



Strategic asset-seeking acquisitions and marketing capabilities of Chinese multinationals: An ability, motivation, and opportunity perspective

Xiaoting Hu^a, Wenjing Lyu^{b,c,*}

^a School of Economics and Management, Beijing Information Science and Technology University, Beijing 100192, China

^b School of Management, Zhejiang University, Hangzhou 310058, China

^c Initiative on the Digital Economy, Massachusetts Institute of Technology, Cambridge 02142, MA, U.S.A

ARTICLE INFO

Keywords:

Strategic asset-seeking acquisitions
Marketing capabilities
Ability-motivation-opportunity framework
Knowledge-based view
Chinese multinationals

ABSTRACT

This study explores the drivers of marketing capabilities of Chinese multinationals in the context of strategic asset-seeking acquisitions, which remain largely unexplored. Drawing on the integrative framework of the ability-motivation-opportunity (AMO) framework and the knowledge-based view, we argue that the decline in cost leadership capabilities before the acquisitions increases the motivation of Chinese multinationals to leverage the acquired strategic assets to enhance their marketing capabilities. Stronger managerial ability and higher regional international openness represent the ability component and favorable environmental conditions required to realize improvements in marketing capabilities. In contrast, industry dynamism, as an opportunity element, can constrain the achievement of this goal. We conduct an empirical analysis using the Heckman two-stage model, based on a sample of Chinese listed firms spanning the period from 2009 to 2021, and find support for our arguments in the results. Our findings contribute to the marketing literature by identifying a potential avenue for enhancing marketing capabilities and to the international business literature by investigating a new approach for emerging economy multinational enterprises (EMNEs) utilizing international M&As as a springboard to build competitive advantages of EMNEs in addition to improving innovation capabilities.

1. Introduction

Marketing capabilities, conceptualized as a firm's ability to convert available marketing resources more efficiently into outputs, relative to competition (Feng, Morgan, & Rego, 2017; Mishra & Modi, 2016; Narasimhan, Rajiv, & Dutta, 2006), have been recognized as particularly valuable assets for establishing and maintaining sustainable competitive advantages (Day, 2011; Dutta, Narasimhan, & Rajiv, 1999). These capabilities, rooted in accumulated experience, are socially complex and embedded within networks that encompass multiple individuals, organizational processes, and routines (Kogut & Zander, 1992; Xie & O'Neill, 2014). This complexity renders them both immobile and challenging for competitors to imitate (Barney, 1991).

Given their pivotal roles and the inherent challenges associated with their development, there has been substantial research interest in enhancing a firm's marketing capabilities. In addition to long-term internal learning efforts (Sun, Ding, & Price, 2020), attention has turned to the impact of merger and acquisitions (M&As) (Rahman, Lambkin, & Hussain, 2016; Reddy, Park, & Bindroo, 2022). As for Chinese firms,

which are considered to suffer from capability voids, particularly in marketing and technological innovation, are increasingly launching more aggressive initiatives. These strategies include international strategic asset-seeking acquisitions to compensate for their capability voids and to bolster their competitive advantages (Deng, 2009; Luo & Tung, 2007, 2018; Zheng, Wei, Zhang, & Yang, 2016).

However, previous studies that explore the impacts of strategic asset-seeking acquisitions on capability development of Chinese multinationals predominantly stress how their technological innovation capabilities are affected (e.g., Chen, Hua, & Boateng, 2017; Liang, Giroud, & Rygh, 2022), with less attention paid to the development of their marketing capabilities (Rahman, Lambkin, & Shams, 2021). Nonetheless, the strategic assets acquired include not only technology and R&D facilities that are crucial for promoting innovation capabilities, but also encompass "human capital, brands, consumer bases, distribution channels, (and) managerial expertise" (Luo & Tung, 2007, p.487) that are indispensable for marketing capabilities improvement. Furthermore, from the lens of knowledge-based view (KBV), heterogeneous resources and external conditions are required for acquirers to cope with diverse

* Corresponding author at: Room E94-1522a, 245 1st Street, Cambridge, MA 02142, USA.
E-mail address: wjlyu@mit.edu (W. Lyu).

challenges in transferring and assimilating marketing and technological knowledge, which ultimately determines the success of their capabilities development efforts (Hsu & Chen, 2009). Since the former are more socially embedded and context-specific (Anand & Delios, 2002; Meyer, Estrin, Bhaumik, & Peng, 2009), it is more difficult to be codified for transfer and integrated with acquirers' existing knowledge base. Therefore, it becomes imperative to shed light on *the influence of strategic asset-seeking acquisitions on the marketing capabilities of Chinese multinationals and explore the drivers of marketing capabilities in the context of acquisitions* to fill gaps in the literature.

To address the question above, we integrated the ability–motivation–opportunity (AMO) framework and KBV to identify the elements that determine the recognition of valuable knowledge, the transfer and assimilation of valuable knowledge that is critical for the development of post-acquisition capabilities. The AMO framework posits that the successful performance of any task depends on the individual's ability, motivation and the opportunity to perform the task (Blumberg & Pringle, 1982; MacInnis & Jaworski, 1989). Consequently, whether Chinese multinationals can leverage acquired strategic assets to improve their marketing capabilities depends on their ability, motivation, and opportunity to recognize, transfer, and assimilate the strategic assets. Taking into account the influence of the tacitness, complexity, and specificity characteristics of marketing knowledge on its transfer and assimilation, as well as the foundational capabilities of Chinese multinationals, we explore the impact of declines in cost leadership capabilities, managerial abilities, regional-level international openness, and industry dynamism.

In particular, we hypothesize that declines in cost-based advantages before acquisitions increase the motivation of Chinese multinationals to improve marketing capabilities. Cost leadership capabilities have traditionally played a significant role in promoting the internationalization of Chinese multinationals and other emerging economy multinational enterprises (EMNEs) (Elango & Pattnaik, 2007; Gao, Murray, Kotabe, & Lu, 2010). However, as China's demographic dividends diminish and the Chinese government pushes companies to transition to higher value added segments of the value chain to achieve high-quality development (Wang, Wang, Dong, & Dong, 2022), the imperative to build new advantages is evident through the development of marketing capabilities based on acquired strategic assets. Furthermore, the extent to which these strategic assets are used effectively to improve marketing capabilities depends on the ability of managers to recognize and transfer relevant knowledge. This requires effective communication between managers and individuals embedded with marketing knowledge, as well as the efficient integration of this new knowledge into existing routines and processes, all under the pressure of integration costs (Graebner, Heimeriks, Huy, & Vaara, 2017). Therefore, we consider managerial ability as one of the ability elements, reflecting the efficiency of managers in converting inputs into outputs (Demerjian, Lev, Lewis, & McVay, 2013; Demerjian, Lev, & McVay, 2012). We posit that more capable managers are better equipped to enhance their firms' marketing capabilities through acquisitions.

AMO framework also emphasizes the role of external conditions in enabling or constraining firm performance. We specifically investigate the impact of regional-level international openness and industry dynamism, which play a crucial role in determining whether context-specific marketing capabilities can be assimilated or integrated for value creation. Regional-level international openness is defined as the regional openness to inward foreign direct investment (FDI) (Buckley et al., 2007; Dong, Kokko, & Zhou, 2022), while industry dynamism measures the degree to which industry demand experiences rapid and unpredictable changes (Fang, Palmatier, & Grewal, 2011). We surmise that international openness creates a favorable environment for the development of acquirers' marketing capabilities. On the one hand, knowledge spillover from foreign firms facilitates the identification of valuable assets by acquirers. On the other hand, competitive pressure from foreign firms motivates acquirers to enhance their marketing

capabilities through M&As (Xia, Ma, Lu, & Yiu, 2014). However, industry dynamism is expected to have the opposite effect. In dynamic environments, the acquired assets may not be directly applicable in the domestic market due to their context-specific characteristics. Additionally, substantial resources are required for the learning and integration processes. As a result, industry dynamism diverts firms' investments away from marketing capabilities, thus negatively affecting their development.

To evaluate our arguments, we conduct empirical analysis using a sample of Chinese listed firms spanning the period from 2009 to 2021. To address potential issues of endogeneity arising from selection problems, we employed the Heckman two-stage model. The results provide robust support for our arguments.

Our aim is to contribute to the expanding literature on the development of marketing capabilities and the learning of EMNEs through internationalization. Firstly, we propose a potential pathway to improve marketing capabilities by examining the influence of strategic asset-seeking acquisitions and identifying the drivers within this specific context based on the integrative framework of the AMO and KBV. Previous relevant marketing literature has mainly focused on internal learning mechanisms (e.g., increased marketing expenditure, vigilant market learning, adaptive market experimentation) (Day, 2011; Merri-Teles, Rundle-Thiele, & Lye, 2011; Morgan, Feng, & Whitler, 2018), while the external approaches such as M&As have remained unexplored (Rahman et al., 2021; Reddy et al., 2022). Integrating the AMO framework with the KBV lens, we not only further enhance our understanding of this potential pathway by identifying the enabling elements that address challenges arising from the context-specific and socially embedded characteristics of marketing capabilities, but also address the long-standing debate over the classification of the AMO framework as a theory or a unified framework, highlighting the need for contextual specificity in determining the dimensions of ability, motivation, and opportunity.

Secondly, our study responds to the recent call within the literature on EMNEs' learning through internationalization to broaden the scope beyond just technological innovation capabilities for Chinese multinationals (Eng & Spickett-Jones, 2009; Wei & Nguyen, 2020; Zheng et al., 2016). Previous international M&As literature has primarily emphasized the enhancement of innovation capabilities among EMNEs based on the KBV lens (e.g., Anderson, Sutherland, & Severe, 2015; Liang et al., 2022; Shi, Sutherland, Williams, & Rong, 2021). However, the development of marketing capabilities has received comparatively less attention. While marketing capabilities share similarities with innovation capabilities as sources of competitive advantages for firms, they also exhibit differences, such as limited cross-border transferability (Hennart & Park, 1993) and a focus on value capture rather than value creation (Eisend, Evanschitzky, & Calantone, 2016; Krasnikov & Jayachandran, 2008). These distinctions have unique implications for knowledge transfer and absorption following M&As. Consequently, the critical role and specificity of marketing capabilities require specialized research on their changes within the context of strategic asset-seeking acquisitions. Our research contributes to the literature by addressing this gap.

2. Theoretical background and hypotheses development

2.1. Integration of the knowledge-based view and the ability-motivation–opportunity framework in the strategic asset-seeking acquisition context

Empirical investigation of the nexus between strategic asset-seeking acquisitions and firm performance has often produced equivocal findings, highlighting the urgent need for methodological refinement in research approaches. This ambiguity underscores a critical demand for greater methodological rigor, as advocated by scholars such as Anand and Delios (2002) and Azmeh and Nadvi (2014). The scholarly discourse has progressively evolved, with a consensus emerging on the challenges prevalent in current methodologies and the call for their enhancement

(Azmeah & Nadvi, 2014; Chen, Wei, Hu, & Muralidharan, 2016; Liang et al., 2022; Thakur-Wernz, Cantwell, & Samant, 2019; Yeung, 2016). In particular, Yeung (2016) and Rahman et al. (2021) propose a more granular analysis of performance outcomes following strategic asset-seeking acquisitions, emphasizing the importance of examining specific dimensions such as technological innovation and marketing capabilities. Liang et al. (2022) and Thakur-Wernz et al. (2019) stress the need to clearly define the uniqueness of research samples to deepen theoretical insights.

The strategy of pursuing strategic asset-seeking acquisitions by EMNEs, especially Chinese multinationals, requires a reevaluation of traditional internationalization theories (Cooke, Wu, Zhou, Zhong, & Wang, 2018; Yakob, Nakamura, & Ström, 2018). These acquisitions are increasingly recognized as pathways for capability enhancement and development (Elia & Santangelo, 2017; Hitt, Li, & Xu, 2016; Liang et al., 2022), serving as strategies to circumvent competitive disadvantages through “leapfrogging” (Luo & Tung, 2007, 2018). Cui, Meyer, and Hu (2014) call for a precise articulation of theoretical frameworks in analyzing strategic asset-seeking acquisitions, while Kim, Pathak, and Werner (2015) underscore the importance of evaluating the synergy among a firm’s capabilities, motivations, and environmental opportunities as pivotal for value creation.

Anand and Delios (2002) and Yan, Lee, and Josephson (2023) have highlighted marketing capabilities as a distinct outcome of strategic asset-seeking acquisitions, differentiating them from innovation capabilities. Marketing capabilities, defined as a firm’s ability to utilize resources to implement marketing functions—such as product development, differentiation, marketing communication, and channel management—to achieve desired outcomes (Dutta et al., 1999; Morgan et al., 2018), are crucial to secure and maintain competitive advantages (Day, 2011; Dutta et al., 1999). Embedded with tacit knowledge, these capabilities are firm-specific and challenging to imitate or transfer, emphasizing efficiency in translating resources into sustainable competitive advantages through marketing outcomes, unlike innovation capabilities, which focus more on the adoption of technologies and the development of new solutions. The literature recognizes the distinct roles of these capabilities, and marketing capabilities are often underestimated in their contribution to commercial success. Firms may have strong innovation capabilities, but struggle to translate these into market success due to insufficient marketing capabilities, exemplified by the innovations in Xerox PARC and AMD’s challenges against Intel (Dutta et al., 1999). Therefore, while both capabilities aim to fulfill market needs, innovation capabilities focus on the innovation process and related organizational routines, whereas marketing capabilities concentrate on organizational routines related to marketing activities, crucial to achieving customer-centric advantages.

In the context of strategic asset-seeking acquisitions by Chinese multinationals, the emphasis on marketing capabilities has intensified. For example, Geely’s acquisition of Volvo not only augmented its technological prowess but significantly strengthened its marketing capabilities, transforming its brand from being synonymous with “the world’s cheapest car” to one of the “top ten automobile groups with the highest comprehensive brand value”, witnessing an eleven-fold increase in brand value over a decade after acquisition. Investing in marketing capabilities presents several advantages for acquirers, including lower risk and faster returns compared to efforts aimed at enhancing technological capabilities, thus addressing potential skepticism or scrutiny following acquisitions (Valentini, 2012).

The Ability-Motivation-Opportunity (AMO) framework is advocated as a comprehensive lens to examine the capabilities, motivations, and environmental opportunities of a company in tandem (Cui, Fan, Liu, & Li, 2017; Deng, 2009; Zollo & Singh, 2004). Despite its broad application across diverse domains, critiques have been raised regarding its sufficiency as a standalone theoretical construct, particularly due to its perceived superficiality without a robust theoretical foundation. The Knowledge-Based View (KBV) is suggested as a complementary

theoretical perspective, given its extensive application in explicating firm strategies and global expansion efforts aimed at acquiring strategic knowledge assets. The intricate nature of knowledge processes requires a sophisticated application of KBV to effectively inform global strategy theories.

This study introduces an integrative framework that merges the AMO framework with the KBV in the context of strategic asset-seeking acquisitions. This approach aims to address the gaps identified in previous research by clarifying the application context of the AMO framework. Through this integration, we offer a comprehensive analysis in which the elements of the AMO framework, namely, ability, motivation, and opportunity, are interpreted through a knowledge-based lens. The existing literature provides a foundation for this approach by applying the AMO framework to examine firms’ competencies (abilities), their commitment to sustaining a knowledge advantage (motivation), and their social networks that facilitate knowledge transfer (opportunity) (Chang, Gong, & Peng, 2012).

Our framework delves into the acquirer’s motivation to pursue strategic asset-seeking acquisitions, the firm’s ability to execute knowledge transfers during these acquisitions, and the external conditions that facilitate the integration of knowledge transfer after acquisition. Using an additive model within the AMO framework, we posit that each component independently contributes to overall performance. This model offers a direct, yet potent, method for predicting outcomes, aligning with the complex nature of strategic asset-seeking acquisitions. Specifically, our study examines the influence of these acquisitions on the marketing capabilities of Chinese multinationals.

2.2. Prior decline in cost leadership as the motivation for developing marketing capabilities

We begin our examination by delving into the motivational factors that drive Chinese multinational corporations to engage in knowledge transfer endeavors through strategic asset-seeking acquisitions. Motivation, within the AMO unified framework, can be defined as the degree to which an individual or organization is inclined to pursue specific actions or objectives (Mitchell, 1982). Previous scholarly work underscores the pivotal role of strong motivation in driving performance (Blumberg & Pringle, 1982; Kim et al., 2015). Synthesizing this notion with KBV in the context of strategic asset-seeking acquisitions, the existing literature suggests that the motivation driving an acquiring firm to enhance acquisition performance is contingent upon its determination to leverage the acquired strategic assets effectively (Campbell, Sirmon, & Schijven, 2016; Schijven & Hitt, 2012), facilitate successful knowledge transfer (Chang et al., 2012), and execute efficient post-acquisition integration (Brueller, Carmeli, & Markman, 2018). In particular, fear of losing a competitive advantage has substantial motivational sway, forcing firms to explore unconventional avenues in their pursuit of desired outcomes (Chang et al., 2012; Jiang, Lepak, Hu, & Baer, 2012).

Embedded within the distinctive landscape of Chinese multinationals, the apprehension of losing a previously held advantageous market position emerges as the key motivating factor driving these firms to engage in strategic asset-seeking acquisitions aimed at cultivating marketing capabilities. In particular, the existing literature has observed that, in light of the Chinese government’s impetus for high-quality development, an increasing number of Chinese multinationals have found themselves relinquishing their erstwhile cost leadership advantage (Wang et al., 2022). It is well established that a firm’s past performance serves as feedback that influences its subsequent strategic decisions and transformative initiatives (Greve, 2003, 2011). Consequently, experiences of declining past advantageous market positions engender a higher motivation for improvement (Audia & Greve, 2006). Notably, such declines in advantageous market positions also pose a significant threat to a firm’s unique knowledge base.

Previous studies have recognized that a prior decline in the

advantageous market position motivates firms to engage in acquisitions to acquire new knowledge assets. For instance, Higgins and Rodriguez (2006) found that firms witnessing declines in R&D productivity are more inclined to pursue outsourcing acquisitions as a means to bolster their innovation capabilities. Similarly, Zhao (2009) posits that firms that have consistently experienced declines in technological innovation before acquisition are incentivized to complete deals with the aim of augmenting their innovation through acquisitions. In summary, these previous findings affirm that a decline in advantageous market position should be regarded a performance outcome category for which firms seek enhancement through strategic asset-seeking acquisitions. Therefore, if a firm's advantageous market position is related to technological innovation and has seen a decrease in innovation, the firm is motivated to employ strategic acquisitions to secure additional technological knowledge assets, thus improving its innovation performance through acquisitions.

Applying the same rationale to the context of Chinese multinationals, and with a specific focus on their post-acquisition marketing capabilities, it is the decline in advantageous market position, particularly in the marketing domain, that serves as the motivating impetus for these firms to seek knowledge assets in marketing through strategic asset-seeking acquisitions. In the marketing arena, as previously noted in the scholarly literature, the most prevalent advantageous market position among Chinese multinationals, one that is also vulnerable to competitive erosion, has been their historical leadership in cost reduction (Elango & Pattnaik, 2007; Gao et al., 2010; Madhok & Keyhani, 2012). However, this historical cost leadership advantage no longer persists uniformly across all Chinese multinationals, especially those operating in industries or regions that have witnessed a diminishing demographic dividend (Azme & Nadvi, 2014; Chen et al., 2016). As such, the more pronounced the erosion of this advantage, that is, the greater the decline in cost leadership, the more precarious the firm's knowledge base becomes regarding marketing success through previous low-cost strategies. Consequently, firms are compelled by stronger motivations to seek alternative avenues through strategic asset-seeking acquisitions to secure sustainable competitive advantages and fortify their marketing capabilities.

Hence, within the integrative framework of the AMO with the KBV, firms experiencing a decline in their prior knowledge asset-related advantage in cost leadership are driven to acquire marketing-related knowledge assets through strategic asset-seeking acquisitions. Therefore, it can be postulated:

Hypothesis 1. Prior declines in cost leadership are positively associated with acquiring firms' marketing capabilities following strategic asset-seeking acquisitions.

2.3. Managerial proficiency as the ability for developing marketing capabilities

Our inquiry proceeds by investigating the crucial factor of managerial proficiency that empowers Chinese multinational corporations to engage in knowledge transfer endeavors through strategic asset-seeking acquisitions. Within the AMO framework, ability encompasses the skills and competencies that enable individuals and organizations to perform tasks effectively (Blumberg & Pringle, 1982; Kim et al., 2015). In the integrated AMO framework, coupled with the theoretical lens of KBV, ability refers to the capacity, knowledge, expertise, and competence of the acquiring firm in recognizing, acquiring, and effectively integrating essential components that facilitate the reconfiguration of acquired assets, ultimately unlocking their latent potential (Campbell et al., 2016). The literature has consistently emphasized the crucial role of ability in driving performance outcomes (Brueller et al., 2018; Schijven & Hitt, 2012). Synthesizing this notion within KBV regarding strategic asset-seeking acquisitions, existing research underscores that the ability of an acquiring firm to enhance acquisition performance hinges on its

proficiency in identifying valuable acquisition targets whose resources align synergistically with its existing knowledge assets (Demerjian et al., 2013), effectively leveraging the acquired strategic assets to facilitate successful knowledge transfer (Chang et al., 2012), and executing efficient integration and reconfiguration of knowledge assets to capitalize on synergies and learning post-acquisition integration (Holcomb, Holmes Jr., & Connelly, 2009). In particular, the presence of managerial proficiency consistently plays a compelling role in shaping a firm's ability to successfully preserve knowledge assets and generate desired outcomes (Demerjian et al., 2012; Demerjian et al., 2013; Demerjian, Lewis-Western, & McVay, 2020).

Past studies have duly recognized that managerial proficiency significantly improves firms' ability to participate in strategic asset-seeking acquisitions, effectively acquiring knowledge assets. For instance, Demerjian et al. (2013) found that managerial proficiency enables firms to exercise better judgment and make more accurate assessments, particularly in the selection of valuable acquisition targets whose resources align with the firm's existing assets, including consumer bases and distribution channels. Such targets are inherently more likely to possess greater potential for the development of marketing capabilities. Similarly, Holcomb et al. (2009), alongside other scholars (e.g., Higgins & Rodriguez, 2006; Zheng et al., 2016), posit that managerial proficiency empower firms to more effectively adopt appropriate integration strategies post-acquisitions, thereby leveraging the strategic assets acquired and fostering superior synergies. Managerial proficiency also equips firms with the requisite knowledge and enhanced absorptive capacity, which are pivotal in achieving effective knowledge transfer within post-acquisition synergies (Holcomb et al., 2009).

Applying this rationale to the specific context of Chinese multinationals, with a particular focus on their post-acquisition marketing capabilities, managerial proficiency plays a critical role. They provide the firm with the expertise needed to facilitate the transfer of tacit marketing knowledge from target firms (Demerjian et al., 2012) and possess the knowledge required to efficiently manage integration costs. This, in turn, provides the acquiring firm with greater resources that can be invested in the development of marketing capabilities (Chen, Podolski, & Veeraraghavan, 2015).

In summary, acquiring firms endowed with higher managerial proficiency are more likely to successfully acquire strategic assets by adeptly selecting the right targets and effectively integrating and configuring knowledge assets, ultimately enhancing their marketing capabilities. Therefore, we advance the following hypothesis:

Hypothesis 2. Managerial proficiency is positively associated with acquiring firms' marketing capabilities following strategic asset-seeking acquisitions.

2.4. Regional international openness as the favorable opportunity for developing marketing capabilities

Our inquiry advances by scrutinizing the pivotal role of regional international openness in furnishing Chinese multinational corporations with the opportunity to effectively engage in knowledge transfer endeavors through strategic asset-seeking acquisitions. Within the AMO framework, opportunity denotes the degree to which a given situation fosters or hinders the attainment of a desired outcome (Blumberg & Pringle, 1982; Kim et al., 2015). Synthesizing this concept within the KBV framework in the context of strategic asset-seeking acquisitions, the existing literature suggests that a favorable opportunity that propels an acquiring firm to enhance its acquisition performance hinges upon its commitment to facilitate successful knowledge transfer (Chang et al., 2012) and execute efficient post-acquisition integration (Brueller et al., 2018). Importantly, regional international openness consistently emerges as a potent factor shaping a firm's favorable opportunity to adeptly preserve knowledge assets and achieve desired outcomes from strategic asset-seeking acquisitions (Berry, Guillén, & Zhou, 2010;

James, Sawant, & Bendickson, 2020; Jean, Sinkovics, & Kim, 2017).

Past studies have duly recognized that regional international openness significantly enhances a firm's opportunity to leverage knowledge assets. For instance, Li, Strange, Ning, and Sutherland (2016) observed that regional international openness provides more robust institutional support, allowing Chinese multinational corporations to glean valuable insights from foreign partners. Regional international openness fosters a conducive environment for Chinese multinationals by placing them in proximity to the institutional frameworks of foreign markets. Consequently, regional international openness facilitates a better opportunity for Chinese multinationals to gain a deeper understanding of foreign markets, thereby promoting the transfer and absorption of tacit knowledge from foreign target firms.

Applying this rationale to the specific context of Chinese multinationals, with a particular focus on their post-acquisition marketing capabilities, regional international openness assumes a pivotal role. It provides firms with the favorable opportunity needed to facilitate the localization of knowledge spillovers from foreign markets (Fu, 2012) and provides acquiring firms with a shared knowledge base that aligns with that of their foreign targets (Makri, Hitt, & Lane, 2010). Ultimately, this enhances their marketing capabilities. Therefore, we posit the following hypothesis:

Hypothesis 3. Regional international openness is positively associated with acquiring firms' marketing capabilities following strategic asset-seeking acquisitions.

2.5. Industrial dynamism as the unfavorable opportunity for developing marketing capabilities

Our investigation progresses by scrutinizing the inhibitory role of industry dynamism, which presents an unfavorable opportunity for Chinese multinational corporations when it comes to effectively engaging in knowledge transfer endeavors through strategic asset-seeking acquisitions. Within the AMO framework, opportunity encompasses not only favorable elements conducive to enhancing organizational performance, but also unfavorable factors that constrain the achievement of desired outcomes (Blumberg & Pringle, 1982; Kim et al., 2015). Integrating this concept within the KBV framework, specifically in the context of strategic asset-seeking acquisitions, existing literature suggests that an unfavorable opportunity hindering an acquiring firm's ability to enhance its acquisition performance is contingent upon its challenges in enabling successful knowledge transfer (Chang et al., 2012) and executing inefficient post-acquisition integration (Brueller et al., 2018). It is noteworthy that industry dynamism consistently emerges as a critical unfavorable factor that shapes a firm's adverse opportunity, limiting its ability to effectively preserve knowledge assets and achieve desired results from strategic asset-seeking acquisitions (Berry et al., 2010; James et al., 2020; Jean et al., 2017).

Previous studies have duly recognized that industry dynamism significantly impedes a firm's ability to leverage knowledge assets (Liao, Chen, Hu, Chung, & Yang, 2017; Liao & Hu, 2007). Industry dynamism is characterized by the instability, uncertainty, and unpredictability of the industry environment (Fang et al., 2011; Xue, Ray, & Gu, 2011), exacerbating knowledge ambiguity and creating difficulties for firms in effectively acquiring knowledge. For instance, Naranjo-Gil (2009) observed that industry dynamism complicates the task of evaluating the potential value of knowledge acquired from a target firm. Consequently, in a dynamic industry environment, leveraging the strategic assets acquired through strategic asset-seeking acquisitions to enhance marketing capabilities becomes a more arduous endeavor.

Applying this rationale to the specific context of Chinese multinationals, with a particular focus on their post-acquisition marketing capabilities, industry dynamism assumes a pivotal role. It presents firms with an adverse opportunity, restricting the localization of tacit marketing knowledge spillovers from foreign markets (Fu, 2012). As prior

studies have noted, marketing knowledge is tacit, locally embedded, and industry-specific (Schoenherr, Griffith, & Chandra, 2014). Thus, industry dynamism hinders firms from effectively transforming the acquired tacit, locally embedded, and industry-specific marketing knowledge assets gained through strategic asset-seeking acquisitions into contextually relevant marketing capabilities. Furthermore, industry dynamism significantly exacerbates information asymmetry between the acquiring firm and the target firm (Sirmon, Hitt, & Ireland, 2007), making it challenging for the acquirer to identify valuable marketing assets within the target. Consequently, the increased industry dynamism poses substantial obstacles during the post-acquisition integration process, making it more difficult for acquiring firms to absorb and commercialize acquired assets to enhance their marketing capabilities. In summary, we propose the following hypothesis:

Hypothesis 4. Industry dynamism is negatively associated with acquiring firms' marketing capabilities following strategic asset-seeking acquisitions.

3. Methods

3.1. Sample and data

We used a panel dataset of Chinese public firms for the period 2009–2021 and the sample is dominated by business-to-business (B2B) manufacturing firms. Data were collected from multiple sources: first, we collected M&A transaction data from the WIND Economic Database, which is the leading provider of databases of Chinese listed firms (Xia et al., 2014) and then cross compare them with the data in corporate annual reports for the higher data reliability; second, firm-level data from the WIND, CSMAR, and State Intellectual Property Office of China, which provide information such as firm size, age, ownership structure, R&D intensity, leverage, sales, industry, and patent-related information; third, region-level data from the National Bureau of Statistics of China; and fourth, and country-level data from the Worldwide Governance Indicators (WGI) database supported by the World Bank.

Considering acquirers need time to integrate after acquisitions, the endpoint for acquisition events is earlier than the conclusion of the research period, which is 2020. Additionally, our analysis method considers the impact of the acquirers' characteristics before acquisition. Consequently, the starting point for acquisition events is later than the beginning of the research period, which is 2010. We then followed the steps adopted by Liang et al. (2022) to identify strategic asset-seeking M&As. First, we manually collected statements regarding acquisition motives from M&A announcements and annual reports of firms. Second, we code the acquisition as a strategic asset-seeking acquisition when the motive statements contain specific terms such as "consumer bases", "brands", "distribution channels", "technology", "key/core product", "managerial expertise", and so on. Third, to further improve the cross validity of the coding of M&A motives, the two authors compared their coding of strategic asset-seeking M&As and ensure consensus between them (Thakur-Wernz et al., 2019).

After that, we collected 238 strategic asset-seeking M&As. To control the confounding effects of acquisitions with other motives, we removed the acquirers from the sample that simultaneously completed M&As with other motives during the research period, such as market-seeking and efficiency-seeking motives (Dunning & Lundan, 2008). Second, to control the impact of heterogeneity at the host country level, we excluded acquirers that completed two or more strategic asset-seeking M&As from different host countries. Third, we also eliminated the M&A data if the acquirers are financial firms or the targets are holding companies from tax havens, such as the Cayman Islands and the British Virgin Islands. Fourth, data were also excluded if acquirers received special treatment, were delisted or if their industry codes (identified by the China Securities Regulatory Commission two-digit industry codes for manufacturing and one-digit for nonmanufacturing) were changed

during the research period. Ultimately, we obtained 90 usable strategic asset-seeking M&As completed by 88 acquiring firms.

In addition, to control the potential endogeneity due to selection problems, we followed previous research (Thakur-Wernz et al., 2019) adopting the Heckman two-stage model (Heckman, 1979) to do empirical analysis. Therefore, our sample also includes the firms that have not made any M&As during the research periods, but are from the same industry as the acquirers. Meanwhile, those nonacquirers neither received special treatment, and their industry codes were not changed. Based on these criteria, another 836 firms entered our sample. Overall, we obtained a sample of 924 firms for the years 2009–2021. Because information was not available for all firms across the databases for all years, we have an unbalanced panel of 8067 firm-year observations. The 8067 firm-year observations from 924 firms were entered into the first stage of the Heckman two-stage selection model, and 622 firm-year observations from the 88 acquiring firms were entered into the second stage of the Heckman two-stage selection model.

3.2. Dependent variable

Marketing capabilities (*MarkCap*) is the dependent variable in our second stage model, and is conceptualized as the efficiency with which firms convert marketing expenditure into sales (e.g., Feng et al., 2017; Mishra & Modi, 2016; Narasimhan et al., 2006; Sun et al., 2020). To measure *MarkCap*, we employ the input-output stochastic frontier model (SFM), a well-established methodology widely adopted in the marketing literature (e.g., Feng et al., 2017; Mishra & Modi, 2016; Sun et al., 2020).

Following Sun et al. (2019, 2020), we consider several key input resources, including firms' selling, general, and administrative expenses (SG&A), receivables, intangible assets, and the installed base. Sales volume is employed as the metric for the marketing outcome. SG&A expenses represent financial investments made by firms in activities such as advertising, promotion, and other supporting functions, which constitute important inputs into marketing efforts. Receivables are considered an input to capture the dynamics of customer relationships and their influence on marketing capabilities. Effective management of receivables can impact customer acceptance and, consequently, sales outcomes. Intangible assets are incorporated as inputs due to their significant impact on customer acceptance. The installed base is measured by the previous sales volume.

The SFM is operationalized as a Cobb-Douglas production function applied to panel data. This approach enables us to model and assess the efficiency with which firms utilize their input resources (SG&A, receivables, intangible assets, and installed base) to achieve sales volume outcomes. In essence, the SFM allows us to evaluate how effectively firms are harnessing their resources to attain their marketing objectives and how close their realized sales are to the sales frontier given the level of input resources. Specifically, to estimate marketing capabilities, for firm *i* in year *t* in each industry, we estimate:

$$\ln(Sale_{it}) = \alpha_0 + \alpha_1 \ln(SGA_{it}) + \alpha_2 \ln(REC_{it}) + \alpha_3 \ln(INTA_{it}) + \alpha_4 \ln(IBS_{it}) + \varepsilon_{it} - \eta_{it} \tag{3-1}$$

where, *Sales_{it}* is the sales volume of firm *i* in year *t*, *SGA_{it}*, *REC_{it}*, *INTA_{it}* and *IBS_{it}* are the selling, general, and administrative expenses, receivables, intangible assets, and the installed base of firm *i* in year *t*, respectively. ε_{it} represents random shock and η_{it} is the firm's inefficiency to convert resource inputs into sales. We first obtained the maximum likelihood estimates of the inefficiency term (η_{it}) first and then calculated its inverse to capture firm marketing capabilities (*MarkCap*).

3.3. Independent variable

3.3.1. Declines in cost leadership

Declines in cost leadership are measured by a categorical variable

(*Dcostl*), and *Dcostl* equals 1 if the firm experienced declines in cost leadership one year before the strategic asset-seeking acquisition, and 0 otherwise. To construct the variable, we first calculate firms' cost leadership capabilities (*CL*) according to the measure of Gao et al. (2010) and Duanmu, Bu, and Pittman (2018). Thus, the following formula is adopted:

$$CL_{i,t} = \frac{(CL)_{i,j,t} - \text{median}_{-i,j,t}(CL)}{\text{range}\left\{\left[(CL)_{i,j,t} - \text{median}_{-i,j,t}(CL)\right] \forall i \in j, t\right\}} \in [-1, 1] \tag{3-2}$$

where *CL_{i,t}* is the cost leadership capabilities of firm *i* in year *t*. *(CL)_{i,j,t}* is the ratio of the production cost to the total sales of firm *i* in industry *j* in year *t*. *Median_{-i,j,t}(CL)* is the median of all listed firms in industry *j* excluding firm *i* in year *t*. The range of values of *CL_{i,t}* is [-1,1]. The smaller the value, the stronger the firm's cost leadership capabilities are. Then, we compare the value of a firm's CL in years t-2 and t-1. If the CL value of year t-2 is higher than that of year t-1, this indicates that the firm experiences declines in cost leadership. *Dcl* takes the value of 1 under the circumstances and 0 otherwise.

3.3.2. Managerial ability

Managerial ability (*Manabt*) is measured by the indicator proposed by Demerjian et al. (2012). The measurement is extensively used to examine the effect of managerial ability on firm performance (Fernando, Jain, & Tripathy, 2020), earnings smoothing (Demerjian et al., 2020), firm innovation (Lin, Patel, & Oghazi, 2021), and so on. Demerjian et al. (2012) suggest that total firm efficiency is determined by firm-specific characters (e.g., fixed assets, past research and development) and managers. To quantify managerial ability, they first use data envelope analysis (DEA) to construct a measure of firm efficiency within its industry. Then, they separate the residual of total firm efficiency, which is the managerial ability, by running a Tobit regression model by industry which controls for firm-specific efficiency drivers. The higher the residual is, the more able the managers are.

3.3.3. International openness

International openness (*IntOpen*) is measured by the ratio of inward FDI stock to GDP in each province per year (Buckley et al., 2007).

3.3.4. Industry dynamism

Industry dynamism (*Indudym*) captures the volatility of industry sales over the previous five years. Industry sales were first regressed against time, and the standard errors of the regression slope coefficients were then divided by the mean sales (Li & Tang, 2010).

3.4. Control variables

We first introduce a series of **firm-level** control variables that prove to affect firms' marketing capabilities. Firm age, size, ownership, and R&D intensity are contained. *Firm age* is measured based on the date the firm was registered. *Firm Size* is measured by the natural logarithm of the total number of employees. *Ownership* is a categorical variable. It is 1 when the firm is state-owned and 0 otherwise. R&D intensity (*R&D*) is measured as R&D expenses divided by total sales. In addition to the firm-level variables, the **deal-level** and **country-level** variables also enter the model as controls. Equity acquired in the M&A (*Equity*) is included, which is measured by the actual share of equity acquired in the M&A (Gaffney, Karst, & Clampit, 2016). The equity acquired determines the level of control of the acquirer on the target firms, which significantly affects whether the acquirer possesses synergy to improve capabilities and competitive advantages through the transfer of tacit and codified knowledge, firm-specific routines and processes, etc. (Awate, Larsen, & Mudambi, 2015; Brandl, Jensen, & Lind, 2018). We also examine the role of institutional distance (*Distance*) which is a critical factor influencing acquisition effects and is widely concerned (Berry et al., 2010;

James et al., 2020). Distance is measured using the Euclidean distance approach based on Worldwide Governance Indicators (WGI). The WGI contains six broad dimensions of governance, namely, voice and accountability, political stability and absence of violence/terrorism, government effectiveness, regulatory quality, rule of law, and corruption control. We first calculate the sum of squares of the differences between China and the host country in each dimension and then calculate the square root to measure the institutional distance. Finally, we also added *Industry* and *Year* as dummy control variables.

3.5. Two-stage Heckman model

Potential endogeneity due to selection problems may affect the research results, as not all firms conduct international M&As, and the expected benefits could determine whether the firm chooses to M&As or not. To control for this endogeneity arising from sample selection and self selection, we followed the prior literature (Thakur-Wernz et al., 2019) and adopted the Heckman two-stage model (Heckman, 1979) to conduct empirical analysis. A total of 924 firms were entered into the first stage of the Heckman two-stage selection model. Of these 924 firms, 88 are the acquiring firms; therefore, this subset of 88 firms entered the second stage of the model.

In the first stage selection equation, we use a Probit model to predict the likelihood that a firm makes strategic asset-seeking acquisitions. The dependent variable in this stage is a dummy variable (*M&A*), and takes the value of 1 if the firm conducts a strategic asset-seeking acquisition during the research periods and 0 otherwise.

Drawing on the prior literature (Desyllas & Hughes, 2010; Szücs, 2014; Thakur-Wernz et al., 2019), we regress the M&A choice with firm-level variables and year and industry dummies. The firm-level variables include *Firm age*, *Firm Size*, *Ownership*, *Innovation Capabilities*, *Marketing Capabilities*, *Cost Leadership Capabilities*, *Profitability*, and *Leverage*. The measurements of firm age, size, and ownership are the same as in Section 3.4. Innovation capabilities are measured by the natural logarithm of patent stock (*Innovation*) that is calculated using the standard perpetual inventory formula based on the invention patent applications. Specifically, the patent stock at year t , $Pstock_t$, equals the last year's patent stock, after depreciation at rate δ is deducted, plus the number of patents year t , $Patent_t$; $Pstock_t = (1 - \delta) Pstock_{t-1} + Patent_t$. Following Hall (1990), Desyllas and Hughes (2010) and Wagner (2011), we use a 15% depreciation rate per year in the formula. R&D intensity was not adopted as the proxy for innovation capabilities. Because some acquirers' R&D data are missing, those firms will be dropped in the regression, consequently reducing the sample size of the M&As group. The measurement of marketing capabilities is the same as that in Section 3.2. Cost leadership capabilities are calculated by eq. (3-2). Innovation, marketing, and cost leadership advantages are generally considered the drivers of internationalization (Elango & Pattnaik, 2007; Gao et al., 2010). *Profitability* is measured by return on assets (ROA). *Leverage* is measured as total debt divided by total assets. Profitability indicates whether a firm has slack resources to pay for the acquisition deal and cope with the post-acquisition integration costs or even value destruction after acquisitions (Haleblian, Devers, McNamara, Carpenter, & Davison, 2009), therefore, profitability which is suggested positively affects the occurrence of CBMAs. For *Leverage*, the situation is exactly the opposite. Because the higher the leverage, the less free cash flow it has available for new projects, especially for high-risk projects like CBMAs. Thus, leverage appears to negatively influence a firm's propensity to complete CBMAs (Desyllas & Hughes, 2010; Schijven & Hitt, 2012).

The estimated coefficients from the first stage Probit model are used to calculate the Inverse Mills Ratio (IMR), and the IMR is the control variable for self-selection, which enters the second stage model. Consistent with the research of Thakur-Wernz et al. (2019), all the continuous variables lagged for three years. In the second stage model, the IMR and control variables entered the model to test our hypotheses.

4. Empirical results

4.1. Descriptive statistics

Table 1 reports the descriptive statistics and estimated correlation coefficients of the dependent variable, independent variable, and control variables based on the data entered into the first stage model of the Heckman two-stage selection model.

As shown in Table 1, the estimated correlation coefficients between all the variables are quite low, leading to a low possibility of the existence of a multicollinearity problem. Variance inflation factors (VIFs) have still been examined, and the mean VIF value is 4.3, which is lower than the threshold value of 10 (Kennedy, 1998), suggesting that a further regression to investigate the consolidated relationship between them is practical.

4.2. Results of the first stage selection model

Table 2 reports the results of the first-stage regression of our Heckman two-stage model. In the first stage, probit regression is used to estimate the probability that a firm conducts strategic asset-seeking acquisitions as a function of different firm-level variables with three-year lags (Thakur-Wernz et al., 2019). The results show that firm age, size, innovation capabilities, and profitability are significant in predicting the acquisitions of firms in our sample, which is consistent with the prior literature (Bertrand, 2009; Desyllas & Hughes, 2010). The coefficient of marketing capability is negative and statistically significant at the 1% level. It is different from some relevant studies that suggest that firms' marketing capabilities positively predict the internationalization for EMNEs (Elango & Pattnaik, 2007). The possible reason is that acquires are not inclined to conduct acquisitions for strategic assets if they already possess advanced marketing knowledge. The coefficient of the cost leadership variable is not statistically significant either, it is slightly deviated from the conclusion that cost-based advantages play a positive role in explaining firms' international M&A decisions from emerging economies (e.g., Gao et al., 2010). The possible reason may be that the cost leadership capabilities release significantly different impact on the occurrence of acquisitions with different motives, and it may play significantly positive role in driving efficiency seeking acquisition (Makino, Lau, & Yeh, 2002), rather than in predicting strategic asset-seeking acquisition. Because the higher the cost leadership capabilities, the more knowledge related with efficiency improvement could be exploited and combined to make delivered cost and enhance the return after acquisitions (G. F. Jiang, Holburn, & Beamish, 2020; Makino et al., 2002). Given that our sample only contains strategic asset-seeking acquisitions, the coefficient of cost leadership capabilities may be not statistically significant.

4.3. Results of the second stage estimation model

We started the second stage regression analysis by testing hypothesis 1, which suggests that firms that experienced declines in cost leadership are more likely to improve their marketing capabilities after strategic asset-seeking acquisitions. Model 1 in Table 3 is the baseline model which only contains the control variables. The results indicate that the older and the larger the acquirers, the less their marketing capabilities improve after M&As. It may be because inertia and rigidity (Leonard-Barton, 1992) increase with firm age and size, thus the harder it is to change. Compared with non-state-owned acquirers, state-owned acquirers have higher marketing capabilities. The R&D intensity negatively affects the acquirers' marketing capabilities, suggesting the competition for resources between marketing and R&D activities (Su, Xie, & Peng, 2010). The coefficient of the institutional distance (*Distance*) is negative and statistically significant, indicating that distance could be a source of integration difficulties by impeding understandability and the transfer of locally embedded, tacit knowledge (Kostova

Table 1
Descriptive statistics and correlation matrix.

Variables	Mean	S.D.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
(1) Firm Age	16.073	5.791	1.000									
(2) Firm Size	7.308	0.978	0.106***	1.000								
(3) Ownership	0.119	0.324	0.031***	0.150***	1.000							
(4) R&D	0.066	0.062	-0.015	-0.124***	-0.026**	1.000						
(5) Equity	61.502	34.928	-0.025	0.091***	0.080**	0.080**	1.000					
(6) Distance	0.477	1.383	-0.001	0.149***	0.021*	0.021*	-0.023	1.000				
(7) Dcostl	0.600	0.490	-0.089***	-0.047	0.023	0.019	-0.073**	-0.031	1.000			
(8) Manaby	-0.045	0.143	-0.052***	-0.103***	0.017	-0.022**	-0.115***	-0.044**	-0.094***	1.000		
(9) IntOpen	0.744	1.304	0.093***	-0.021*	-0.034***	0.069***	0.050	-0.017	-0.052	0.008	1.000	
(10) Indudym	0.044	0.034	-0.015	-0.130***	-0.001	0.016	0.016	-0.005	-0.070*	-0.008	0.026*	1.000
(11) MarkCap	0.357	0.081	-0.037***	0.240***	0.052***	-0.287***	0.049	-0.018	0.007	0.173***	-0.020*	-0.075***

Note. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$. Acquirers and nonacquirers are included. Year and Industry dummies are included, but not shown.

Table 2
First stage - Probit Regression.

Variables	M&A
Firm Age _{t-3}	0.009* (0.005)
Firm Size _{t-3}	0.271*** (0.031)
Ownership _{t-3}	0.041 (0.074)
Innovation _{t-3}	0.095*** (0.018)
Marketing Capability _{t-3}	-1.208*** (0.403)
Cost Leadership _{t-3}	-0.273 (0.201)
ROA _{t-3}	0.014*** (0.005)
Leverage _{t-3}	-0.001 (0.002)
Industry	Yes
Year	Yes
_cons	-1.974*** (0.419)

Note. Standard errors in parentheses; * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

et al., 2019).

The first independent variable, declines in cost leadership (*Dcostl*) is added to Model 2 and the coefficient of *Dcostl* is positive and statistically significant ($\beta = 0.010, p < 0.05$). The results support our argument that declines in cost leadership positively influence acquirers' marketing capabilities after international M&As. Because they are more motivated to develop new advantages through learning from the target and the host country. Therefore, our [hypothesis 1](#) is supported.

To test [Hypothesis 2](#), which suggests that acquirers' managerial ability helps to promote their marketing capabilities after strategic asset-seeking acquisitions, the *Manaby* is included in Model 3. The coefficient of the variable is 0.077 and statistically significant at the 1% level, indicating that the higher the acquirer's managerial ability, the higher the acquirer's marketing capabilities after acquisitions. Therefore, our [hypothesis 2](#) is supported.

Our hypotheses 3 and 4 argue that external environmental factors, namely regional international openness and industry dynamism, provide the opportunity for the acquirer to promote marketing capabilities after M&As. Models 4 and 5 report the empirical test results. The positive and statistically significant ($\beta = 0.018, p < 0.01$) coefficient of *IntOpen* variable is consistent with our argument, that higher international openness increases the acquirer's marketing capabilities through knowledge spillover and competitive pressure. Therefore, our [hypothesis 3](#) is supported. The industry dynamism (*Indudym*) is added to Model 5 to examine [hypothesis 4](#), and the negative and statistically significant coefficient ($\beta = -0.261, p < 0.01$) suggests our [hypothesis 4](#) is supported. Model 6 include all the independent variables and the results are consistent with those of the models with separate independent variables. Additionally, the control for self-selection (IMR) is negative and statistically significant for all models in [Table 3](#), showing that self-selection is present.

4.4. Robustness tests

We further ran a series of additional analyses as robustness checks. First, we considered alternative measurements of our dependent variables. The assumption of truncated-normal distribution for the inefficiency term is used in the SFM formulation in [Section 3.2](#). We use the half-normal and exponential assumptions to calculate the value of marketing capabilities for robustness check, and all the hypotheses hold. Second, the impact of the sample size is also concerned with adopting one-year and two-year lags for firm-level variables to estimate the

Table 3
Second Stage – Regression Results.

Variables	(1)	(2)	(3)	(4)	(5)	(6)
	MarkCap	MarkCap	MarkCap	MarkCap	MarkCap	MarkCap
Dcostl		0.010** (0.005)				0.016*** (0.005)
Manabty			0.077*** (0.018)			0.082*** (0.018)
IntOpen				0.018*** (0.005)		0.024*** (0.005)
Indudym					-0.261*** (0.064)	-0.218*** (0.058)
Firm Age	-0.001** (0.001)	-0.001** (0.000)	-0.001 (0.000)	-0.001*** (0.000)	-0.001 (0.001)	-0.001 (0.000)
Ownership	-0.018*** (0.005)	-0.018*** (0.005)	-0.016*** (0.005)	-0.021*** (0.006)	-0.021*** (0.006)	-0.021*** (0.005)
Firm Size	0.047*** (0.004)	0.047*** (0.004)	0.046*** (0.005)	0.048*** (0.004)	0.045*** (0.004)	0.048*** (0.004)
R&D	-0.075*** (0.028)	-0.074** (0.029)	-0.089*** (0.031)	-0.074** (0.029)	-0.056* (0.029)	-0.063** (0.031)
Equity	-0.000 (0.000)	-0.000* (0.000)	-0.000 (0.000)	-0.000* (0.000)	-0.000* (0.000)	-0.000* (0.000)
Distance	-0.006* (0.003)	-0.006* (0.003)	-0.006* (0.003)	-0.006* (0.003)	-0.007** (0.003)	-0.006** (0.003)
Industry	Yes	Yes	Yes	Yes	Yes	Yes
Year	Yes	Yes	Yes	Yes	Yes	Yes
_cons	0.320*** (0.054)	0.319*** (0.053)	0.302*** (0.055)	0.322*** (0.051)	0.351*** (0.056)	0.331*** (0.050)
Lambda (IMR)	0.118*** (0.019)	0.114*** (0.019)	0.117*** (0.019)	0.117*** (0.019)	0.115*** (0.019)	0.106*** (0.018)
N	622	622	615	622	551	544
R ²	0.748	0.750	0.759	0.757	0.775	0.800

Note. Standard errors in parentheses; * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

probability that firms conduct international M&As. Following [Thakur-Wernz et al. \(2019\)](#), a three-year lag for the firm-level variables was used in the main analysis. Models 5–8 in [Table 4](#) represent the results based on the two-year lag for firm-level variables used in the first stage Probit regression. Though the sample sizes of the first and two stage analyses

are all changed, all the conclusions are consistent with [Section 4.2](#). We also used one-year lags, and we found our results unchanged. Therefore, we confirm that our findings are not subject to different measurements and sample sets, and our empirical results are robust.

Table 4
Robustness test results of the second stage regressions.

Variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Marketing Capabilities				Variables in the first stage analysis with two-year lags			
Dcostl	0.016*** (0.006)				0.009** (0.004)			
Manabty		0.077*** (0.024)				0.070*** (0.016)		
IntOpen			0.014** (0.006)				0.017*** (0.004)	
Indudym				-0.302*** (0.076)				-0.269*** (0.061)
Firm Age	-0.001** (0.001)	-0.001* (0.001)	-0.002*** (0.001)	-0.001* (0.001)	-0.001 (0.000)	-0.000 (0.000)	-0.001* (0.000)	-0.000 (0.001)
Ownership	-0.022*** (0.007)	-0.021*** (0.007)	-0.026*** (0.007)	-0.027*** (0.007)	-0.021*** (0.005)	-0.020*** (0.005)	-0.024*** (0.005)	-0.023*** (0.006)
Firm Size	0.056*** (0.005)	0.055*** (0.006)	0.056*** (0.005)	0.056*** (0.005)	0.058*** (0.005)	0.057*** (0.005)	0.059*** (0.005)	0.056*** (0.005)
R&D	-0.139*** (0.037)	-0.155*** (0.039)	-0.140*** (0.037)	-0.122*** (0.037)	-0.056** (0.026)	-0.066** (0.029)	-0.059** (0.025)	-0.041 (0.027)
Equity	-0.000** (0.000)	-0.000* (0.000)	-0.000** (0.000)	-0.000** (0.000)	-0.000 (0.000)	-0.000 (0.000)	-0.000* (0.000)	-0.000* (0.000)
Distance	-0.005 (0.004)	-0.004 (0.004)	-0.005 (0.004)	-0.005 (0.004)	-0.006** (0.003)	-0.005* (0.003)	-0.006* (0.003)	-0.006** (0.003)
Industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
_cons	0.623*** (0.069)	0.601*** (0.071)	0.624*** (0.069)	0.649*** (0.070)	0.167*** (0.060)	0.156*** (0.060)	0.171*** (0.058)	0.208*** (0.066)
Lambda (IMR)	0.175*** (0.020)	0.182*** (0.021)	0.181*** (0.021)	0.186*** (0.022)	0.173*** (0.022)	0.174*** (0.022)	0.174*** (0.022)	0.163*** (0.024)
N	622	615	622	551	709	702	709	566
R ²	0.921	0.921	0.921	0.924	0.757	0.765	0.762	0.793

Note. Standard errors in parentheses; * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

5. Discussion and implications

In this study, we have explored the drivers of marketing capabilities development among Chinese multinationals in the context of strategic asset-seeking acquisitions. Based on the integration of the Knowledge-Based View (KBV) and the Ability-Motivation-Opportunity (AMO) framework in the context of strategic asset-seeking acquisitions, we have explored the intricacies of this dynamic process. Our empirical analysis, conducted using data from Chinese listed firms spanning the period from 2009 to 2021, employed the Heckman two-stage model to address potential endogeneity issues. The results we have uncovered shed light on several key insights, offering theoretical and practical contributions.

5.1. Theoretical contributions

This study significantly advances the domain of marketing capabilities by elucidating the role of strategic asset-seeking acquisitions as pivotal avenues for the development of marketing capabilities. Unlike previous inquiries, which offered inconclusive findings on the effects of mergers and acquisitions (M&As) on acquirers' marketing capabilities due to ambiguous underlying motivations, this research clarifies the precursors driving post-acquisition performance enhancements. Drawing upon earlier scholarship, we assert that the erosion of a previously advantageous status propels firms toward exploring alternative strategies (Higgins & Rodriguez, 2006; Zhao, 2009). Specifically, we argue that a diminution in a firm's market edge compels it to pursue strategic asset-seeking acquisitions to secure marketing knowledge assets, thus ameliorating its post-acquisition marketing capabilities. Applying this rationale within the context of Chinese multinationals, we identify the decline in cost advantage as the critical driver for these entities to acquire marketing knowledge assets strategically (Elango & Pattnaik, 2007; Gao et al., 2010; Madhok & Keyhani, 2012). Furthermore, we posit that managerial proficiency significantly bolsters the firm's ability to engage in such strategic acquisitions, effectively assimilating the requisite knowledge assets (Demerjian et al., 2013; Higgins & Rodriguez, 2006; Holcomb et al., 2009; Zheng et al., 2016). Our discussion extends to the differential opportunities presented to Chinese multinationals for effective knowledge transfer within post-acquisition synergies, delineating both favorable and unfavorable environments.

Furthermore, our investigation contributes to an integrative framework that amalgamates the AMO framework with the KBV, offering a novel theoretical lens for examining firm performance across diverse contexts (Chang et al., 2012; Jiang et al., 2012; Kim et al., 2015; Schijven & Hitt, 2012). This integration addresses the long-standing debate over the classification of the AMO framework as a theory or a unified framework, highlighting the need for contextual specificity in determining the dimensions of ability, motivation, and opportunity. Through this lens, we demonstrate that a decline in cost leadership motivates Chinese multinationals to enhance their marketing capabilities via strategic asset-seeking acquisitions, with managerial proficiency and external conditions such as international openness and industry dynamism serving as enablers or barriers to this endeavor.

Lastly, our research addresses the previously underexplored area of marketing capabilities development among EMNEs, particularly Chinese multinationals. By focusing on strategic asset-seeking activities aimed at bolstering competitive advantages through the development of marketing capabilities, our study fills a gap left by previous research, which predominantly concentrated on technological innovation capabilities (Liang et al., 2022; Rahman et al., 2021; Reddy et al., 2022; Shi et al., 2021; Yakob et al., 2018). We emphasize the distinct challenges associated with the cross-border transferability of marketing capabilities due to their local embeddedness, which significantly influences the success of knowledge transfer and integration post-M&A.

In summary, our study not only elucidates the intricacies of marketing capabilities development within Chinese multinationals, but also reveals the complex interplay between strategic asset-seeking

acquisitions and capability enhancement within an integrated AMO and KBV framework. These insights substantially enrich the literature on international business strategy and capabilities development, offering deep theoretical implications for the discipline of strategic management.

5.2. Managerial and policy implications

Our findings can better guide managerial practices. For Chinese acquirers, our results suggest that managers continually improve their ability to identify and integrate more strategic assets from international M&As to improve the firm's marketing capabilities. Our study also provides insightful suggestions for policy makers. As the Chinese government encourages Chinese firms to actively join the global competition to realize "industrial upgrading", our research suggests that strategic asset-seeking acquisitions are an effective way to enable Chinese multinationals to develop marketing capabilities to move toward the end of the global value chain to capture more added value. This will inform policymaking and strategies to support firms' internalization, especially for firms with strong motivation and the ability to acquire strategic assets through foreign expansion. Meanwhile, considering that the development of Chinese multinational marketing capabilities also depends on the learning opportunity gained from regional FDI, our research informs adapted policymaking to be more open to foreign investments.

5.3. Limitations and future directions

Two limitations of our study should also be noted. First, we only considered the direct impact of the ability-motivation-opportunity elements on Chinese multinationals' marketing capabilities but did not explore the impact of their interactions on firms' marketing capabilities. In addition to direct influence, the AMO framework also suggests that individual performance would be highest when "assigning the most capable and willing people to the most favorable environmental conditions" (Blumberg & Pringle, 1982). Therefore, this limitation creates a potential opportunity for further research to explore how the marketing capabilities of Chinese multinationals or other EMNEs would change when considering the interactions of AMO elements after strategic asset-seeking acquisitions. Second, our study mainly examined the opportunity to increase marketing capabilities in the external environment of the home country and shed little light on the opportunity in the targets due to the data limitations. The reason why Chinese multinationals choose the target firm rather than another depends largely on the benefits (opportunity) of the target firm (Zheng et al., 2016). Therefore, future studies may consider the impact of opportunity in target firms or even host countries. Additionally, future studies may also explore the influence of other ability elements such as post-acquisition integration ability.

Footnotes

1. <https://brandirectory.com/brands/geely/>

CRedit authorship contribution statement

Xiaoting Hu: Conceptualization, Formal analysis, Methodology, Writing – original draft, Writing – review & editing. **Wenjing Lyu:** Conceptualization, Writing – original draft, Writing – review & editing.

Declaration of competing interest

The author(s) declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

Data availability

Data will be made available on request.

Acknowledgements

We gratefully acknowledge the support of the National Natural Science Foundation of China (72002140;71974012).

References

- Anand, J., & Delios, A. (2002). Absolute and relative resources as determinants of international acquisitions. *Strategic Management Journal*, 23(2), 119–134.
- Anderson, J., Sutherland, D., & Severe, S. (2015). An event study of home and host country patent generation in Chinese MNEs undertaking strategic asset acquisitions in developed markets. *International Business Review*, 24(5), 758–771.
- Audia, P. G., & Greve, H. R. (2006). Less likely to fail: Low performance, firm size, and factory expansion in the shipbuilding industry. *Management Science*, 52(1), 83–94.
- Awate, S., Larsen, M. M., & Mudambi, R. (2015). Accessing vs sourcing knowledge: A comparative study of R&D internationalization between emerging and advanced economy firms. *Journal of International Business Studies*, 46(1), 63–86.
- Azmeh, S., & Nadvi, K. (2014). Asian firms and the restructuring of global value chains. *International Business Review*, 23(4), 708–717.
- Barney, J. B. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99–120.
- Berry, H., Guillén, M. F., & Zhou, N. (2010). An institutional approach to cross-national distance. *Journal of International Business Studies*, 41(9), 1460–1480.
- Bertrand, O. (2009). Effects of foreign acquisitions on R&D activity: Evidence from firm-level data for France. *Research Policy*, 38(6), 1021–1031.
- Blumberg, M., & Pringle, C. (1982). The missing opportunity in organizational research: Some implications for a theory of work performance. *Academy of Management Review*, 7(4), 560–569.
- Brandl, K., Jensen, P. D.O., & Lind, M. J. (2018). Advanced service offshore outsourcing: Exploring the determinants of capability development in emerging market firms. *Global Strategy Journal*, 8(2), 324–350.
- Brueller, N. N., Carmeli, A., & Markman, G. D. (2018). Linking merger and acquisition strategies to postmerger integration: A configurational perspective of human resource management. *Journal of Management*, 44(5), 1793–1818.
- Buckley, P. J., Clegg, L. J., Cross, A. R., Liu, X., Voss, H., & Zheng, P. (2007). The determinants of Chinese outward foreign direct investment. *Journal of International Business Studies*, 38(4), 499–518.
- Campbell, J. T., Sirmon, D. G., & Schijven, M. (2016). Fuzzy logic and the market: A configurational approach to investor perceptions of acquisition announcements. *Academy of Management Journal*, 59(1), 163–187.
- Chang, Y.-Y., Gong, Y., & Peng, M. W. (2012). Expatriate knowledge transfer, subsidiary absorptive capacity, and subsidiary performance. *Academy of Management Journal*, 55(4), 927–948.
- Chen, D., Wei, W., Hu, D., & Muralidharan, E. (2016). Survival strategy of OEM companies: A case study of the Chinese toy industry. *International Journal of Operations & Production Management*, 36(9), 37–48.
- Chen, Y., Hua, X., & Boateng, A. (2017). Effects of foreign acquisitions on financial constraints, productivity and investment in R&D of target firms in China. *International Business Review*, 26(4), 640–651.
- Chen, Y., Podolski, E. J., & Veeraraghavan, M. (2015). Does managerial ability facilitate corporate innovative success? *Journal of Empirical Finance*, 34, 313–326.
- Cooke, F. L., Wu, G., Zhou, J., Zhong, C., & Wang, J. (2018). Acquiring global footprints: Internationalization strategy of Chinese multinational enterprises and human resource implications. *Journal of Business Research*, 93, 184–201.
- Cui, L., Fan, D., Liu, X., & Li, Y. (2017). Where to seek strategic assets for competitive catch-up? A configurational study of emerging multinational enterprises expanding into foreign strategic factor markets. *Organization Studies*, 38(8), 1059–1083.
- Cui, L., Meyer, K. E., & Hu, H. W. (2014). What drives firms' intent to seek strategic assets by foreign direct investment? A study of emerging economy firms. *Journal of World Business*, 49(4), 488–501.
- Day, G. S. (2011). Closing the marketing capabilities gap. *Journal of Marketing*, 75(4), 183–195.
- Demerjian, P., Lev, B., & McVay, S. (2012). Quantifying managerial ability: A new measure and validity tests. *Management Science*, 58(7), 1229–1248.
- Demerjian, P., Lewis-Western, M., & McVay, S. (2020). How does intentional earnings smoothing vary with managerial ability? *Journal of Accounting, Auditing and Finance*, 35(2), 406–437.
- Demerjian, P. R., Lev, B., Lewis, M. F., & McVay, S. E. (2013). Managerial ability and earnings quality. *The Accounting Review*, 88(2), 463–498.
- Deng, P. (2009). Why do Chinese firms tend to acquire strategic assets in international expansion? *Journal of World Business*, 44(1), 74–84.
- Desyllas, P., & Hughes, A. (2010). Do high technology acquirers become more innovative? *Research Policy*, 39(8), 1105–1121.
- Dong, G., Kokko, A., & Zhou, H. (2022). Innovation and export performance of emerging market enterprises: The roles of state and foreign ownership in China. *International Business Review*, 31(6), Article 102025.
- Duanmu, J.-L., Bu, M., & Pittman, R. (2018). Does market competition dampen environmental performance? Evidence from China. *Strategic Management Journal*, 39(11), 3006–3030.
- Dunning, J. H., & Lundan, S. M. (2008). *Multinational enterprises and the global economy*. Edward Elgar Publishing.
- Dutta, S., Narasimhan, O., & Rajiv, S. (1999). Success in high-technology markets: Is marketing capability critical? *Marketing Science*, 18(4), 547–568.
- Eisend, M., Evanschitzky, H., & Calantone, R. J. (2016). The relative advantage of marketing over technological capabilities in influencing new product performance: The moderating role of country institutions. *Journal of International Marketing*, 24(1), 41–56.
- Elango, B., & Pattnaik, C. (2007). Building capabilities for international operations through networks: A study of Indian firms. *Journal of International Business Studies*, 38(4), 541–555.
- Elia, S., & Santangelo, G. D. (2017). The evolution of strategic asset-seeking acquisitions by emerging market multinationals. *International Business Review*, 26(5), 855–866.
- Eng, T.-Y., & Spickett-Jones, J. G. (2009). An investigation of marketing capabilities and upgrading performance of manufacturers in mainland China and Hong Kong. *Journal of World Business*, 44(4), 463–475.
- Fang, E., Palmatier, R. W., & Grewal, R. (2011). Effects of customer and innovation asset configuration strategies on firm performance. *Journal of Marketing Research*, 48(3), 587–602.
- Feng, H., Morgan, N. A., & Rego, L. L. (2017). Firm capabilities and growth: The moderating role of market conditions. *Journal of the Academy of Marketing Science*, 45(1), 76–92.
- Fernando, G. D., Jain, S. S., & Tripathy, A. (2020). This cloud has a silver lining: Gender diversity, managerial ability, and firm performance. *Journal of Business Research*, 117, 484–496.
- Fu, X. (2012). Foreign direct investment and managerial knowledge spillovers through the diffusion of management practices. *Journal of Management Studies*, 49(5), 970–999.
- Gaffney, N., Karst, R., & Clampit, J. (2016). Emerging market MNE cross-border acquisition equity participation: The role of economic and knowledge distance. *International Business Review*, 25(1), 267–275.
- Gao, G. Y., Murray, J. Y., Kotabe, M., & Lu, J. (2010). A “strategy tripod” perspective on export behaviors: Evidence from domestic and foreign firms based in an emerging economy. *Journal of International Business Studies*, 41(3), 377–396.
- Graebner, M. E., Heimeriks, K. H., Huy, Q. N., & Vaara, E. (2017). The process of postmerger integration: A review and agenda for future research. *Academy of Management Annals (The)*, 11.
- Greve, H. R. (2003). *Organizational learning from performance feedback: A behavioral perspective on innovation and change*. Cambridge University Press.
- Greve, H. R. (2011). Positional rigidity: Low performance and resource acquisition in large and small firms. *Strategic Management Journal*, 32(1), 103–114.
- Haleblian, J., Devers, C. E., McNamara, G., Carpenter, M. A., & Davison, R. B. (2009). Taking stock of what we know about mergers and acquisitions: A review and research agenda. *Journal of Management*, 35(3), 469–502.
- Hall, B. H. (1990). *The impact of corporate restructuring on industrial research and development*. Brookings Papers on Economic Activity. SPISS, Article SPISS.
- Heckman, J. J. (1979). Sample selection bias as a specification error. *Econometrica*, 47(1), 153.
- Hennart, J.-F., & Park, Y.-R. (1993). Greenfield vs. acquisition: The strategy of Japanese investors in the United States. *Management Science*, 39(9), 1054–1070.
- Higgins, M. J., & Rodriguez, D. (2006). The outsourcing of R&D through acquisitions in the pharmaceutical industry. *Journal of Financial Economics*, 80(2), 351–383.
- Hitt, M. A., Li, D., & Xu, K. (2016). International strategy: From local to global and beyond. *Journal of World Business*, 51(1), 58–73.
- Holcomb, T. R., Holmes, R. M., Jr., & Connelly, B. L. (2009). Making the most of what you have: Managerial ability as a source of resource value creation. *Strategic Management Journal*, 30(5), 457–485.
- Hsu, C.-W., & Chen, H. (2009). Foreign direct investment and capability development. *Management International Review*, 49(5), 585–605.
- James, B. E., Sawant, R. J., & Bendickson, J. S. (2020). Emerging market multinationals' firm-specific advantages, institutional distance, and foreign acquisition location choice. *International Business Review*, 29(5), Article 101702.
- Jean, R.-J. B., Sinkovics, R. R., & Kim, D. (2017). Antecedents and outcomes of supplier innovativeness in international customer–supplier relationships: The role of knowledge distance. *Management International Review*, 57(1), 121–151.
- Jiang, G. F., Holburn, G. L. F., & Beamish, P. W. (2020). Repeat market entries in the internationalization process: The impact of investment motives and corporate capabilities. *Global Strategy Journal*, 10(2), 335–360.
- Jiang, K., Lepak, D. P., Hu, J., & Baer, J. C. (2012). How does human resource management influence organizational outcomes? A meta-analytic investigation of mediating mechanisms. *Academy of Management Journal*, 55(6), 1264–1294.
- Kennedy, P. (1998). *A guide to econometrics* (4th ed.). MIT Press.
- Kim, K. Y., Pathak, S., & Werner, S. (2015). When do international human capital enhancing practices benefit the bottom line? An ability, motivation, and opportunity perspective. *Journal of International Business Studies*, 46(7), 784–805.
- Kogut, B., & Zander, U. (1992). Knowledge of the firm, combinative capabilities, and the replication of technology. *Organization Science*, 3(3), 383–397.
- Kostova, T., Beugelsdijk, S., Scott, W. R., Kunst, V. E., Chua, C. H., & van Essen, M. (2019). The construct of institutional distance through the lens of different institutional perspectives: Review, analysis, and recommendations. *Journal of International Business Studies*, 51, 467–497.
- Krasnikov, A., & Jayachandran, S. (2008). The relative impact of marketing, research-and-development, and operations capabilities on firm performance. *Journal of Marketing*, 72(4), 1–11.
- Leonard-Barton, D. (1992). Core capabilities and core rigidities: A paradox in managing new product development. *Strategic Management Journal*, 13(S1), 111–125.

- Li, J., Strange, R., Ning, L., & Sutherland, D. (2016). Outward foreign direct investment and domestic innovation performance: Evidence from China. *International Business Review*, 25(5), 1010–1019.
- Li, J., & Tang, Y. (2010). CEO hubris and firm risk taking in China: The moderating role of managerial discretion. *Academy of Management Journal*, 53(1), 45–68.
- Liang, Y., Giroud, A., & Rygh, A. (2022). Strategic asset-seeking acquisitions, technological gaps, and innovation performance of Chinese multinationals. *Journal of World Business*, 57(4), Article 101325.
- Liao, S.-H., Chen, C.-C., Hu, D.-C., Chung, Y., & Yang, M.-J. (2017). Developing a sustainable competitive advantage: Absorptive capacity, knowledge transfer and organizational learning. *The Journal of Technology Transfer*, 42(6), 1431–1450.
- Liao, S.-H., & Hu, T.-C. (2007). Knowledge transfer and competitive advantage on environmental uncertainty: An empirical study of the Taiwan semiconductor industry. *Technovation*, 27(6), 402–411.
- Lin, Z., Patel, P., & Oghazi, P. (2021). The value of managerial ability and general ability for inventor CEOs. *Journal of Business Research*, 135, 78–98.
- Luo, Y., & Tung, R. L. (2007). International expansion of emerging market enterprises: A springboard perspective. *Journal of International Business Studies*, 38(4), 481–498.
- Luo, Y., & Tung, R. L. (2018). A general theory of springboard MNEs. *Journal of International Business Studies*, 49(2), 129–152.
- MacInnis, D. J., & Jaworski, B. J. (1989). Information processing from advertisements: Toward an integrative framework. *Journal of Marketing*, 53(4), 1–23.
- Madhok, A., & Keyhani, M. (2012). Acquisitions as entrepreneurship: Asymmetries, opportunities, and the internationalization of multinationals from emerging economies. *Global Strategy Journal*, 2(1), 26–40.
- Makino, S., Lau, C.-M., & Yeh, R.-S. (2002). Asset-exploitation versus asset-seeking: Implications for location choice of foreign direct investment from newly industrialized economies. *Journal of International Business Studies*, 33(3), 403–421.
- Makri, M., Hitt, M. A., & Lane, P. J. (2010). Complementary technologies, knowledge relatedness, and invention outcomes in high technology mergers and acquisitions. *Strategic Management Journal*, 31(6), 602–628.
- Merrilees, B., Rundle-Thiele, S., & Lye, A. (2011). Marketing capabilities: Antecedents and implications for B2B SME performance. *Industrial Marketing Management*, 40(3), 368–375.
- Meyer, K. E., Estrin, S., Bhaumik, S. K., & Peng, M. W. (2009). Institutions, resources, and entry strategies in emerging economies. *Strategic Management Journal*, 30(1), 61–80.
- Mishra, S., & Modi, S. B. (2016). Corporate social responsibility and shareholder wealth: The role of marketing capability. *Journal of Marketing*, 80(1), 26–46.
- Mitchell, T. R. (1982). Motivation: New directions for theory, research, and practice. *Academy of Management Review*, 7(1), 80–88.
- Morgan, N. A., Feng, H., & Whitley, K. A. (2018). Marketing capabilities in international marketing. *Journal of International Marketing*, 26(1), 61–95.
- Naranjo-Gil, D. (2009). The influence of environmental and organizational factors on innovation adoptions: Consequences for performance in public sector organizations. *Technovation*, 29(12), 810–818.
- Narasimhan, O., Rajiv, S., & Dutta, S. (2006). Absorptive capacity in high-technology markets: The competitive advantage of the haves. *Marketing Science*, 25(5), 510–524.
- Rahman, M., Lambkin, M., & Hussain, D. (2016). Value creation and appropriation following M&a: A data envelopment analysis. *Journal of Business Research*, 69(12), 5628–5635.
- Rahman, M., Lambkin, M., & Shams, S. R. (2021). Cross-border mergers and acquisitions: Impact on marketing capability and firm performance. *Journal of General Management*, 46(2), 129–143.
- Reddy, R. K., Park, S.-J., & Bindroo, V. (2022). Do mergers and acquisitions disrupt marketing capabilities? *BRQ Business Research Quarterly*, 234094442211138.
- Schijven, M., & Hitt, M. A. (2012). The vicarious wisdom of crowds: Toward a behavioral perspective on investor reactions to acquisition announcements. *Strategic Management Journal*, 33(11), 1247–1268.
- Schoenherr, T., Griffith, D. A., & Chandra, A. (2014). Knowledge management in supply chains: The role of explicit and tacit knowledge. *Journal of Business Logistics*, 35(2), 121–135.
- Shi, X., Sutherland, D., Williams, C., & Rong, K. (2021). Chinese MNE acquisition of unrelated foreign businesses: The role of diversified business group affiliation, private ownership and strategic asset seeking. *Journal of Business Research*, 129, 145–156.
- Sirmon, D. G., Hitt, M. A., & Ireland, R. D. (2007). Managing firm resources in dynamic environments to create value: Looking inside the black box. *Academy of Management Review*, 32(1), 273–292.
- Su, Z., Xie, E., & Peng, J. (2010). Impacts of environmental uncertainty and firms' capabilities on R&D investment: Evidence from China. *Innovation*, 12(3), 269–282.
- Sun, W., Ding, Z., & Price, J. (2020). Board structure and firm capability: An environment-embedded relationship between board diversity and marketing capability. *Industrial Marketing Management*, 90, 14–29.
- Sun, W., Price, J., & Ding, Y. (2019). The longitudinal effects of internationalization on firm performance: The moderating role of marketing capability. *Journal of Business Research*, 95, 326–337.
- Szücs, F. (2014). M&A and R&D: Asymmetric effects on acquirers and targets? *Research Policy*, 43(7), 1264–1273.
- Thakur-Wernz, P., Cantwell, J., & Samant, S. (2019). Impact of international entry choices on the nature and type of innovation: Evidence from emerging economy firms from the Indian bio-pharmaceutical industry. *International Business Review*, 28(6), Article 101601.
- Valentini, G. (2012). Measuring the effect of M&a on patenting quantity and quality. *Strategic Management Journal*, 33(3), 336–346.
- Wagner, M. (2011). To explore or to exploit? An empirical investigation of acquisitions by large incumbents. *Research Policy*, 40(9), 1217–1225.
- Wang, J., Wang, B., Dong, K., & Dong, X. (2022). How does the digital economy improve high-quality energy development? The case of China. *Technological Forecasting and Social Change*, 184, Article 121960.
- Wei, Z., & Nguyen, Q. T. K. (2020). Chinese service multinationals: The degree of internationalization and performance. *Management International Review*, 60(6), 869–908.
- Xia, J., Ma, X., Lu, J. W., & Yiu, D. W. (2014). Outward foreign direct investment by emerging market firms: A resource dependence logic. *Strategic Management Journal*, 35(9), 1343–1363.
- Xie, X., & O'Neill, H. M. (2014). Learning and product entry: How diversification patterns differ over firm age and knowledge domains in U.S. generic drug industry. *Strategic Management Journal*, 35(3), 440–449.
- Xue, L., Ray, G., & Gu, B. (2011). Environmental uncertainty and IT infrastructure governance: A curvilinear relationship. *Information Systems Research*, 22(2), 389–399.
- Yakob, R., Nakamura, H. R., & Ström, P. (2018). Chinese foreign acquisitions aimed for strategic asset-creation and innovation upgrading: The case of Geely and Volvo Cars. *Technovation*, 70–71, 59–72.
- Yan, S., Lee, J.-Y., & Josephson, B. W. (2023). The effect of customer asset strategies on acquisition performance in business-to-government markets. *Journal of the Academy of Marketing Science*, 1–26.
- Yeung, H. W. (2016). Chapter 1. East Asian development in the new global economy. In *East Asian development in the new global economy* (pp. 1–21). Cornell University Press.
- Zhao, X. (2009). Technological innovation and acquisitions. *Management Science*, 55(7), 1170–1183.
- Zheng, N., Wei, Y., Zhang, Y., & Yang, J. (2016). In search of strategic assets through cross-border merger and acquisitions: Evidence from Chinese multinational enterprises in developed economies. *International Business Review*, 25(1), 177–186.
- Zollo, M., & Singh, H. (2004). Deliberate learning in corporate acquisitions: Post-acquisition strategies and integration capability in US bank mergers. *Strategic Management Journal*, 25(13), 1233–1256.