Abstract

Purpose – This study aims to examine the relevance of strategic marketing planning in this agile era and its effect on firms’ international performance and explores conditions under which the influence of planning changes.

Design/methodology/approach – Based on contingency theory, a conceptual model is tested based on survey data from internationalizing firms. Data were analyzed using partial least squares -structural equation modeling.

Findings – Marketing strategy planning is (still) associated with enhanced performance, and depends on external and internal contingencies. While the planning–performance relationship is amplified by market sensing (external contingency), surprisingly, it is decreased in presence of high tolerance for failure (internal contingency).

Practical implications – Findings seek to transform marketing planning in international business practice by requiring that its implementation receives the attention of senior management.

Originality/value – Marketing strategy planning should not be deemphasized. While planning appears to be undergoing an identity crisis, practitioners’ attention to marketing planning is warranted.

Keywords Marketing strategy planning, Market sensing, Tolerance for failure, International performance

Paper type Research paper

Introduction

Global dynamism necessitates global firms to nurture high levels of agility to timely respond to market challenges. These necessities raise questions in the modern academic and practical communities regarding the relevance of one of the fundamental organizational processes — strategic planning. Planning seems to contradict agility as it is sometimes perceived as rigid, slow, obsolete and anachronistic (Asseraf et al., 2019; Slotegraaf and Dickson, 2004). Nonetheless, the majority of organizations adopt some form of planning (Brock et al., 2000). Specifically, international firms tend to carefully plan and allocate resources when embarking on cross-border operations (Khan et al., 2022a). A consensus exists that planning is desirable and essential for international business (IB) strategy. International planning also encompass the nature of capabilities deployed to foreign countries (Bhattacharyya, 2020). For example, entering into foreign markets require developing unique marketing planning skills to challenge existing business perspectives and marketing approaches to gain competitive advantage (Khan and Khan, 2021).

Planning improves performance outcomes (Sax and Andersen, 2019) and achieves IB success (Nemkova et al., 2015; Pfajfar et al., 2024). Notably, planning is vital in firms’
internationalization process (Khan and Khan, 2021; Li et al., 2004). Yet, scholars and managers argue that planning today is becoming less effective especially in highly unpredictable market environments that shift at a faster pace than firms’ planning cycles (Slotegraaf and Dickson, 2004). This argument confronts managers with a dilemma particularly relevant for international businesses that operate in institutionally different host countries and face accelerated volatile, uncertain, complex and ambiguous (VUCA) environments (Cavusgil et al., 2021). Sensational titles of scholarly works such as “the big lie of strategic planning” (Martin, 2014) and “traditional marketing planning is wrong for your new venture” (Whalen and Holloway, 2012) highlight this dilemma. Albeit planning allows firms strategic choices (Martin, 2014) and firms’ ability to respond appropriately to changeable circumstances depends on building-up thorough planning (Asseraf et al., 2019); strategic planning appears to be undergoing an identity crisis as publications debate its need and context (Brock and Barry, 2003).

A central element of planning is strategic marketing planning (Slotegraaf and Dickson, 2004) that reflects firms’ ability to conceive marketing strategies that optimize the match between firms’ competencies and marketplaces (Vorhies and Morgan, 2005). Importantly, the potential synergy between marketing strategy and markets is essential to leverage market performance (Hult, 2011) and thus contributes to firms’ performance (Pulendran et al., 2003; Vorhies and Morgan, 2005). In fact, planning is an important component of international marketing (IM) capabilities (Gnizy, 2019) and is reported as a crucial driver of IM agility (Asseraf et al., 2019). Firms are called to constantly maintain, develop and improve marketing planning in their IB operation even in turbulent environments (Asseraf et al., 2019), since planning remains a crucial platform in building the ability to capitalize on market opportunities and challenges. Moreover, planning is an important capability especially where it can be combined with other capabilities (e.g. market orientation; Gnizy, 2019; spontaneity; Asseraf and Gnizy, 2022, 2023) to attain better outcomes. These advantages notwithstanding, the literature on marketing planning adopts various perspectives and scholars debate the value of formal planning and yield mixed empirical effects and inconsistent support for planning to affect performance (Theoharakis et al., 2024).

While our understanding of planning and its impact on performance has developed, we may have partial insights of how and when planning effectively influences international performance particularly in current times. Marketing strategy research underexamines issues regarding planning such as participation, process design and enablers/inhibitors (Morgan et al., 2019). This raises the question on the relevance of global marketing strategy and warrants examining additional underlying mechanisms that can shape the impact of planning on performance. These issues underlie the rational of this study that tackles timely research questions:

- **RQ1.** Does marketing strategy planning still matter to firms’ international performance?
- **RQ2.** Under what external and internal conditions it is more/less valuable for business outcomes?

Addressing these questions is crucial given that variations in firms’ external and internal factors determine the level of managerial discretion.

Drawing on contingency theory that is centered on the global marketplace (Hult, 2011) and espoused in the international planning (Nemkova et al., 2012) and business performance research (Gnizy et al., 2017), this study accounts for moderating effects (market sensing and tolerance for failure) for the planning—performance linkage to gain better insights on the
means through which planning increases/decreases performance. Examining such mechanisms may provide additional source of theoretically and managerially novel research in IB and marketing strategy (Morgan et al., 2012). Notably, the contingency perspective is backed up by the discrepant findings of prior empirical research that examines a direct planning—international performance relationship (Nemkova et al., 2012; Slotegraaf and Dickson, 2004).

Planning is originally intended to equip firms with dexterities to foresee and prepare to respond to environmental changes (Asseraf et al., 2019). These dexterities are related to firms’ vital mechanism to obtain market knowledge (outside view) by using market sensing (Day, 2002; Khan et al., 2022b; Morgan et al., 2009b). Market sensing is recognized as a crucial capability necessary for international success (Kowalik et al., 2022). Its importance is exhibited by being a purposeful process that underlies capabilities (Gnizy, 2019; Wilden and Gudergan, 2015). Current unceasing global developments require firms to cultivate high levels of market sensing as it is a crucial factor that affects performance (Khan et al., 2022b; Wilden and Gudergan, 2015).

Nevertheless, planning may take firms into new directions and challenge the status quo (Sax and Andersen, 2019). Such adventures may carry risks of failure and engender fear of lapses for those who pursue them (Danneels, 2008). In IB, identifying market conditions and properly predicting potential changes is a difficult task due to imperfect foreign market information. As a result, decision-makers’ beliefs regarding the potential benefits of future strategies may be unlikely precise (Morgan et al., 2012) and lead to failures. Moreover, potential biases in the planning process due to executives’ overoptimism and tendency to downplay the negative (Lovallo and Kahnemann, 2003) may also result in failures (inside view). Although these potential failures, managers are exhorted to tolerate, and even embrace, failure to promote benefits (e.g. innovation, learning; Danneels and Vestal, 2020). Indeed, many firms render an inside view in the form of tolerance for failure and see it as an important organizational norm (Vomberg et al., 2020).

Taking all together, this study contributes to the IB literature in several ways. First, given the debate on planning, the view that marketing planning is losing relevance might be an impetuous misconception. Prior research may not fully elucidate the essence of how planning can be used today to improve performance. While existing research reports that marketing skills, including planning, is important for internationalization (Khan and Khan, 2021), this study focuses on marketing planning per se to reexamine its association to international performance. The literature acknowledges the useful role of planning but should be carefully conceived to be effective and suitable for the context (Brock et al., 2000). This study further substantiates some of the underlying assumptions regarding the actual value of planning and advances the strategy conversation between IB and management scholars regarding the relevance of planning since businesses are facing greater challenges due to globalization which requires unique skills, such as planning, for success (Khan and Khan, 2021).

Second, this study enhances the understanding of the moderating role played by market sensing in IB. While there are frequent calls to be more engaged in market sensing for early detection of environmental changes (Kowalik et al., 2022), other calls (Asseraf et al., 2019) wonder whether firms should be less engaged in planning. This study includes both the planning and market sensing constructs in one model to realize their effects on IB.

Third, while the business literature promotes the virtue of tolerance for failure in organizations, there is little empirical evidence to support this belief. This study answers calls for examining failures in marketing context (Danneels and Vestal, 2020). Furthermore,
the study aims to provide the first empirical evidence for the widely held but previously untested relationship between marketing planning and tolerance for failure.

Finally, research primarily pertains to antecedents to marketing planning (Nemkova et al., 2012). However, context matters, especially in IB because of variety of contextual factors that may moderate effects of interest (Sheth, 2020). Despite attempts to illuminate the planning—performance relationship, the nuanced boundary limits of this relationship are underexplored and our understanding to how it may be moderated by varying degrees of external and internal factors may lack theoretical precision. This lacuna should be of interest to IB researchers because unceasing global market trends require replanning and responses to secure firms’ success. Hence, this study extends knowledge pertaining to governance conditions under which planning may have a greater/lesser efficacy in IB and contributes to the development of theory and management practices. The study provides empirical support to the contingency theory by integrating outside and inside factors as contingencies in explaining marketing strategy planning. The empirical evidence from this study can help managers decide whether planning is a beneficial option in agile times given the idiosyncrasies of market sensing and tolerance for failure.

Literature review and construct specification

Marketing strategy planning

To remain competitive and better adjust to changing market conditions, firms need to repeatedly plan their strategies. Particularly, international firms are required to operate within a framework of continual contingency planning in a VUCA world. In preparation for unforeseeable future, planning provides a clear guidance of directions based on markets analysis, prediction of optimal outcomes and design of marketing plans to attain goals (Asseraf et al., 2019; Hult, 2011). Managers acknowledge planning as crucial for prosperous operations (Asseraf and Gnizy, 2022, 2023) and scholars recognize the importance of strategic marketing in setting firms’ long-term directions that support superior positional advantage (Theoharakis et al., 2024). According to contingency theory, to tackle various market conditions, firms need to build on different planning time horizon (Hult, 2011). Planning entails the determination of means to achieve certain ends, access internal and external sources and acquisition of information. This information is used to create plans and setting up indicators against which to evaluate future performance (Brock et al., 2000; Nemkova et al., 2015).

Planning and strategy development are key marketing (Vorhies and Morgan, 2005) and boundary spanning skills and activities (Day, 1994; Khan and Khan, 2021). As a core strategic process, marketing planning can cultivate capabilities through the management of resources (Slotegraaf and Dickson, 2004). Marketing planning captures marketing decisions on strategic levels and supports a wide range of activities (e.g. market selection and entry, execution of planned activities) (Theoharakis et al., 2024). Marketing planning reflects actions that assists organizations achieving appropriate alignment of external environment and internal capabilities to obtain desired outcomes (Pulendran et al., 2003) and planned direction (Morgan et al., 2009a, 2012). It is viewed from different angles as an ability to plan and adhere to certain marketing activities or as a set of actions that result in determining marketing goals and objectives and the plans for attaining them (Asseraf et al., 2019). In another viewpoint, it is seen as a set of skills accompanied by certain abilities to effectively segment and target markets (Morgan et al., 2009a). These views parallel ways to see IM planning. International firms are marketing-based businesses that need to possess marketing skills such as planning to boost performance (Khan and Khan, 2021). Strategic marketing planning constitutes a critical indicator of the international development process and is a focal IM
capability that provides a platform for designing the best strategy that enables firms be competitive and achieve generic and economic returns (Ipék, 2021; Nemkova et al., 2015; Pfajfar et al., 2024). Planning in cross-border operation is imperative for firms from industrialized countries with a Western orientation that substantially rely on growing international exposure as their economy engine (e.g. Israel). Gnizy (2019) showed that IM planning coupled with other capabilities are advantageous to Israeli international firms due to their ability to help accomplishing key sales and profit performances through developing ability to adapt elements of overseas operations. Asseraf et al. (2019) demonstrated how planning capability enhances IM agility which in turn improves international performance of Israeli firms. National and governmental institutions (e.g. the Israel Export and International Cooperation Institute) provide support to international firms in building planning capabilities (Gnizy, 2019). Indeed, Israeli companies with a proactive behavior and importantly careful planning can succeed in operating abroad (Friedrich et al., 2014).

Activities concerned with the processes of marketing strategy development lead to superior performance (Morgan et al., 2009a). Current studies establish support for the influence of marketing planning on performance (Brock and Barry, 2003; Ipék, 2021; Slotegraaf and Dickson, 2004). For example, a certain planned strategy helps firms achieving higher sales (Gnizy, 2019).

When maintaining marketing planning, firms need to consider inside and outside factors (Asseraf et al., 2019). Thus, strategic marketing planning can be considered a sensing mechanism through conducting a market audit with an emphasis on customers and competitors (Theoharakis et al., 2024). Specifically, planning is a fundamental pillar of IM agility (Asseraf and Gnizy, 2023). Notably, marketing agility involves market sensing. This sensing assists in identifying opportunities and threats and guides firms in redesigning marketing programs to suit market needs (Khan, 2020; Olarewaju and Ajeyalemi, 2023). Hence, planning is related to environmental scanning (Brock et al., 2000). In addition, invalid assumptions and unobserved obstacles can arise during the process of marketing strategy and planning in IB (Morgan et al., 2012) and lead to mistakes in the decision process. Such mistakes help organizations learn and build new capabilities but require a climate of failure acceptance (Danneels, 2008). Hence, planning is related to tolerance for failure.

Market sensing
The environments in which firms operate play a significant role in determining strategies (Gnizy, 2019). This brings out the necessity to actively and purposefully sense markets to generate and use valuable knowledge (Kowalik et al., 2022; Liang and Gao, 2020). Contingency theory focuses on issues associated with the marketplace (Hult, 2011), where market sensing is a firm’s ability to identify, sense and anticipate market needs (Khan, 2020). It is categorized as an outside-in marketing activity (Day, 1994) and involves engagement in various activities to gain market knowledge (Danneels, 2008; Khan et al., 2022b). Notably, per contingency theory, external environmental factors play a vital role in shaping firms’ activities (Khan and Khan, 2021). In the face of uncertainty, firms need to sense and scan their markets diligently to predict shifts that need to be integrated in firms’ operations (Theoharakis et al., 2024). Indeed, market sensing is essential in efforts to respond to changes in firms’ environments because the abilities to collect and filter information and monitor and analyze the environment reduce uncertainty and enhance the recognition of opportunities in terms of new markets and technologies. Firms can pursue opportunities for successful commercial innovation (Danneels, 2008; Khan et al., 2022b). Environmental scanning is a necessity for long-term survival (Sax and Andersen, 2019) and is a core element of entrepreneurial marketing (Kowalik et al., 2022) and specifically
influential in the marketing mix adaption (Khan et al., 2022b). Market sensing is also a unique and crucial dexterity that characterizes agile firms and assists in sustaining competitive advantage (Khan, 2020) and maintaining strategic agility (Kowalik et al., 2022). In our digital world, planning is a sub-capability of sensing (Warner and Wäger, 2019). To effectively plan marketing management processes, companies are expected to obtain fresh insights on market characteristics (Khan and Khan, 2021) that can be achieved through market sensing.

Sensing is an international-related capability and is about identifying various capabilities and resources in overseas context (Brock and Hitt, 2024). The IB literature largely acknowledges the importance of market knowledge obtained through sensing activities to international firms (Asseraf and Shoham, 2019; Gnizy, 2018). Market sensing is a major skill for cross-border operation and supports internationalization at the different stages of a firm’s life cycle (AlShehhi et al., 2022; Kowalik et al., 2022). International firms use sensing to foster and maintain competitive advantage (Chebbi et al., 2023). For example, they use market sensing to better respond to foreign customer needs and wants (Kazemi et al., 2023). Specifically, agile international firms effectively sense environmental changes to adapt to new ideas and respond to needs and demands of foreign markets (Asseraf and Gnizy, 2023).

Relatedly, sensing involves search, scanning and exploration across markets and reflects a capacity to access outside information and learn about the firm’s stakeholders and the broader market environment. Market sensing may be the exploitation of market niches due to quick identification of opportunities. Notably, market sensing leads not only to the assessment of current environments, but also to forecasting the future stage of the market (Brock and Hitt, 2024; Chebbi et al., 2023; Kowalik et al., 2022). Firms should engage in repeating sensing to explore new characteristics of their environments. Companies that oftentimes activate sensing processes enhance their intelligence and wisdom on markets and particularly on existing customers and even on underserved market segments. The more firms use sensing activities, the more they are stimulated to adapt and respond and thus change accordingly their marketing capabilities (Wilden and Gudergan, 2015). The market-sensing strategy is analyzed in terms of the selection of necessary information sources (Kowalik et al., 2022). Organizations exercise sensing to access information from varied sources and affiliations including participation in professional associations, conferences and trade shows, maintaining relationships with stakeholders through personal relationships (e.g. with peers, universities and knowledge/scientific centers), and by observing best practices (e.g. through professional literature, social networks) (Danneels, 2008; Wilden and Gudergan, 2015). Knowing where to acquire useful information is valuable within dynamic international environments. Such sources and processes build employees’ networking capabilities (Kowalik et al., 2022), which bring diverse information, foster learning and help managers open eyes to identify and develop new entrepreneurial initiatives for exploration (Danneels, 2008).

Tolerance for failure
The human element in organizations influences the effectiveness of the planning process (Ashill et al., 2003). Unobserved limitations, ill-founded assumptions, miscalculations and speculations and unpredicted incidents may be inherent to international firms’ strategy making. Marketing planning consumes substantial resources, is often difficult to realize, and consequently sometimes ends in a failure (Morgan et al., 2012). Managers often face difficulties to implement planned activities in a foreign country because of imperfect transfer of home country resources and capabilities abroad or even between foreign countries (Bhattacharyya, 2020). The multitude influence of business practices, institutional
(e.g. channel structure, communications infrastructure, legal system), economic, cultural (e.g. psychic and familiarity disparities) and geographic (e.g. distance, dispersion) of operation, makes the planning activity and its execution a more complex and a riskier task for firms that operate in international markets. This complexity makes the particularized understanding of current market and the forecasting of future market difficult. Consequently, effective marketing strategy planning in IB is more challenging and encompass higher probability for failure (Gnizy, 2019; Morgan et al., 2012). When outcomes of actions fall short of expectations they may be considered failures (Danneels and Vestal, 2020). Notably, scholars recommended that firms organize marketing around experimentation and learning through failures (Whalen and Holloway, 2012).

Sources and underlying mechanisms of failures are diverse. Failures may occur due to mistakes in organizational learning and innovation processes that relate to planning (Danneels and Vestal, 2020). Sometimes, overoptimism in executives’ expectations is a built-in bias in planning and may create a gap between planned activities and actual results, which is a potential cause for failure. In addition, errors in planning can be due to adopting an inside view rather than combining this view with an outside perspective. For example, in planning major initiatives, planners may exaggerate the benefits and discount costs, setting themselves up for failure. At times when the planning activity comes to forecasts, planners tend to ignore or downplay the possibility of random or uncontrollable occurrences that may impede the progress of planning and its goals (Lovallo and Kahnemann, 2003).

This background on business failures brings out the tolerance for failure issue. Companies realize that the pursuit of new competencies (e.g. information, learning) embedded in the planning process is risky and the outcomes are uncertain (Danneels, 2008). Therefore, many companies try to treat failures forgivingly. They acknowledge its value and develop a failure-tolerant culture that encourages a constructive climate for failures (Vomberg et al., 2020). Tolerance for failure reflects a culture that recognizes, accepts and appreciates the inevitability of (some) failures and their benefits (e.g. byproduct of trying novel things). Tolerance is widely thought to facilitate learning and innovation (Danneels and Vestal, 2020). Tolerance for failure can be formal or informal but importantly, may serve as a success factor in organizations (Vomberg et al., 2020). For example, failures provide opportunities to learn, and lessons learnt from a failure of one initiative can provide the basis for success of future initiatives (Danneels, 2008). Once employees internalize a failure-tolerant mindset, it should guide them during their ongoing endeavors since they apply experienced knowledge necessary to assume their roles (Vomberg et al., 2020).

International performance
Firm performance is a complex construct with varied dimensionality (Wilden and Gudergan, 2015). Cross-border performance is the extent to which the strategic planning about overseas operation is encountered as a consequence of executing IM strategies (Kazemi et al., 2023). Specifically, international firms depend on overseas operation as a source of revenues and a key driver of firm growth (Gnizy, 2019) and the literature specifies firms’ strategy as a driver of international performance. Firms that pursue careful implementation of marketing strategy are likely to gain superior performance (Asseraf and Gnizy, 2023). International performance can be exhibited by international sales, market, financial and customer metrics (Nemkova et al., 2012). It is commonly measured based on financial (e.g. sales revenue growth) and nonfinancial (acquiring new customers) outcomes. Notably, goals of marketing strategy in international contexts are often set in terms of market indications (e.g. market share) (Morgan et al., 2012). These outcomes serve as a proxy of firm success and reflect competitive dimensions of international success. In exploring the marketing planning—performance
linkage, this study focuses on both types of outcomes because they are crucial for the survival and development of IB firms (Asseraf and Gnizy, 2023). This approach is understood by managers and represents a dominant aspect in research to view performance outcomes of marketing (Gnizy, 2019).

Research model
The conceptual model is portrayed in Figure 1. The model investigates the relevance of marketing planning in IB VUCA times. In addition, it accounts for moderating effects of contemporary factors (market sensing, tolerance for failure).

Existing research establishes support for an enhancing influence of marketing planning on performance (Nemkova et al., 2012; Theoharakis et al., 2024). Thus, the model posits a positive relationship between marketing strategy planning and international performance (H1). Marketing strategy planning is viewed as the firm’s competencies to form strategies that optimize operation in international markets. Notably, planning is considered as an ordinary (vs dynamic) capability. While a dynamic capability operates at a higher level to build, create, expand, reconfigure and integrate capabilities and resources, an ordinary capability is a basic necessity (Brock and Hitt, 2024). This study examines the necessity and relevance of planning in current times. International performance reflects the extent to which the firm achieves desirable product market-based goals such as new customers’ acquisition, growth in sales revenue and growth in market share in the target international marketplace.

The model is underpinned by contingency theory that argues superior firms’ adaptation and performance is the result of a fit between organizational attributes and the context in which the organization operates. Specifically, the success of organizational activities is contingent upon external and internal environmental factors where firms can achieve higher performance by adapting strategies and processes suitable for their environment. Accordingly, the study’s model reflects a contingency perspective of planning and proposes that its impact varies contingently upon organizational contexts. This theory suggests that there is no one best way for marketing organization and each way is not equally effective (Hult, 2011). Specifically, the fit-as-moderation approach is followed here, which relates to business strategy and is largely used in IB studies. Research indicates that characteristics

![Figure 1. Research model](source: Figure by authors)
pertaining to firms' international environments have a key moderating role on the relationship between strategy-related variables and performance. This approach is rooted in the principle that no level of a particular organizational feature is invariably superior. Rather, the influence of a certain predictor of performance depends on values of certain moderating variables. The level of fit between the predictor and the moderating variables is a key determinant of performance (Gnizy et al., 2017; Oliveira et al., 2023).

Based on contingency theory, the selection of moderators builds on the outside/inside view. While moderating factors may be external or internal to the firm, research focuses on both kinds. Notably, matching external with internal conditions is an established tenet of contingency theory (Wilden and Gudergan, 2015). The market sensing is attributed to outside the organization whereas tolerance for failure to inside the organization. Firms that apply market sensing are more responsive and more likely to succeed (Khan et al., 2022b). Importantly, sensing does not reside solely inside firms but can be cocreated with parts in the business ecosystem (Warner and Wäger, 2019). Thus, the model assumes that market sensing positively moderates the planning—performance relationship (H2). Market sensing is viewed as the extent to which a firm engages in various scanning activities (e.g. professional affiliations, network of contacts) to access outside information regarding market trends (Danneels, 2008) important for internationalization (Kowalik et al., 2022).

Research usually shows positive outcomes of tolerance for failure. Since an internalized tolerance for failure leads employees to engage in extra-role behaviors with less fear to err (Vomberg et al., 2020), it should positively moderate the relationship between marketing planning and performance (H3). We define tolerance for failure as the extent to which failures are constructively perceived and accepted within the firm as an opportunity to learn (Danneels and Vestal, 2020; Danneels, 2008).

Finally, control variables suggested in the literature to monitor for potential confounds are included. A dominant view holds that older firms are less adaptive and flexible to changes (Danneels, 2008). Hence, we included firm age (#years in business) and firm size (#of employees) as controls. International duration (#years in international activity) and international intensity (international sales/total sales) affect performance of firms (Asseraf and Gnizy, 2023) and were included as controls.

Hypotheses development

Marketing strategy planning and international performance

Planning is a basic managerial task that firms' success and performance depend on (Üner et al., 2022). International firms can improve their strategic assets through planning and market planning that positively influence performance (Khan and Khan, 2021). Systematic planning, based for example on thorough market scanning, also enhances firms' international performance (Li et al., 2004). Specifically, established planning activities aim to deliver value for foreign customers (Asseraf and Gnizy, 2023) since customers are the source of sales revenue and the success of a given strategy is dictated by the extent to which it fits the international customer environment in which it is implemented (Oliveira et al., 2023). Marketing planning assists in becoming more knowledgeable about cross-border markets where enhanced market knowledge benefit overall firm performance (Wilden and Gudergan, 2015) and helps in better identifying and responding to foreign customers' needs and wants, which may lead to increased customer satisfaction and in turn enhance sales to existing customers and even help in acquiring new customers that can bring growth in sales revenue. In addition, planning involves collecting and analyzing data on foreign markets and developing creative marketing strategies that can improve firms' ability to effectively segment and target the markets. These allow better adaptation to external conditions and
result in improved performance. Furthermore, the goal of planning is setting clear strategic directions and objectives with clear avenues to achieve them. The marketing planning skills enable setting clear objectives in executing the planned activities, which may help in making the goal achievement process more focused and thus improve performance. Moreover, applying creative marketing strategies in the planning process is known as enhancing performance (Nemkova et al., 2012). Specifically, the literature reports on positive effect of creativity on sales growth. In addition, creativity can substitute for a lack of information in the planning process and save from spending additional financial resources (Nemkova et al., 2015).

Established planning activities aim to deliver value (e.g. for foreign customers). Firms that design clear plans that anticipate various alternative courses of action, examine multiple scenarios, include contingency plans for manifold strategic alternatives and allocate appropriate resources, may ensure the best solution is selected and thus better addressing effective execution that support performance (Nemkova et al., 2015).

As for empirical evidence, there is mounting evidence regarding the positive influence of marketing planning on performance (Pulendran et al., 2003). In international contexts, scholarly findings prove the favorable impact of marketing planning on generic and economic success (Ipek, 2021; Nemkova et al., 2012). For example, international capabilities, including marketing planning, directly and positively affect firms’ international sales (Gnizy, 2019). Nemkova et al. (2015) showed that planning contributes to international responsiveness and performance. Morgan et al. (2012) showed that IM strategy implementation effectiveness is positively related to market performance and financial performance of international ventures.

In sum, theoretically and empirically, strong marketing planning should benefit international performance. Assuming that IB managers make appropriate strategy planning decisions, these decisions should result in achieving the planned goals and objectives thus ending in positive performance outcomes. Thus:

**H1.** Marketing strategy planning is positively related to international performance.

**Moderating effects of the marketing strategy planning—international performance link**

Market sensing involves access to outside information regarding market trends. Firms routinely capitalize on market sensing to realize current and latent market needs, and business opportunities, which feed into performance (AlShehhi et al., 2022; Khan et al., 2022b). Sensing assists firms in crafting future strategy that creates a durable source for obtaining competitive advantage (Warner and Wäger, 2019). Firms’ initiatives accompanied by superior processes for learning about the target international marketplace (i.e. market sensing) and strong planning skills are likely to make more proper and relevant marketing strategy decisions (Morgan et al., 2012). Therefore, planning’s performance impact may be much weaker without sensing marketing activities. We contend that when firms sense their markets, their planning efforts will affect performance more positively. For example, to take advantages from shifts in marketing and technological environments, BMW established the unit of Marketing Innovation that served as a nontraditional R&D center for marketing. The unit frequently engages in sensing activities (e.g. collaborations with universities and partners, attendance at professional workshops) and aims at identifying and responding to current and future trends and innovations that affect its marketing. BMW uses its planning skills and often engages in such sensing processes so that it can plan accordingly, react to relevant changes and effectively target its markets (Wilden and Gudergan, 2015). These market sensing activities may enable BMW to acquire new customers, upgrade its business models and maximize the leverage of its planning strategy, which drives its performance.
Furthermore, the level of sensing determines the extent to which the firm can improve its planning. Firms’ frequent use of sensing should improve their marketing capabilities such as strategic planning, reduce organizational inertia and have a wider range of executable strategy options from which to select. The more market sensing the more acquirement of knowledge and variety in learning (Wilden and Gudergan, 2015) and thus the more potential for developing creative marketing strategies. In addition, managers’ engagement in environmental scanning increases their ability to participate in explorative learning, the latter involves adding resources (e.g. knowledge, skills) and competencies required for new domains of activity. Notably, exploration takes the firm in new directions and challenges the status quo (Danneels, 2008). These should motivate those planners involved in marketing planning to strive to use processes and personal connections to actualize the planned activities and their marketing planning skills into effective outcomes. The knowledge achieved from sensing the market should offer planners inputs on and deeper understanding of the planned marketing strategy and enable them better aligning their activities with those needed for effective performance outcomes. Strong sensing should allow better determination of marketing strategy options (e.g. segmenting and targeting the market), thereby result in accomplishing the intended marketing goals and objectives. Hence, when firms apply more sensing, they gain indispensable opportunities to plan their marketing strategy. In response to planning gaps, for instance, firms are likely to engage in more sensing to identify value-maximizing market knowledge that compensate for these gaps and by this enhancing the fundamental basis for planning. Moreover, this should narrow the gap between planned and realized marketing strategy actions and decisions and benefit performance (Morgan et al., 2012). Thus:

**H2.** Market sensing positively moderates the relationship between marketing strategy planning and international performance.

Tolerance for failure implies that mistakes and errors of organizational members are accepted as an opportunity to learn and benefit future activities. Prior work indicates that firms’ performance may be weaker without a tolerance for failure climate (Danneels, 2008; Danneels and Vestal, 2020). We argue that the more tolerance for failure in firms, the more marketing planning efforts will affect performance positively. For example, many firms, when they plan for innovation and roll out new initiatives that fail, exhibit tolerance for failure not only by not punishing those who failed but by celebrating the failure to facilitate learning and innovation (Danneels and Vestal, 2020). This climate enables firms to maximize the leverage of the planning process that is based on learning and creativity (e.g. novel marketing strategies), which drives performance. Since the planning activity, especially in IB, inherently encompasses mistakes, employees feel free to take risks by developing creative marketing strategies. Learning from failures improves the quality of inferences that planners make and thus their planning skills, which lead to a better understanding of causal links that can guide firms’ future actions (Danneels and Vestal, 2020). Therefore, tolerance for failure encourages exploration and increases ability to engage in explorative learning, that is, the pursuit of new competencies required for new activities. Notably, exploration takes the firm in new directions and challenges the status quo (Danneels, 2008). The freedom to err encourages experimentation and search for broader alternatives, which is supposed to enhance lessons learned, and therefore, innovation. These allow planners to engage in ideas that deviate from established beliefs and practices and enhance their variance of activities and learning (Danneels and Vestal, 2020), which is known to increase international performance (Gnizy, 2018).
In sum, planning outcomes depend on planners’ willingness to address failures. Tolerance for failure during planning activities is likely to lessen the potential damage of the gap between invalid planning decisions and achieved results and thus decreases the negative impact on performance. Conversely, the fear of failure that is lack of tolerance, can dampen explorative actions (Danneels, 2008) such as developing creative marketing strategies and hence hampers the positive effect of planning on performance. Thus:

H3. Tolerance for failure positively moderates the relationship between marketing strategy planning and international performance.

Methodology
Research context
This study was conducted in Israel, which represents an ideal context for discussing different aspects of planning in IB. Israel is a member of the OECD, represents a developed market country, is perceived as “the start-up nation,” and has the second-largest number of startup firms in the world and the third largest number of NASDAQ-listed companies. Israel is a small country isolated from its neighboring countries thus Israeli firms are heavily dependent on IB. For example, Israeli exports and imports of goods were equivalent to 60% of GDP in 2023 (Asseraf and Efrat, 2024). According to Hofstede (2024), Israel is among the strongest uncertainty-avoidant countries. In such countries, there is a need for planning.

Data and sample
Survey-based data were collected using a questionnaire administered by an online research company. Screening procedures were used to identify and select participating managers with certain attributes by following Walter et al.’s (2019) recommendations. First, we aimed to recruit managers that could share their personal profile to make sure they are suitable for this study. Second, participants had to pass several demographic filtering questions designed to ensure they possess suitable profile. Specifically, inclusion criteria included: aged 28 or above; full-time employees or owners; mid-level managers or above; working in strategic business units (SBUs) with at least ten employees; working in SBUs with international sales revenue of $1m at least. Moreover, only managers with high familiarity and confidence in answering questions on their SBU’s IB operation were allowed to participate. The collected data were examined to identify low-quality data indicated by participants’ insufficient efforts to answer the questionnaire. In total, 610 managers were deemed qualified to participate out of which 207 provided complete questionnaires. After eliminating 20 suspicious questionnaires because of low-quality data, we remained with a sample of 187 managers, which represents a response rate of 30.6%.

A multiindustry design was used to allow greater variability in the study’s constructs. Main industries, represented by firms’ participants, included high-tech (35%), consumer goods (26%), health (10%) and the remaining 29% were distributed over various industries. Chief executive officers and SBUs directors accounted for 21% of the participants, sales and marketing directors 29%, business development directors 11%, financial directors 7% and the remaining 32% accounted for various positions. The SBUs had been in business for 20 years on average and employed on average 250 employees. The average annual turnover was US$62m. International sales averaged 52% of SBUs’ total turnover. The SBUs had been involved in IB for an average of 14 years.
**Measures**

After reviewing the literature, we identified validated measures for the model’s constructs. The item scales were translated from English into Hebrew using the back-translation technique. Five IB scholars and five managers assessed and commented on the items’ face validity and appropriateness. Items were presented on seven-point Likert-type scales except for the control variables. A pretest was used with 30 managers to examine the scales’ reliability and validity which resulted in a few minor modifications to the items.

To measure marketing planning, we adapted four items from Morgan *et al.* (2009a). This scale was used in several studies to measure the impact of planning (e.g. Vorhies and Morgan, 2005) and was confirmed as a key capability (Morgan *et al.*, 2012). More recently, Asseraf *et al.* (2019) used this scale to measure planning as antecedent of IM agility and reported on a composite reliability (CR) of 0.87. The CR of planning in our study was 0.92.

For market sensing, four items were adapted from Wilden and Gudergan (2015) to measure SBUs’ activities that aim to learn from their environment. They reported a CR of 0.83. In our study, the CR was 0.89.

A four-item scale was adapted from Danneels (2008) to measure tolerance for failure. The original reliability (α) of this scale was 0.82. In our study, the CR was 0.92.

To measure international performance, we used a scale adapted from Morgan *et al.* (2012) that evaluated the SBU’s performance (in its major foreign market) over the past year relative to major competitors. Asseraf and Shoham (2019) reported a CR of 0.91 for this scale. In the current study, the CR was 0.95. Appendix 1 presents the full scales’ items.

**Data analysis**

The data were analyzed using SmartPLS, which is efficient with small samples and allows high levels of statistical power. Importantly, partial least squares (PLS) does not impose distributional assumptions on the data and therefore is specifically suitable for data gathered from online surveys.

We calculated the sample size required to yield a certain test power, given a predetermined level of alpha (Mooi and Sarstedt, 2011). We ran the G*power software aiming for acceptable levels for power (0.80), alpha (0.05) and an effect size (d) of 0.50 (Hair *et al.*, 2010). The results revealed a required total sample of 134 observations, which was below our sample size of 187. Finally, a comparison of early with late respondents showed no significant differences (Armstrong and Overton, 1977).

**Common-method bias tests**

We conducted several common-method bias (CMB) tests by using ex-ante and ex-post procedures. For ex-ante, all measures were developed in a manner to ensure the items’ clarity. Moreover, the questionnaire was divided into sections which contained items from different scales. In addition, the questionnaire was designed in such a way that the respondents could not advance to the next question before fully answering the previous ones (Chang *et al.*, 2010). We also promised the participants that their data would stay confidential.

For ex-post strategies, we followed Rönkkö and Ylitalo’s (2011) recommendation on “PLS marker variable” approach. We used a theoretically unrelated variable to the other constructs in the model. The marker variable was the item “number of years working in the firm.” The analysis showed that the structural estimates were not impacted substantially by incorporating the marker variable (Appendix 2). Furthermore, there was no significant change in $R^2$. Thus, the PLS marker variable approach did not suggest a threat of CMB.
Collinearity was examined before assessing the structural relationships to assure it did not bias the results. Variance inflation factors values were below the critical value of 5 (Hair et al., 2010). Hence, no concerned evidence of CMB existed in the data.

Results
Measurement model
First, we examined the item loadings and found that all (Table 1) were in-between 0.76 to 0.92, above the recommended threshold (0.76; Hair et al., 2019). Second, CR values ranged from 0.87 to 0.95, suggesting satisfactory levels. Third, all average variance extracted (AVE) estimates exceeded 0.50 (Table 2), providing support for convergent validity. Fornell and
Larcker’s (1981) discriminant validity condition was met as the square root of the AVE for each construct was greater than the construct’s correlation with other constructs in the structural model (Table 2). Finally, we tested the Heterotrait–Monotrait ratio of correlations (HTMT; Henseler et al., 2015) and found all HTMTs were lower than 0.85, suggesting that the model’s constructs were distinct. We tested whether the HTMT values differed significantly from 1 by comparing confidence intervals. None of these intervals contained the value of 1. Thus, we concluded that the variables in our research model are distinct.

**Structural model**
The $R^2$ of international performance was 0.47, which is acceptable in the IB context (Richter et al., 2016). The results of the bootstrapping method with 10,000 samples revealed that most of the structural model relationships were significant (Table 3). Specifically, planning had a positive and significant effect on international performance ($\beta = 0.46, p = 0.000$), thus supporting $H1$. The moderation effect of market sensing on the planning–performance relationship was positive (Figure 2) and significant ($\beta = 0.23, p = 0.001$), in support of $H2$.

Surprisingly, the moderation effect of tolerance for failure on the planning–performance relationship was negative (Figure 3) and significant ($\beta = -0.17, p = 0.016$), thus refuting $H3$.

The control variables’ respective impact did not achieve significance relationships with international performance.

**Robustness tests**
Following Griffith et al. (2022), we performed a series of robustness tests to enhance confidence in our findings. First, while PLS-SEM has gained increasing attention of scholars, some researchers are still in a dilemma whether to use PLS-SEM or Covariance-based structural equation modeling (CB-SEM). Hence, we re-tested our main model with CB-SEM (AMOS). After confirming the CFA model, we tested the structural model. The model suggested a good fit: $\chi^2$/df = 1.97, IFI = 0.93, CFI = 0.93, TLI = 0.92 and RMSEA = 0.07. The results from CB-SEM were in the same directions of the PLS model. They mirrored the PLS model results and reinforced our findings.

Second, to examine the stability of the moderating effects, we ran an alternative model in which we defined market sensing and tolerance for failure as antecedents of marketing planning and international performance (in addition to their original proposed effects). The findings showed that market sensing and tolerance for failure were drivers of marketing strategy planning ($\beta = 0.40, p = 0.000; \beta = 0.33, p = 0.000$, respectively). Interestingly, market sensing did not influence performance directly ($\beta = 0.07, p = 0.419$) while the direct effect of tolerance for failure on performance was positive and significant ($\beta = 0.18, p = 0.035$). In addition, marketing planning’s impact on performance was positive and significant ($\beta = 0.46, p = 0.000$). Importantly, the moderation effects were consistent with our main findings ($\beta = 0.23, p = 0.000$ and $\beta = -0.17, p = 0.015$, respectively).

Taking all together, our results confirmed the positive association between market strategy planning and international performance and we found support for the robustness of our moderation effects.

**Discussion, implications and limitations**

**Theoretical implications**
Marketing planning in IB remains a challenge, leaving scholars and practitioners to grapple with key questions regarding its impact on firms’ performance. Using insights from contingency theory, this study focuses on explaining how decision-makers in international firms can develop more effective strategies to take full advantage of current managerial
perceptions. It offers several implications for understanding marketing strategy planning in the realm of IB and substantiates earlier studies and new knowledge.

First, this study offers a fine-grained view of marketing planning in IB by examining planning capability per se as well as conditions under which planning affects international performance. This provides evidence that helps remedy emerging concerns against planning in today’s markets. While existing research (Khan and Khan, 2021) examines the effect of marketing skills, including planning, on internationalization through mediation factors, this study investigates a direct relationship of solely planning on internationalization as well as moderators of the planning—performance link. Furthermore, while other works use the resource-based view (RBV) and dynamic capability theories to study planning, this study uses the contingency theory. With the findings of this study, we therefore link contingency theory by moving beyond the often implicit assumption that greater planning guarantees improved performance. The literature typically presents planning as a positive capability for firms. However, there are conditions that suggest that this is not always the case. This might be indicative of the notion that the planning—performance relationship is dependent on contingency factors. In addition, the findings of this study add to the literature on performance by relating specifically to market performance whereas others relate to financial (Theoharakis et al., 2024) and marketing performance (Khan and Khan, 2021).

Second, our findings suggest that marketing planning is still a key predictor of international performance. Notwithstanding the belief to the contrary that deemphasizes planning in the agility era, planning is still an important and valuable process. This finding is in line with up to date studies (e.g. Asseraf et al., 2019) that advocate the need to preserve the role of planning because of its influence on performance, as scholars have been long
emphasizing (Teece, 2014). Thus, this study underscores the need to review emerging assumptions concerning the implementation of marketing planning and rejects the rosy notion of strategy planning as be not valuable today. The study demonstrates the intertemporal value of marketing planning and provides a noteworthy contribution to the literature on IB and strategic planning.

Third, the findings highlight moderating mechanisms, not explored before, of planning in affecting performance. A key reason for scholars’ debate whether planning is still required in these days may be the absence of attention to examining outside and inside factors that may change the planning—performance effect. While marketing planning is a key driver of performance, the degree of its usefulness is contingent upon situational factors. Specifically, this study advances understanding of the role played by market sensing (external) and tolerance for failure (internal) such that the degree of market sensing had a significant positive moderating effect and the level of tolerance for failure, surprisingly, had a significant negative moderating effect on the planning—performance relationship. Hence, scholars and managers should take into account the presence and effect of prevalent factors that may change the planning—performance relationship.

Fourth, by studying the indirect influence of market sensing on performance outcomes, this study adds to the emergent research on market sensing, a fundamental factor in making business in a changing world (Asseraf and Gnizy, 2023). Our findings indicate that sensing acts as an important mechanism that enhances the impact of planning on performance and extends the understanding of how a firm’s outside-related activity contributes to

**Source:** Figure by authors

![Figure 3. Interaction effect of tolerance for failure](image-url)
Theoretically, sensing adds to performance by allowing firms to design and execute better and more precise value-creating planning strategies. The finding on market sensing resonates insights of recent research (Theoharakis et al., 2024) that planning needs not be a habitual periodical practice but somehow real-time conduct to account for new opportunities and information that arise from market sensing.

Fifth, tolerance for failure negatively moderated the planning—performance relationship, a counterintuitive finding with several possible explanations. (i) Although the popular lore that failures provide advantages and opportunities, tolerance for failure can exhibit countervailing effects and cannot guarantee that firms reap the potential benefits of failure and even lead to financial and nonfinancial losses (Danneels, 2008; Vomberg et al., 2020). Prior research shows that a forgivable response to failures can simply form a laxness in the working environment in which mistakes may increase, standards are lowered and performance is poorly monitored. (ii) While it is important that firms provide safety climate for failures (Danneels and Vestal, 2020), the context of tolerance and its occurrence along timeline and organizational processes should be taken into account. Tolerance for failure may carry lagged effects. In our study, it is designed as a moderator and not as a driver of planning. In other words, we tested the relationship between planning and tolerance when plans were initiated to capitalize on market intelligence, namely, planning is in a process of execution. While tolerance for failure may benefit the initiation of planning (indeed, in a robustness test we found that tolerance for failure positively drove planning), when planning is already realized, it may exhibit incompetence and harm the impact of planning on performance. A failure-tolerant culture inspires employees to voice their ideas (Vomberg et al., 2020), which is important for initiating the planning process. However, in the words of Pisano (2019, p. 5) — “Tolerance for Failure but No Tolerance for Incompetence.” Thus, the effect of tolerance may be negative. At times of realizing planning, failure is not forgivable and employees cannot “hide” behind a failure-tolerant culture. High levels of tolerance may reduce firms’ ability to realize planned activities, which may lead to lower performance. (iii) Success of tolerance for failure behavior requires counterbalancing it with other behaviors in firms (e.g. intolerance for incompetence; Pisano, 2019). In addition, tolerance can be formal or informal, which may affect its outcomes (Vomberg et al., 2020). These behaviors/constructs are not represented in our model.

Finally, our study contributes to contingency theory by supporting assertions in the literature indicating that certain features of the environment moderate the antecedents and performance. The study’s findings provide key insights to the debate on the fit between organizational strategies and environmental forces (Khan and Khan, 2021). By identifying contemporary contingencies neglected by extant internationalization studies, our findings reduce the ambiguity that surrounds the performance consequences of marketing planning in IB. By providing evidence that planning allows firms to achieve superior performance, the study demonstrates that planning is yet an important topic for research and a crucial capability for firms’ internationalization.

Managerial implications
Marketing planning and the development of marketing plans has been instilled as a ritual among generations of practitioners. This study seeks to transform the conception of marketing planning practice as anachronistic by requiring that its use receives the appropriate attention of managers. The study reveals that marketing planning is still an influential capability for navigating success of operation in foreign markets since it appears as a significant contributor to international performance even in this agile era. The central implication from this study is the recognition that IB marketing planning continues to be a
crucial activity that improves performance. Senior leadership should stimulate planning mindset and activities. For example, through the planning skills that enable designing creative marketing strategies and effectively segment and target markets, managers can tackle questions such as how markets are changing over time, what is the future of the markets, and how companies attain a differential advantage over the competition.

For international planning to be of enhanced value, it should not be considered *per se*. Managers need to pay attention to a calibration of the performance benefits of effective planned IM strategies and view the planning—performance relationship as more nuanced and contingent upon certain conditions. This insight is timely as it underscores the value of using a contingency approach that captures boundary limits of relationships and is especially relevant for IB practitioners that operate in an agile world. Specifically, managers need to realize and highlight the importance of the crucial role that play an organizational outside view (market sensing) and an inside view (tolerance for failure).

While sensing enhances the positive planning—performance link, tolerance for failure decreases this link. Managers who have been exposed to popular business press that often advise to encourage failure tolerance in organizations, should be aware of its *potential downsides* and exercise a tolerance for failure culture with caution. Moreover, managers should not automatically adhere to the common economic theory that simply explains that business failure are unavoidable because managers take reasonable risks in uncertain conditions and hence failures should be tolerated. Such managers may relieve themselves from responsibility regarding decisions made on planning. A recommended statement to memorize for managers engaged in IB and aspire to maximize the impact of marketing planning on performance is: planning should be combined with greater sensing and lesser tolerance for failure.

Managers need to develop and strengthen a unique ability, market sensing, to be used simultaneously with planning to achieve better outcomes. To translate sensing into actionable actions, top management is encouraged to invest in sending employees to professional association activities, attend scientific conferences and keep close relationships with the research and knowledge community. Management should provide support to networking and intelligence acquirement activities suited to enable organization members to improve their market sensing capabilities within respective sectors and industries.

As for policy implications, we recommend that national and governmental institutions aiming to improve firms’ cross-border operation, to support firms in developing planning capabilities and market sensing activities that are crucial to effectively facilitate and pursue overseas operations and thus achieve better performance in foreign markets. Planning and market sensing should be aligned to the spirit of current times such as scenario-based planning rather than a linear growth assumption based on traditional planning (Olarewaju and Ajeyalemi, 2023). Such support could be delivered through general and tailored programs (e.g. training, guidance, ties and bonding).

Limitations and further research
This study’s conclusions must be qualified with limitations. Besides, future insights could result from additional investigations of certain related issues.

First, the study focused on two moderators. It may be important to investigate additional boundary conditions such as different internal organizational factors (e.g. structures — (de)centralized, international agility, ambidexterity approaches) and external factors (e.g. dynamic vs stable environment), managerial (e.g. improvisation, creativity) and behavioral (e.g. coordination, trust, conflict). Notably, empirical investigators could pay systematic
attention to moderating conditions of the planning—performance relationship and by this to explore types of firms for which planning is particularly beneficial.

Second, we hypothesized a positive effect of tolerance for failure but found a negative influence. Future research can elaborate on this surprising result. For example, the literature proposes an inverted U-shaped effect of tolerance and distinguishes between formal (which may hint for positive outcomes) and informal (which may hint for negative outcomes) tolerance which may present simultaneously and create tensions (Vomberg et al., 2020). In addition, success of tolerance behavior require counterbalancing it with other organizational behaviors (e.g. intolerance for incompetence; Pisano, 2019) that are not included in our model. Future research can account for such effects and can also consider frequency, severity and cost of failure. As failure tolerance increases, the costs of failure frequency and severity may supersede the benefits of tolerance and more detriment the planning—performance relationship (Vomberg et al., 2020).

Third, the data in this study are based on a multiindustry sample, raising a question about the generalizability of the findings. Future research could validate our model across different industries. Furthermore, the study was conducted in Israel, which is a developed country. According to Hofstede (2024), Israel is located at the very low end of the power distance dimension (13) and among the strongest uncertainty avoidant countries (81). However, this combination of relatively low power distance and high uncertainty avoidant is not unique to Israel but can be found in other developed countries such as Austria, Germany and Swiss (Hofstede, 2001). Taken altogether that Israel’s economy is developed and dependent on IB, and it also resembles other western countries, we believe that our study would hold true if conducted in other developed markets. Now, the study’s constructs may be viewed differently across cultures, specifically in non-western cultures. For example, national culture affects planning processes at home and host country levels (Brock et al., 2000). Future research could validate our model across different countries/cultures.

Finally, the model’s constructs, especially marketing planning, can be viewed through other frameworks (e.g. RBV, dynamic capability; Theoharakis et al., 2024), which future research can revisit them in the context of this study. We recommend that investigators further examine the timely and contingent role of marketing strategy planning from additional business angles to create a more complete understanding of this phenomenon in a changing IB world.

References


**Further reading**


**Appendix 1. Construct measurement**

(1) *Marketing strategy planning* (based on Morgan et al., 2009a):
- Marketing planning skills.
- Ability to effectively segment market.
- Ability to effectively target market.
- Developing creative marketing strategies.

(2) *Market sensing* (based on Wilden and Gudergan, 2015):
- People participate in professional association activities.
- Employees attend scientific or professional conferences.
- We connect with our active network of contacts with the scientific and research community.
- We use established processes to identify target market segments, changing customer needs and customer innovation.

(3) *Tolerance for failure* (based on Danneels, 2008):
- It is understood that failure is a necessary part of success.
- Management understand that when you try something new, you sometimes fail.
- Failure is accepted as an inevitable byproduct of taking a lot of initiatives.
- A mistake is seen as an opportunity to learn.

(4) *International performance* (based on Morgan et al., 2012):
- Market share growth.
- Growth in sales revenue.
- Acquiring new customers.
- Increasing sales to existing customers.

*Source: Appendix by authors*
## Table A1. PLS Structural model results with marker variable

<table>
<thead>
<tr>
<th>Relationship</th>
<th>Standardized $\beta$</th>
<th>t-value</th>
<th>p-value</th>
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<tbody>
<tr>
<td><strong>Main</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marketing strategy planning $\rightarrow$ international performance</td>
<td>0.45</td>
<td>5.52</td>
<td>0.000</td>
</tr>
<tr>
<td><strong>Moderation</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market sensing $\times$ marketing strategy planning $\rightarrow$ international performance</td>
<td>0.24</td>
<td>3.51</td>
<td>0.001</td>
</tr>
<tr>
<td>Tolerance for failure $\times$ marketing strategy planning $\rightarrow$ international performance</td>
<td>-0.17</td>
<td>2.48</td>
<td>0.013</td>
</tr>
<tr>
<td><strong>Control</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>International intensity $\rightarrow$ international performance</td>
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<td>0.95</td>
<td>0.341</td>
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<tr>
<td>International duration $\rightarrow$ international performance</td>
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<tr>
<td>SBU age $\rightarrow$ international performance</td>
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<td>0.45</td>
<td>0.652</td>
</tr>
</tbody>
</table>

**Source:** Appendix by authors

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