Enhancing Export Potential: The Synergistic Impact of Digitalisation and Export Market Orientation in Driving Export Success in Sri Lanka's Apparel Sector

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Abstract - *The purpose of this study is to examine the impact of digitalisation on the performance of Sri Lankan apparel exporters, both directly and indirectly. The indirect effect of digitalisation on export performance is evaluated through the mediation of export market orientation (EMO). EMO is the export ventures' effort to infuse marketing strategies into its export activities. Given that apparel export ventures have embraced digital capabilities, the evaluation was conducted using data collected from 87 apparel manufacturing exporters in Sri Lanka operating on medium and large scale. Primary data was collected using a questionnaire instrument. The analytical technique employed in this study was partial least squares structural equation modelling (PLS-SEM), which supported identifying the direct and indirect impacts vividly. The discoveries suggest that rather than the direct effect of digitalisation on export performance, the indirect effect of digitalisation through EMO has a significant impact on export performance. Also, the study reveals that EMO as a mediator plays a role of full mediation between the independent and the dependent constructs of the study. Digitalisation through EMO plays a crucial role in improving the export performance of apparel manufacturing exporters because effective adoption of digitalisation enables market sensing and eases the generation of export market intelligence, dissemination of that intelligence and responsiveness. The study provides significant insights for medium and large-scale apparel exporters, policymakers, and industry leaders on the importance of EMO strategies for enhancing export performance and survival in the global market while also serving as a guide for micro and small-scale ventures adopting digital practices.*

Keywords: Apparel, Digitalisation, Export Performance, Export Market Orientation

I. INTRODUCTION

A. Background of the Study

Digitalisation refers to the use of digital technologies and instruments in specific operations in a firm (Wang & Prajogo, 2024). It is important to note that digitalisation is not just about digital instruments but also, involves leveraging digital opportunities, which involves integrating a diverse range of technologies like cloud technologies, sensors, big data and 3D printing, that generates the potential to develop radically new products and offer digital services integrated into physical products and business models (Abou-foul et al., 2021). As a sector that widely embraces digitalisation, the manufacturing sector has given attention towards the digital interconnection of a variety of information and communication technologies (ICTs) and their integration with production facilities, such as machines, products, devices, and online content, to enable autonomous action and enhance efficiency. This has become a key feature of the industry 4.0 era (Sarbu, 2022). Considering these factors, it is noteworthy to mention that the apparel industry stands out among the export manufacturing sectors in its embrace of digitalisation.

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The apparel manufacturing and exporting industry holds a strong position among Sri Lanka's export industries that engage with overseas markets. In 2022, the apparel industry secured its spot as the primary contributor of foreign earnings to Sri Lanka's GDP. This dominant exporter earned USD 5.952 billion, which comprised more than 40 per cent of the total exports for the year 2022 (Central Bank of Sri Lanka, 2022). Sri Lankan apparel is currently being exported mainly to South Asia, the Far East, the Middle East, Africa, Australia and the continents of Europe and America delivering exceptional quality compared to other countries that export the same (BOI, Sri Lanka, 2022).

Apparel exporters have been adopting industry 4.0 digital technologies to ease their operations. Additive manufacturing, artificial intelligence, cloud technologies, autonomous robots, cyber-physical systems, internet of things, big data, augmented reality, computer-aided designing and manufacturing, and flexible manufacturing systems are some of the digital technologies which have been adopted by apparel exporters and evidence for the implementation of digitalisation practises in the industry (Lakmali et al., 2020). Also, it is noteworthy that this study focuses on the effect of digitalisation on medium and large-scale apparel exporters because these exporters have utilised more digital technologies in their operations compared to micro and small-scale apparel enterprises (Ceylon Chamber of Commerce, 2022).

However, previous scholars suggest that the knowledge embedded in digital technologies is still standardized and imitable (Radicic & Petković, 2023; Usai et al., 2021). Moreover, some argue that competitive advantage is ultimately generated not only by digital technologies alone but also by their combination with other firm capabilities (Trąpczyński & Kawa, 2023). As such a problem arises given the insufficient examination of various capabilities affected by digitalisation and how these, in turn, influence export performance.

B. Research Gap

Considering the said problem, there exists a vacuum for examining the effect of digitalisation on capabilities such as EMO, which subsequently contribute towards improving export performance. According to Acikdilli et al. (2022), EMO is a unique export venture capability which concentrates on the ongoing and regular commitment to monitoring export buyers, competitors, and other external influences in the international market to create and provide products that meet the desired requirements of consumers in the export market. Despite indications in the literature that suggest potential linkages between the concepts of EMO with digitalisation and export performance, there is a lack of academic research investigating the indirect effect of digitalisation on export performance through EMO. Moreover, prior researchers have stressed the significance of comprehending the interaction between digitalisation and export performance in diverse business environments and industries, underscoring the requirement for more studies specific to each sector.

Therefore, according to the lacunas in extant literature related to digitalisation and export performance, the present study focuses on ascertaining the degree to which digitalisation impacts export performance, directly and indirectly, in the context of the Sri Lankan apparel manufacturing-export industry. EMO plays the role of mediation in the indirect effect. First, this study aims to expand the limited research on exploring the content of digitalisation and its impact on export performance while the effect is being mediated through EMO. Second, the study presents a new conceptual framework that integrates the mediation discussed earlier. Based on this research gap, this study intends

to address the following research question. "Does EMO mediate the effect of digitalisation on the Sri Lankan apparel exporters' performance?"

II. THEORETICAL FRAMEWORK AND LITERATURE REVIEW

A. Theoretical Framework

The relationship between digitalisation and export performance can be explained in light of the dynamic capability's theory. Dynamic capabilities are the firm's capabilities to continuously sense and shape opportunities and threats, seize opportunities, and have a competitive edge by continuously enhancing, combining, protecting, and reconfiguring firm assets (Teece, 2007).

Digitalisation enables firms to continuously sense, shape opportunities and threats, seize opportunities through collecting, analysing and interpreting vast amounts of data from diverse sources (Radicic & Petković, 2023), providing digital instruments to perform operations quickly and efficiently (Usai et al., 2021), and disruption of existing business models while generating new models (Rachinger et al., 2018). Thereby, it is clear that the concept of digitalisation can be explained in light of dynamic capabilities theory.

Subsequently, the concept of EMO can be clarified based on the dynamic capability's theory. EMO could be considered a high-order capability that can influence the development and success of low-order capabilities such as customer integration (Aslam et al., 2023). Also, export intelligence generation, intelligence dissemination and responsiveness are features that are embedded in EMO that facilitate firms to continuously sense and shape opportunities and threats, and to seize opportunities (Lin et al., 2014). Also, some scholars show that market orientation is a dynamic capability that can accomplish a competitive advantage (Foerstl et al., 2021). Firms that adopt strong market orientation capabilities can sense new opportunities and market conditions, such as novel customer demands and new markets (Aslam et al., 2023). Therefore, the concept of EMO can also be explained based on the dynamic capabilities' theory. Thereby, the dynamic capabilities theory illustrates how digitalisation enhances export market orientation and, consequently, impacts export performance.

B. Literature Review

1) Impact of Digitalisation on Export Performance: Digitalisation refers to the utilisation of digital opportunities while combining a variety of technologies such as cloud technologies, the internet of things, big data, and artificial intelligence, which unlocks the potential of a firm to develop radically new products, provision of digital services embedded in physical products and business models (Abou-foul et al., 2021).

Previous studies have investigated the impact of digitalisation on firm performance (Martín-Peña et al., 2019; Martínez-Caro et al., 2020; Rajala & Hautala-Kankaanpää, 2023), financial performance (Abou-foul et al., 2021), and international performance (Hervé et al., 2020; AL-Khatib, 2023; Dallocchio et al., 2024)**.** Furthermore, prior studies indicate that digitalisation-related concepts such as digital transformation, and information and communication technology have a positive significant impact on business performance (Wang et al., 2024), export performance (Luu, 2023), export competitiveness (Liu & Ananthachari, 2023) and export intensity (Gomez-Sanchez et al., 2023). Moreover, it is noteworthy that prior research studies have revealed significant

(Joensuu-Salo et al., 2018) as well as insignificant (Lee & Falahat, 2019; Fayos et al., 2023) direct effect of digitalisation on export performance. It was also discovered that the utilisation of internet technologies, which falls within the spectrum of digitalisation, has contributed towards enhancing export performance, specifically in industries with greater levels of technological intensity (Trąpczyński & Kawa, 2023). Thereby, based on the literature, the following hypotheses are developed.

H_1: Digitalisation significantly impacts export performance.

2) Impact of Digitalisation on EMO: EMO refers to the infusion of marketing concepts to export operations of the venture (Cadogan et al., 1999). EMO involves continuously and regularly monitoring export buyers, competitors, and other environmental factors in the international market to develop and offer products and services that meet the demands of business partners in export markets (Acikdilli et al., 2022).

Research on digitalisation's impact on export market orientation underscored its benefits and challenges for exporting firms. Previous studies have unveiled the usage of global information systems and big data for generating market intelligence in manufacturing firms in Russia without physical presence (Grankina et al., 2020). Additionally, researchers have unveiled the impact of Industry 4.0 towards EMO, which is found to be positive and significant in the context of Slovenian export ventures (Naglič et al., 2020). Another study conducted on small exporters in an emerging market revealed that leveraging online capabilities and big data can significantly enhance international marketing strategies despite geographical differences. However, gaps exist concerning the impact of venture size and the extent of digital technology use (Luu, 2024). Subsequently, Nakata and Zhu (2006) has revealed that there is no direct link between information and communication technology and the customer orientation aspect of market orientation, contradicting prior research findings. Based on considering the significant impact proven by previous literature, the below hypothesis is being derived.

H_2: Digitalisation significantly impacts EMO.

3) Impact of EMO on Export Performance: The direct effect of EMO on export performance has been a scope that has been evaluated widely in previous literature. First, literature that has examined the effect of market orientation on firm performance is being given attention. Previous researchers have highlighted different dimensions of market orientation, such as customer, competitor and inter-functional orientation. In the context of small and medium scale enterprises in Ghana, it has suggested that market orientation influence positively and significantly on business activities (Bamfo & Kraa, 2019). Similarly, the significant impact of market orientation on supply chain performance through customer integration has been revealed in the context of Pakistani manufacturing firms (Aslam et al., 2023).

Subsequently, literature that has evaluated the impact of market orientation on performance in the international context is being reviewed. EMO comprises of three dimensions namely, intelligence generation, intelligence dissemination, and responsiveness, which previous researchers have utilised when measuring EMO's impact on other constructs (Cadogan et al., 1999). Prior studies show evidence for the significant impact of EMO towards export performance (Alotaibi & Zhang, 2017; Acikdilli et al., 2022; Lin et al., 2014). Additionally, researchers have introduced constructs that would

mediate and moderate the effect of EMO on the export performance. Competitive strategy, external factors such as market turbulence, competitive intensity (Acikdilli et al., 2022), export channels and institutional environments (He et al., 2018) as moderators and market capabilities (Murray et al., 2011; Joensuu-Salo et al., 2018), market effectiveness (Kayabasi & Mtetwa, 2016), and export strategy (Alotaibi & Zhang, 2017) as mediators have been investigated previously when examining the impact of EMO on export performance. Also, Faroque et al. (2022) has considered the dimensions of responsive and proactive nature in EMO when its moderating effect is being examined between the linkage of foreign market knowledge and international market performance. However, Kayabasi and Mtetwa (2016) revealed that the direct effect of EMO on export performance was insignificant. Compared to majority of the literature, this finding was contradicting. Therefore, based on the above arguments, the below hypothesis is derived.

H_3: EMO significantly impacts export performance.

4) EMO Mediates the Impact of Digitalisation on Export Performance: According to past studies, despite the authors having thoroughly investigated the impact of EMO on export performance, there exists a lack of past studies that have incorporated the implementation of digitalisation or related digital concepts into their model, which would probably deliver valuable insights.

Prior research highlights that a stronger market orientation, focused on meeting customer or supplier needs rather than weighting much effort on administrative tasks, is linked to better outcomes. To gain the benefits of export orientation, firms that conduct export operations are now rapidly adopting or have already embraced the use of digitalisation (Andersen, 2005). Subsequently, Polo Peña et al. (2011) revealed that information and communication technology performs as an antecedent to implementing market orientation in the context of tourism business activities. Furthermore, it also highlighted that information and communication technologies increase the access capacity for global market information, which in turn leads to enhancing the competitive advantage and making information access affordable for businesses. Furthermore, Naglič et al. (2020) highlighted that export-oriented firms utilising industry 4.0 technology can contribute better-informed decisions for the exporting venture. This, in turn, will ultimately give the export ventures the opportunity to improve their export performance. As per the recommendations, managers should prioritize meeting export buyer requirements and ensuring efficient product distribution. This can be achieved by leveraging digital technologies such as big data analytics and the internet of things. By investing in these advanced technologies, managers can compete more effectively on a global scale and improve their export performance.

Another study demonstrated that information communication technology utilisation in terms of software networks significantly impacts the development of export proactive market development capabilities, which subsequently contributed to enhancing financial and market performance in the context of Thai manufacturers (Racela & Thoumrungroje, 2020).

Despite the evaluation of industry 4.0 technology and information and communication technology applications, the definition of digitalisation extends beyond this boundary and authors have not considered this. Therefore, the following hypothesis is being formulated based on the presented arguments.

H_4: EMO significantly mediates the impact of digitalisation on export performance.

III. METHODOLOGY AND EXPERIMENTAL DESIGN

For the purpose of collecting data to test the research hypotheses of the present study, a cross-sectional survey was implemented among Sri Lankan apparel exporting firms that have adopted basic and essential digital technologies. The data collected from the survey was analysed using the Partial Least Square Structural Equation Modelling (PLS-SEM) technique using SmartPLS4 software.

Due to the absence of an officially declared contact base of Sri Lanka apparel exporters, the researchers have made a list of apparel exporters cumulating contact bases from multiple official sources. A list of apparel exporters registered with the Export Development Board (EDB), Sri Lanka Apparel Exporters Association (SLAEA), and Free Trade Zone Manufacturing Association (FTZMA) was utilized to prepare the list of apparel exporters in Sri Lanka which initially led up to a total of 183 apparel export ventures.

Initially, an individual representing the specific export venture was recognized by going through the company website and LinkedIn. The recognized individual was assumed to have a clear understanding of the company's overall digital capabilities, export market orientation and export performance. Also, it was ensured that the chosen individual was in a position ranging from executive to top management.

Then, a telephone interview was initiated with the specific individual after reaching him or her through the company's general line. The whole 183 export ventures in the list were attempted initially. During this phase, the list of apparel manufacturing exporters was filtered out carefully based on their implementation of digital practices in the venture. Usage of digital technologies such as IT programming services, owning an internet domain, cloud infrastructure, Computer-Aided Design (CAD) (Martín-Peña et al., 2019), and process automation (Omrani et al., 2022) was enquired. If they used more than half of these technologies, they were considered eligible for the population of the study. Additionally, export ventures acquired by other export ventures in the list, ventures with duplicated contact records (this is due to the utilisation of multiple sources to build the list), non-operating export ventures, and small-scale export ventures were filtered out from the list during this phase.

After the filtration process, the study population was recorded as 91. After the telephone interview, the primary survey was emailed to the individual representing the specific export venture. 2 to 3-day follow-ups were initiated to check the status of filling out the survey. 87 effective responses were received from medium and large-scale apparel exporters in Sri Lanka.

The survey questionnaire was in English language. The questionnaire comprised five sections. The first four contained items designed to measure the constructs of digitalisation, export market orientation and export performance, followed by the final section, which gathers demographic information.

To capture the underlying construct of digitalisation, researchers have utilised a seven-item instrument (Abou-foul et al., 2021; Westerman et al., 2014). This captures the incorporation of digital capabilities into the operational process, that would subsequently lead to enhancing the supply chain and performance of apparel manufacturing operations (Abou-foul et al., 2021). Subsequently, to capture the construct EMO a nine-item scale was adopted from Acikdilli et al. (2022). EMO tends to capture three dimensions of the construct namely, market intelligence generation, intelligence dissemination and

responsiveness. Finally, a seven-item instrument adopted from the EXPERF scale was designed to measure export performance. It is a subjective assessment utilised to evaluate export performance from the perspective of the individual who is representing the export venture (Zou et al., 1998).

The indicators adopted from the literature were all reflective in nature. The reason for modelling the constructs as reflective is that they are interchangeable, and reflective indicators allow for flexibility. This means that any single item can generally be removed without changing the meaning of the construct, as long as the construct maintains its adequate reliability (Hair et al., 2014). The items of the underlying constructs were captured using a five-point Likert scale, which ranged from strongly disagree if rated 1, to strongly agree if rated (5). All these items in the constructs were captured through a five-point Likert scale, spanning from strongly disagree at a rating of 1, to strongly agree at a rating of 5. The last section of the questionnaire gathered information about the participant departments, positions, and number of employees.

The researchers have utilised the partial least square structural equation modelling (PLS-SEM) approach to analyse the data. There were multiple reasons behind choosing this analytical technique. PLS-SEM has the ability to deliver the explained variance of the dependent constructs effectively while assessing the data quality based on the measurement model's characteristics (Dash & Paul, 2021). Also, this technique provides flexibility to handle data issues (i.e. non-normality) (Dash & Paul, 2021) and manage complex structural models with many constructs, indicators, and model relationships (Hair et al., 2019) smoothly. When applying this to the present study, PLS-SEM proved to be effective when dealing with a small population size that involves business-to-business research. Additionally, PLS-SEM allows for managing the reflective models better and utilizes analytical capabilities aligned with multiple regression (Hair et al., 2019). Furthermore, past literature has utilized PLS-SEM to examine the different effects on the dependent variable of export performance (Chen et al., 2016). Thus, it gives reasonable evidence to use PLS-SEM in the current study.

IV. RESULTS

In this section, descriptive statistics of demographic data, Common Method Bias, the measurement model and the structural model will be discussed vividly.

A. Descriptive Statistics of Demographic Data

Descriptive statistics of the 87 responses received from medium and large-scale apparel exporters are presented in this section. 78 (89.7%) participants were from large-scale apparel exporters, while 9 (10.3%) were medium-scale exporters. Out of the individuals who represented their export venture, the majority, 35 (40.2%), were from the IT department, followed by 20 (23.0%) from the merchandising department, 7 (8.0%) from the finance department, 5 (5.7%) from the commercial department and 20 (23.1%) from other departments. Considering the participant position, most of the respondents were managers, 32 (36.8%), followed by executives, 26 (29.9%); department heads, 17 (19.5%); directors, 3 (3.4%); assistant managers, 2 (2.3%) and other positions, 7 (8.1%).

B. Measurement Model

Under this section, the underlying constructs' factor loadings, internal consistency reliability, discriminant validity, and convergent validity were assessed. Factor loadings were calculated to assess the extent to which each item in the correlation matrix is

correlated with the specific principal component (Pett et al., 2003). This analysis, in essence, assists in determining whether the specific items accurately reflect the underlying construct or otherwise. The recommended threshold for factor loading exceeds 0.708, which leads to clarifying more than 50% of the indicator's variance (Hair et al., 2019). Initially, indicators DIGI2, EMO5, EMO6, and EMO7 were detected with outer loadings less than 0.708. These indicators were eliminated based on a stepwise approach while emphasising the improvement of internal consistency reliability, convergent validity, and discriminant validity. Ultimately, DIGI2, EMO6 and EMO7 were eliminated, while EMO5 was retained.

Subsequently, the internal consistency reliability was assessed using Cronbach's alpha. Threshold values of 0.60 to 0.70 were considered acceptable, 0.70 to 0.90 were considered satisfactory, and values at 0.95 and above were considered to have undesirable response patterns (Hair et al., 2019). All the constructs were at a satisfactory level of internal consistency reliability.

In the Subsequently step, the convergent validity of the underlying constructs was evaluated. This determines the extent to which an underlying construct converges to explain the variation in its items. The metric used to measure the convergent validity is the average variance extracted (AVE) of the specific construct. The recommended minimum AVE value is 0.50 (Hair et al., 2019). All the constructs recorded an AVE value above the minimum threshold. The final factor loadings, internal consistency reliability results assessed via Cronbach's alpha and convergent validity results assessed via AVE are summarised in Table 1.

Table 1. Factor Loadings and Construct Reliability and Validity

Construct	Items	Outer loadings	Cronbach's alpha (a)	Average variance extracted (AVE)
DIGI	DIGI1	0.741	0.864	0.596
	DIGI3	0.779		
	DIGI4	0.784		
	DIGI5	0.792		
	DIGI6	0.808		
	DIGI7	0.725		
EMO	EMO1	0.777	0.888	0.598
	EMO2	0.794		
	EMO3	0.812		
	EMO4	0.827		
	EMO5	0.712		
	EMO8	0.734		
	EMO9	0.749		
EXPERF	EXPERF1	0.794	0.934	0.717
	EXPERF2	0.904		
	EXPERF3	0.842		
	EXPERF4	0.826		
	EXPERF5	0.838		
	EXPERF6	0.889		

EXPERF7	0.831

Notes: DIGI: Digitalisation. EMO: Export market orientation. EXPERF: Export Performance.
Source: Authors' compilation.

Afterwards, the discriminant validity was assessed to ensure that a specific construct is distinct from others, using the heterotrait-monotrait ratio (HTMT) approach. While an HTMT value of 0.85 indicates an exceptional conceptual distinction between constructs, a value of 0.9 and above suggests a lack of discriminant validity (Hair et al., 2019). The discriminant validity of the constructs has been established, and the HTMT values are presented in Table 2.

Table 2. Discriminant Validity - HTMT Ratio

	01.DIGI	02. EMO	03. EXPERF
01. DIGI			
02. EMO	0.577		
03. EXPERF	0.676	0.663	

Notes: DIGI: Digitalisation. EMO: Export market orientation. EXPERF: Export Performance.
Source: Authors' compilation.

C. Structural Model

After confirming the measurement model, the structural model was evaluated. Prior to delving into hypothesis testing, an assessment was carried out on the coefficient of determination (R^2). The R^2 value of the endogenous construct gauges the model's effectiveness in terms of in-sample explanatory power without considering its ability to predict data outside the sample (Hair et al., 2019). The R^2 value of this study is 0.421, indicating that the model's in-sample explanatory power of the endogenous construct, export performance is 42.1%.

Subsequently, path coefficient analysis and hypothesis testing were conducted. Path coefficients are "estimated path relationships in the structural model (i.e., between the constructs in the model)" (Hair et al., 2014). The results of direct and indirect effects based on data bootstrapped with 1000 subsamples are presented in Table 3. The structural model of the study is presented in Figure 1.

Hypothesis 1 (H_1) assessed if digitalisation significantly impacts export performance in the context of the Sri Lankan apparel export industry. The results revealed that the direct effect of digitalisation on export performance is significant at a 90% confidence interval (b = 0.221, p = 0.082). Hence, H_1 was supported.

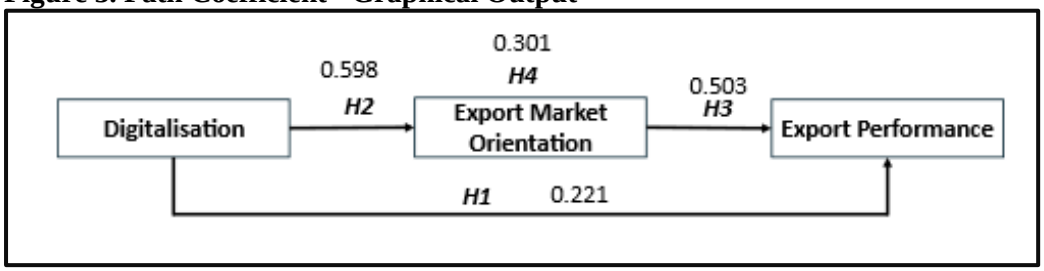
Table 3. Direct Effect, Total Effect and Specific Indirect Effects

	Beta coefficient (b)	Standard deviation (STDEV)	p-value	Supported
H_1: DIGI → EXPERF	0.221	0.127	0.082*	Yes
H_2: DIGI → EMO	0.598	0.080	0.000***	Yes
H_3: EMO → EXPERF	0.503	0.111	0.000***	Yes

Total effect (DIGI→ EXPERF)		Direct effect (DIGI→ EXPERF)		Indirect effect of DIGI on EXPERF		
Coefficient	p-value	Coefficient	p-value	Coefficient	SD	p-value
				H_4: DIGI → EMO → EXPERF		
0.522	0.000***	0.221	0.082*	0.301	0.085	0.000***

Note: Impact is significant at *p-value < 0.1. Impact is significant at **p-value < 0.01. Impact is significant at ***p-value < 0.001 DIGI: Digitalisation. INN: Innovation. EMO: Export market orientation. EXPERF: Export performance.
Source: Authors' compilation.

Figure 3. Path Coefficient - Graphical Output



Source: Authors' compilation.

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Subsequently, the second hypothesis (H_2) evaluated the direct impact of digitalisation on EMO. The results revealed that digitalisation significantly and positively impacted export market orientation (b = 0.598, p = 0.000), supporting H_2 at a significance level of 0.001.

Thirdly, the effect of EMO on export performance was evaluated (H_3). The results revealed that EMO significantly and positively impacts export performance (b = 0.503, p = 0.000) at a significance level of 0.001. Hence, H_2 was supported.

Finally, the indirect effect of digitalisation on export performance through the mediation of EMO was evaluated (H_4). It was unveiled that the indirect impact of digitalisation on export performance mediation effect of EMO was significant and positive (b = 0.301, p = 0.000) at a significance level of 0.001. The total effect of digitalisation on export performance was significant (b = 0.522, p = 0.000). With the inclusion of mediation in the model, the direct effect becomes significant at a 90% confidence interval but insignificant at a 99.9% confidence interval, indicating that EMO has a full mediation effect. Hence, H_4 was supported.

V. DISCUSSION

The present study intended to investigate the effect of digitalisation on apparel exporters' performance and the potential mediating role of EMO. In light of the dynamic capability's theory, the mediation role of EMO can be explained.

First, the present study unveils a significant and positive impact of digitalisation on export performance in the context of Sri Lankan apparel exporters context (H_1). These results align with similar studies carried out by past researchers, where they have examined the impact of digitalisation or similar concepts in the digital spectrum, such as big data, and the Internet of Things, on financial performance (Abou-foul et al., 2021), organizational performance (Martín-Peña et al., 2019), and international performance (Li et al., 2023; Trąpczyński & Kawa, 2023; Wang et al., 2024). The rationale behind the significant and positive direct effect of digitalisation on export performance may probably be due to the ability of digital capabilities to enhance operational flexibility and efficiency in export operations (Abou-foul et al., 2021). The results of Abou-foul et al. (2021) can be related to the present study as its context is based on manufacturing. Additionally, as highlighted by (Trąpczyński & Kawa, 2023) another reason would probably be the ability of digitalisation to create synergies by combining technological and managerial capabilities, which would enhance export performance in the venture. Trading partner value addition by presenting novel avenues for value generation through digitalisation's potential to enhance efficiency and effectiveness (Martín-Peña et al., 2019) is another rationale behind the direct impact. Considering these facts, the theory is further emphasised through the results of the present study on the background of the apparel exporting industry.

Second, the direct effect of digitalisation on EMO was revealed to be significant and positive (H_2). The findings of the current study support the discoveries made by earlier researchers. Digitalisation implementation develops the ability of market sensing and marketing information quality (Nakata & Zhu, 2006), which would probably lead to a significant impact of digitalisation on EMO. Furthermore, export ventures that digitalise their business processes and manage large volumes of data, including detailed information on export buyers and competitors in foreign markets, have a strong basis for achieving a greater level of EMO (Naglič et al., 2020).

Third, the direct effect of EMO on export performance was revealed to be significant and positive (H_3). These findings are consistent with other studies that investigated the impact of market orientation (Bamfo & Kraa, 2019) or EMO (Lin et al., 2014; Alotaibi & Zhang, 2017; Acikdilli et al., 2022) on firm or export performance. The rationale behind this linkage could probably be explained by intelligence generation, intelligence distribution, and market responsiveness embedded in EMO. Thereby, Sri Lankan apparel manufacturing exporters gain an effective understanding of their export buyer requirements, enabling them to respond and adjust accordingly. Ultimately this would have led to stronger objective and subjective export performance of the venture (Acikdilli et al., 2022). Also, EMO enables the creation of strategic layouts in overseas markets, which would also lead to superior export performance (Lin, Huang and Peng, 2014).

Fourth, the effect of digitalisation on export performance through EMO is unveiled as significant and positive (H_4). The present study tends to validate the previous literature in a similar capacity. The rationale for an effective EMO to be a significant mediator connecting digitalisation and export performance could probably be the enhancement of the export venture's ability to engage with the overseas market through

digital capabilities, which can lead to the adoption of an effective EMO strategy (Polo Peña et al., 2011). Ultimately, the adoption of an effective EMO strategy could lead to improving the apparel exporters' performance.

VI. IMPLICATIONS AND CONCLUSION

The present study addressed the research problem and was able to provide a significant contribution towards filling the research vacuum. From a theoretical perspective, this study provides an extension for previous literature on digitalisation, export market orientation and export performance by investigating the effect of digitalisation on export performance, both directly and indirectly. Theoretical contribution especially highlighted the role of EMO as a mediator between digitalisation and export performance. Also, this study provides valuable insights into the context of apparel manufacturing exporters in an emerging country on how export performance behaves when digitalisation is mediated through EMO. Moreover, the study explained the impact of digitalisation on export performance in light of the dynamic capability's theory.

The apparel industry is the main dollar incomer in the export sector. According to the practical perspective, this study provided medium and large-scale apparel exporters, policymakers and industry leaders to have a better understanding of how important it is to be export market-oriented or develop an EMO strategy that leads export ventures, making digitalisation effective for better export performance. Moreover, the study highlighted the significance of Sri Lankan apparel manufacturers being export market-oriented. This entails survival in the dynamic global market, which leads to sensing novel export buyer demands and global market trends, enhancing the export performance that can lead to better foreign revenue-generating opportunities. Also, this study could serve as a piece of effective information on micro and small-scale export ventures that are looking forward to adopting digital practices in their operations to serve the overseas market and gain benefits.

This study, which empirically investigates the impact of digitalisation on the performance of Sri Lankan apparel manufacturing exporters, has the potential to significantly inform strategic decision-making. By focusing on the mediating role of EMO and using PLS-SEM techniques and key variables, the study demonstrates digitalisation's significant and positive direct and indirect effects on export performance. This research can empower apparel exporters, policymakers, and stakeholders with the knowledge of how digitalisation can drive export performance in the competitive international market. While the study is limited to the Sri Lankan apparel industry, making it challenging to generalise the findings to compare them with developed countries such as China. It paves the way for future research to explore additional mediating variables such as supply chain capabilities (Wang & Prajogo, 2024), servitization (Abou-foul et al., 2021), and channel integration (Fayos et al., 2023).

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