of this research. As mentioned in the earlier chapter, the wineries' name have been changed due to confidentiality issues. The rationale for case selection was predetermined criteria and was aimed at sampling for the greatest diversity in the family-owned firms due to the high heterogeneity among FFs, given information regards the year 2019, and includes companies' age, size, generation, family ownership, and aspects of their international activities. The information provided in this subsection is summarized in Table 3.1.

**Case A:** A 100% family-owned company with more than a century's history. They respect the land and have been working on the land for a long time, and their lands come through generation after generation. They have only operated within the wine industry since 2003, when a new generation established their first vineyard and, two years later, fully turned their lands into the vineyard, founding the largest harvest contracting company in the area. However, the desire of the new generation to diversify and expand its family business, and the effect of the global financial crisis in 2008, made them believe that they could not rely on other wineries to pick themselves up. As the manager said, "... So, I started to think of why and how I could do value add to the business." Consequently, in 2011 they started to make wine and develop their own brand, as well as supplying grapes to other wineries.

**Case B:** The company was established by a husband and wife team 25 years ago in 1994 and today about 95% of their product is exported. Since 2003, when one of the largest family-owned wineries and distributors in the US bought 25% of their share, the growth rate has been increasing as it became their major customer as well as a shareholder. However, they believed they do not have a shareholder relationship but "more a family partnership and supplier arrangement, based on trust and open dialogue. They don't play a role in business decision making."

**Case C:** Established in 1996 by a wife and husband, with two family friends, but two years ago the couple bought the friends' shares and became 100% family owned. The new generation are completely involved and will control the business by next year. They started exporting almost from the beginning due to the owner's reputation as a winemaker in Australia, thus their internationalisation was not planned ahead: "There wasn't a lot of planning to it. It was just organic growth ... it's opportunistic."

**Case D:** A 100% family-owned farm, 139 years old, now managed by the fifth generation. In 1987, they planted their first vines and since then their main activity has been growing grapes on contract. However, the current generation decided to keep some of their production for their own wine label in 2015 and start exporting in 2017. From farming, they diversified into winegrowing and then established their own wine business. But they also keep the earliest activities, such as mixed cropping/animal production, and a cherry orchard, which show adherence to their rich farming history.

**Case E:** A 100% family-owned vineyard and cherry patch business began to produce wine with the family label in 2005 with the arrival of the second generation of family ownership. Also, in the same year, they built cottages on part of their land and expanded the business to tourism and hospitality. They have been exporting their product from the beginning to the UK through their relationships and networks there.

**Case F:** Small family-owned winery established by a husband and wife in 2010. They both have had experience working in the wine industry as a winemaker and viticulturist. They have been exporting all their products since the beginning, which makes them unique, as they found a distributor first who supported them financially, and then started their business.

The findings show that family-owned wineries simultaneously do explorative and exploitative activities in exporting in both market and product; hence, cases in this research have an ambidextrous strategy in their export. Table 4.1, provides sample quotes for each case, which represents the exploration and exploitation activities they carry out.

**Table 4.1**

*Examples from the Data for Exploration and Exploitation Activities*

	Export Market Ambidexterity		Export Product Ambidexterity	
	Exploration	Exploitation	Exploration	Exploitation
Case A	<ul style="list-style-type: none"> <li>• Generate variety in firm activity: <i>At the same time, I built one of the largest harvest contracting companies in Marlborough.</i></li> <li>• Assess the potential of new markets and build relationships in new markets: <i>We really want to get something out of the Asian markets up and running.</i></li> <li>• Identify prospective customers: <i>We've seen them everywhere, the millennials .... So, we've carved out a nice niche market for ourselves. And that is continuing to grow today.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Reinforce overseas distributor &amp; customer relationships.</li> <li>• Enhance the capture of important market information about existing markets: <i>I've built close relationships. I go back and meet with them but at least once a year sometimes twice sometimes three times. So, I do travel a lot. And it's really important that I get in front of my customer.</i></li> <li>• Increase the economy of scale in existing markets <i>One of our goals is to keep the current market growing, grow the current market. Our business plan is to create a strong brand and be market driven.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Developing new brand: <i>We needed to have another brand, so I actually started a brand, which I was putting into different markets. And then that wasn't enough. I needed to launch another brand.</i></li> <li>• Develop new product.</li> <li>• Explore new idea: <i>We have explored non-alcoholic wine. We haven't mastered the technology yet; we work on it.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Improve quality of the firm's export products.</li> <li>• Improve productivity: <i>I always want to keep the family brand at the premium. Premium brand.</i></li> </ul>
Case B	<ul style="list-style-type: none"> <li>• Assess the potential of new markets.</li> <li>• Acquire export market-related information about new markets:</li> </ul>	<ul style="list-style-type: none"> <li>• Increase the economy of scale in existing markets.</li> <li>• Enhance the capture of important market information about existing markets:</li> </ul>	<ul style="list-style-type: none"> <li>• Develop new product: <i>We need to demonstrate that we're more than just a single variety.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Improve quality of the firm's export products.</li> <li>• Upgrade current knowledge and skills for familiar technologies, products:</li> </ul>

	<p><i>Slowly expand and open up some new markets for ourselves that have the opportunity to take the other varietals.</i></p> <ul style="list-style-type: none"> <li>• Meet the need for emerging customers and market:</li> </ul> <p><i>What we've done in the last few years is pick up on some of the trends, and we're starting to do them.</i></p>	<p><i>We take a long-term view to learn in those markets and keep developing them.</i></p> <p><i>We also have regular business updates with distributors on how depletions and their forecast will be.</i></p> <ul style="list-style-type: none"> <li>• Reinforce overseas distributor &amp; customer relationships:</li> </ul> <p><i>We have regular conversations with distributors in those markets and spend time with them and be face to face with them once a year</i></p>	<ul style="list-style-type: none"> <li>• Acquire manufacturing technology and skills entirely new to the firm:</li> </ul> <p><i>Process-wise in the winery we might be a little bit more innovative about what we're doing. The trials research experimented with new yeasts, experimented with new technology. We do a lot of that sort of research.</i></p> <ul style="list-style-type: none"> <li>• Developing new brand:</li> </ul> <p><i>We developed a brand as part of our sustainability program ... it comes in terms of a legacy thing.</i></p>	<p><i>We're very focused on making sure that we produce consistent quality year after year after year.</i></p>
Case C	<ul style="list-style-type: none"> <li>• Assess the potential of new markets.</li> <li>• Acquire export market-related information about new markets</li> </ul> <p><i>We are looking after the Southeast Asian region because that's been a focus for us and that's been really successful, but it doesn't mean to say we would turn down other opportunities.</i></p>	<ul style="list-style-type: none"> <li>• Reinforce overseas distributor &amp; customer relationships.</li> <li>• Enhance the capture of important market information about existing markets:</li> </ul> <p><i>I think for us it's the key of eyes and ears open, being well informed, being active participants in the market, listening to what our customers are talking about.</i></p>	<ul style="list-style-type: none"> <li>• Developing new brand:</li> </ul> <p><i>We do already have, two sub-brand products and again we have that in mind to develop another brand.</i></p> <ul style="list-style-type: none"> <li>• Develop new product.</li> <li>• Explore new idea:</li> </ul> <p><i>We have the strategy of looking at the moment, we are discussing the possibility of doing a joint venture with our American distributor and we're pushing that out with thinking beyond a bottle product. We are looking at spritzers... That's an air product</i></p>	<ul style="list-style-type: none"> <li>• Improve quality of the firm's export products:</li> </ul> <p><i>We have identified very clearly what we see we're about. So, our purposes are a lot around the family, but it's also a lot around quality.</i></p> <ul style="list-style-type: none"> <li>• Upgrade current knowledge and skills for familiar technologies, products.</li> <li>• improve productivity:</li> </ul> <p><i>Basically, in my ideal I would like to be as good as we possibly can be. So, technology is really important to us to improve and keep the quality as</i></p>

			<i>development sort of category is just alternative products without compromising the quality.</i>	<i>we have quality wine. We're always looking for constant improvement.</i>
Case D	<ul style="list-style-type: none"> <li>• Generate variety in firm activity: <i>Now our business is approximately 60% related to winegrowing and selling grapes on contract, 35% mixed cropping/animal production.</i></li> <li>• Acquire export market-related information about new markets.</li> <li>• Build relationships in new markets: <i>I'm still looking to expand, so I have just met a guy from Germany yesterday.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Reinforce overseas distributor &amp; customer relationships.</li> <li>• Increase the economy of scale in existing markets: <i>I've got to the stage now where I've got small markets ... and now I've got that established. I want to work with those and improve them.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Develop new product: <i>I started out with one variety, but you need to have more than one variety to be taken seriously ... Next year I also have chardonnay and from 2020, I'll also have a Piano Viognier.</i></li> <li>• Acquire manufacturing technology and skills entirely new to the firm: <i>It's all about working smarter, not harder and if you can invest on technology. Sure, it is an expense. So, anything that we do to make life easier for staff.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Improve quality of the firm's export products: <i>Now I just want to concentrate all my energy into the family brand.</i></li> </ul>
Case E	<ul style="list-style-type: none"> <li>• Generate variety in firm activity: <i>We built cottages, and now we're looking at maybe building some, adding to the accommodation.</i></li> <li>• Assess the potential of new markets.</li> <li>• Acquire export market-related information about new markets:</li> </ul>	<ul style="list-style-type: none"> <li>• Reinforce overseas distributor &amp; customer relationships.</li> <li>• Enhance the capture of important market information about existing markets. <i>We will keep building our relationships. We develop a really nice relationship and enjoy the relationship and keep it going. We've got distributors often come over here on holiday with us.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Developing new brand: <i>By producing and giving distributors an option to fill their gaps with different brand, it gives us opportunities in markets like UK and US.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Improve quality of the firm's export products.</li> <li>• Upgrade current knowledge and skills for familiar technologies, products: <i>We've always constantly improved it, so this is our core brand. So that would be 90% of the production.</i></li> <li>• Improve reliability of the product:</li> </ul>

	<p><i>We want it to grow, we are looking for another market.</i></p> <ul style="list-style-type: none"> <li>• Meet the need for emerging customers and market:</li> </ul> <p><i>The product exploration that we would do would be, based on market, I mean we felt the pressure to make it rose. So, we did make a Rosé.</i></p>	<p><i>We get all their information from our distributors.</i></p>		<p><i>If I make bad wine, I don't sell it. We've always given our distributors quality wine; they never have any quality issues.</i></p>
Case F	<ul style="list-style-type: none"> <li>• Assess the potential of new markets:</li> </ul> <p><i>We aren't actively looking for new markets, but if something came up where we felt that the deal was a good, a good market, good distributors, and it made sense for us to do it, then we'd have to do it. Opportunities do come up and we think about it.</i></p>	<ul style="list-style-type: none"> <li>• Enhance the capture of important market information about existing markets.</li> <li>• Reinforce overseas distributor &amp; customer relationships:</li> </ul> <p><i>Our distributor was a tiny company, had started approximately two years earlier than us. And as they grew, we definitely grew as well. So, after 10 years, they now have businesses in the USA and Australia. And so, we do export to that same company in three different markets.</i></p> <p><i>We have pretty good communication with our distributor. They're quite happy to give us three-year forward projections on the wines that we need to make for them.</i></p>	<ul style="list-style-type: none"> <li>• Develop new product.</li> <li>• Changes in wine:</li> </ul> <p><i>Market demands we do change from time to time. Some years, some things do better than others and big volumes of this small part of that. Based on demand we explore new product.</i></p> <p><i>Experimenting with new wine styles. We were always doing that.</i></p>	<ul style="list-style-type: none"> <li>• Improve quality of the firm's export products.</li> <li>• Upgrade current knowledge and skills for familiar technologies, products.</li> <li>• improve productivity:</li> </ul> <p><i>We always strive to improve the quality of the grapes and the longevity of the vineyard. And it's good because we're growing the grapes and then making the wine from the grapes.</i></p> <p><i>So, I think concentrating on especially making good wine, improving quality and things like is probably a great priority for us.</i></p>



		<ul style="list-style-type: none"> <li>• Enhance understanding of existing overseas customer requirements:</li> </ul> <p><i>We have a page on our distributor website, where people can buy a wine, but there's a lot of customer interaction between us and customers and we have to spend a fair bit of time.</i></p>		
--	--	---	--	--

Based on the interviews' dataset, in the following, recurred terms regarding the ways that family-owned wineries deal with the ambidexterity in their export and the impact that their unique characteristics would have on it, were demonstrated. SEW dimensions were presented in the all interviewed family wineries as their business values. The findings show how SEW impact on export ambidexterity as the main factor in selection of export exploration and exploitation activities.

## **4.2 Export Market Ambidexterity**

The important role of network ties in FFs' internationalisation has been proved. Bending social ties was considered a key element in all family-owned wineries, which is being investigated. FWs want to form relationships and network ties based on trust, long-term and mutual respect, not only with their employees but also with their overseas distributors and customers. Forming a close relationship with the right people enables FWs to preserve the value of their brand in the international markets as well as keep their operation models simple and flexible.

Always looking for long term relationships, because we actually feel comfortable ... I think that the primary thing is the quality of the relationships is really fundamental, whether it's with staff, whether it's with other wineries or whether it's with our distributors. I think that's what is most important. (Case C)

*Market exploration and ease of creation strong ties.* In regard to FFs' desire to building closed networks, FWs in order to explore the new overseas market, are not just looking for profit and sales volume, but are also evaluating how smooth and functional that relationship is going to be.

When we're looking at expanding into new markets, that relationship comes first so that we, whoever we work with, we try and make sure we can relate to them and understand them. And then we talk about, what's the opportunity, and the business side of things. (Case B)

It comes down to obviously money, it comes down to how easy that relationship is going to be ... for me it's all about relationships. So other people will have contracts in place and they're all really good to have. I've worked on relationships with my buyers around the world. (Case A)

*Market exploration and long-lasting contract with distributors.* FWs are searching for distributors in foreign markets which they could make a long-lasting contract with. This stems from FFs' long-term orientation and longer investment time horizons in market exploration, and their desire to form strong network ties, since building strong ties requires significant time and resources, and FFs invest generously in relationships. This desire for enduring relationships frequently makes FFs prefer working with other family businesses and this can become a criteria for choosing a distributor in overseas markets.

If you asked us who we choose to work with. So, it's just, I always tend to family-owned businesses ... you know, you get the same values ... we probably had four or five families [we] had been working with pretty much from the start and there's been other ones that had come and gone which weren't family oriented. (Case E)

They believed that working with other family businesses gave a sense of security and increases the likelihood of developing a collegial and functional relationship, and that both companies will have aligned or similar values and be seeking long-lasting contracts and relationships.

*Market exploitation and strong ties.* Since the establishment of close relationships for companies is a priority, as expected, they try to reinforce relationships with their overseas distributors, which is considered market exploitation. By strengthening their relationships with their distributors, FWs use them as a facilitator for other exploitation and exploration activities.

It's about keeping on top, regular communications ... the only way you can really do that is, participation and spending time with them. You need to talk to them, email, try and be face to face with them once a year at least. (Case B)

It just comes down to relationships, that's not hard but it's not easy either. It can change overnight at times but be upfront, be honest. (Case C)

Hence, FWs not only make their relationships stronger with their distributors in current foreign markets but they also recognise that these robust relationships and networks will support them through other market exploitation activities, since networks in the export market become a resource for collecting reliable and trustworthy information and data from foreign markets and customers. Family SMEs do not have enough assets to monitor their foreign markets by themselves; they need reliable information sources in those markets.

*Market exploration and exploitation integration.* FWs use their strong networks and social ties in exploring new markets and opening new opportunities. This shows the synergy they build in their market ambidexterity between exploration and exploitation. Although the degree of dependency on this sort of exploration varies depending on the companies' size and resources, FWs still rely on the serendipity role of their social networks and relationships for overseas market exploration. For example, Case C tries each year to focus on a particular group of markets they see potential in and try to research and explore them, acquire information and assess their potential, as they do not have sufficient resources to invest in a large number of markets. In doing so, they minimize the chance of losing opportunities in those identified markets. However, that does not mean that they turn down opportunities outside of those markets. The owner of case C in this respect stated:

So, our eyes and ears open, but it's not our focus ... but we are doing a lot of marketing support outside of what we already have.

Another FFs' belief about market exploitation which makes them never stop exploiting their current markets, is that they believe being successful in their current markets by actively exploiting them will lead other opportunities to arise.

You'll find that others will come looking for you, so you must have to be strong in your existing markets. (Case A)

FFs attempt to pass the business to the next generation and keep the family ownership, which gives them a long-term view in their decision making. They are looking for markets with long lasting benefits. Family-owned wineries, regardless of their size and age, desperately seek long-term markets in their exploration. Since they also seek sustainable growth for their business, they prioritise slow, considered growth with long-term opportunities over single high-yield deals with little evidence of a longer-term commitment. Talking about this issue, interviewees said:

I don't want one order; I want a repeat order. We want to be profitable but looking for a long-term growth ... look for sustainability of growth, not looking for rapid growth. (Case C)

Sustainable growth and something that could be handed out to the next generation and they can be proud of and want to be part of it. (Case A)

I suppose planting the seeds for future demand from other alternative markets so that we continue to have that ability to grow [and] ... the next generation will come in and help support that growth. (Case B)

*Market exploration and long-term growth opportunity.* According to the stated view, FFs frequently look for a market that is emerging, and not necessarily mature to make sure they have a long-lasting opportunity. These types of opportunities will have less initial risk and also need less investment since they will not have much initial demand.

*Market exploration and exploitation integration.* Exploring foreign markets with a long-lasting horizon with potential for growth over time drives companies into reinforcing and increases their knowledge as well as the economy of scale in existing foreign markets (market exploitation), as they have enough time to build strong network ties and relationships, which is precisely what FWs are looking for. Therefore, FWs by exploring markets with large potential to grow over time, exploit their customers and market better.

We look for markets that are emerging, so that they have long term opportunities to grow ... starting from a small base, but then we can plan out a business around as they grow, we can grow as well. (Case B)

The other effective factor emerged from the data, which is related to their structural constraints and lines up with their long-term view revealed that small FFs, due to their production restrictions, are also looking for new markets they have time to build into their business. They are also looking for opportunities that do not disturb and interfere with their current markets, but are keen that new markets should complement the overall portfolio by discovering markets that will be interested in other product varieties.

The toughest thing for a small guy who is exporting as [well as] trying to find markets, it's about volume you need to have. (Case D)

It is an interesting exercise because you've got to balance that between the size of the market ... the worst thing you can do is not have enough product to be able to sell to their market. (Case B)

This view also explains why they spend a considerable amount of time on information gathering and assessing a new export market, to be sure that they will not harm their current markets, and also exploiting their existing overseas markets regularly to devise 12-month plans (or even longer for a specific market). A pertinent example of this strategy was provided by the CEO from Case B regarding exploring a new foreign market through a distribution of focus across different varieties of product.

Our US market, which is our main market, it only takes one, finding other markets that have the opportunity to take the other varieties and not compete against that market. So, I'm not wanting to take a product away from the US market, wanting to complement the overall portfolio by finding markets that will be interested in the other varieties that we do. (Case B)

*Market exploitation and family firm image.* Family identification with business likewise has a critical role to play in market exploitation. The impact of this family feature makes the companies more customer oriented and continuously enhance their understanding and knowledge about their overseas markets. Thus, exploiting their existing overseas markets is one of the key elements of their strategy.

For us it's the key of eyes and ears open, being well informed, being active participants in the market, listening to what our customers [are] talking about. (Case C)

*Market exploration and family owner and family member interest.* In the same manner, family influence and family control have an impact on their decisions regarding export market exploration. Family owners and managers, due to their high level of autonomy and ability for exploration, will place family interest before the business agenda. Hence, personal interest and values are clearly evident in choices and strategic decisions particularly in exploration activities in these types of firms. The following three excerpts from the interviews clearly point to this family characteristic in exploration.

We're looking to get into China and Japan and Singapore, we really want to get something out of the Asian markets ... I love visiting Asia for my selfish reasons of Asian food, especially Japan. (Case A)

If we're all going to work in this business together, we need to enjoy it ... being able to sustain a personal interest and personal growth. (Case C)

If I was more interested in wine making myself personally, I would probably more aggressively behave, but now I'm happy. (Case D)

The importance of family interest and personal growth in making decisions regarding explorative and exploitative activities, as a mechanism to keep family members in the business, was highlighted among cases. Ambidexterity in family businesses creates a platform and opportunity for the next generation in order to be interested and involved in the business, as it would be hard for FFs to keep everyone happy and to try and keep the family and business relationships. Therefore, they see ambidexterity and particularly exploration as a way to keep the next generations in the business.

Case D could be a good example, since producing wine for the first time after five generations not only related to the new generation's interest and emotional attachment to the family business, which led them to explore a new business avenue, but was also a way to address their intention for handing the business to the next generation. As the owner said:

That is a bit of personal interest for me, after working 11 years as a viticulturist and grower, if I wasn't working for the family business I would feel after that period of time, it was time for me to change jobs, doing something different ... but I love the farm and I love the fact that we are family-owned fifth generation ... so, I kind of thought making wine with a family label was a great way. (Case D)

If we can establish a wine business for my children and my brother's children, it's not just us ... they can't just be farmers, will also be the wine makers or marketers or, it could have a restaurant in the cellar door, and they could be into hospitality ... So, part of that was about just trying to find other ways to keep the farm family ownership, and bring more opportunity for family members to work together. (Case D)

However, the owner and founder of Case F spoke of the freedom of not having inherited a family business, and that there was no concrete expectation that their children would take on the business. In that regard, they are not actively looking for exploration, particularly in the

market domain, since they felt less of a pressure for providing opportunities and a pathway for the future growth of the next generation. As he explained:

There is not like the legacy there. We don't feel obliged to hand something to our kids. It provides us with an income, but it doesn't actually have a value in itself, I don't necessarily want to expand business anyway, so I think is probably a great priority for us concentrating on making good wine, looking after the customers [we] already have, and if they are expecting new things, then you get in the track as well. (Case F)

Therefore, FFs, which want to pass a robust business on to the next generations, believe in market and product exploration as a way to make their core business more robust in order to provide a platform for diversification and changes that next generation might make. However, when family companies see no value in handing the business to the next generation, they also have no desire for active market exploration, although they might explore new products, in order to address their current markets and customers' demands.

### **4.3 Export Product Ambidexterity**

*Product exploitation and family firm image.* Strong connections between family owners and business reputation and legacy has meant that they have consistently been trying to keep and improve their products' quality. This also becomes their strategic mission to have the same or better-quality year after year. As one interviewee said:

For us that was a lot around the family, but it's also a lot around quality. (Case C).

*Product exploration and exploitation integration.* FFs' conviction to improve their current products' quality drives them to do more product exploration activities such as acquiring manufacturing technology and skills, which are entirely new to the company. This exploration links to the products' exploitation activity.

Research is really important, one of our strategic challenges for us, we're very focused on making sure that we produce consistent quality ... we just do what we need to do to get that, it's pretty much our strategic goals. So, you're getting the quality is number one without compromising it. (Case B)



That radical change would be enhancing what we do, and make sure that we've got new technology to manage our risks and also enhance and keep our quality improving. (Case D)

In this type of product exploration and exploitation, which mostly relates to the manufacturing technology and skills, is one of the core advantages in FFs, since developing new technology and improving current technology requires a high level of tacit knowledge accumulation (Duran et al., 2015). Managers' and employees' extended job tenures and strong ties, which is highly common in FFs, lead to a high level of in-depth knowledge and experience around products and production process capabilities, and easily transmit their tacit knowledge. As one interviewee said:

We might be a little bit more innovative about what we're doing, process-wise in the winery ... So, in order to achieve that, you need to fully understand what makes that successful till now and how to keep or improve that. (Case B)

In this sense, FWs show their special attention to develop and improve winemaking and vineyard technology, and in particular exploring vineyard technology.

*Product exploration and protecting family product and brand.* FWs do product exploration in order to protect their family brand and reputation, because they could dilute the exploration risks. Therefore, product exploration would act as a shield for the core brand and product, as one interviewee put it:

For example, we did some changes in bottles and popup labels last year in our sub-brand Rosé, which only includes a small amount of our production, to see how it might affect sales ... because we couldn't take a risk with our core brand Sauvignon Blanc which is more than 35,000 cases. (Case C)

Small wineries mostly start with one wine variety; Case C also tries to fill and broaden their product portfolio, since a fuller range of wine could support their main product, which is Marlborough Sauvignon Blanc, on which their core company reputation was developed. Therefore, more variety helps their market development and provides considerable scope to grow and increase the level of outcome from the existing core product. As Case D said:

They may not be interested in Sauvignon Blanc or may already have, but they might be interested in other types of wine, it's a foot in the door ... once you kind of get that relationship established, it gives you the opportunity to sell other block too. (Case D)

On the other hand, in their product development category, alternative products should not compromise their benchmark product, or lead to a reduction in quality or could not even guarantee their quality. This observation was derived from statements, such as the following two examples from Case C and F:

We reluctantly did a programme of supplying kegs to a customer in Sydney and we don't do it anymore because we couldn't be sure that we were maintaining the quality. (Case C)

We introduced something new with a different tier, but not to the point where it would eclipse what we're already doing and sort of core. (Case F)

*Product exploration and market exploitation integration (cross-function ambidexterity).* Due to their customer focused culture, FFs explore new products in order to respond to their existing overseas customers. This type of product exploration demonstrates the cross-functional ambidexterity in FFs, in which they explore new product based on their existing overseas market exploitation. The good communication and relationships they create with distributors play a huge role in their product exploration. FFs rely on their distributors and customers for receiving information and evaluating their new products. Thus, a common view among interviewees was clearly evidenced in the following statement:

It's very much a symbiotic relationship with the distributor ... we always keep the core product but also based on demand we explore new products, we're giving people what they want. (Case F)

*Product exploration and market exploration integration.* The findings illustrated that larger wineries with more experience in the international market, in order to explore new markets, develop different brands with different quality and price points, although younger companies with a family brand in the wine industry put all their efforts to make a premium or ultra-premium family brand and lock in a powerful and stable position in the market. Case D, in which a new generation recently developed their own family label, said:

Now I just want to concentrate all my energy into the family brand, if I can't sell on that, I'm not really that interested in doing it. (Case D)

However, even for larger wineries, the family brand is the basis which leads to being able to springboard off into other ideas. Other brands offer flexibility, and may not be a long-term commitment, while the core brand (family brand) will be untouchable and changes around it will be taken precisely and cautiously. As a result, they keep the core business brand, which is related to an expression of family identity and legacy, but diversify and follow short-term activities through other brands.

... something might start off and it might disappear, but core and base brand is untouchable. (Case C)

This exploratory activity also demonstrates the connection between market and product exploration, since a new brand with different price points and quality might lead to new markets and customers as well.

*Product and market exploration and upcoming generation.* The findings provide evidence that more exploration activities can be seen as part of the transition process, as companies try to steer the business in a path that future generation may want, who typically are naturally more optimistic and possibly more aggressive in their thinking. Thus, the older generation might even seek opportunities that they never used to because they are appealing to the new generation. As an example, the CEO of Case B pointed out:

[The] current owner knows that they're not the future and therefore they have acknowledged that some of that decision making is not necessarily what they would want to be doing. But at the same time, there's an acknowledgement that the younger generation that's coming through will have different ideas.

We never used to make bubbles programme, so we'll have a sparkling wine come into the portfolio ... or creating organic wines. That'll be something that's very popular at the moment and will have interest for her as well. So, we started those projects knowing that she could take care of it, whereas the existing owner will be, I can buy champagne cheaper than, so why am I doing that or I don't want to know about the organic as it doesn't make us any money ... so, there are quite opposing sort of views, but taking

those steps to make some of those changes will keep the interest of the new generation coming in.

Because of the difference between the thinking structure of the new generation and the previous generation and also to keep the interest of the new generation and draw their attention to continuing the family business, the current generation will explore more options for development.

*Ambidexterity and family firm structure.* Lastly, most of the family wineries have noticed the importance of their flat business structure, which helps them to form an ambidextrous environment and involve their staff in explorative and exploitative activities. They involved their staff and helped them to be both explorative and exploitative and bring new ideas to the business. Their flat structure and strong ties among their employees, due to their family link or long tenures, assist them to implement successful contextual ambidexterity.

...but we're relatively flat structure, ask everyone to bring new ideas, we actively encourage the winemakers tasting others wine, participating in shows or events. (Case C)

This flat structure not only assists them to extend ambidextrous behaviour among their staff but also helps them to have a close relationship with their distributors, which is one of their assets for export ambidexterity. One interviewee in this regard said that:

They [distributors] don't have to go through a chain of command to change something. Just call me and I'll go yes or no. Or we might think of something totally different. (Case A)

Overall, one could say that family-owned wineries due to their SEW are prudent in export explorative activities rather than conservative, which is why they are so prepared before entering a new market or developing a new product. As one interviewee put it:

You have to really validate what the opportunity is. So, we do a lot of research. In fact, probably more than many others will go through it and in fact in a course that we went to, we got commented that we were the most well-prepared company. (Case B)

#### 4.4 Cluster Effect

In response to the questions regarding their cluster and the effect it has on their export ambidexterity, there were clear similarities in the responses within the interviews about the Marlborough wine cluster. The most striking result to emerge from the data is that all the participants highlighted the willingness of companies active in the New Zealand wine industry to help and build relationships with each other, as can be seen in the following:

This industry they do tend to help one another which is which is quite nice. (Case A)

Here businesses are tending to collaboratively to have discussions about the industry and what could happen and what could be better. (Case B)

There's a great deal of collegiality in the New Zealand wine industry. I think that generally we all coexist pretty well. (Case C)

In the wine industry compared to other primary industries in New Zealand, we do help each other out and there's a lot of collaboration. (Case D)

Generally, in this industry, people are happy to help, which led to the industry success [for] around 20 years. (Case E)

It's a wine industry and we all tend to talk to each other anyway. (Case F)

This cooperation culture in the wine industry will be reinforced by virtue of the fact that a large portion of wineries and growers in the New Zealand wine industry are family-owned, and also put significant effort into forming close relationships and networks; hence, this assists these family SMEs to access required resources and knowledge for export ambidexterity. Therefore, a network, which is the greatest aspect of clusters and drives other advantages, will be created across the industry. That could be an explanation regarding their answer about the less significant role of the Marlborough cluster in their export ambidexterity in comparison to the importance of the New Zealand Wine industrial body (NZW), which is a governmental institution supporting wineries and growers. As one of the interviewees stated:

When you [were] travelling through markets in the early days it was always about New Zealand first, probably Marlborough and then your own company, that sort of unwritten

rule that you actually work together first and then your own self-interest of your own company ... So, you try to protect first New Zealand and then fitting your own company into that Marlborough story. (Case B)

In this respect, the findings related to the impact of industrial cluster on export ambidexterity in case companies, presented in two categories: Marlborough industrial cluster, and New Zealand Winegrower (NZW).

#### **4.4.1 Marlborough industrial cluster**

##### **4.4.1.1 Export market ambidexterity**

All cases use the cluster reputation as a means to strengthen their legitimacy in international markets. As small wineries do not have the foundation and resources for world recognition, they think the Marlborough cluster can somehow blaze a path for them in foreign markets. FWs believe that, for starting a new market, developing new distribution channels, or in order to draw on opportunities, the Marlborough name is helpful. As one of the interviewees mentioned regarding the most well-known product of the cluster, its reputation is a driving force:

There's good customer recognition overseas around Marlborough wine, Marlborough Sauvignon Blanc is one of the best in the world, it's a good reputation to start in new markets. (Case E)

Moreover, in line with the Marlborough cluster effort to grow the area as a tourism destination and develop tourism-related infrastructure, wineries have decided to open cellar doors for tasting and sales, restaurants and cottages, like case E or the owner in case D who said:

A cycling track will be built in the next two to three years, it's going to go close to our farm, so it's a great opportunity to build a cellar door or restaurant. It gives us security, it's an awesome way to keep money coming in as well as promoting our brand and wines. (Case D)

These activities could be classified as exploratory activities in the field of the market by generating variety in their firms' activity. These explorations have an indirect effect on firms' export ambidexterity by providing financial support for more exploration in foreign markets and also attracting new customers and distributors.

#### 4.4.1.2 Export product ambidexterity

Wineries also rely on the cluster network and infrastructures for exploiting their product. For example, the owner of Case F pointed out:

Working in Marlborough, there's lots of other people around who are doing things much the same sort of way, lots of information sharing, and there's a well-established industry, it's an easy place to make wine. We all talk to each other and we all learned, because we [are] sort of part of a greater group ... So, what we're trying to do, is work with our own vineyard, but work and consult with other wineries and winegrowers to improve quality.

Their close relationships with their own suppliers and other vineyards and growers help them to improve their current product and process; thus, a cluster network and close relationships would support them through exploitative activities.

#### 4.4.2 New Zealand winegrower (NZW)

The information and resources that NZW provide for wineries have a positive impact on companies' export ambidexterity. These resources could be categorized in a number of ways discussed in the following subsections.

##### 4.4.2.1 Export market ambidexterity

NZW, by providing valuable information and resources about international markets such as guide to the markets, laws, requirements, are a primary source of information when wineries are exploring new markets. As one interviewee articulated:

I would say they were outstanding in terms of helping a business, understand the complexities of the market and then, help us to actually activate the market. (Case B)

Or the owner of Case D, who explained his experience in this regard:

This is where the industry body does a good job, that's the first thing I do when I want to get into a market, is download its document from NZW and read it cover to cover. (Case D)

Also, the information that NZW offer to overseas distributors and customers about wineries in each region assists small wineries to be seen on the international market or on the Internet. This aspect comes up in discussions with the smaller wineries like Cases D and E, because distributors had found them through the NZW website and advertisement.

International shows that NZW organize provide a starting point in export market exploration. Although smaller wineries made complaints about the prices and believed these shows were mostly designed for the larger companies, they had at least attended a couple of those shows in the beginning when they first decided to explore overseas markets.

New Zealand winegrowers put on various shows around the world .... That's a good starting point to use those networks that they do. (Case A)

#### 4.4.2.2 Export product ambidexterity

NZW will financially support wineries or winegrowers who have ideas in order to develop a new technology or product that will benefit others. They also have a research institute. One of the smallest cases mentioned them as a source to explore new products and technologies since they do not have enough resources to explore on their own:

Always interested in that sort of stuff, but we don't really have a lot of resources for doing research ourselves, our number one resource for researching that we would be using is NZW. (Case F)

In addition, workshops and meetings they held with wineries and wine growers from other regions support wineries in the Marlborough region to gain access to experience and knowledge that wineries from other clusters have, and help them to explore and exploit their products and technologies related to their production.



## **CHAPTER 5. DISCUSSION AND CONCLUSIONS**

The results and findings presented in the previous chapter provide the foundation for the discussion and conclusions in this section. This chapter starts with a summary of the research findings. It is then followed by a more detailed analysis of the results, to throw light on the nuances of how FFs deal with ambidexterity in a dynamic context like exporting, and offer theoretical and practical contributions and implications. This section concludes with acknowledging the limitations and recommending direction for future research.

## 5.1 Discussion

As mentioned in previous chapters, the main objective of this exploratory study was to investigate how family SMEs manage ambidexterity in exporting in terms of product and market domain. While the significance of ambidexterity in companies' success and long-term survivability has been recognised, limited attention has been given to this capability within the context of family business and internationalization, particularly in exporting. Besides this initial objective, another question was raised with respect to their domestic environment and the impact of their industrial cluster on these strategies. In this respect, a multiple case study was conducted with six small- and medium-sized family-owned wineries from the Marlborough cluster.

The overall findings of this research, in line with family firm literature, demonstrate that SEW act as a key reference point for strategic decision making in family-owned companies (Berrone, Cruz, & Gomez-Mejia, 2014; Berrone et al., 2012). The company cases in this research did not have sufficient resources for export ambidexterity due to their small size. However, their unique characteristics guide them to particular types of export exploration and exploitation activities in both markets and products, which are not only aligned with their non-economic goals but also create and benefit from maximum synergies among those contradictory activities. These actions could reduce the level of risk inherent in the exploratory activity, which is also doubled with respect to the international context. FFs' unique feature due to SEW provides a behaviour logic and path to foster achieving ambidexterity in their export strategy, since decisions regarding ambidextrous strategies are aligned with meeting both family and business goals. Another important finding in relation to the cluster's role in export ambidexterity revealed that the cluster's shared resources and networks enhance the firm's ability to achieve ambidexterity in export. Also, the findings showed a culture of cooperation in the industry, and government support strengthened this link.

### 5.1.1 Family firms' export ambidexterity

#### 5.1.1.1 Family network and export ambidexterity

*Network as an exploration criterion.* In accordance with the present results, previous studies in IB and family businesses have demonstrated that networks and relationships for FFs matter more and stressed their importance in family SMEs' internationalization (Graves & Thomas,

2008; Kontinen & Ojala, 2010, 2011; Pukall & Calabrò, 2014). These networks and relationships provide valuable resources and information in overseas markets. Therefore, based on the findings, one criterion for family SMEs in export market exploration is the ability and ease of formation of relationships. FFs build strong ties with their employees as well as their distributors, suppliers and other counterparts. As Singh (1998) mentions, these ties require high maintenance costs and time, which could explain why all cases in this research want to have a smaller number of distributors with a long-term contract, which leads them toward other family-owned companies. These strong relations facilitate access to knowledge and resources which are not accessible through formal and weak ties such as conventional market exchange (Rothaermel & Hess, 2007).

*Network as an exploitation stimulus.* This family attribute toward bending social ties, increases export market exploitation, through continuous improvement relationships with overseas distributors, to make and keep these strong ties. More specifically, FFs not only foster strong long-term network ties with external parties in overseas markets, but they also constantly attempt to exploit and develop their weak ties in a new market and make the existing ties more stable and enduring (Salvato & Melin, 2008). Additionally, these robust international networks will support FFs in other export exploitation and exploration activities both in market and product.

*Network as an integrating factor.* Family SMEs do not have enough resources to monitor their overseas markets and customers by themselves regularly; thus, in order to gather reliable information from international markets, they rely on trust-based relationships with distributors to acquire market knowledge that facilitates successful export market exploitation. These result also is consistent with Graves and Thomas (2008) who stressed that overseas markets FFs' relationships and networks provide a valuable source of information. It draws on Ardichvili, Cardozo, and Ray's (2003) argument about methods of opportunity identification in family businesses. In this line, findings from the current research provide evidence that, in addition to their purposeful research, when exploring a new overseas market, FFs rely on accidental opportunities which stem from their networks and reputation in other markets. The present findings seem to be consistent with other research, which found the networks with strong ties could play an important role in exploring international market opportunities (Vasilchenko & Morrish, 2011; Zaefarian, Eng, & Tasavori, 2016).

These discoveries are in line with Turner, Swart, and Maylor's (2013) argument that the capability to exploit and explore rely on access to the appropriate information. By exploring and exploiting their strong network ties and relationships in the international market, FFs could transcend some of their weaknesses in achieving ambidexterity. It can, thus, be suggested that:

***Proposition 1:*** The importance of establishing strong network ties with overseas distributors drives family firms towards ambidexterity in exporting.

#### 5.1.1.2 Family image and export ambidexterity

*Family image as an exploration criterion.* FFs' special care to preserve their positive image and reputation also made family SMEs explore new products in order to protect and decrease risks around core family brand and products and increase the economy of scale in their existing overseas markets. This product exploration also has a mutual benefit and cause cross-functional ambidexterity (product exploration and market exploitation). The present findings seem to be consistent with Craig, Pohjola, Kraus, and Jensen (2014) and Pukall and Calabrò (2014), who found that FFs are avoiding losses from SEW, and willingly undertake risky activities.

*Family image as an exploitation stimulus.* FFs' overall conservative and cautious attitude in order to preserve family image and legacy leads them towards exploitation (De Massis, Frattini, Kotlar, Petruzzelli, & Wright, 2016; Gómez-Mejía et al., 2007). In regard to export market exploitation, these results also match those observed in earlier studies. FFs' customer-focused culture leads them to consistently detect their overseas customer needs and improve their knowledge regarding overseas markets and customers (Arzubiaga et al., 2018). This study has also shown that FFs make every effort to keep and improve their products' quality in order to maintain family legacy and reputation.

*Family image as an integrating factor.* The findings observed in this study mirror Cao, Gedajlovic, and Zhang's (2009) work which highlights that the high level of exploitative activities could frequently develop product and market exploration by providing required knowledge and information. As informants articulated, continuing efforts of FFs to maintain and improve product quality are not limited to product exploitation, but also give rise to exploration of manufacturing technologies and product capabilities and technology, in which they have a competitive advantage due to their in-depth knowledge and convenient knowledge transfer. These results match those observed in earlier studies such as Carmeli and Halevi

(2009), who argue that in-depth knowledge gain from exploitation persuades companies to exploration without harming the exploitation of current products.

Moreover, similar patterns were noticed in interview data that illustrated that family SMEs explore products based on their existing customers and markets. Although earlier studies indicate that the biggest impediments that exporting companies deal with is developing a new product based on foreign markets, and customers' demands due to the lack of insight and knowledge (Duarte Alonso, Bressan, O'Shea, & Krajsic, 2014; Paul, Parthasarathy, & Gupta, 2017), family SMEs, because of the high level of market exploitation activities, overcome this challenge. They consider this product exploration a factor to mitigate risk and take advantage of cross-functional ambidexterity (market exploitation and product exploration). Regarding these integrated activities, informants across cases noted the importance of their flat structure and close relations. This business structure forms a context which enhances knowledge sharing and causes resources to be designated more swiftly and efficiently. The present findings seem to be consistent with Mom et al. (2007) who state that success in ambidexterity is closely allied to the flow of knowledge.

On the other hand, the results show that older family businesses that already build a good reputation and stable position in the market develop new brands with different product quality and price in order to explore new markets. These results match those observed in earlier studies regarding SMEs and their age impact on exploration activities (Battaglia et al., 2018).

***Proposition 2:*** Family members' identification with the business drives family firms towards ambidexterity in exporting.

#### 5.1.1.3 Family long-term orientation and export ambidexterity

*Long-term view as an exploration criterion.* The long-term orientation which stems from the intention of handing the business down to future generations is one of SEW's dimensions (Berrone et al., 2012), and demonstrates itself in long tenures, long-term investment horizons, and long-lasting relationships (Miller & Le Breton-Miller, 2006). It is also one of the family-owned firms' advantages in export ambidexterity. In line with this family vision and their desire to have a successful business in the long run with sustainable growth, another measure that family SMEs consider for exploring a new overseas market is its durable demands. This result is in agreement with König et al. (2013) and Zellweger (2007), and was demonstrated by

findings which showed FFs' desire to explore projects with a long return period. These foreign market exploration factors will have a lower risk and provide enough time for family SMEs to build these into their business and increase their production, and mirror Minetti et al.'s (2015) findings that FFs enter new markets in a progressive way to mitigate risk.

*Long-term view as an integrating factor.* Exploring export markets with long-term investment enhances FFs ambidexterity by ruling in favour of exploitation, as dealing with the same customer for a long time allows continuity in the business structure and process, giving FFs enough time to exploit and improve their insights about customers and markets (March, 1991). As a result, family SMEs could benefit from a mutual advantage between market exploration and exploitation. In general, therefore, it seems that:

**Proposition 3:** The importance of long-lasting business and investment opportunities drives family firms towards ambidexterity in exporting.

#### 5.1.1.4 Dynastic succession and export ambidexterity

*Incoming generation as an exploration stimulus.* The findings show that the incoming generation in FFs most probably adds fresh momentum to the firm's ambidexterity and encourages them to undertake more risk and exploration activities. This could be supported by Fernández and Nieto's (2005) and Okoroafo's (2010) observation that new generations in the business have a positive impact on internationalization. Goel and Jones (2016) called for linking particular FFs goals into exploration and exploitation activities and ambidexterity; based on this finding it could be proposed that:

**Proposition 4:** The forces of the coming generation and the desire to hand on the business to the next generation drive family firms towards ambidexterity in exporting.

#### 5.1.1.5 Family control and influence and export ambidexterity

*Family control and exploration with an intimate relationship.* The findings of the current study are consistent with those of Goel and Jones (2016), who found that exploration in FFs could be in line with their objectives for addressing family member desire and interest. Owners are frequently actively associated with the management of their business in FFs (Chen, Chen, & Cheng, 2008), and, as stated in the results, the owner's personal interest and desire were the key criteria in exploring overseas markets and products. This is aligned with De Massis, Wang,

and Chua's (2019) assumption that heterogeneity in FFs' goals and vision will lead to diversification in their exploration and exploitation behaviour. Therefore, it could be suggested that in family SMEs, the owner's personal interest has a strong association with export product and market exploration.

In contrast to Hiebl's (2015) theoretical argument regarding the positive impact of non-family investors on FFs exploration activities and ambidexterity, the findings in this thesis shows that non-family shareholders do not have any influence on FFs to pursue riskier exploration activities in both export markets and products. This result may be explained by shareholders, as in Case B, the external shareholder was also a family business, and both companies consider it a family partnership and supplier arrangement. This arrangement and relationship are similar to the relationships that other FFs built with their suppliers. Hence, no significant difference was found among FFs with external shareholders and FFs that are 100% family owned.

The findings in this research highlighted the influence that SEW has on family SMEs' export ambidexterity. The convergence of SEW dimensions helps FFs to form an ambidextrous culture in the organization and facilitate export ambidexterity. The pursuit of SEW might cause decisions and results, which considerably imitates the decisions and outcomes anticipated in non-family-owned firms where non-economic goals are negligible. SEW is not only compatible with ambidexterity due to its long-term orientation aspect, but it may also be an important shaper of specific exploration and exploitation activities, from which family SMEs could benefit due to their integration in ambidexterity. Therefore, it could be comprehended that family firms' vision acts as an integrating framework and fosters export ambidexterity. These results are consistent with those of other studies like Cunha, Rego, Oliveira, Rosado, and Habib (2014), who supposed that limited resources could make SMEs search for novel ways of reducing the misallocation of resources along with magnifying the outcomes of existing resources.

Additionally, these findings lead to the paradox theory and paradoxical thinking ability in family firms, suggesting a new way of dealing with conflicts between exploration and exploitation within and between products and markets in export ambidexterity, by finding a means to link and integrate contradicts dimensions (Andriopoulos & Lewis, 2009; Cunha, Bednarek, & Smith, 2019). In general, this finding, while preliminary, suggests that:

**Proposition 5:** Socioemotional wealth in family firms provides a behaviour logic and path to facilitate ambidexterity in their exporting through combining and integrating exploration and exploitation in a balanced way.

### **5.1.2 Industrial cluster and export ambidexterity**

The overall findings from wineries in the Marlborough cluster provides evidence that in the New Zealand wine industry, regional clusters such as Marlborough mostly have a domestic focus, which is inconsistent with Aylward's (2004) and Aylward et al.'s (2006) viewpoint that the main stimulus of cluster formation in the wine industry is a motivation for exports. However, this result mirrors Dana and Winstone's (2008) findings; they observed that the initial reason for development and formation of the Waipara wine cluster in the south of New Zealand was to improve a regional identity for the area. It seems possible that these results are due to the role that New Zealand Winegrowers have. NZW, which is a cohesive industry body, by receiving the levy from wineries and winegrowers pay for membership, acts as a large national cluster with a view to internationalization. In line with Porter's recent definition of clusters, which is mainly based on the existence of networks and robust linkages with state government agencies, regulatory bodies, research institutes, and marketing agencies (Porter & Bond, 2004), NZW can also be considered a cluster. In this regard, the study found that companies use both to strengthen their ambidexterity in export.

As informants depicted, cluster reputation supports FFs in their export market ambidexterity. Similarly, Zyglidopoulos, DeMartino, and Reid (2006) found that cluster reputation can help SMEs in their international markets. Cluster reputation, by boosting their members' legitimacy and credibility in international markets, could draw on new opportunities and generate sales in their new markets. Further, the cluster activities around attracting tourists and improving its infrastructures could positively impact on firms' export ambidexterity. Those activities in the cluster assist wineries in market ambidexterity through attracting potential customers and distributors. Also, by establishing a cellar door, restaurant and even accommodation in their wineries and vineyard, family-owned wineries see this as an opportunity for an extra source of income for their export exploration activities, and growth opportunities for the next generation. This action is supported by both family and ambidexterity literature (Mauzy & Harriman, 2003; Miller & Le Breton-Miller, 2006). Clusters additionally, by providing resources such as collecting overseas market information and organizing international shows, foster export market exploration.



This research also shows that wineries in the regional cluster decide on more local cooperative endeavours and synergy to enhance knowledge formation that occurs in vertical and horizontal dimensions. Hence, there has been more collaboration on the product exploitation side. These results match those observed in earlier studies, which explore the cluster role on technological and product ambidexterity (Bell, 2005; Ozer & Zhang, 2015). However, due to the unique feature of the New Zealand wine industry body, wineries by receiving financial support for product exploration and attending cross-regional workshops and meetings arranged by NZW, increase their product exploration ability as well. The NZW role as a nation-wide cluster, which encompasses the various regional clusters, could crack the issue that Boschma and Kloosterman (2005) raised. They argue that being a member of the cluster leads to a reduction in exploratory activities, but NZW, by gathering information and knowledge from various regions in New Zealand and providing an environment for sharing this knowledge, hinder similar innovation patterns and homogenous knowledge inside each cluster. Additionally, another possible explanation for this cross-regional knowledge sharing is that the industry culture tends towards cooperation and collaboration, which all six cases directly reported, and is supported by Woodfield and Nel (2015), who studied family firms in the New Zealand wine industry. This is consistent with prior studies suggesting that collaboration allows firms to obtain knowledge swiftly and at a low cost (Madhok, 1997). The overall result in this regard followed Cao et al. (2009), who showed that in a more munificent environment companies were able to acquire resources needed for a high level of ambidexterity; therefore, although exporting family SMEs in the wine industry are faced with a lack of knowledge and resources, they can achieve a higher level of export ambidexterity.

Based on the above considerations in regard to the industrial cluster influence on export ambidexterity in the sample firms, the following proposition can be derived.

***Proposition 6:*** Cluster membership improves the ability to achieve export ambidexterity by providing access to resources that facilitate exploration and exploitation in both market and product domain.

## **5.2 Theoretical and Managerial Implications**

Through this case study, the author has sought to contribute to the growing literature on ambidexterity and family firms' internationalisation, by investigating export ambidexterity in regard to markets and products in small family-owned wineries. In this respect, this research

addresses the call for more research on cross-domain ambidexterity (Lavie & Rosenkopf, 2006) by focusing on both the market and product domains. Recently, ambidexterity theory has risen as a tool for explaining organization survivability and adaptability domestically as well as internationally. However, as pointed out in chapter two, studies on ambidexterity in family SMEs with their own particular feature and export context have dropped behind (Goel & Jones, 2016). On these grounds, the goal of this research was to advance the existing literature by studying ambidexterity in family SMEs' export strategy and the way they attempt to manage it.

Family ownership and manager capabilities are described by many researchers as an influential factor in shaping family businesses' international strategy from market entry to their performance in international markets (Calabrò et al., 2016; Chen, Hsu, & Chang, 2014; Pukall & Calabrò, 2014). The results from this research show the powerful effect of family control on export ambidexterity, which is aligned with past research. However, they also support Kammerlander and Ganter's (2015) findings that non-economic goals are not detrimental to family firms. By focusing on the export ambidexterity process instead of studying its outcome, this case study implies that family SMEs, although missing some specific resources for export ambidexterity, have specific attributes that could work as efficiently or even better for accomplishing export ambidexterity.

The study has gone some way towards enhancing our understanding of a factor that interacts and fosters export ambidexterity. Six case studies in this research exemplify patterns of complementarity and relationships within and between the export market and product ambidexterity. By addressing particular exploration and exploitation activities, companies could benefit from the synergy, and supplemental feature emerged through pursuing them synchronously. This could help to foster and sustain their export ambidexterity. These results could be in line with studies that have emerged recently in ambidexterity and paradoxical thinking, and contribute additional evidence as, unlike them, this research explores ambidexterity across domains of markets and products in exporting companies (Cunha et al., 2019; Papachroni, Heracleous, & Paroutis, 2015).

Moreover, turning to the effect of networks and industrial clusters on export ambidexterity, this research contributes to the network and industrial cluster literature as well. The research by examining small- medium-sized family-owned clustered companies, tried to understand the

interaction among them and their influence on these family SMEs in regard to their export ambidexterity.

Despite the fact that the current study is based on a small sample of participants, it also has some practical implications related to the export strategy. The findings demonstrate that family SMEs have a tendency toward seeking and pursuing activities that complement each other in the market and in product exploration and exploitation. Although this thesis is focused on family-owned wineries in New Zealand, it is feasible that the recommendations are also practical and relevant for other types of companies. It could be suggested that SMEs operating in export markets, by juxtaposing export market and product ambidexterity, could benefit from the complementarity and synergy among them and, despite their limited resources, achieve a proper level of ambidexterity in their exports. Therefore, the results are advising and encouraging managers to adopt paradoxical thinking.

Additionally, drawing upon the findings that stressed the importance of close network ties and information exchange both in overseas markets with distributors and customers and in a domestic environment with counterparts and suppliers, managers are recommended to strengthen their networks in order to overcome their limitations in terms of information resources for exploration and exploitation activities in export markets.

Finally, with respect to the positive impact of industry culture and the industrial body in the New Zealand wine sector, this research offers implications for government agencies and policymakers. By creating and developing an environment that steers companies toward cooperation, government agencies could assist companies in their export ambidexterity. Additionally, government agencies could assist SMEs to accomplish export ambidexterity by offering resources that reinforce and improve exploration activities. Some activities include funding R&D projects or providing essential international market information. As exploration activities are mostly expensive and come with a high risk, taking those actions for companies with limited resources like SMEs are challenging.

### **5.3 Limitations and Suggestions for Future Research**

This research is not without limitations, since the findings are based on data collected from only six cases in one region and industry. The first limitation of the study relates to the range of cases, as this research was a case study with an exploratory basis; hence, a larger number of

cases could have presented a more insightful cross-case analysis, as the main challenge with this methodology is to choose a broad variety of proper cases to maximize the opportunity for new knowledge to be gathered. Accordingly, the interpretation and categories derived in this research represent analytical instead of statistical generalization (Yin, 2009); therefore, the generalizability of these results is subject to certain limitations. For instance, more quantitative analysis needed in order to rationally address wide generalizations of the findings across the vast range of family firms, since heterogeneity in these firms calls for more detailed studies with a larger sample.

These cases act as examples and additional research is required to advance knowledge around the synergies and integrations in export ambidexterity within each function (market and product) and also across functions. More conceptual and empirical studies need to assess more closely the role of family characteristics and paradoxical thinking ability of family managers to establish supplementary linkages in export ambidexterity. It is unfortunate that the study did not include more diversity in the ownership subsystem; hence, considerably more work will need to be done to determine whether or not the findings of this research about the ineffective role of non-family owners within export exploration and in general export ambidexterity is reliable.

Additionally, this study has been conducted in a special context of one industry in one country, the wine industry in New Zealand, and only one developed cluster was selected. Therefore, it would be valuable for future research to examine a more diverse spectrum. Industrial classification is an important determinant; while products of various industries may have different characteristics regarding their general marketability and since this paper does not aim to achieve intra-industry comparisons, it would be useful to investigate a particular industry to examine potential idiosyncrasies of various sectors. Also, in order to complement this work, it would be interesting to investigate the export market and product ambidexterity in high-tech industries, in which product exploration plays an essential role, and finding long-lasting opportunities in the fast-changing environment of those industries would be hard.

Studies have revealed that various clusters have distinct characteristics. In this research, the author looks at the Marlborough cluster, the only cluster in New Zealand that has passed the embryonic phase. Moreover, the nature of the cluster existing in a particular sector will affect opportunities of innovative knowledge generated, transferred, and applied within the cluster. So, future research should compare a different industry and even different clusters, since

research based on the findings of the culture of the wine industry in New Zealand might be different from other industries and countries around cooperation behaviour, which impact the cluster and companies' characteristics.

Another potential path for future inquiry involves research regarding network and industrial clusters. More empirical studies needed to provide more insightful knowledge about the network and social capital role in export ambidexterity in family and non-family owned companies. Attention should be paid to the network structures and the nature of ties.

## REFERENCES

- Adler, P. S., Goldoftas, B., & Levine, D. I. (1999). Flexibility versus efficiency? A case study of model changeovers in the Toyota production system. *Organization Science*, 10(1), 43-68.
- Allison, T. H., McKenny, A. F., & Short, J. C. (2014). Integrating time into family business research: Using random coefficient modeling to examine temporal influences on family firm ambidexterity. *Family Business Review*, 27(1), 20-34.
- Alonso, A. D. (2010). Internationalisation of small and medium New Zealand wineries: An exploratory study. *Small Enterprise Research*, 17(1), 58-73.
- Andersen, P. H., & Skaates, M. A. (2004). *Ensuring validity in qualitative international business research*. In Handbook of Qualitative Research Methods for International Business (pp. 464-485). Edward Elgar Publishing.
- Anderson, R. C., & Reeb, D. M. (2003). Founding-family ownership and firm performance: evidence from the S&P 500. *The Journal of Finance*, 58(3), 1301-1328.
- Andriopoulos, C., & Lewis, M. W. (2009). Exploitation-exploration tensions and organizational ambidexterity: Managing paradoxes of innovation. *Organization Science*, 20(4), 696-717.
- Ardichvili, A., Cardozo, R., & Ray, S. (2003). A theory of entrepreneurial opportunity identification and development. *Journal of Business Venturing*, 18(1), 105-123.
- Arzubiaga, U., Iturralde, T., Maseda, A., & Kotlar, J. (2018). Entrepreneurial orientation and firm performance in family SMEs: The moderating effects of family, women, and strategic involvement in the board of directors. *International Entrepreneurship and Management Journal*, 14(1), 217-244.
- Aspara, J., Tikkanen, H., Pöntiskoski, E., & Järvensivu, P. (2011). Exploration and exploitation across three resource classes: Market/customer intelligence, brands/bonds and technologies/processes. *European Journal of Marketing*, 45(4), 596-630.
- Astrachan, J. H. (2010). Strategy in family business: Toward a multidimensional research agenda. *Journal of Family Business Strategy*, 1(1), 6-14.  
doi:10.1016/j.jfbs.2010.02.001
- Astrachan, J. H., Klein, S. B., & Smyrnios, K. X. (2002). The F-PEC scale of family influence: A proposal for solving the family business definition problem. *Family Business Review*, 15(1), 45-58.
- Aylward, D. (2004). Working together: Innovation and export links within highly developed and embryonic wine clusters. *Strategic Change*, 13(8), 429-439.
- Aylward, D., Glynn, J., & Gibson, B. (2006). SME innovation within the Australian wine industry: A cluster analysis. *Small Enterprise Research*, 14(1), 42-54.
- Bae, J., & Lawler, J. J. (2000). Organizational and HRM strategies in Korea: Impact on firm performance in an emerging economy. *Academy of Management Journal*, 43(3), 502-517.
- Battaglia, D., Neirotti, P., & Paolucci, E. (2018). The role of R&D investments and export on SMEs' growth: A domain ambidexterity perspective. *Management Decision*, 56(9), 1883-1903. doi:10.1108/MD-02-2017-0136

- Baxter, P., & Jack, S. (2008). Qualitative case study methodology: Study design and implementation for novice researchers. *The Qualitative Report*, 13(4), 544-559.
- Bell, G. G. (2005). Clusters, networks, and firm innovativeness. *Strategic Management Journal*, 26(3), 287-295.
- Benner, M. J., & Tushman, M. L. (2003). Exploitation, exploration, and process management: The productivity dilemma revisited. *Academy of Management Review*, 28(2), 238-256.
- Berrone, P., Cruz, C., & Gomez-Mejia, L. (2014). Family-controlled firms and stakeholder management: A socioemotional wealth preservation perspective. *The Sage Handbook of Family Business*, (pp. 179-195). SAGE Publications.
- Berrone, P., Cruz, C., & Gomez-Mejia, L. R. (2012). Socioemotional wealth in family firms: Theoretical dimensions, assessment approaches, and agenda for future research. *Family Business Review*, 25(3), 258-279.
- Berrone, P., Cruz, C., Gomez-Mejia, L. R., & Larraza-Kintana, M. (2010). Socioemotional wealth and corporate responses to institutional pressures: Do family-controlled firms pollute less? *Administrative Science Quarterly*, 55(1), 82-113.
- Bigliardi, B., & Galati, F. (2013). Innovation trends in the food industry: The case of functional foods. *Trends in Food Science & Technology*, 31(2), 118-129.
- Boschma, R. A., & Kloosterman, R. (2005). *Learning from clusters: A critical assessment from an economic-geographical perspective*. Dordrecht, Netherlands: Springer.
- Boumgarden, P., Nickerson, J., & Zenger, T. R. (2012). Sailing into the wind: Exploring the relationships among ambidexterity, vacillation, and organizational performance. *Strategic Management Journal*, 33(6), 587-610.
- Cabrera-Suárez, K., Saá-Pérez, P., & García-Almeida, D. (2001). The succession process from a resource- and knowledge-based view of the family firm. *Family Business Review*, 14(1), 37-48. doi:10.1111/j.1741-6248.2001.00037.x
- Calabrò, A., Brogi, M., & Torchia, M. (2016). What does really matter in the internationalization of small and medium-sized family businesses? *Journal of Small Business Management*, 54(2), 679-696. doi:10.1111/jsbm.12165
- Calabrò, A., Torchia, M., Pukall, T., & Mussolino, D. (2013). The influence of ownership structure and board strategic involvement on international sales: The moderating effect of family involvement. *International Business Review*, 22(3), 509-523.
- Camisón, C., Boronat-Navarro, M., & Forés, B. (2018). The interplay between firms' internal and external capabilities in exploration and exploitation. *Management Decision*, 56(7), 1559-1580.
- Cao, Q., Gedajlovic, E., & Zhang, H. (2009). Unpacking organizational ambidexterity: Dimensions, contingencies, and synergistic effects. *Organization Science*, 20(4), 781-796.
- Carmeli, A., & Halevi, M. Y. (2009). How top management team behavioral integration and behavioral complexity enable organizational ambidexterity: The moderating role of contextual ambidexterity. *The Leadership Quarterly*, 20(2), 207-218. doi:10.1016/j.leaqua.2009.01.011
- Carnes, C. M., & Ireland, R. D. (2013). Familiness and innovation: Resource bundling as the missing link. *Entrepreneurship: Theory and Practice*, 37(6). doi:10.1111/etap.12073

- Carney, M. (2005). Corporate governance and competitive advantage in family-controlled firms. *Entrepreneurship Theory and Practice*, 29(3), 249-265.
- Carrigan, M., & Buckley, J. (2008). 'What's so special about family business?' An exploratory study of UK and Irish consumer experiences of family businesses. *International Journal of Consumer Studies*, 32(6), 656-666.
- Casillas, J. C., & Moreno-Menéndez, A. M. (2017). International business and family business: Potential dialogue between disciplines. *European Journal of Family Business*, 7(1-2), 25-40. doi:10.1016/j.ejfb.2017.08.001
- Cassiman, B., & Veugelers, R. (2006). In search of complementarity in innovation strategy: Internal R&D and external knowledge acquisition. *Management Science*, 52(1), 68-82. doi:10.1287/mnsc.1050.0470
- Chang, Y.-Y., Hughes, M., & Hotho, S. (2011). Internal and external antecedents of SMEs' innovation ambidexterity outcomes. *Management Decision*, 49(10), 1658-1676.
- Chen, H. L., Hsu, W. T., & Chang, C. Y. (2014). Family ownership, institutional ownership, and internationalization of SMEs. *Journal of Small Business Management*, 52(4), 771-789.
- Chen, S., Chen, X., & Cheng, Q. (2008). Do family firms provide more or less voluntary disclosure? *Journal of Accounting Research*, 46(3), 499-536. doi:10.1111/j.1475-679X.2008.00288.x
- Chetty, S., & Campbell-Hunt, C. (2003). Explosive international growth and problems of success amongst small to medium-sized firms. *International Small Business Journal*, 21(1), 5-27.
- Chrisman, J. J., Chua, J. H., & Sharma, P. (2005). Trends and directions in the development of a strategic management theory of the family firm. *Entrepreneurship Theory and Practice*, 29(5), 555-575. doi:10.1111/j.1540-6520.2005.00098.x
- Chua, J. H., Chrisman, J. J., & Bergiel, E. B. (2009). An agency theoretic analysis of the professionalized family firm. *Entrepreneurship Theory and Practice*, 33(2), 355-372.
- Chua, J. H., Chrisman, J. J., & Sharma, P. (1999). Defining the family business by behavior. *Entrepreneurship Theory and Practice*, 23(4), 19-39.
- Claver, E., Rienda, L., & Quer, D. (2009). Family firms' international commitment: The influence of family-related factors. *Family Business Review*, 22(2), 125-135.
- Cooper, M. (2008). *Wine atlas of New Zealand* (2nd ed.). Auckland, New Zealand: Hodder Moa.
- Craig, J. B., Pohjola, M., Kraus, S., & Jensen, S. H. (2014). Exploring relationships among proactiveness, risk-taking and innovation output in family and non-family firms. *Creativity and Innovation Management*, 23(2), 199-210.
- Creswell, J. W. (2018). *Research design: Qualitative, quantitative, and mixed methods approaches* (5th ed.). Thousand Oaks, CA: SAGE Publications, Inc.
- Cunha, M. P. e., Bednarek, R., & Smith, W. (2019). Integrative ambidexterity: One paradoxical mode of learning. *The Learning Organization*. Vol. ahead-of-print No. ahead-of-print. <https://doi-org.helicon.vuw.ac.nz/10.1108/TLO-02-2019-0038>



- Cunha, M. P. e., Rego, A., Oliveira, P., Rosado, P., & Habib, N. (2014). Product innovation in resource-poor environments: Three research streams. *Journal of Product Innovation Management*, 31(2), 202-210.
- Dana, L. P., & Winstone, K. E. (2008). Wine cluster formation in New Zealand: Operation, evolution and impact. *International Journal of Food Science & Technology*, 43(12), 2177-2190.
- Daniels, J. D., & Cannice, M. V. (2004). Interview studies in international business research. *Handbook of qualitative research methods for international business* (pp. 185-206). Edward Elgar Publishing.
- De Clercq, D., Thongpapanl, N., & Dimov, D. (2014). Contextual ambidexterity in SMEs: The roles of internal and external rivalry. *Small Business Economics*, 42(1), 191-205.
- De Massis, A., Frattini, F., Kotlar, J., Petruzzelli, A. M., & Wright, M. (2016). Innovation through tradition: Lessons from innovative family businesses and directions for future research. *Academy of Management Perspectives*, 30(1), 93-116.
- De Massis, A., Frattini, F., & Lichtenthaler, U. (2013). Research on technological innovation in family firms: Present debates and future directions. *Family Business Review*, 26(1), 10-31.
- De Massis, A., & Kotlar, J. (2014). The case study method in family business research: Guidelines for qualitative scholarship. *Journal of Family Business Strategy*, 5(1), 15-29.
- De Massis, A., Wang, H., & Chua, J. H. (2019). Counterpoint: How heterogeneity among family firms influences organizational change. *Journal of Change Management*, 19(1), 37-44.
- De Oliveira Cabral, J. E., Coelho, A. F. M., Coelho, F. J. F., & Costa, M. D. P. B. (2015). Capabilities, innovation, and overall performance in Brazilian export firms. *RAM. Revista de Administração Mackenzie*, 16(3), 76-108. doi:10.1590/1678-69712015/administracao.v16n3p76-108
- Debenham, J., & Wilkinson, I. (2006). Exploitation versus exploration in market competition. *Industry and Innovation*, 13(3), 263-289.
- Debicki, B. J., Matherne III, C. F., Kellermanns, F. W., & Chrisman, J. J. (2009). Family business research in the new millennium: An overview of the who, the where, the what, and the why. *Family Business Review*, 22(2), 151-166.
- Denison, D., Lief, C., & Ward, J. L. (2004). Culture in family-owned enterprises: Recognizing and leveraging unique strengths. *Family Business Review*, 17(1), 61-70.
- DiCicco-Bloom, B., & Crabtree, B. F. (2006). The qualitative research interview. *Medical Education*, 40(4), 314-321.
- Dittrich, K., Duysters, G., & de Man, A.-P. (2007). Strategic repositioning by means of alliance networks: The case of IBM. *Research Policy*, 36(10), 1496-1511. doi:10.1016/j.respol.2007.07.002
- Duarte Alonso, A., Bressan, A., O'Shea, M., & Krajsic, V. (2014). Exporting wine in complex times: A study among small and medium wineries. *Journal of Small Business and Enterprise Development*, 21(2), 345-364.

- Duran, P., Kammerlander, N., Van Essen, M., & Zellweger, T. (2016). Doing more with less: Innovation input and output in family firms. *Academy of Management Journal*, 59(4), 1224-1264. doi:10.5465/amj.2014.0424
- Eisenhardt, K. M. (1989). Building theories from case study research. *Academy of Management Review*, 14(4), 532-550.
- Eisenhardt, K. M., & Martin, J. A. (2000). Dynamic capabilities: What are they? *Strategic Management Journal*, 21(10-11), 1105-1121.
- Fensterseifer, J. E., & Rastoin, J.-L. (2013). Cluster resources and competitive advantage: A typology of potentially strategic wine cluster resources. *International Journal of Wine Business Research*, 25(4), 267-284.
- Fernández, Z., & Nieto, M. J. (2005). Internationalization strategy of small and medium-sized family businesses: Some influential factors. *Family Business Review*, 18(1), 77-89.
- Fletcher, M., Zhao, Y., Plakoyiannaki, E., & Buck, T. (2018). Three pathways to case selection in international business: A twenty-year review, analysis and synthesis. *International Business Review*, 27(4), 755-766.
- Floyd, S., & Lane, P. (2000). Strategizing throughout the organization: Management role conflict in strategic renewal. *The Academy of Management Review*, 25(1), 154-177. doi:10.2307/259268
- Gallo, M. A., & Sveen, J. (1991). Internationalizing the family business: Facilitating and restraining factors. *Family Business Review*, 4(2), 181-190.
- Garcia, R., Calantone, R., & Levine, R. (2003). The role of knowledge in resource allocation to exploration versus exploitation in technologically oriented organizations. *Decision Sciences*, 34(2), 323-349.
- Getz, D., & Carlsen, J. (2005). Family business in tourism: State of the art. *Annals of Tourism Research*, 32(1), 237-258.
- Ghauri, P. (2002). *Research methods in business studies: A practical guide* (2nd ed.). New York: Financial Times Prentice Hall.
- Ghauri, P. (2004). Designing and conducting case studies in international business research. *Handbook of qualitative research methods for international business* (pp. 109-124). Edward Elgar Publishing.
- Ghauri, P., & Grønhaug, K. (2005). *Research methods in business studies: A practical guide* (3rd ed.). Harlow, England ; New York: Financial Times Prentice Hall.
- Gibson, C. B., & Birkinshaw, J. (2004). The antecedents, consequences, and mediating role of organizational ambidexterity. *Academy of Management Journal*, 47(2), 209-226.
- Goel, S., & Jones, R. J. (2016). Entrepreneurial exploration and exploitation in family business: A systematic review and future directions. *Family Business Review*, 29(1), 94-120. doi:10.1177/0894486515625541
- Gómez-Mejía, L. R., Haynes, K. T., Núñez-Nickel, M., Jacobson, K. J., & Moyano-Fuentes, J. (2007). Socioemotional wealth and business risks in family-controlled firms: Evidence from Spanish olive oil mills. *Administrative Science Quarterly*, 52(1), 106-137.
- Gomez-Mejía, L. R., Núñez-Nickel, M., & Gutierrez, I. (2001). The role of family ties in agency contracts. *Academy of Management Journal*, 44(1), 81-95.

- Grant, R. M., & Baden-Fuller, C. (2004). A knowledge accessing theory of strategic alliances. *Journal of Management Studies*, 41(1), 61-84. doi:10.1111/j.1467-6486.2004.00421.x
- Graves, C., & Thomas, J. (2008). Determinants of the internationalization pathways of family firms: An examination of family influence. *Family Business Review*, 21(2), 151-167.
- Griffith, D. A., & Harvey, M. G. (2001). A resource perspective of global dynamic capabilities. *Journal of International Business Studies*, 32(3), 597-606.
- Guest, G., & Macqueen, K. M. (2007). *Handbook for team-based qualitative research*. United States: AltaMira Press.
- Günsel, A., Altındağ, E., Kılıç Keçeli, S., Kitapçı, H., & Hızıroğlu, M. (2018). Antecedents and consequences of organizational ambidexterity: The moderating role of networking. *Kybernetes*, 47(1), 186-207.
- Han, J., Kim, N., & Srivastava, R. K. (1998). Market orientation and organizational performance: Is innovation a missing link? *Journal of Marketing*, 62(4), 30-45.
- Hauswald, H., & Hack, A. (2013). Impact of family control/influence on stakeholders' perceptions of benevolence. *Family Business Review*, 26(4), 356-373. doi:10.1177/0894486513477453
- He, Z.-L., & Wong, P.-K. (2004). Exploration vs. exploitation: An empirical test of the ambidexterity hypothesis. *Organization Science*, 15(4), 481-494.
- Hiebl, M. R. W. (2015). Family involvement and organizational ambidexterity in later-generation family businesses. *Management Decision*, 53(5), 1061-1082. doi:10.1108/MD-04-2014-0191
- Hsu, C.-W., Lien, Y.-C., & Chen, H. (2013). International ambidexterity and firm performance in small emerging economies. *Journal of World Business*, 48(1), 58-67.
- Hughes, M., Filser, M., Harms, R., Kraus, S., Chang, M. L., & Cheng, C. F. (2018). Family firm configurations for high performance: The role of entrepreneurship and ambidexterity. *British Journal of Management*, 29(4), 595-612.
- Hughes, M., Martin, S. L., Morgan, R. E., & Robson, M. J. (2010). Realizing product-market advantage in high-technology international new ventures: The mediating role of ambidextrous innovation. *Journal of International Marketing*, 18(4), 1-21.
- Jamshed, S. (2014). Qualitative research method-interviewing and observation. *Journal of Basic and Clinical Pharmacy*, 5(4), 87.
- Jaworski, B. J., & Kohli, A. K. (1993). Market orientation: Antecedents and consequences. *Journal of Marketing*, 57(3), 53-70.
- Johannisson, B., & Huse, M. (2000). Recruiting outside board members in the small family business: An ideological challenge. *Entrepreneurship & Regional Development*, 12(4), 353-378. doi:10.1080/08985620050177958
- Kallmuenzer, A., Strobl, A., & Peters, M. (2018). Tweaking the entrepreneurial orientation-performance relationship in family firms: The effect of control mechanisms and family-related goals. *Review of Managerial Science*, 12(4), 855-883.
- Kammerlander, N., & Ganter, M. (2015). An attention-based view of family firm adaptation to discontinuous technological change: Exploring the role of family CEOs' noneconomic goals. *Journal of Product Innovation Management*, 32(3), 361-383.

- Karafyllia, M., & Zucchella, A. (2017). Synergies and tensions between and within domestic and international market activities of firms. *International Business Review*, 26(5), 942-958.
- Kellermanns, F. W., & Eddleston, K. A. (2006). Corporate entrepreneurship in family firms: A family perspective. *Entrepreneurship Theory and Practice*, 30(6), 809-830. doi:10.1111/j.1540-6520.2006.00153.x
- Kirk, J., & Miller, M. L. (1986). *Reliability and validity in qualitative research* (Vol. 1). Newbury Park: CA: SAGE Publications, Inc.
- König, A., Kammerlander, N., & Enders, A. (2013). The family innovator's dilemma: How family influence affects the adoption of discontinuous technologies by incumbent firms. *The Academy of Management Review*, 38(3), 418-441. doi:10.5465/amr.2011.0162
- Kontinen, T., & Ojala, A. (2010). The internationalization of family businesses: A review of extant research. *Journal of Family Business Strategy*, 1(2), 97-107.
- Kontinen, T., & Ojala, A. (2011). Network ties in the international opportunity recognition of family SMEs. *International Business Review*, 20(4), 440-453.
- Kotlar, J., De Massis, A., Frattini, F., Bianchi, M., & Fang, H. (2013). Technology acquisition in family and nonfamily firms: A longitudinal analysis of Spanish manufacturing firms. *Journal of Product Innovation Management*, 30(6), 1073-1088.
- Kraus, S., Mensching, H., Calabrò, A., Cheng, C.-F., & Filser, M. (2016). Family firm internationalization: A configurational approach. *Journal of Business Research*, 69(11), 5473-5478.
- Kraus, S., Niemand, T., Angelsberger, M., Mas-Tur, A., & Roig-Tierno, N. (2017). Antecedents of international opportunity recognition in born global firms. *Journal of Promotion Management*, 23(3), 386-406.
- Kyriakopoulos, K., & Moorman, C. (2004). Tradeoffs in marketing exploitation and exploration strategies: The overlooked role of market orientation. *International Journal of Research in Marketing*, 21(3), 219-240.
- Lamberg, J. A., Tikkanen, H., Nokelainen, T., & Suur-Inkeroinen, H. (2009). Competitive dynamics, strategic consistency, and organizational survival. *Strategic Management Journal*, 30(1), 45-60.
- Lavie, D., & Rosenkopf, L. (2006). Balancing exploration and exploitation in alliance formation. *Academy of Management Journal*, 49(4), 797. doi:10.5465/AMJ.2006.22083085
- Lavie, D., Stettner, U., & Tushman, M. L. (2010). Exploration and exploitation within and across organizations. *The Academy of Management Annals*, 4(1), 109-155. doi:10.1080/19416521003691287
- Lee, J., Lee, J., & Lee, H. (2003). Exploration and exploitation in the presence of network externalities. *Management Science*, 49(4), 553-570.
- Lempert, L. B. (2007). Asking questions of the data: Memo writing in the grounded. *The Sage handbook of grounded theory* (pp. 245-264). SAGE Publications.
- Leonidou, L. C., Katsikeas, C. S., Palihawadana, D., & Spyropoulou, S. (2007). An analytical review of the factors stimulating smaller firms to export: Implications for policy-makers. *International Marketing Review*, 24(6), 735-770.

- Leppäaho, T., Plakoyiannaki, E., & Dimitratos, P. (2016). The case study in family business: An analysis of current research practices and recommendations. *Family Business Review*, 29(2), 159-173.
- Levinthal, D. A., & March, J. G. (1993). The myopia of learning. *Strategic Management Journal*, 14(S2), 95-112.
- Li, T., & Calantone, R. J. (1998). The impact of market knowledge competence on new product advantage: Conceptualization and empirical examination. *Journal of Marketing*, 62(4), 13-29.
- Lin, Z., Yang, H., & Demirkan, I. (2007). The performance consequences of ambidexterity in strategic alliance formations: Empirical investigation and computational theorizing. *Management Science*, 53(10), 1645-1658.
- Lisboa, A., Skarmeas, D., & Lages, C. (2011). Entrepreneurial orientation, exploitative and explorative capabilities, and performance outcomes in export markets: A resource-based approach. *Industrial Marketing Management*, 40(8), 1274-1284.
- Lisboa, A., Skarmeas, D., & Lages, C. (2013). Export market exploitation and exploration and performance: Linear, moderated, complementary and non-linear effects. *International Marketing Review*, 30(3), 211-230.
- Lubatkin, M. H., Simsek, Z., Ling, Y., & Veiga, J. F. (2006). Ambidexterity and performance in small-to medium-sized firms: The pivotal role of top management team behavioral integration. *Journal of Management*, 32(5), 646-672.
- Mac, L., & Evangelista, F. (2016). Intensity and diversity of internationalization among small and medium-sized exporters in China. *Multinational Business Review*, 24(3), 229-248.
- Madhok, A. (1997). Cost, value and foreign market entry mode: The transaction and the firm. *Strategic Management Journal*, 18(1), 39-61.
- March, J. G. (1991). Exploration and exploitation in organizational learning. *Organization Science*, 2(1), 71-87.
- Marschan-Piekkari, R., & Welch, C. (2004). *Handbook of qualitative research methods for international business*. Cheltenham, United Kingdom; Northampton, MA: Edward Elgar.
- Marshall, A. (2013). Industrial organization, continued. The concentration of specialized industries in particular localities. In *Principles of economics* (pp. 222-231). London, England: Palgrave Macmillan.
- Mashahadi, F., Ahmad, N. H., & Mohamad, O. (2016). Strategic innovation ambidexterity and the internationalization performance of small and medium enterprises: An insight into herbal-based small and medium enterprises (HbSMEs). *World Journal of Entrepreneurship, Management and Sustainable Development*, 12(2), 161-175.
- Mason, J. (2002). *Qualitative researching* (2nd ed.). London, United Kingdom: SAGE.
- Mauzy, J., & Harriman, R. A. (2003). Three climates for creativity. *Research-Technology Management*, 46(3), 27-30.
- McCann, B. T., & Folta, T. B. (2008). Location matters: Where we have been and where we might go in agglomeration research. *Journal of Management*, 34(3), 532-565.

- McCarthy, I. P., & Gordon, B. R. (2011). Achieving contextual ambidexterity in R&D organizations: A management control system approach. *R&D Management*, 41(3), 240-258.
- McFadyen, M. A., & Cannella, A. A. (2004). Social capital and knowledge creation: Diminishing returns of the number and strength of exchange. *The Academy of Management Journal*, 47(5), 735-746. doi:10.2307/20159615
- Micelotta, E. R., & Raynard, M. (2011). Concealing or revealing the family? Corporate brand identity strategies in family firms. *Family Business Review*, 24(3), 197-216.
- Migone, A., & Howlett, M. (2010). *Comparative networks and clusters in the wine industry* (AAWE Working Paper No. 62 – Business). Retrieved from American Association of wine economists website: [https://www.wine-economics.org/dt\\_catalog/working-paper-no-62/](https://www.wine-economics.org/dt_catalog/working-paper-no-62/)
- Miles, M. B., & Huberman, A. M. (1994). *Qualitative data analysis : An expanded sourcebook* (2nd ed.). Thousand Oaks, CA: Sage Publications.
- Miller, D., & Le Breton-Miller, I. (2006). The best of both worlds: Exploitation and exploration in successful family businesses. In Baum, J., Dobrev, S. and Van Witteloostuijn, A. (Ed.), *Ecology and Strategy* (pp. 215-240). Emerald Group Publishing Limited. [https://doi-org.helicon.vuw.ac.nz/10.1016/S0742-3322\(06\)23007-9](https://doi-org.helicon.vuw.ac.nz/10.1016/S0742-3322(06)23007-9)
- Minetti, R., Murro, P., & Zhu, S. C. (2015). Family firms, corporate governance and export. *Economica*, 82, 1177-1216.
- Ministry of Business, Innovation and Employment. (2018). Small enterprise. Retrieved from <http://www.mbie.govt.nz/info-services/business/business-growth-and-internationalisation/small-enterprise>
- Molina-Morales, F. X. (2001). European industrial districts: Influence of geographic concentration on performance of the firm. *Journal of International Management*, 7(4), 277-294.
- Mom, T. J. M., Van Den Bosch, F. A. J., & Volberda, H. W. (2007). Investigating managers' exploration and exploitation activities: The influence of top-down, bottom-up, and horizontal knowledge inflows. *Journal of Management Studies*, 44(6), 910-931. doi:10.1111/j.1467-6486.2007.00697.x
- Montgomery, D. (2004). Export performance as an antecedent of export commitment and marketing strategy adaptation: Evidence from small and medium-sized exporters. *European Journal of Marketing*, 38(9/10), 1186-1214. doi:10.1108/03090560410548933
- Moore, K. (2009). Paradigms and theory building in the domain of business families. *Family Business Review*, 22(2), 167-180.
- Morgan, N. A., Kaleka, A., & Katsikeas, C. S. (2004). Antecedents of export venture performance: A theoretical model and empirical assessment. *Journal of Marketing*, 68(1), 90-108.
- Moss, T. W., Payne, G. T., & Moore, C. B. (2014). Strategic consistency of exploration and exploitation in family businesses. *Family Business Review*, 27(1), 51-71. doi:10.1177/0894486513504434

- Naldi, L., Nordqvist, M., Sjöberg, K., & Wiklund, J. (2007). Entrepreneurial orientation, risk taking, and performance in family firms. *Family Business Review*, 20(1), 33-47.
- New Zealand Wine. (2019). Marlborough. Retrieved from <https://www.nzwine.com/en/our-regions/marlborough/>
- New Zealand Wine. (2019). New Zealand Winegrowers Annual Report. Retrieved from <https://www.nzwine.com/en/news-media/statistics-reports/new-zealand-winegrowers-annual-report/>
- Nicholson, H., Shepherd, D., & Woods, C. (2009). Advising New Zealand's family businesses: Current issues and opportunities. *University of Auckland Business Review*, 11(1), 12-18.
- Okoroafo, S. C. (2010). Generational perspectives of the export behavior of family businesses. *International Journal of Economics and Finance*, 2(3), 15.
- O'Reilly III, C. A., & Tushman, M. L. (2011). Organizational ambidexterity in action: How managers explore and exploit. *California Management Review*, 53(4), 5-22.
- O'Reilly III, C. A., & Tushman, M. L. (2013). Organizational ambidexterity: Past, present, and future. *Academy of Management Perspectives*, 27(4), 324-338.
- O'Reilly III, C. A., & Tushman, M. L. (2008). Ambidexterity as a dynamic capability: Resolving the innovator's dilemma. *Research in Organizational Behavior*, 28, 185-206.
- Ozer, M., & Zhang, W. (2015). The effects of geographic and network ties on exploitative and exploratory product innovation. *Strategic Management Journal*, 36(7), 1105-1114.
- Pacheco, L. M. (2017). Internationalization vs family ownership and management: The case of Portuguese wine firms. *International Journal of Wine Business Research*, 29(2), 195-209. doi:10.1108/IJWBR-10-2016-0034
- Papachroni, A., Heracleous, L., & Paroutis, S. (2015). Organizational ambidexterity through the lens of paradox theory: Building a novel research agenda. *The Journal of Applied Behavioral Science*, 51(1), 71-93.
- Patton, M. Q. (2002). *Qualitative research and evaluation methods* (3rd ed.). Thousand Oaks, CA: Sage Publications.
- Patton, M. Q. (2015). *Qualitative research and evaluation methods: Integrating theory and practice* (4th ed.): Thousand Oaks, CA: SAGE Publications, Inc.
- Paul, J., Parthasarathy, S., & Gupta, P. (2017). Exporting challenges of SMEs: A review and future research agenda. *Journal of World Business*, 52(3), 327-342.
- Pauwels, P., & Matthyssens, P. (2004). The architecture of multiple case study research in international business. *Handbook of qualitative research methods for international business* (pp. 125-143). Edward Elgar Publishing.
- Perry, C. (1998). Processes of a case study methodology for postgraduate research in marketing. *European Journal of Marketing*, 32(9/10), 785-802.
- Petersen, B., Pedersen, T., & Lyles, M. A. (2008). Closing knowledge gaps in foreign markets. *Journal of International Business Studies*, 39(7), 1097-1113.

- Piekkari, R., Welch, C., & Paavilainen, E. (2009). The case study as disciplinary convention: Evidence from international business journals. *Organizational Research Methods*, 12(3), 567-589.
- Porter, M. E. (1998). Clusters and the new economics of competition. *Harvard Business Review Boston*, 76. [page numbers?]
- Porter, M. E., & Bond, G. C. (2004). *The California wine cluster*. Boston, MA: Harvard Business School.
- Porter, M. E., & Stern, S. (2001). Location matters. *Sloan Management Review*, 42(4), 28-36.
- Pouder, R., & St. John, C. H. (1996). Hot spots and blind spots: Geographical clusters of firms and innovation. *Academy of Management Review*, 21(4), 1192-1225.
- Pukall, T. J., & Calabrò, A. (2014). The internationalization of family firms: A critical review and integrative model. *Family Business Review*, 27(2), 103-125.
- Puranam, P., Singh, H., & Zollo, M. (2006). Organizing for innovation: Managing the coordination-autonomy dilemma in technology acquisitions. *Academy of Management Journal*, 49(2), 263. doi:10.5465/AMJ.2006.20786062
- Qu, S. Q., & Dumay, J. (2011). The qualitative research interview. *Qualitative Research in Accounting & Management*, 8(3), 238-264.
- Rahman, N. A., Yaacob, Z., & Radzi, R. M. (2016). An overview of technological innovation on SME survival: A conceptual paper. *Procedia - Social and Behavioral Sciences*, 224, 508-515. doi:10.1016/j.sbspro.2016.05.427
- Raisch, S., & Birkinshaw, J. (2008). Organizational ambidexterity: Antecedents, outcomes, and moderators. *Journal of Management*, 34(3), 375-409.
- Raisch, S., Birkinshaw, J., Probst, G., & Tushman, M. L. (2009). Organizational ambidexterity: Balancing exploitation and exploration for sustained performance. *Organization Science*, 20(4), 685-695.
- Ramadani, V., & Gërguri-Rashiti, S. (2017). Global marketing, gender and family business in Asia: A literature review. *Journal of Global Marketing*, 30(3), 138-146.
- Rochford, K. (2010). Those who stayed loyal: An empirical examination of New Zealand manufacturers surviving in a global market. *Journal of Enterprising Communities: People and Places in the Global Economy*, 4(4), 346-371. doi:doi:10.1108/17506201011086138
- Rothaermel, F. T., & Deeds, D. L. (2004). Exploration and exploitation alliances in biotechnology: A system of new product development. *Strategic Management Journal*, 25(3), 201-221. doi:10.1002/smj.376
- Rothaermel, F. T., & Hess, A. M. (2007). Building dynamic capabilities: Innovation driven by individual-, firm-, and network-level effects. *Organization Science*, 18(6), 898-921.
- Rubin, H. J., & Rubin, I. S. (2005). *Qualitative interviewing: The art of hearing data* (2nd ed.). Thousand Oaks: CA: SAGE Publications, Inc.
- Russo, A., & Vurro, C. (2010). Cross-boundary ambidexterity: Balancing exploration and exploitation in the fuel cell industry. *European Management Review*, 7(1), 30-45. doi:10.1057/emr.2010.2



- Saldaña, J. (2016). *The coding manual for qualitative researchers* (3rd ed.): Los Angeles, CA; London, United Kingdom: SAGE.
- Salvato, C., & Melin, L. (2008). Creating value across generations in family-controlled businesses: The role of family social capital. *Family Business Review*, 21(3), 259-276.
- Sarkees, M., & Hulland, J. (2009). Innovation and efficiency: It is possible to have it all. *Business Horizons*, 52(1), 45-55.
- Schreyögg, G., & Sydow, J. (2010). Crossroads—organizing for fluidity? Dilemmas of new organizational forms. *Organization Science*, 21(6), 1251-1262.
- Schulze, W. S., & Gedajlovic, E. R. (2010). Whither family business? *Journal of Management Studies*, 47(2), 191-204. doi:10.1111/j.1467-6486.2009.00887.x
- Schuman, A., Stutz, S., & Ward, J. (2010). *Family business as paradox*. Palgrave Macmillan.
- Selltiz, C., Wrightsman, L. S., Cook, S. W., Balch, G. I., Hofstetter, R., & Bickman, L. (1976). *Research methods in social relations*.
- Sharma, P. (2004). An overview of the field of family business studies: Current status and directions for the future. *Family Business Review*, 17(1), 1-36.
- Sharma, P., & Manikutt, S. (2005). Strategic divestments in family firms: Role of family structure and community culture. *Entrepreneurship Theory and Practice*, 29(3), 293-311.
- Sharma, P., & Salvato, C. (2011). Commentary: Exploiting and exploring new opportunities over life cycle stages of family firms. *Entrepreneurship Theory and Practice*, 35(6), 1199-1205.
- Siggelkow, N. (2007). Persuasion with case studies. *Academy of Management Journal*, 50(1), 20-24.
- Simmie, J. (2004). Innovation and clustering in the globalised international economy. *Urban Studies*, 41(5-6), 1095-1112.
- Simsek, Z. (2009). Organizational ambidexterity: Towards a multilevel understanding. *Journal of Management Studies*, 46(4), 597-624.
- Singh, R. (1998). Entrepreneurial opportunity recognition through social networks. In G. E. Hills (Ed.): ProQuest Dissertations Publishing.
- Sinkovics, R. R., Penz, E., & Ghauri, P. N. (2008). Enhancing the trustworthiness of qualitative research in international business. *Management International Review*, 48(6), 689-714.
- Sirmon, D. G., Arregle, J. L., Hitt, M. A., & Webb, J. W. (2008). The role of family influence in firms' strategic responses to threat of imitation. *Entrepreneurship Theory and Practice*, 32(6), 979-998. doi:10.1111/j.1540-6520.2008.00267.x
- Sirmon, D. G., & Hitt, M. A. (2003). Managing resources: Linking unique resources, management, and wealth creation in family firms. *Entrepreneurship Theory and Practice*, 27(4), 339-358.
- Smith, W. K., & Tushman, M. L. (2005). Managing strategic contradictions: A top management model for managing innovation streams. *Organization Science*, 16(5), 522-536.

- Sousa, C. M., & Filipe Lages, L. (2011). The PD scale: A measure of psychic distance and its impact on international marketing strategy. *International Marketing Review*, 28(2), 201-222.
- Stadler, C., Rajwani, T., & Karaba, F. (2014). Solutions to the exploration/exploitation dilemma: Networks as a new level of analysis. *International Journal of Management Reviews*, 16(2), 172-193.
- Steier, L. (2003). Variants of agency contracts in family-financed ventures as a continuum of familial altruistic and market rationalities. *Journal of Business Venturing*, 18(5), 597-618.
- Stettner, U., & Lavie, D. (2014). Ambidexterity under scrutiny: Exploration and exploitation via internal organization, alliances, and acquisitions. *Strategic Management Journal*, 35(13), 1903-1929.
- Stewart, A. (2003). Help one another, use one another: Toward an anthropology of family business. *Entrepreneurship Theory and Practice*, 27(4), 383-396. doi:10.1111/1540-8520.00016
- Strobl, A., Matzler, K., Nketia, B. A., & Veider, V. (2018). Individual innovation behavior and firm-level exploration and exploitation: How family firms make the most of their managers. *Review of Managerial Science*, 1-36.
- Stubner, S., Blarr, W. H., Brands, C., & Wulf, T. (2012). Organizational ambidexterity and family firm performance. *Journal of Small Business & Entrepreneurship*, 25(2), 217-229.
- Tagiuri, R., & Davis, J. A. (1992). On the goals of successful family companies. *Family Business Review*, 5(1), 43-62.
- Taylor, A., & Helfat, C. (2009). Organizational linkages for surviving technological change: Complementary assets, middle management, and ambidexterity. *Organization Science*, 20(4), 718-739. doi:10.1287/orsc.1090.0429
- Teal, E. J., Upton, N., & Seaman, S. L. (2003). A comparative analysis of strategic marketing practices of high-growth US family and non-family firms. *Journal of Developmental Entrepreneurship*, 8(2), 177.
- Teece, D. J. (2007). Explicating dynamic capabilities: The nature and microfoundations of (sustainable) enterprise performance. *Strategic Management Journal*, 28(13), 1319-1350.
- Teece, D. J., Pisano, G., & Shuen, A. (1997). Dynamic capabilities and strategic management. *Strategic Management Journal*, 18(7), 509-533.
- Toften, K., & Ottar Olsen, S. (2003). Export market information use, organizational knowledge, and firm performance. *International Marketing Review*, 20(1), 95-110. doi:10.1108/02651330310462284
- Tokarczyk, J., Hansen, E., Green, M., & Down, J. (2007). A resource-based view and market orientation theory examination of the role of “familiness” in family business success. *Family Business Review*, 20(1), 17-31.
- Tsai, W.-H., Hung, J.-H., Kuo, Y.-C., & Kuo, L. (2006). CEO tenure in Taiwanese family and nonfamily firms: An agency theory perspective. *Family Business Review*, 19(1), 11-28. doi:10.1111/j.1741-6248.2006.00057.x

- Turner, N., Swart, J., & Maylor, H. (2013). Mechanisms for managing ambidexterity: A review and research agenda. *International Journal of Management Reviews*, 15(3), 317-332.
- Tushman, M. L., & O'Reilly III, C. A. (1996). Ambidextrous organizations: Managing evolutionary and revolutionary change. *California Management Review*, 38(4), 8-29.
- Tushman, M. L., & O'Reilly III, C. A. (2004). The ambidextrous organization. *Harvard Business Review*, 82(4), 74.
- Vahlne, J.-E., & Jonsson, A. (2017). Ambidexterity as a dynamic capability in the globalization of the multinational business enterprise (MBE): Case studies of AB Volvo and IKEA. *International Business Review*, 26(1), 57-70.
- Vasilchenko, E., & Morrish, S. (2011). The role of entrepreneurial networks in the exploration and exploitation of internationalization opportunities by information and communication technology firms. *Journal of International Marketing*, 19(4), 88-105.
- Veider, V., & Matzler, K. (2016). The ability and willingness of family-controlled firms to arrive at organizational ambidexterity. *Journal of Family Business Strategy*, 7(2), 105-116.
- Villar, C., Alegre, J., & Pla-Barber, J. (2014). Exploring the role of knowledge management practices on exports: A dynamic capabilities view. *International Business Review*, 23(1), 38-44.
- Vorhies, D. W., Orr, L. M., & Bush, V. D. (2011). Improving customer-focused marketing capabilities and firm financial performance via marketing exploration and exploitation. *Journal of the Academy of Marketing Science*, 39(5), 736-756.
- Voss, G. B., & Voss, Z. G. (2013). Strategic ambidexterity in small and medium-sized enterprises: Implementing exploration and exploitation in product and market domains. *Organization Science*, 24(5), 1459-1477.
- Vrontis, D., Bresciani, S., & Giacosa, E. (2016). Tradition and innovation in Italian wine family businesses. *British Food Journal*, 118(8), 1883-1897.
- Ward, J. (2006). *Unconventional wisdom: Counterintuitive insights for family business success*. United Kingdom: John Wiley & Sons.
- Webb, J. W., Ketchen Jr, D. J., & Ireland, R. D. (2010). Strategic entrepreneurship within family-controlled firms: Opportunities and challenges. *Journal of Family Business Strategy*, 1(2), 67-77.
- Wine Marlborough New Zealand. (2019). About Marlborough. Retrieved from <http://www.wine-marlborough.co.nz/about-marlborough/>
- Woodfield, P. (2012). *Intergenerational entrepreneurship in family business: Conceptualising ways entrepreneurial family businesses can be sustained across generations*. Auckland, New Zealand: ResearchSpace.
- Woodfield, P., & Nel, P. (2015). Enhancing wine marketing through cooperation between family winegrowing businesses in New Zealand. *New Zealand Journal of Applied Business Research*, 13(1), 57.
- Yalcinkaya, G., Calantone, R. J., & Griffith, D. A. (2007). An examination of exploration and exploitation capabilities: Implications for product innovation and market performance. *Journal of International Marketing*, 15(4), 63-93.

- Yeoh, P.-L. (2004). International learning: Antecedents and performance implications among newly internationalizing companies in an exporting context. *International Marketing Review*, 21(4/5), 511-535.
- Yin, R. K. (1994). Discovering the future of the case study. Method in evaluation research. *Evaluation Practice*, 15(3), 283-290.
- Yin, R. K. (2003). *Case study research: Design and methods* (3rd ed.). Thousand Oaks, CA: Sage Publications.
- Yin, R. K. (2018). *Case study research and applications: Design and methods* (6th ed.). Thousand Oaks, CA: SAGE Publications, Inc.
- Zaefarian, R., Eng, T.-Y., & Tasavori, M. (2016). An exploratory study of international opportunity identification among family firms. *International Business Review*, 25(1), 333-345.
- Zellweger, T. (2007). Time horizon, costs of equity capital, and generic investment strategies of firms. *Family Business Review*, 20(1), 1-15. doi:10.1111/j.1741-6248.2007.00080.x
- Zen, A. C., Fensterseifer, J. E., & Prévot, F. (2011). Internationalization of clustered companies and the influence of resources: A case study on wine clusters in Brazil and France. *Latin American Business Review*, 12(2), 123-141.
- Zyglidopoulos, S. C., DeMartino, R., & Reid, D. M. (2006). Cluster reputation as a facilitator in the internationalization of small and medium-sized enterprises. *Corporate Reputation Review*, 9(1), 79-87.

# APPENDICES

## Appendix A: Participant Information Sheet



Export Ambidexterity in Small- and Medium-sized Family Firms: A Case of New Zealand Clustered Wineries

### Information Sheet for Participants

Dear Mr/Ms:

Greetings. My name is Sara Yaghoubi and I am a Masters student at the School of Marketing and International Business at Victoria University of Wellington. As part of my degree, I am undertaking research which will be used in my master's thesis. In this project, I am hoping to get some understanding of how family-owned firms manage their export activities, such as exploitation and exploration (ambidexterity) in the context of industrial clusters, which are geographic concentrations of interconnected companies and institutions in a particular field.

I would like to invite you to take part in this research and would appreciate any help you could offer me. Your participation would make a contribution to my knowledge of how family-owned wineries in a cluster like Marlborough will manage export strategies in regard to market and product. Your cluster, where there is an integration of suppliers, wine makers, growers, marketers, many related industries, and the national research, education and infrastructure bodies, could be a good context for my research. I would be extremely grateful if your firm could participate. This research has been ethically approved by the Victoria University of Wellington Human Ethics Committee with the reference number 0000027276.

If you agree to take part, I will interview you, and the interview procedure will take approximately 60 minutes, and we will find a time that is most convenient for you. The information I collect from interviews will be included in my Masters dissertation and/or academic publications and conferences on a confidential basis. This means that neither your name nor your organisation will be identifiable in any reports, presentations, or public documentation. I will audio record the interview with your permission and transcribe it later. You can choose to not answer any question or stop the interview at any time. Only my supervisor, Dr Yang Yu, and I will read the notes or transcript of the interview and I will keep

all written material/interview notes in a locked file that is only accessible by me and will destroy them two years after the conclusion of this research.

You do not have to accept this invitation if you don't want to. If you do decide to participate, you have the right to choose not to answer any question and withdraw from the study by contacting me at any time before 15 May 2019. Once you withdraw, the information you provided will be destroyed or returned to you. If you agree to participate in this study, I will contact you to arrange an interview time.

Your input will be immensely helpful to me. I thank you for your time and look forward to hearing from you soon. If you have any questions or would like to receive further information about the project, either now or in the future, please feel free to contact me or my supervisor.

Best regards,

**Student:**

Sara Yaghoubi (Yaghousara@myvuw.ac.nz)

Masters student, School of Marketing and International Business, Victoria University of Wellington

**Supervisor:**

Dr Yang Yu (yang.yu@vuw.ac.nz)

Senior lecturer & IBUS undergraduate programme director Victoria Business School

<https://www.victoria.ac.nz/smib/about/staff/yang-yu>

**Human Ethics Committee information**

If you have any concerns about the ethical conduct of the research, you may contact the Victoria University HEC Convenor: Dr Judith Loveridge.

Email [hec@vuw.ac.nz](mailto:hec@vuw.ac.nz)

Telephone +64-4-463 6028

## Appendix B: Participant Consent Form



### Consent Form for participant

This consent form outlines my rights as a participant in the research entitled “**Export Ambidexterity in Small- and Medium-sized Family Firms: A Case of New Zealand Clustered Wineries**” conducted by Sara Yaghoubi (Masters Student, Victoria Business School, Victoria University of Wellington, New Zealand).

- I have read the Information Sheet and the project has been explained to me. My questions have been answered to my satisfaction. I understand that I can ask further questions at any time.
- I have the right to choose whether the interview will be electronically recorded or not.
- I have the right to decline to answer any questions asked.
- I understand that my identity will not be disclosed in any presentation or publication resulting from this research. And any information I provide will be kept confidential to the researcher and her supervisor.
- I understand that I may withdraw from this study at any point without having to give any explanation before the data collection phase is completed. The date for withdrawal from the project is 15 May 2019, and any information that I have provided will be returned to me or destroyed.

- I would like a copy of the recording of my interview. Yes ☐ No ☐
- I would like to receive a copy of the final report. Yes ☐ No ☐

Name of interviewee: .....

Signature of interviewee: .....

Date: ...../...../.....

## Appendix C: Semi-Structured Interview Guide

### Interview Guide:

#### **How do small- and medium-sized family firms in the industrial cluster deal with ambidexterity in exporting (with respect to market and product)?**

#### **Interview questions:**

##### *1. Firm characteristics*

- a. could you tell me about your organization?
  - i. Number of employees
  - ii. Annual sales (not exceeding 200,000 litres or more than 4,000,000 litres)
  - iii. Years of activity in foreign markets
  - iv. If CEO is a family member or not
  - v. Family ownership
  - vi. Number of generations involved
- b. What percentage of your annual sales is from overseas?
- c. To what countries does your company export actively?

##### *2. Market exploration and exploitation*

- a. Regarding your market exploration:
  - i. How much do you care about discovering a new market? For example:
    1. Meet demands that go beyond existing products and services.
    2. Use new opportunities in new markets (completely new products (such as Cava or vinegar))
    3. Identify prospective customers
    4. Acquire export market-related information about new markets
    5. Assess the potential of new markets
    6. Research new competitors and new customers
    7. Build relationships in new markets (distributors and customers)
- b. Regarding your market exploitation
  - i. How much do you exploit your current market? For example:
    1. Reduce the costs of internal processes as an important goal
    2. Increase the economy of scale in existing markets.
    3. Capture important information about existing markets
    4. Reinforce contacts in current export markets
    5. Reinforce the monitoring of competitive products in current export markets
    6. Enhance understanding of existing overseas customer requirements
    7. Reinforce relationships with current overseas customers
    8. Reinforce overseas distributor relationships
- c. Which type of strategy is a priority for you (exploiting or exploring the market)
- d. How well does the cluster work for you in each strategy?



3. Product exploration and exploitation

- a. Regarding your product exploration
  - i. How often do you try to make changes in the wine (new mixes of grapes); develop new wine products (white, red, etc.); change degrees of alcoholic strength in the wine?
  - ii. How often do you try to acquire manufacturing technology and skills entirely new to the firm?
- b. Regarding your product exploitation
  - i. To what extent does your company try to improve the quality of the export products, services, and processes?
  - ii. How often do you try to upgrade current knowledge and skills for familiar technologies and products?
- c. Which type of strategy is a priority for you (exploiting or exploring the product)?
- d. To what extent does the cluster accompany you in each strategy?

4. Cluster impact

- e. To what extent do you collaborate with other wine firms for the purposes of marketing, research or other innovative activities?
- f. To what extent do you utilize the industry's research services (like NEW ZEALAND WINEGROWER RESEARCH CENTRE)?
- g. To what extent does the cluster support you in exploring or exploiting your foreign markets?
- h. What resources does the cluster provide in order to support market exploration and exploitation?

Transition: Well, it has been a pleasure finding out more about you.

**Closing:**

“Is there anything specific you would like to add?” or “Have we missed something you believe is valuable?” or “What more we should talk about on this topic?”