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# **A CONCEPTUAL FRAMEWORK OF ALTERNATIVE MARKETING STRATEGY AND MARKETING OUTCOMES**

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## **ABSTRACT**

*Marketing strategy is a guideline or procedure to manage marketing activity that leads to success, enhances business performance, sustains competitive advantage and maintains the business in long-term. Currently, marketing strategy continuously has been changed by technology, globalization and the variety of business environment which the marketing strategy in the past or traditional marketing is not appropriate with the present situation. In addition, many businesses are facing strong competition and rapid change for which the business requires renovation in marketing strategy through new approaches different from a traditional approach, appropriate to a dynamic environment. This paper purposes a conceptual model of alternative marketing strategy and marketing outcomes. There are five dimensions of alternative marketing strategy which are a core construct. These are identified in the model, and comprise spirituality marketing orientation, social business enterprise focus, buyer-seller relationship capability, customer knowledge-provided awareness, and technology-based marketing implementation. Marketing outcomes are the seven constructs in the model that includes: new product identity, customer responsiveness specificity, superior business competitiveness, outstanding market acceptance, marketing profitability, executive satisfaction and marketing survival. Within the model clarification are propositions to support the relationships between alternative marketing strategy and marketing outcome. Finally, this paper suggests managerial implications and present guidelines for future empirical research.*

## **INTRODUCTION**

Since the 1960s until today, the marketing concept has been developed from product centric (Marketing 1.0), and consumer-centric focus (Marketing 2.0), to value-driven (Marketing 3.0). This era has recognized that the customer is a partner or participator, and not only a target group or general customer. For this reason, the marketer should give importance to the mind, heart and spirit of a customer to reduce customer concern and pay attention to the deeper understanding of the customer (Kotler, Kartajaya & Setiawan, 2010). In addition, business environment has expanded by information technology that links with the business from the globalization, and the growth of information technology to facilitate in the business (Hui-Yao & Chich-Jen, 2012). Similarly, customer expectations, market demand (including current society) are changing, and key factors affect business performance (Seretny & Seretny, 2012). Alternative marketing strategy, as an ability of a firm uses the new ways to manage current situations and offer marketing activity different from traditional marketing or unlike that made in the past. The alternative marketing strategy is defined as the ability of a firm in using new approaches that innovate, impress and surprise target groups by creating good memorization (Simone, 2006).

Additionally, the advantage of alternative marketing strategy has more effect than traditional marketing strategy because it applies new methods to manage the business such as in using social media, viral marketing, guerilla marketing, and events-based marketing to respond to fast change and measure the business performance (Castronovo & Huang, 2012). Therefore, to enhance business performance and to achieve business survival, one needs to understand dynamic change in relationship to the following issue. Firstly, customer demand and lifestyle are changing. Thus, the firm should try to understand the meaning of life in spirituality marketing to create mental values more than directly from the product (Nordin, 2009). Secondly, trends assessed by stakeholders in terms of economy, society and environment are increasing. Thus, the social business enterprise has innovative ways to deal with social problems to balance the mission of organizations and business performance (Barraket et al., 2010). Thirdly, successful marketing is required to develop a long-term relationship between buyer and seller (Vargo & Lusch, 2004a, 2008). This concept is one aspect of alternative marketing strategy constantly to develop the relationships between buyer and seller, constantly to increase customer loyalty and firm's profitability (Rust & Verhoef, 2005). Fourthly, customer knowledge, as a firm's resource can manage novelty by providing useful information to develop customer satisfaction and to be better than competitors. So, customer knowledge is considered an alternative marketing strategy to increase the competitiveness of the business (Garcia-Murillo & Annabi, 2002; Winer, 2001). Lastly, new technology, internet and information technology has been increasing and has a major role in business. It has effects on the marketing context which can lead to successful marketing, and has is positive for business performance (El-Gohary, 2012).

According to the literature, marketing research is often described as an alternative marketing strategy that was unconventional marketing, such as guerrilla marketing for reducing costs operation and increasing the interest of a firm's goods and services (Baltes & Leibing, 2008; Bigat, 2012). Moreover, previous researches have studied a few details of alternative marketing strategy in the changing environment on the context above and did not find the dimension of alternative marketing strategy. These issues identify research gaps in the literature. Hence, the main purpose of this paper is to examine the relationship of alternative marketing strategy and marketing outcomes. Moreover, the specific research objectives of this paper are as follows:

- 1) To investigate the effects of each dimension of alternative marketing strategy (spirituality marketing orientation, social business enterprise focus, buyer-seller relationship capability, customer knowledge-provided awareness, technology-based marketing implementation) on new product identity, customer responsiveness specificity, superior business competitiveness, outstanding market acceptance, and marketing survival,

- 2) To investigate the relationships among new product identity, customer responsiveness specificity, superior business competitiveness, outstanding market acceptance, and marketing profitability and executive satisfaction, and

- 3) To test the effect of market profitability and executive satisfaction increase on market survival,

Specifically, the research questions of this study are the following:

- 1) How does each dimension of alternative marketing strategy enhance new product identity, customer responsiveness specificity, superior business competitiveness, outstanding market acceptance and marketing survival?

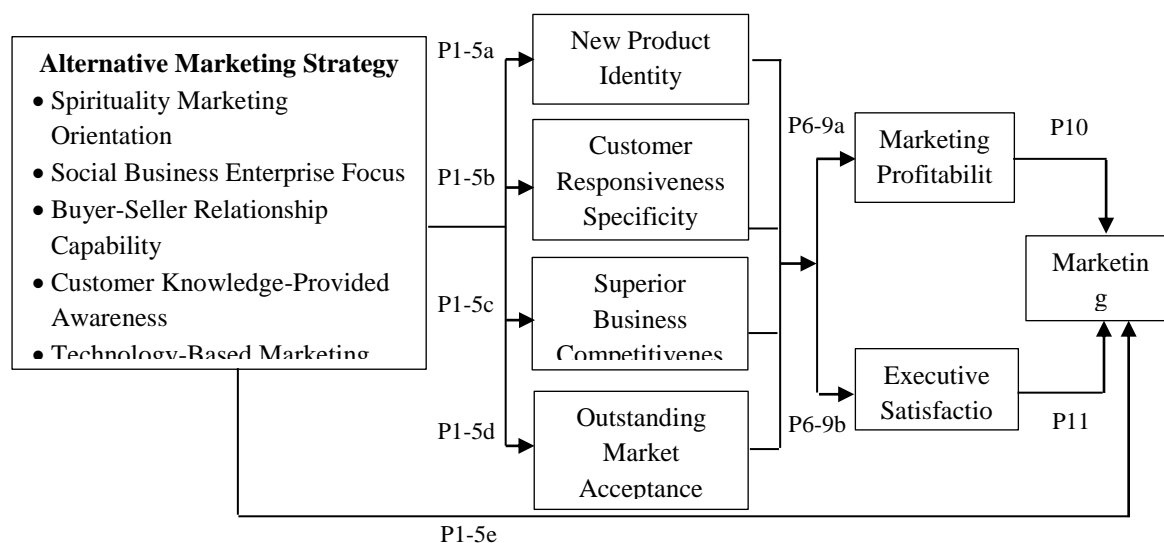
- 2) How do new product identity, customer responsiveness specificity, superior business competitiveness, and outstanding market acceptance increase market profitability and executive satisfaction?

- 3) How do market profitability and executive satisfaction increase marketing survival?

This paper is structured as follows; the first part denotes the relevant literature reviews and linkages to propositions that are presented in the conceptual framework. Second, the contribution includes managerial contributions and future research idea. The final part is the conclusion of this paper.

### LITERATURE REVIEWS

This conceptual paper shows the relationships among alternative marketing strategy, new product identity, customer responsiveness specificity, superior business competitiveness, outstanding market acceptance, marketing profitability, executive satisfaction and marketing survival, which are apparently discussed and inspected. Also, the conceptual component, linkage, and research model are provided in Figure 1.



**Figure 1: A Conceptual Framework of Alternative Marketing Strategy and Marketing Outcomes**

### Alternative Marketing Strategy

The major role of marketing strategy is to achieve competitive advantage (Slater & Olson, 2001). So, marketing strategy is very important for business and, which the executive manager should not ignore. Especially, choosing an appropriate marketing strategy is a critical element to achieve firm success. However, successful marketing strategy should understand the changing environment and the context of overall organizational (Shaw, 2012). Alternative marketing strategies in a crisis period emphasized a product reengineering process, emphasis on new customers with environmental concerns, new pricing perception, new features of collaboration, and information management to enhance business survival (Bourletidis & Triantafyllopoulos, 2014).

In addition, alternative marketing focuses on social media or new technology, which is new marketing strategy to maintain market position and create customer loyalty by using social network marketing (Öztamur & Karakadılar, 2014). Alternative marketing strategy has several types; for example, expeditionary marketing, guerrilla marketing, radical marketing, buzz marketing, viral marketing and convergence marketing (Morris, Schindehutte & LaForge, 2002). These strategies can improve business performance, which depends on the ability of a firm to employ strategy consistent with changing business. Therefore, alternative marketing strategy is looking for new ways to develop the operation in business by ongoing

products or services and innovation processes; and adapt to the changing business environment.

Based on the prior literature review, this paper defines alternative marketing strategy as the marketing techniques outside of a conventional approach which develop products, processes, manages customer concerns, collaborate and communicate management (Hutter & Hoffmann, 2011; Bourletidis & Triantafyllopoulos, 2014). For the advantage of alternative marketing, the firms can set new ways, consistent with changing environmental to achieve the business objective. According to Morris, Schindehutte & LaForge (2002) the perspective on the emerging nature of marketing has new ways for application in business and associate with the characteristics in each alternative marketing approach, as show in Table 1.

Furthermore, this conceptual framework delivers five dimensions of alternative marketing strategy which includes: spirituality marketing orientation, social business enterprise focus, buyer-seller relationship capability, customer knowledge-provided awareness, and technology-based marketing implementation which are related to product, customer, competitor, and market.

<b>Table 1</b>	
<b>SUMMARY OF ALTERNATIVE MARKETING APPROACH</b>	
<b>APPROACH</b>	<b>CHARACTERISTIC</b>
Expeditionary Marketing	First-mover entry to the market, searching for new product continuity and focus on leader rather than follower
Guerrilla Marketing	Low cost management, concentrate on effective communication, focus on collaboration and networking system
Radical Marketing	Support to the marketing activities, understanding customers, maintain the quality of product, using information from market research and close relation with customers, both mental and physical
Buzz Marketing	Information diffusion through individual network for creating interest and infatuation with customer
Viral Marketing	Sending message through emails, online and offline advertisement
Convergence Marketing	Integration technologies or combination of marketing channel and creating new chance for the consumer

### **Spirituality Marketing Orientation**

Spirituality marketing orientation refers to creating mental values and a good feeling, linking the meaning of products or services to keep in minds of all stakeholders through moral, ethic, social and environmental to enhance positive effective perception and loyalty (Kale, 2006). Spirituality has become the popular issue for researchers and business enterprise (Duchon & Plowman, 2005; Karakas, 2010). Spirituality is the nature of each person which connects to something such as sacred, holy, a higher power, cause, self-awareness and server to the people of the world (Wiggles worth, 2004). In terms of business, spirituality is an ability of a firm which connects the meaning of moral value and virtues in business activity (Fry & Matherly, 2006). According to Ashmos & Duchon (2000) state that spirituality is a major revolution to deal with meaning, an objective, and a sense of community.

Generally, spirituality is related to the management field which gives emphasis to workplace spirituality because of the occurrence of business scandals, downsizing, and trying to improve the business (Aravamudhan, 2007). Spirituality can divide into four components that are: existential thinking which is the ability to think of philosophies of existence, personal meaning and goals is the ability to create goals for life, transcendence awareness is ability to recognize, and self-excellence and conscious state expansion is a feeling, sense and unity (King, 2008).



However, the context of marketing found that four elements of spirituality have an effect on marketing performance. Thus, the firm should focus on spiritual marketing orientation to improve the marketing activity and to achieve marketing performance (Rezaei & Kazemi, 2011). Prior study, found that the spirituality has influenced on business performance related to increased efficiency (Conlin, 1999), profitability (Quatro, 2002), competitive advantage (Driscoll and Wiebe, 2007), and customer service (Pandey et al., 2009). Hence, the first of proposition is as follows:

- P1: Spirituality marketing orientation will have a positive influence on a) new product identity, b) customer responsiveness specificity, c) superior business competitiveness, d) outstanding market acceptance and e) marketing survival.

### **Social Business Enterprise Focus**

Social business enterprise focus refers to the activity of a firm to serve society and improve the quality of life of poor people, and for the local community to have more well-being (Kerlin, 2006). Social business is a new form of business which relates to supervising the poor and the under-privileged to the economic opportunities by combining objectives about profit-making and non-benefit (Rahman & Hussain, 2012).

Today, the social problems are more important for business. Many firms are looking for a new approach to fulfill in their firm (Miles, Verreynne & Luke, 2013). The social issues have many cases such as the poor, housing, food, renewable energy, and helping others (Yunus, 2007). However, the key purpose of social business can be divided into three types, which are: 1) interests of the beneficiary, first and most important that generates value for their donors, and external stakeholders, 2) focusing on economic, social, and environmental sustainability, and 3) creating value for beneficiaries, donors and other stakeholders as long-term process (Vazquez, Alvarez & Santos, 2002; Zhou, Chao & Huang, 2009).

Besides, social business relates to proactively taking risks to create product innovation, processes, strategy, or business direction to be more efficiently and effectively (Miles et al., 2013). Social business can be a response to new and specific needs, in complex surroundings with an increasing pressure related to scarcity of resources (Linzone & Lerro, 2014). Social business seems to be corporate social responsibility about responsibility to use resources to improve societal circumstances (Prieto, Phipps & Addae, 2014). Therefore, social business can improve corporate reputation through creating benefit to community and society; and, it may increase customer goodwill towards the firm (McGuire, Sundgren & Schneeweis, 1988).

Moreover, the firm should focus on balancing the maximum profits and being socially responsible to achieve profitability. Social responsibility can lead to superior performance. Thus, social business enterprise focus tends to gain marketing outcomes and marketing survival. Hence, the hypothesis is proposed as follows:

- P2: Social business enterprise focus will have a positive influence on a) new product identity, b) customer responsiveness specificity, c) superior business competitiveness, d) outstanding market acceptance and e) marketing survival.

### **Buyer-Seller Relationship Capability**

Buyer-seller relationship capability is developing and maintaining the relationships in the process of buying and selling products or services between a partner and the firm in order to increase familiarity and provide relationship satisfaction (Clark, 1989). Developing long-term buyer-seller relationships are important for business, which increases sustainable competitive advantage (Dyer & Singh, 1998). The buyer-seller relationships holds that

important strategy helps business success (Laing & Lian, 2005). Relationship marketing has interest to buyer-supplier relationships to increase relationship satisfaction (Abdul-Muhmin, 2005; Ramaseshan et al., 2006; Rodriguez et. al, 2006).

Effective buyer-seller relationships help to manage uncertainty and dependence, lower total costs, create product development and use marketing orientation through knowledge and customer needs (Cannon & Perreault 1999). Firms that create relationships with suppliers and proactively emphasize work can provide better service to customers and perform at higher levels than those that do not (Hsu, 2008). Buyer-supplier relationships can reduce uncertainties in the business process. Using this approach has an effect on superior performance (Patterson, Forker & Hanna, 1999).

Moreover, Larson (1994) found that the firm use of long-term buyer-supplier relationships helps achieve a competitive advantage. Hunt (2000) states that buyer-supplier relationships have a positive impact on profitability and customer loyalty. Reputation is a resources of the firm which is one of the results of developing buyer-seller relationships (Davies & Prince, 2005). The long-term relationships are important to improve the financial performance of firm (Han, 1993). The buyer-seller relationship is a key factor of the firm to increase sales growth and profitability (Kalwani & Narayandas, 1995). Besides, the long-term relationship of the buyer-seller can lead the firm to sustainable competitive advantage (Ganesan, 1994).

Based on the literature review, the buyer-seller relationship is more likely to develop firms to achieve their marketing outcomes. Thus, the proposition is elaborated as follows:

- P3: Buyer-seller relationship capability will have a positive influence on a) new product identity, b) customer responsiveness specificity, c) superior business competitiveness, d) outstanding market acceptance and e) marketing survival.

### **Customer Knowledge-Provided Awareness**

Customer knowledge-provided awareness is the extent to which the ability of the firm to explain or provide the important or necessary information involves products or service to enhance the understanding of the customer (Gebert et al., 2003). For this reason, the marketing concept is changing from the product-centric to become customer-centric, which gives more importance to the customer (Chen & Su, 2006). So, the customer is considered as one key factor to develop the ability of a firm to be customer-centric.

Moreover, knowledge for the customer is essential in marketing processes to increase customer knowledge and bring about knowledge of products, markets and suppliers (Garcia-Murillo & Annabi, 2002). Customer knowledge can be divided into three types as follows: first, knowledge for customers gives knowledge to customers to respond to their need of products, services and other important items; second, knowledge about customers is understanding customer needs and motivations; and third, knowledge from customers is knowledge obtained from interactions with customers regarding products, markets and suppliers (Gebert et al., 2003). However, this paper focuses on knowledge for customer.

Customer knowledge-provided is important to new product development in unstable environments, which firms are required to communicate as to the benefits of a new product to customers and reduce perceived risks and uncertainties arising from change (Foxall, 1995; Beard & Easingwood, 1996; Dholakia, 2001). Moreover, the researchers found that customer knowledge-provided has effect on new product in uncertain environments, and involve customer satisfaction at the early stage of product development (Rosen, Schroeder & Purinton, 1998). Athaide, Meyers & Wilemon (1996) suggest that the improvement of customer relationships by educating customers through pre-introducing new products to them, trains customers to rise the good relationship between firm and customer.

Thus, customer knowledge management is an important capability that can create a competitive advantage of business in keeping the long-term relationship between the firm and its customers (Morgan & Hunt, 1994). When the firm uses a customer knowledge process, it will increase a firm's capability concerning identifying customer needs and valuable market segments (Jayachandran, Hewett & Kaufman, 2004). Customer knowledge is a resource of the firm and the key for improving business competition and financial performance (Yi & Wang, 2005). According to Chadam & Pastuszak (2005), it was found that knowledge management has a positive relationship with financial results such as in sales, market share, and profitability. Hereby, customer knowledge-provided awareness is more likely to support firms to achieve new product identity, customer responsiveness specificity, superior business competitiveness, outstanding market acceptance and marketing survival. Thus, the propositions are assigned as follows:

- P4: Customer knowledge-provided awareness will have a positive influence on a) new product identity, b) customer responsiveness specificity, c) superior business competitiveness, d) outstanding market acceptance and e) marketing survival.

### **Technology-Based Marketing Implementation**

Technology-based marketing implementation in this research refers to the integration of modern technology and new communication for use in marketing activity and convenience to customers and the business (Trainor et al., 2011). The internet and computer networks help to more easily send and receive messages and from to the customers. Moreover, technology helps customers participate in the process of creating products or services including sharing opinions about a product or service for the improvement of the business (Rust, 1997). Therefore, new technology supports business performance related to the information process (Jayachandran et al., 2005).

In addition, modern technology helps the firm develop products or services in high volumes but at low cost (Gilmore & Pine, 1997). Implementing new technology in business improves information and knowledge about markets, customers, and competitors, to which the firms can offer new choices or better services to respond to customer needs. Especially, the ability to use the internet and other technologies to facilitate communication with customers shows that communication is one resource of the firm (Trainor, et, al., 2011).

Indeed, technological advances enhance the connection with customers better than ever before (Coviello, Milley & Marcolin, 2001). Therefore, technology-based marketing supports the development of products, services, and production processes (Song et al., 2005). Wu, Mahajan & Balasubramanian (2003) mention that technology implementation in business has a positive influence on business performance, including customer satisfaction, sales performance and relationship development. The influence of technology-based marketing has an effect on customer relationship performance and sales growth (Rapp, Schillewaert & Hao, 2008).

The linkage of literature reviews are drawn by the relationship between technology-based marketing implementation on new product identity, customer responsiveness specificity, superior business competitiveness, outstanding market acceptance and marketing survival. Hence, the proposition is proposed as follows:

- P5: Technology-based marketing will have a positive influence on a) new product identity, b) customer responsiveness specificity, c) superior business competitiveness, d) outstanding market acceptance and e) marketing survival.

### **New Product Identity**

New product identity refers to developing products or services to create novelty, uniqueness, high value, and high quality, which are difficult to imitate (Dirisu, Iyiola & Ibidunni, 2013). Identity is procurement from some groups in society which relate to the expectation from the firms and their products (Jensen, 2010). Thus, the firms try to offer new products and unique features to struggle with competitors in the marketplace (Tholke, Hultink & Robben, 2001). The uniqueness or identities of products or services helps firms to differentiate a product, and new products which are superior over competitors (Zhou & Nakamoto, 2007).

Carpenter, Glazer & Nakamoto (1994) suggest that unique attributes are important for business because consumers prefer novelty which is in keeping with their attitude. Product identity can stimulate attention toward a new product in current situations, because customers have more product information (Kardes & Kalyanaram, 1992). Therefore, product identity will increase the power of the decision-making of customers (Carpenter, Glazer & Nakamoto, 1994). Product identity is one part of the decision-making process of a customer who perceives the uniqueness and differentiation of product different from other products in the same group (Tian, Bearden & Hunter, 2001). The successful product is come from product differentiation, high quality, new packaging, and design and style that differ from product general in market (Morgan, Kaleka & Katsikeas, 2004).

The key success factor of new products is offering differentiated products to customers, which have unique benefits and superior value (Cooper, 1979). Product superiority is important to enhance business success (De Brentani & Ragot, 1996). Moreover, product innovation can help the firms develop new products, respond to customers' needs, and deliver valuable products in uncertain environments (Kim & Mauborgne, 1997; Ngo & O'Casey, 2009). The ability of firms involved in the redesign of products and product differentiation achieves firm profitability (Khanna, 2001; Ambec & Lanoie, 2008).

However, based on the literature review, new product identity might be obtained from developing product continuity in which the firm can create product differentiation that cannot imitate. When the level of a new product identity is in a high position, the more likely there will be a positive influence on marketing profitability and executive satisfaction. Therefore, the proposition is posited as follows:

- P6: New product identity will have a positive influence on a) marketing profitability and b) executive satisfaction.

### **Customer Responsiveness Specificity**

Customer responsiveness specificity refers to the ability of a firm to respond to the perception that exceeds expectations of customers involving launching new products at the right time, dealing with requirements from customers, and developing products to meet specific needs (Jayachandran, Hewett & Kaufman, 2004). Since the 1980s, customer needs have been developed continuously by requiring the firm to monitor and respond effectively and quickly to changes in customer needs to achieve a sustainable competitive advantage (Day, 1994).

Customer responsiveness is the reaction of a firm to respond to the customer needs through effective and fast actions to meet environmental changes (Chen & MacMillan, 1992; Mullins & Walker, 1996). However, customer responsiveness can be divided into two categories: first, customer response expertise is defined as responses of a firm that efficiently meets customer specificity; second, customer response is speedy responses to customer needs (Jayachandran, Hewett & Kaufman, 2004). The fact that customer response expertise is

relates to customer satisfaction and business performance (Anderson, Fornell & Lehmann, 1994). Meanwhile, customer response speed can improve the performance of an organization because quick response to customer needs may provide superior business competitiveness (Kerin, et al., 1992). According to Sorensen (2009) states that customer orientation that including customer responsiveness that has a positive effect on performance.

However, customer responsiveness specificity can be obtained from the customer response continuously of the firm that provides a higher level of satisfaction or exceeds expectation, which leads to marketing profitability and executive satisfaction. Therefore, the proposition is posited as follows:

- P7: Customer responsiveness specificity will have a positive influence on a) marketing profitability and b) executive satisfaction.

### **Superior Business Competitiveness**

Superior business competitiveness is defined as the ability of a firm to generate business practice high value better than the rivals. It involves a network of business, product quality, outstanding event marketing, and firm awards (Porter, 1996). Competitiveness can be separated into three types, including competitive performance, competitive potential, and management process (Buckley, Pass & Prescott, 1991).

Competitiveness is a product that can struggle in the market place in the scope of prices and quality of products and services (Samuelson & Nordhaus, 2001). Thus, the products or services of a firm should be better than competitors for continued survival in the marketplace. Competitiveness has several dimensions depending on competition, time and the context of the business (Ambastha & Momaya, 2004). Dynamic environment has an influence on competitiveness because it helps open an opportunity in the new economy. However, competitiveness is a firm's ability to attract and maintain which activity increases the prospects for achieving a competitive advantage (Porter, 1990).

Albaum and Tse (2001) indicated that the competitive advantage of a firm related to business performance from two strategic components: competitive advantages in product strategy, and positioning strategy that has a significant effect on market share. Moreover, business competitiveness has an effect on market share, profit, and growth in adding value, and maintains in the competition long-term (Ramasamy, 1995).

The linkages of literature reviews are drawn by the relationship between superior business competitiveness on marketing profitability and executive satisfaction. Hence, the proposition is proposed as follows:

- P8: Superior business competitiveness will have a positive influence on a) marketing profitability and b) executive satisfaction.

### **Outstanding Market Acceptance**

Outstanding market acceptance refers to the well-known firm regarding its fabrication of new products, and has variety of products that are for customer needs and business change (Soni, 2007). Acceptance refers to consumer preference for the products and images leading to a customer who is related to the set of alternatives (Spreng, MacKenzie & Olshavsky, 1996).

Acceptance is defined as the reaction of the consumers in order to respond to product or brand image and price, including purchase interest, which will lead to repeat purchasing and loyalty (Salamoura, 2005). Product or brand acceptance is product or brand loyalty, and the customer needs to repeat their purchasing (Uncles, Dowling and Hammond, 2003).

Market acceptance depends on products of quality, services, the firm's reputation and the customer's perception about the capability of the firms (Brodie, Whittome & Brush, 2009). The product is matched with market needs and is accepted in the target market to be a quality product (Suomala & Jokioinen, 2003).

Therefore, outstanding market acceptance can be obtained from market acceptance, due to the perception of customer or others who perceive the ability of a firm, which leads to marketing profitability and executive satisfaction. Hence, the proposition is posited as follows:

- P9: Outstanding market acceptance will have a positive influence on a) marketing profitability and b) executive satisfaction.

### **Marketing Profitability**

Marketing profitability refers to the result of the operation of a firm regarding increasing existing and new customers, sales growth, and market share when comparing with previous years (Hooley & Greenley, 2005). Profitability is an indicator of output depending on the relationship between the ratio of prices per unit of input and output, which is a condition of the market (Bucklin, 1978). Marketing profitability measurement has several approaches; for example, comparing the number of customers, sales volumes, segments, and product positions such as brands, product-groups, and product variety (Selnes, 1992). Previous studies found the relationships between market share and marketing profitability which are obtained from repeat purchasing and low power to bargain on price (Buzzell, Gale & Sultan, 1975).

Therefore, marketing profitability can be obtained from marketing performance, due to the results of a firm which leads to marketing survival. Hence, the proposition is posited as follows:

- P10: Marketing profitability will have a positive influence on marketing survival.

### **Executive Satisfaction**

Executive satisfaction refers to the confidence of an executive relates to better business performance both in the past and present (Mbachu, 2006; Forsythe, 2007). Satisfaction is an emotional response associated with a sense of the extent to which needs, desires, and expectations, (including specific products or services) have been received (Smith, Schüssler-Fiorenza & Rockwood, 2006). Moreover, the concept of satisfaction is a comparison between pre-expectations and post-perceptions (Mbachu, 2006; Forsythe, 2007).

Likewise, an executive is who can affect achievement of the firm's objectives (Freeman, 1984). Thus, executive satisfaction is the expectation of executive regarding actual performance which compared to marketing performance in the past.

Therefore, executive satisfaction can be obtained from business satisfaction that associate with the expectation of executives and the assessment the business performance in the past. When the executive satisfaction is at a high level, it leads to marketing survival. Hence, the proposition is posited as follows:

- P11: Executive satisfaction will have a positive influence on marketing survival.

### **Marketing Survival**

Marketing survival is the extent to which the firm continues in the marketplace, and has a high performance more than previous years (Christensen, Suarez & Utterback, 1998). Business survival has long been accepted as an important indicator of business performance (Barnard, 1947). However, business survival should consider business dissolution which is an indication of business failure (Ravenscraft and Scherer, 1987).

## **CONTRIBUTIONS**

This paper presents contributions and implications to the researcher, marketing managers, and top managers for application of alternative marketing strategy in the business. Alternative marketing strategy is a new challenge to business which regards marketing activity as the concepts of virtue, social issues, relationship marketing, education customers and technology integration through new ways of marketing to fulfill the gaps of traditional marketing strategy in the past. Consequently, alternative marketing strategy is one new option for current business increase the opportunity of success in a volatile competitive environment. That business should adopt new approaches to make a difference and novelty for the business.

For future research ideas, the researcher should examine and verify to business phenomenon by testing a hypothesis with empirical research. This paper suggests that food business for two reasons: firstly, food is one thing that people cannot stop buying which they may switch their preferences. As a result, the firms need to adjust marketing strategy for meeting new consumer preferences (Ourania & Aspasia, 2015). Secondly, innovation and offering new food products are effective ways to gain competitive advantage in the food business (Rudder, Ainsworth & Holgate, 2001).

Consequently, both reasons are important challenges for deploying the alternative marketing strategy in changing situation to gain business survival. Meanwhile, the food business in Thailand is a proper population to observe in empirical research by using suitable statistics, such as regression analysis or structural equation modeling for hypotheses testing.

## **CONCLUSION**

In the current, business face on dynamic environment change. So, the marketing managers search for the new ways to manage business for enhancing a competitive advantage. In previous study, alternative marketing is the technique which reduces cost operation and increases a customer preference. In this paper, the researcher is intended to provide and obvious understanding of the relationship between alternative marketing strategy and marketing outcomes. Moreover, this paper is focuses on five dimensions of alternative marketing strategy, namely, spirituality marketing orientation, social business enterprise focus, buyer-seller relationship capability, customer knowledge-provided awareness, and technology-based marketing implementation. Additionally, this paper proposes alternative marketing strategy and its consequences which will positively influence marketing survival.

However, previous study does not clearly focus on dimensions of alternative marketing strategy of which this paper presents a wide aspect of alternative marketing strategy influence on marketing outcomes. Likewise, the researcher may appropriately add the antecedents, moderating variables and control variables within the research model. One hopes that this paper will stimulate interest about the marketing research field which is appropriate for dynamic change.

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# MARKETING FLEXIBILITY ORIENTATION AND MARKETING PERFORMANCE: THE CONCEPTUAL FRAMEWORK

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## ABSTRACT

*Nowadays, several industries are faced extreme pressures that relate to globalization progress, fast changing technology, as well as customers' needs and behavior changing. In terms of marketing practice, managers are facing with challenge for responding to environmental change. Therefore, marketing flexibility orientation is the key significant strategy for a firm that will lead in responding to the satisfaction of a customer, have success in firm survival, achieve in competitive advantage, and accomplish superior performance under environmental change. This paper aims to explore and the relationships between marketing flexibility orientation and marketing performance. In addition, this paper proposes a conceptual model of marketing flexibility orientation, which comprise of five newly dimensions include, marketing alliance enhancement, collaborative new product development, marketing knowledge integration, customer information exchange, and stakeholder learning competency, based on the dynamic capability and contingency theories. Moreover, a discussion of the theoretical and managerial contributions and future research direction are included.*

## INTRODUCTION

Due to rapidly changing technology, globalization progress, customers' needs and changing demands, business environment, and extreme competition, various business sectors have faced strong pressures (Shih &Jue, 2006). Consequently, firms face ever more complexity and increased in their competition fields. As such, managers are facing challenges in responding to both internal and external change (Combe, 2012). One of the most significant drivers for current management practice is the need to better understand flexibility.

The literature indicates that the flexibility topic is growing in many business disciplines as emphasized in large articles published on the topic (Combe, 2012). Both theoretical and technological growth has increased the essential of flexibility for customer satisfaction, competitive advantage and performance (Gurau, 2009). Likewise, strategic flexibility refers to abilities that facilitate firms to respond or lead to change that respond tothe changing of the environment (Evans, 1991; Sanchez, 1995; Grewal &Tansuhaj, 2001). In addition, strategic flexibility can also lead to change when in current operation,and fast-moving, hyper-competitive markets (Evans, 1991; Johnson et al., 2003).

However, in terms of marketing practice, managers are confronting challenges when leading and responding to environmental change. Furthermore, the need and behavior of consumers are unpredictable. In addition, there are frequently high and contrasting customer value systems and lifestyles (Firat, Dholakia&Venkatesh, 1993). Consequently, flexibility is vital to deal with such the consumer behavior changes (Combe, 2012). Marketing flexibility

orientation is one of several strategic terms that have the capability to deal with pressures for change and the result of a former problem (Grewal & Tansuhaj, 2001). Apparently, the topic of marketing flexibility is relevant to flexibility assumptions in different strategy paradigms, including the internal environment, external environment; and are balanced with both the internal and external environment (Combe, 2012). Various factors that are important to marketing flexibility orientation include marketing alliance focus (Fisch & Zschoche, 2011); improvement and generating skills, knowledge, and learning of both employees and other stakeholders (Berings et al., 2005); establishment of new product development; improvement of technology and innovation (Matthyssens et al., 2005); firm resource allocation; and customer needs understanding. In addition, flexibility needs high technology settings for the reason that managers face relatively distinctive challenges to cope with continuous dynamic change all along (Evans, 1991). Likewise, some researchers have focused on the necessity of unique resources for creating and defending positions, innovation, and leadership (Hooley & Greenley, 2005; Menguc, Auh & Shih, 2007; Teece, 2007; Theoharakis & Hooley, 2008). Therefore, marketing flexibility orientation is the key significant strategy for a firm that will lead in responding to the satisfaction of a customer, have success in firm survival, achieve in competitive advantage, and accomplish superior performance under environmental change (Taussig, 2013).

To clearly understand it, this research focuses on marketing flexibility orientation with five new dimensions, including, marketing alliance enhancement, collaborative new product development, marketing knowledge integration, customer information exchange, and stakeholder learning competency, based on the dynamic capability and contingency theories. These new dimensions of marketing flexibility orientation are predicted to effect to marketing performance through the relationships of marketing innovation, marketing excellence, marketing effectiveness, and marketing satisfaction. Therefore, the main research question in this paper is, "How is marketing flexibility orientation associated with firm marketing performance?" Likewise, the main research objective aims to explore the relationships between marketing flexibility orientation and marketing performance.

The next section reviews the previous research and the related literature on marketing flexibility orientation, describes the theoretical framework to explain the conceptual model and the relationships among the different variables, as well as develops the related propositions. Furthermore, the conclusion, theoretical and managerial contributions, and future research direction will be discussed.

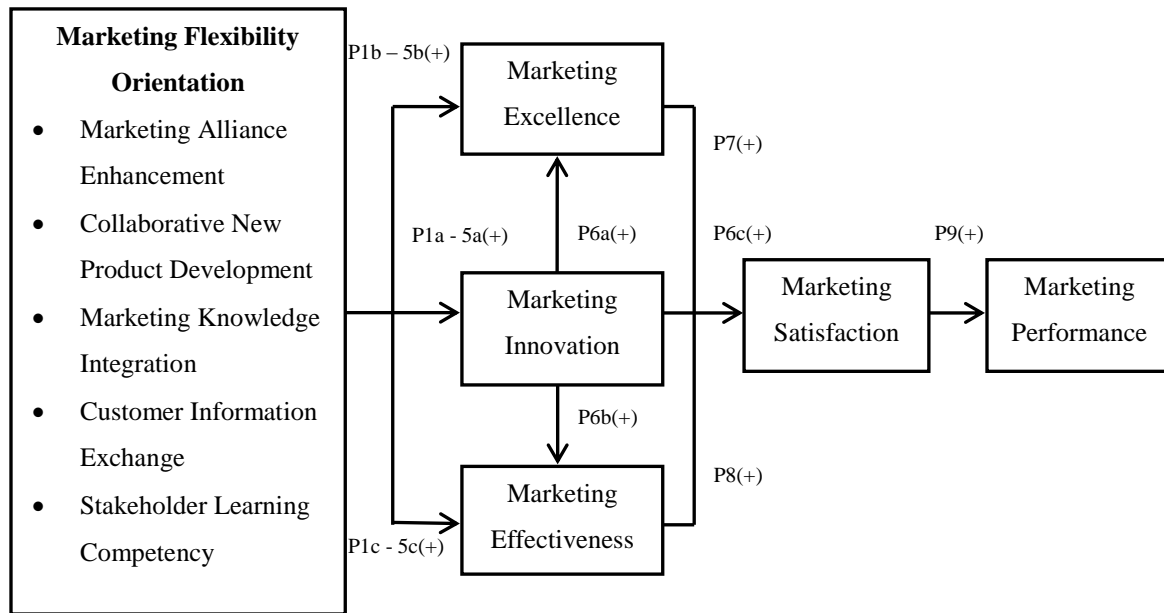
## LITERATURE REVIEWS

This paper aims to integrate several theoretical perspectives that support how marketing flexibility orientation affects marketing performance. Two theories that are employed for supporting this research are the dynamic capability theory and the contingency theory. First, dynamic capabilities are introduced by Teece, Pisano & Schuen (1997). The concept of dynamic capability is defined as the ability of a firm to integrate, build, and reconfigure internal and external competencies in order to deal with the quick change of environments (Teece, Pisano & Schuen, 1997). Dynamic capability theory can explain a behavior of a firm's focus to reconfigure, integrate, recreate and renew its capabilities and resources and, most essentially, reconstruct and upgrade its core capabilities for responding to the changing of environments to attain the sustainability of competitive advantage (Wang & Ahmed, 2007).

On the other hand, according to the contingency theory, the context of organizational structure function is simultaneously determined by a variety of factors that include endogenous

and exogenous factors such as business strategy, environmental uncertainty, stakeholders, and competitors (Anderson & Young, 1997; Liu & Pan, 2007). Typically, there is no one best way to deal with an organization (Galbraith, 1973). However, the contingency theory proposes that the effectiveness of firm is based on capability of firm to adapt to the internal and external environments (Lawrence & Lorsch, 1967).

In summary, the two theories which are employed for this research include the dynamic capability theory and the contingency theory, which are integrated to describe the phenomena. These relationships are presented in Figure 1.



**Figure 1A Conceptual Model of Marketing Flexibility Orientation and Marketing Performance**

### Marketing Flexibility Orientation

Flexibility has been broadly accepted as a main factor to respond to environmental change, which provides contribution to achievement and survival of organizations when they face marketing competition (Li, Su & Liu, 2010). Flexibility can be linked to several functional areas such as operations, management-maintaining excess capacity, flexible manufacturing equipment processes, managementhaving a decentralized decision-making system, strategic management-strategic flexibility, overcoming inertia, marketing-participation in multiple product markets, finance-having emergency borrowing and stock-issuing power, and HRM-labor flexibility (Aaker&Mascarenhas, 1984). In addition, flexibility is defined in diverse literature and in specific ways (Rubin & Martin, 1994). Gupta &Goyal (1989) refer to flexibility as the ability to deal with environmental uncertainty. Whereas, Bahrami (1992) refers to flexibility as the ability to constantly respond to both anticipated and unanticipated change, and to modify to the changing consequences that are unexpected. This ability of firms responds to the changing of the environment in current markets that are hypercompetitive and fast-moving (Grewal &Tansuhaj,

2001). Likewise, Buckley & Casson (1998) indicate that flexibility also enhances the ability of an organization to rearrange resources quickly in response to change.

The strategic flexibility notion is probably bordering on an everyday understanding of flexibility. It is the ability to do something other than that which had been originally intended (Evans, 1991). Consequently, there are two ways for strategic flexibility conceptualizing; namely, the variation and diversity of strategies and the degree in which companies can fast shift from one strategy to another (Slack, 1983; Nadkarni & Narayanan, 2004).

Strategic flexibility facilitates a firm to predict the needs of consumers and achieve proactively, which is an outcome of developing additional innovative and creative products, for both domestic and international markets (Matthyssens, Pauwels & Vandenbempt, 2005). Although strategic flexibility is currently of interest in the marketing literature on this topic, it also has historically presented few studies in marketing flexibility issues (Combe, 2012).

In terms of marketing, marketing flexibility orientation is one of several strategy terms that has the capability to deal with pressures for change and the result of a prior crisis (Grewal & Tansuhaj, 2001). Marketing flexibility orientation refers to the ability of the firm to adapt, learn, and obtain benefit from marketing environmental change in order to achieve advantage and superior performance. Using flexibility orientation to better meet inter-organizational and intra-organizational requirements may allow the firm to develop a competitive advantage that has an effect on improving marketing performance. Therefore, flexibility, regarding capabilities to recognize changes in the environment, rapidly creates new ways to respond to those changes (Katsuhiko & Hitt, 2004). Likewise, Taussig (2013) indicates that marketing flexibility is the key strategy that will lead to responding to the satisfaction of customers, success in firm survival, achieving competitive advantage, and accomplishing superior performance under environmental change.

However, this research adapts the marketing flexibility concept from Gurau (2009), which provides the flexibility of a marketing systems model. According to Gurau (2009), the flexibility of the marketing systems model represents the main feature of participative marketing systems that link to three elements, including flexibility of participation, flexibility of interaction, and flexibility of implementation. In addition marketing flexibility allows interaction with employees, customers, and other stakeholders within specifics determined by a company's skills, resources and profitability objectives. Therefore, this research attempts to provide more detail as discussed on the five dimensions of marketing flexibility orientation and its consequences. As such, marketing flexibility orientation has five dimensional components that are indicated to assess how marketing flexibility orientation creates marketing outcomes and marketing performance; namely, marketing alliance enhancement, collaborative new product development, marketing knowledge integration, customer information exchange, and stakeholder learning competency.

### **Marketing Alliance Enhancement**

Lavie, Lechner & Singh (2007) mention that an alliance is a voluntary arrangement among independent firms or partners that exchange and share resources for joining and developing the technologies. Marketing alliance has relevance to the ability of firms to generate higher returns from marketing alliances over time (Swaminathan & Moorman, 2009). In accordance with Day & Nedungadi (1994), marketing ability entails complex and rich marketing knowledge and skills that will enable an alliance partner's strategy to coordinate resources of marketing and the overall improvement performance of the alliance. In this paper, marketing



alliance enhancement is defined as an ability of a firm to emphasize its own ability to coordinate operations among other firms or partners that exchange, join, and share resources; market information, technologies development, and generate new ways of firm improvement in order to respond to environmental change and generate marketing effectiveness (Rosenkopf et al., 2001; Lavie, Lechner & Singh, 2007).

In addition, Kogut (1988) states that strategic alliance is a way for managers to learn managerial capacities and skills. In particular, it can become involved in information exchange, the design and guarantee of new products, negotiation and evaluation of proposals, and monitoring of partner agreements with marketing alliance decisions (Farrell & Saloner, 1988). Therefore, the role of marketing alliance strategies is mechanisms for managerial organizational learning. Likewise, there are several aspects that relate to the role and benefit of alliance strategy; for example, strategic alliances involved in cooperative arrangements, flows and linkages with resources utilization, and governance organizations structures for the mutual achievement of organizational objectives linked to the company mission of each sponsoring firm (Parkhe, 1991). In addition, Rosenkopf et al., (2001) mention that the potential benefits available to partners in alliances include access to technical market information, networking, investment opportunities, R&D, engineering, marketing resources, and the evolution of industry standards. Likewise, an alliance is related to managerial experiences of their competency in generating new growth opportunities (Kor, 2003), adaptation to change, access to technical and market information, and gaining insights into the skills and technological innovations of other partners (Cavazos & Varadarajan, 2012). As such, a marketing alliance enables a firm to establish superior performance (Lavie, Lechner & Singh, 2007).

Also, recent studies recognize the potential collaborations from diverse resources and argue that collaborating with diverse partners provides opportunities for gaining new information that contributes to innovation (Wuyts, Dutta & Stremersch 2004; Swaminathan & Moorman 2009). As such, marketing alliance enhancement benefits a firm in learning to develop structures and systems that are more adaptable and responsive to environmental change (Dodgson, 1993). These notions lead to posit the following proposition.

- P1: Marketing alliance enhancement has a positive influence on (a) marketing innovation, (b) marketing excellence, and (c) marketing effectiveness.

### **Collaborative New Product Development**

Prior study on the issue of new product development has identified new product development as a core capability, and has a significant effect on the overall performance of the firm (Reid & Brady, 2012). Furthermore, the importance of driving-market activity attempts to encounter customer needs but also searches for new products for responding to customer demand (Beverland, Eving & Matanda, 2006).

New product development is a significant activity, depending on the orientation and innovativeness that impacts on customer value creation (Baker & Sinkula, 1999). It is mentioned as a source of competitive advantage (Li, Liu & Zhao, 2006). In addition, new product development also has more benefits to a firm, such as knowledge competence of cross-functions in problem-solving. Moreover, firms that concentrate on strategic orientation of new product development can also achieve effective new product development and reduce the risk of innovation from rapidly-changing market environments (Li, Liu & Zhao, 2006). Thus, the firms

that establish and introduce new products or services shows that these firms have a concern for the response to customers and are more likely to gain performance.

Actually, a firm not only accomplishes business strategy, but also intends to cooperate with activities in each firm unit in order to meet the concept of collaboration. Collaboration is the ability to cooperate and be willing to collaborate with the others, which are factors that affect improving managerial performance (Fyall, 2012). Each firm establishes a connection with other firms via the collaboration of operation, and connects the relationships which are important factors that provide relationships toward networking, with each other. As such, a firm will acquire numerous resources and capabilities which share main activities with other partners (Tanpinyoputtikhun&Ussahawanitchakit, 2009). Specifically, collaboration encourages the development of individual, interdependent dynamic goals, and can exchange ideas for the problem-solving of organizations in order to create or increase their work efficiently and effectively.

Therefore, collaboration for new product development is defined as the ability of a firm to promote corporate policy and be willing to collaborate with both organizational members and partners to create a new idea, product, or service in order to achieve marketing performance (Nakata & Sivakuma, 1996; Fyall, 2012). Likewise, collaboration for new product development helps to save the cost and time of gathering and transferring of research and development, marketing activities, and production process (Kim et al., 2010). In particular, this process regularly involves the tasks of information processing; namely, new product idea generation, business attractiveness analysis, and market testing that involve customer offerings, which are, in turn, regarded as the important factors for new product innovation. Hence, the proposition is proposed as follows:

- P2: Collaborative new product development has a positive influence on (a) marketing innovation, (b) marketing excellence, and (c) marketing effectiveness.

### **Marketing Knowledge Integration**

Srivastava, Shervani & Fahey (1999) suggest that the concept of marketing knowledge is regarding fundamental marketing tasks, and incorporates market information that create customer value. Furthermore, marketing knowledge also can be defined as the process outcomes which stem from internal and external sources. Similarly, Ogrea, Herciu & Belascu (2009) suggest that a marketing knowledge set regards the understanding of the how the organization fits into the business environment, which includes the firm's strategies and products, and the organizational resources to track market opportunities. Thus, marketing knowledge has been intellectualized as important material of marketing (Moorman & Miner, 1998).

Likewise, Brockman & Mogan (2003) define knowledge integration as the incorporating of new information processes into an existing knowledge body. In addition, some scholars focus on acquiring manufacturing-specific knowledge such as technological or industrial organizational know-how (Lam, 1997; Bresman, Birkinshaw & Nobel, 1999). Nevertheless, Casillas et al., (2009) propose that the generating of a knowledge model comprises several stages; it includes existing knowledge, new knowledge acquisition, knowledge integration, action and feedback. As such, this process is considered as knowledge sources which can help a firm to bring about firm performance. Therefore, in this research, marketing knowledge integration is defined as the firm's ability to acquire marketing knowledge diversity, share marketing information, and exchange marketing ideas with all member organizations for

enhancing skills and generating superior firm performance (Hanvanich, Droge&Calanetone, 2003; Fang &Zuo, 2009).

In environmental change, marketing knowledge integration can help to fulfill a better understanding of marketing processes, increasing the quality of employee competency, quickly meet market demand, be ready to respond to environmental change, and enhance firm advantage and survival (Nonaka& Toyama, 2000; Jetter&Kraaijenbrink, 2006).

To integrate marketing knowledge, the firm needs to collect and use information about the customer, competitor, and stakeholder. Therefore, this strategy is one to improve marketing proficiency and enhances the skills of new knowledge management (Fang &Zuo, 2009). Therefore, the proposition is proposed as follows:

- P3: Marketing knowledge integration has a positive influence on (a) marketing innovation, (b) marketing excellence, and (c) marketing effectiveness.

### **Customer Information Exchange**

As marketing capabilities improve, firms require building more interaction with the outside environment in order to acquire significant information and employ it to offer unique value-added products, superior quality, and innovative features to the customer. In particular, the contact between an organization and its customers is a great opportunity to learn more about the need and behavior of customers and to establish and maintain the relationship with them. As such, the firm's contact with a customer tends to provide this information which is product and service quality for responding to customer needs.

Customer information exchange is defined as the firm's ability to share and exchange information with its customer about needs, requirements, preferences, attitudes, behavior, and customer ideas with other customers and organizational members for generating products and service (Cannon &Perreault, 1999; Garcia-Murillo &Annabi, 2002; Chesrough, 2003; Claycomb&Frankwick, 2004; Salomann et al., 2005). The exchanged information constitute both the source of innovation ideas (Lau, Tang & Yam, 2010), and the base for improving innovation absorptive capability (Hughes & Wareham, 2010), by collecting the knowledge from customer interaction points (Salomann et al., 2005). In addition, customer knowledge management is in regards to gaining, sharing and expanding the customer's knowledge, which can establish benefits for both customers and the firm (Gibbert, Leibold&Probst, 2002). In particular, a company learns from its customers who obtain customized solutions and greater service. Thus, this information influences customer relationship management (Maklan, Knox &Ryals, 2005). Meanwhile, knowledge that customers share with the firm induces and generates value for the firm. The firm tends to deploy this knowledge and information to develop product and services of the company. In other words, customers require a fast response to their changing information needs through the product or service purchase, or a resolution of a problem after the sale. Hence, exchange and sharing of information of customer to firm is a win-win benefit.

Customer information has various benefits for the firms. Important customer information is including information about products and service, markets and suppliers that firms offer to their customers. It affects to the perception of service quality among customers; generates ideas about products, service, suppliers and markets for the continuous development of products and services, the needs, requirements, preferences, attitudes, future desires, connections, purchasing behavior, and financial capability of their customers (Garcia-Murillo &Annabi, 2002; Chesrough, 2003; Salomann et al., 2005). Customer information exchange enables firms to find

ways for readily keeping track of the customer's needs, and more rapidly respond to changing customer requirements. It forces them to build flexibility into their process and technical infrastructure. As a result it may generate a marketing advantage (Wei & Wang, 2011) and lead to sustainable competitive advantage. Hence, the proposition is proposed as follows:

- P4: Customer information exchange has a positive influence on (a) marketing innovation, (b) marketing excellence, and (c) marketing effectiveness.

### **Stakeholder Learning Competency**

Continuous learning is essential to the efficient knowledge development base of organizations. Learning competency is essential for leaders, for using it to evaluate and drive business (Siewiorek et al., 2012). In addition, learning competency is defined as an ability to gain, understand and implement skills, knowledge and experience through education, training and practice in order to obtain goal achievement and obtain job achievement (Prasong&Ussahawanitchakit, 2012). Moreover, learning capability can also be used in the issue of stakeholders, which is a factor that has an important role to the firm. The ways in which stakeholders regard an organization have been varied. Some groups, like shareholders, the workforce, trade unions and consumers, play only in relation to the organization (Roloff, 2007), as well as other stakeholders such as employees and non-governmental organizations (NGOs) (Davis & MacDonald, 2010). According to Freeman (1984), a stakeholder is "any group or individual who can affect or is affected by the achievement of the firm's objectives." Likewise, Daboub&Calton (2002) state that stakeholders are individuals or groups with whom the organization interacts or has interaction, and any individual or group who can affect or is affected by the decisions, actions, goals or policies of the firm.

According to Jurgens et al., (2010), building and managing stakeholder relationships consists of four steps. Firstly, the process initiates the identification of the stakeholders whose needs the firm must meet. The task of management for generating a list of the firm's stakeholders is for the identify of its stakeholders, and to formally acknowledge those stakeholders (Freeman, 1984). Secondly, firms have recognized the most essential stakeholder groups in that they must consider the need to determine needs, problems, and potential strategic threats to each firm's group (Murray & Montanari, 1986). Thirdly, firms have developed policies and behaviors essential to meeting expectations of stakeholders. Finally, firms have to monitor stakeholder satisfaction.

As aforementioned, stakeholder learning competency is defined as an ability of a firm to understand about the attitudes, needs, and behavior of stakeholders, and establish the relationship with whom the organization interacts in order to enhance firm performance (McDermott & Stock, 1999; Daboub&Calton, 2002). Learning is a factor toward progress for all stakeholders, including internal and external stakeholders. Through joint learning, alliance partners can share their firms' expertise with other alliance members, thus enhancing and improving the overall alliance core competency (Mehta et al., 2006).

In addition, it is directed to help a firm learn, gather, and leverage management know-how and best practices to use technology for the organization (Chaikambang, Ussahawanitchakit&Boonlua, 2012). As a result, the organization can create better knowledge and innovation over competitors. Likewise, close consideration be paid to the firm that should give attention to firms' responses or failures to respond, which is vital for understanding and identifying the needs, expectations, attitudes, desires, values, interests and strategic threats of

stakeholder (Turner, 2001; Jurgens et al., 2010). Then, when the firm has identified its important stakeholders, it must continue develop and adjust the appropriate firm policies and behaviors to satisfy these stakeholders on an ongoing basis (Murray & Montanari, 1986). As a result, the organization can create better knowledge and innovation over competitors. Hence, the proposition is proposed as follows:

- P5: Stakeholder learning competency has a positive influence on (a) marketing innovation, (b) marketing excellence, and (c) marketing effectiveness.

### **The Effects of Marketing Flexibility Orientation on Its Consequences**

This section explores the effects of five dimensions of marketing flexibility orientation that consist of marketing alliance enhancement, collaborative new product development, marketing knowledge integration, customer information exchange, and stakeholder learning competency on their consequences; comprising marketing innovation, marketing excellence, marketing effectiveness, marketing satisfaction, and marketing performance as discussed below.

#### **Marketing Innovation**

Typically, the capability to innovate is a main factor that impacts business performance. Both practitioners and academics on the innovation issue accept that it is a significant driver of progress and competitive success (Sawhney et al., 2006; Denning, 2007). Especially central to the innovation concept is the newness idea (Gupta, Tesluk & Taylor 2007).

Generally, innovation is a strategy of firms to learn and interact with a degree of newness concentration, developing new products or entering new markets with existing products and having a creative climate (Berthon, Hulbert & Pitt, 1999). Furthermore, innovation can create value for firms by generating new products and services, new technologies, and new markets (Haddad & Algadeer, 2004). Moreover, the capability to innovate is reflected in the firm ability to implement or adopt new ideas, products, or processes successfully (Charpavang & Ussahawanitchakit, 2010).

Similarity, this research defines marketing innovation as newness of technologies, ideas, processes, products or services, implementing them in markets, and acquiring new methods which lead to business achievement and advantage (Berthon, Hulbert & Pitt, 1999; Haddad & Algadeer, 2004; Vijande & Gonzalez, 2007).

Previous research finds that the relationships of marketing innovation have a positive effect on firm performance (Shergill, 2005). Similarly, Branzei & Vertinsky (2006) indicate that the process of marketing innovation leads to a firm's competitive advantage. Innovation generates the acceptance of new ideas and processes of a firm (Garcia & Calantone, 2002). Thus, a firm needs to establish technological capabilities as well as skills of employees and resource allocation within the organization (Anderson & Tushman, 1990; Song et al., 2005). As such, marketing innovation is regarded as a mechanism for increasing product and service differentiation, sustaining a competitive advantage, and securing greater performance (Dos Santos, Peffers & Mauer, 1993; Ferguson, Finn & Hall, 2005; Spacapan & Bastic, 2007; Naidoo, 2010). Therefore, the proposition is proposed as follows:

- P6: Marketing innovation has a positive influence on (a) marketing excellence, (b) marketing effectiveness, and (c) marketing satisfaction

## Marketing Excellence

Marketing excellence is regarded as the best practice of marketing strategy to generate marketing experts and effective business strategy (Kanchanda, Ussahawanitchakit & Jhundra-Indra, 2012). In particular, marketing excellence refers to an ability of a firm to encompass a greater understanding of markets, making strategic choices, delivering value, and monitoring value better than the rivals (Jagersma, 2006). Likewise, firms achieve efficient marketing activity, cost reduction, and product quality, which lead firms to higher marketing performance (Reimann et al., 2010). Therefore, this research refers to marketing excellence as the ability of firm to comprehend a better understanding of marketing strategy, integrate marketing practices in value and satisfaction for delivering to customers, and success in marketing performance over the competitors (Jagersma, 2006; Stuart-Kregor, 2006).

To gain greater market share, profitability, customer satisfaction, and loyalty, is the primary goal of firms. Firms who gain the highest outcomes achieve market excellence reputation. Similarly, Stuart-Kregor (2006) indicates that marketing excellence is the driving force of a company to achieve marketing performance.

The challenge of strategy in marketing excellence is strong, updating the product development program, customer orientation, and understanding the value of customer's behavior for competitive importance leading to superior performance (Jagersma, 2006). Acceptably, the products development program makes strategic choices to be flexible and find the most profitable channels (Jagersma, 2006).

Moreover, Stuart-Kregor (2006) concludes that the important drivers of a corporation completing, marketing excellence are involved at the market performance and market success levels. Furthermore, marketing excellence reflects to superior practical ability to define and understand markets more than competitors. Reciprocally, to obtain excellence, firms aim to achieve efficient marketing skills, cost reduction, product quality development and understanding of threats and opportunities that arise from the external environment (Smith, 2007). As such, if a firm achieves these goals, the firm will more likely succeed in superior performance. Hence, the proposition is proposed as follows:

P7: Marketing excellence has a positive influence on marketing satisfaction.

## Marketing Effectiveness

Marketing effectiveness is the measure of the marketing operational process that follow the right things that the firm does (Connor & Tynan, 1999). It is relevant to several factors including customer, competitive, corporate, and exogenous factors (Nwokah, 2006).

There are several researchers who provide definitions of marketing effectiveness. As such, Nwokah & Ahiauzu (2008) define marketing effectiveness as the operational function to enhance spending in marketing to gain superior results of goals in both the short and long-term. Likewise, Kotler (1977) defines marketing effectiveness as an ability of firms to learn about the market, identify opportunities, and select target markets to offer superior value to customers. However, this research provides the definition of marketing effectiveness as marketing operations to obtain a greater outcome of a firm goal, both short and long-term (Nwokah & Ahiauzu, 2008).

Pervious research examines the effect of marketing effectiveness. The findings of marketing effectiveness have a strong positive effect on strong market orientation, enhancing

customer satisfaction, bettering competitive advantage, continuing long-term growth, having superior firm performance, and achieving excellent firm profitability (Ussahawanitchakit&Intakhan, 2011). In addition, Ussahawanitchakit (2012) found that marketing effectiveness has a strong influence on customer satisfaction, market orientation, long-term growth, profitability, and firm performance.

Actually, when firms have employed marketing effectiveness in their business operations and marketing activities, it is likely to result in a greater action in firm operations. Especially, when the organizational objectives are achieved, it will lead to the acceptance of stakeholders. As such, marketing effectiveness tends to succeed in customer satisfaction, competitive advantage, and firm performance. Hence, the proposition is proposed as follows:

P8: Marketing effectiveness has a positive influence on marketing satisfaction.

### **Marketing Satisfaction**

Typically, satisfaction can refer to an “overall customer attitude toward a service provider” (Levesque & McDougall, 1996). It is regarded as major marketing activity outcome that links between decision-making processes and post-purchase or post-consumption processes (Cronin & Taylor, 1992). However, in the marketing area, satisfaction can be measured from managerial feedback outcome. Managerial satisfaction offers a benchmark of performance measurement that in against organizational prospect and influences future strategies (Shoham, 1999). Likewise, Bonoma& Clark (1988) indicate that marketing performance is the satisfaction of management with the outcomes of marketing activities. It relates to feedback outcomes of marketing activity in several ways such as, profit, sales, customer satisfaction, product acceptance, stakeholder acceptance, competitor acceptance, and marketing acceptance, which affect a firm’s perception (Kotler, 1994; Levesque & McDougall, 1996; Nwokah, 2006; Chung & Holdsworth, 2009; Prachsriphum&Ussahawanitchakit, 2010). In addition, several performance measures were used by researchers in the field, and a conciliation solution was, consequently, implemented by grouping various performance measures into eight categories, including growth-in-sales related, sales-related, profit-related, growth-in-profit related, market share-related, satisfaction with change in performance, goal achievement satisfaction, and composite scales of performance (Theodosiou&Leonidou, 2003).

Likewise, Zineldin (2000) suggests that satisfaction is a reaction of emotion to the difference between what is anticipated and what is received. Therefore, marketing satisfaction is defined as a reaction of emotion to the difference between what are organizational expectations and what is received in marketing activity (Bonoma& Clark, 1988; Shoham, 1999; Zineldin, 2000). In addition, satisfaction can also be defined as a complex psychological variable, evaluating the efficiency of performance, which relates the marketing program (Bonoma& Clark, 1988; Lages& Montgomery, 2004). According to Cadogan, Diamantopoulos & Siguaw (2002), performance as a measurement of performance, can be measured through the satisfaction of a manager with four objectives of a marketing program effectiveness including, image of a firm, profitability of business, growth of sales, and market share. Likewise, Navarro et al., (2010) found that the satisfaction of marketing plays an essential role to the building of performance and increases perceived competitive advantages, which is essential to the evolution of a firm’s own activity. Therefore, the proposition is proposed as follows:

P9: Marketing satisfaction has a positive influence on marketing performance.

## **Marketing Performance**

Marketing performance assessment is significant in an organization, because it relates to evaluation and reflection of output and input aspects (O'Sullivan & Abela, 2007). In terms of performance, marketing performance can separate into two types, namely, financial performance and non-financial performance (Schmid & Kotulla, 2011). However, in prior research, there is some research that refers to the meaning and measurement of marketing performance. For instance, marketing performance is defined as a firm's emphasis on success, which consists of marketing adaptation capability and response capability to customer demands in environmental change (Arthurs & Busenitz, 2006; Gao, 2010).

Additionally, Morgan (2012) argues that marketing performance can also define the firm's capability to increase firm activities and sales volumes which are the ultimate organizational goals in terms of financial performance. Meanwhile, in this research, marketing performance is defined as perceptions that involve outcomes of the firm, that indicate the achievement of the firm, including customer satisfaction, customer acceptance, sales growth, market share, and overall performance (Akkrawimut & Ussahawanitchakit, 2011).

Apparently, market performance is the outcome of market strategy toward customers, the marketplace, and the reputational benefits of the reputation for the firm. More clearly, comprehensive performance conceptualization and performance comprises financial and non-financial measurements, which help marketers to completely understand how their strategies affect the performance (Varadarajan & Jayachandran, 1999). Particularly in area of the marketing, marketing performance, as performance assessment, reflects the marketing outcomes. Similarly, marketing activities is measurement of customer behavior, loyalty and satisfaction (O'Sullivan & Abela, 2007). Also, marketing performance is an outcome of marketing strategies for the value of customers and the reputation of the firm. Additionally, a marketing performance measure of profitability, market share, and market growth, will affect marketing success.

As a result, these seem to involve profitability and market performance. On the one hand, they are steering and improving firm-specific assets that will affect firm sustainability. Therefore, marketing performance plays a key role in evaluating the achievement of firm objectives.

## **CONTRIBUTIONS AND FUTURE RESEARCH DIRECTIONS**

### **Contributions**

Since the strategic flexibility topic is currently of interest in the marketing literature, it also has historically presented few studies in marketing flexibility issues (Combe, 2012). The paper provides some theoretical contributions as well as managerial implications.

This paper attempts to integrate various theoretical viewpoints that support how marketing flexibility orientation affects marketing performance. In addition, the theoretical contribution relates to conceptualizing the view of marketing flexibility orientation. Furthermore, this paper provides new dimensions of marketing flexibility orientation that are based on theories, including the dynamic capability and contingency theories, and prior literature. Similarity, the paper proposes that marketing flexibility orientation has an effect in enhancing marketing performance. It also provides more understanding of the relationships among five dimensions of marketing flexibility orientation through marketing innovation, marketing excellence, marketing effectiveness, and marketing satisfaction.



Likewise, the discussions of this paper also provide a managerial contribution. Implementation of marketing flexibility orientation has benefit in enhancing the performance of marketing. It is an importance strategy for firm that to preparing and responding to environment changing.

### Future Research Directions

Future research, may study marketing flexibility orientation in more detail; for example, it could concentrate on antecedent that can effect it, as well as moderating the effect of marketing flexibility orientation. In addition, this conceptual framework is developed for hypothesis testing in order to test the relationship of each variable.

On the one hand, information and communication technology businesses are interesting targets for representing the effect of marketing flexibility orientation in firms. Information and communication technology businesses provide the numerous opportunities to overcome and the importance of country development. Several benefit of information and communication technology can help improve communications, reduce marketing and transaction costs, launch new products and service, improve efficiency and productivity of operations, and obtain competitive advantage in the global market. Thus, this industry is interesting for future study.

### CONCLUSION

This paper provides a conceptual framework and a review of previous studies and relevant literature that explain more detail of the relationship between marketing flexibility orientation and marketing performance. This is purposed by five newly-developed dimensions of marketing flexibility orientation, including: marketing alliance enhancement, collaborative new product development, marketing knowledge integration, customer information exchange, and stakeholder learning competency. In addition, this paper also provides the consequences of marketing flexibility orientation; namely, marketing innovation, marketing excellence, marketing effectiveness, and marketing satisfaction. Moreover, this paper provides the discussion of the theoretical and managerial contributions, and also suggests the direction for future research.

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# SOCIAL MEDIA MARKETING STRATEGY AND MARKETING OUTCOMES: A CONCEPTUAL FRAMEWORK

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## ABSTRACT

*Undeniably, social media has come to a higher degree of popularity in the online world. Currently, most businesses have been utilizing any social media platforms for social media marketing in their strategy. Yet, in this sense it still has to be explored concerning how social media marketing strategy affects marketing outcomes. Therefore, this conceptual paper aims at investigating the relationship of social media marketing strategy and marketing outcomes. There are four dimensions of social media marketing strategy that include: customer communication channel focus, product diversity presentation awareness, proactive competitor learning capability, and market response timeliness orientation. Consequently, marketing outcome is specific in marketing operation excellence, cost utilization effectiveness, customer satisfaction increase, and marketing performance in that all expect a positive relationship with the construct. In future research, the researcher should test of this paper suggestion. Interestingly, regarding evidence in Thai e-commerce firms, the key finding still expects for empirical research to manifest whether social media marketing strategy will be a comprehensive accomplishment for marketing outcome or not?*

## INTRODUCTION

Since the 1990s, social media has gained popularity worldwide (Campbell, Anitsal & Anitsal, 2013). The development of internet technology has transformed the communication manner that affects billions of people. Social media is an online community built on internet technology that attains what is necessary for more interaction between business and the customer. Due to the expansion of internet users, high speed connection, ease of use, and the speedy distribution of social media; more firms have applicable marketing strategy (Goi, 2014; Zhou & Wang, 2014). The higher growth rate of internet users and registered social media is one motive to marketers concerning social media platform engagement (Carim & Warwick, 2013). Social media are important for viewing both customer and business aspects. In the customer manner that one knows as “internet users,” searching product information, online reviews, rating of goods and services, and pre-purchase decision-making can be obtained from social media instruments (Wang & Chang, 2013). Therefore, businesses have more choices for determining marketing strategy such as building customer relationships, public communication, digital content diversity channels, advertising flexibility, and low cost operations (Best, Manktelow & Taylor, 2014).

Additionally, social media has evidenced interactive digital communication—a participative and collaborative social specialty through real time conversation, sharing, and

review on Facebook, Twitter, LinkedIn, or YouTube (Paniagua & Sapena, 2014; Vernuccio, 2014). These social media tools allow consumers to get more information, search, evaluate, choose and review products and services which is a critical component in attracting people to shopping online and that influence e-commerce business. It engenders trust in the business transaction (Moscato & Moscato, 2009). Likewise, social media advances can make more profit by attracting and alluring a potential buyer via social channels that realize the value of marketing performance (Shadkam & O’Hara, 2013). The businesses are the initial social media employing not only communicating corporate brands as a marketing communication channel, but also remain and enhance customer involvement with brand-building (Constantinides, 2014), brand equity (Zailskaite-Jakste & Kuvykaite, 2013), and a company’s image formation (Kuvykaite & Piligrimiene, 2013).

Moreover, based on the literature of marketing research, most studies in social media focus on a consumer’s perspective such as consumer attitude, peer-to-peer communication and online consumer review (Eagleman, 2013; Wang & Chang, 2013; Wolny & Mueller, 2013). On the other hand, a few studies are on marketing strategy at the business level. These issues shed light on research gaps in the literature. Therefore, the key purpose of this paper is to investigate the relationship of social media marketing strategy and marketing outcomes.

The next section reviews the literature, and describes the conceptual model. Also, the linkage between the construct of the each variable is established, and develops the related proposition for the study. The sections on contributions describe suggested directions for future research and managerial contributions. Finally, the findings of the study are summarized in the conclusion section.

### LITERATURE REVIEWS

In this study, a conceptual framework of social media marketing strategy and marketing outcome is explicitly discussed and elaborately examined. Thus, the concept, linkage, and research model is provided in Figure 1.

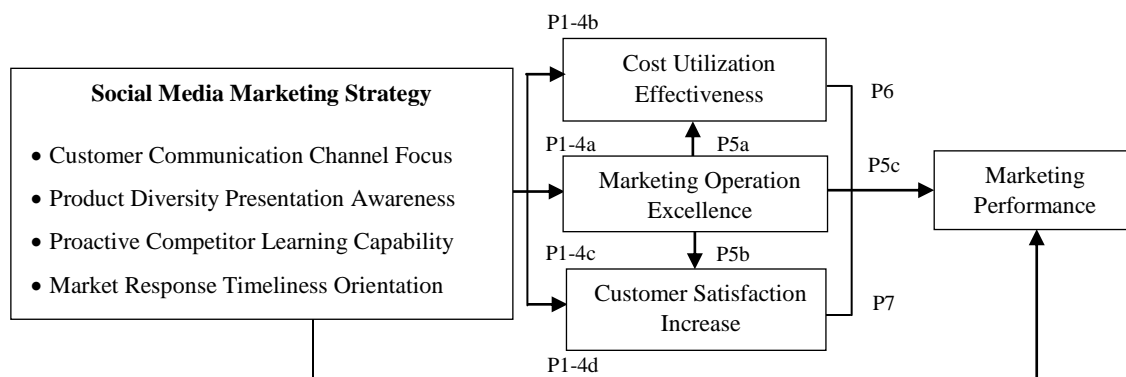


Figure 1 A Conceptual Framework



## **Social media marketing strategy**

Internet technology has been created for not only consumer communication but also reshapes the way marketers enhance their marketing outcomes (Barwise & Sean, 2010). Especially, social media is implemented by internet technology that has fast growth, is novel, is challenging, and is changing the global world of marketing. Indeed, social media provides a mutual benefit between the organization and its customers (e.g. public relations, advertising, brand exposure, communication, review and recommendation) (Smedescu, 2012; Carim & Warwick, 2013; Fensel et al., 2014).

Accordingly, Ristova (2014) stated that most popular social media are helpful to a company's online sales and encourages its products and services. There are several types of social media such as Facebook, Twitter, LinkedIn, and blogs. Statistically, worldwide, there are 800 million active users of the Facebook application, more than 140 million active users registered on Twitter, more than 800 million unique users of YouTube per month, and LinkedIn with more than 150 million global users (Kumar & Sundaram, 2012). Therefore, due to the fact that social media has a popular communication platform in the online world, the marketer has to go forward to cooperate with social media in his marketing strategy. On the other hand, many businesses start by applying social media without a marketing plan and objective. The results do not appear and they are unsuccessful. Thus, the firms have to fix a strong marketing plan for social media application which is desirable for the highest goal achievements (Barker et al., 2013).

However, social media has been an initial marketing communication tool and it is considered as a part of marketing strategy. There are two feasible social media marketing strategies that are both a passive and active approach. The passive approach concentrates on utilizing social media as market intelligence and a source of customer feedback. In the same vein, the active approach is social media that is engaged as either a public relations or direct marketing channel as a channel of customer influence (Constantinides, 2014). Accordingly, Smedescu (2012) mentioned that social media marketing is developing from traditional marketing into a new way of marketing, based on internet technology that supports it. The advantages of all social media, the firms are able to consider the usefulness of either one or multiple appropriate applications to accomplish their business performance. Thus, the key purpose and highlight in each social media type is demonstrated in Table 1.

Traditionally, the pizza corporate business promotes sales to its customers via a variety of marketing channels; for instance, newspaper, brochures, television advertising, or even magazines. Owing to the progress of internet technology and social media dissemination by their own customers, more pizza stores are promoting their pizza business through social media channels (He, Zha & Li, 2013). Interestingly, Ristova (2014) disclosed that the advantages of social media are several; such as information exchange; improving access; interactivity; communication; relationship creation; improved sales; and to rich, large audiences. For instance, any online consumer of Facebook can access a company's Facebook fan page by clicking the "Like" button, also allowing them to interact with any brands, organizations, reputation, or image that they like. In the company's aspect, Facebook enables an opportunity for learning consumer behavior, attitudes, avocations, and lifestyles. Marketing managers are able to gather any idea from online users in different demographics or cultural profiles by performing an analysis of new trends and accurately responding to their customers. As well, the advantages of

Twitter include: rich access to shoppers, free creation of company brand, free promotion of events and public relations, and the easiest method to get a feedback channel.

However, the design of LinkIn emphasizes connecting people for business purposes instead of being designed for conversation or talking in peer-to-peer communication. Thus, LinkIn is focused on serving online resumes for both company and employee experts, enables a new company to find new employees, and also provides for employees who are seeking a new job. Additionally, blogs forums apply shared details and features of products that are supplied in the market, and provide advertising online.

Social media types	Key purpose	Advantage of social media type
Facebook	Social networking sites	The company’s Facebook fan page enable the testing of attitudes and opinions of online consumers or even promotes and sell their products and services.
Twitter	Microblogging service	The company always not only promotes the product and service, but also provides sufficient information as interaction and conversation.
blogs	Share and exchange contents	The company can share product and service features, open discussions, and review.
Google+	Social networking sites	The business can share exclusive offers and discounts to its special customer group.
YouTube	Video-sharing sites	The firm can share content, make product and service presentation, bookmarking, rating, follower, and commenting in all collaboration of social network.
Flickr	Store and photo-sharing sites	The business can store and share photos online to a strong loyal social network.
LinkedIn	Business networking sites	The organization can create a profile in order to present that their work to the audience. In the same vein, it enables a company to seek new employees or many experts to join work together.
Instagram	Photos and video-sharing	The firms can share activity photos or videos of what’s happening to promote the brand and company.

Although this research acts as a literature review of social media marketing strategy, the result is that the distinguished definitions are obtained. Initially, the various marketing scholars provide the meaning in terms of social media and social media marketing as shown in Table 2. Therefore, based on an integrative prior literature review, this paper defines social media marketing strategy as the scope of marketing activity, sales, public relations and customer service through social networking, online communities, or any online collaborative media to gain superior performance achievement (Barker et al., 2013; Evans, 2010).

Furthermore, prior studies discover social media as the new media of marketing tools to interact with their customer. Accordingly, Parveen, Jaafar & Ainin (2015) found that social media is employed for several purposes such as advertising, promotion, branding, searching information, and customer relationship building. Also, it has an effect on business performance by cost reduction in marketing and customer service operations. Likewise, one study examines the impacts of social media on the bank in Malaysia such as in conversation, sharing, publishing, and participation. As a result, the communication between banks and their customers are by employing social media, in particular, to assist in new product development or product innovation, to increase the customer experience, to build an organizations’ image, and to

promote strategy development (Goi, 2014). This point indicates that social media marketing can be not only a new communicative tool, but also a new medium to present product and service that the firm attempts to promote and attain competitive enhancement in the digital technology era. Moreover, Dateling & Bick (2013) revealed that there are three main points of South African business usefulness of social media that are composed of: digital product promotion, customer care/online reputation management and content dissemination, which can have potential in the marketing process. Social media are able to communicate not only with existing customers but also in acquiring new customers.

**Table 2**  
**SUMMARY OF THE DEFINITION OF SOCIAL MEDIA AND SOCIAL MEDIA MARKETING**

Author(s)	Term	Definitions
Zolkepli & Kamarulzaman (2015:190)	Social media	A group of internet-based applications that are built on the ideological and technological foundations of Web 2.0.
Carr et al. (2014: 1)	Social media	An array of platforms that allow people to interact, create, share, and/or exchange information and ideas in virtual communities and networks.
Daj (2013: 16)	Social media	The term commonly given to websites, online tools, and other interactive communication technologies which allow users to interact with each other in some way, either by sharing information, opinions, knowledge, or interests.
Strokes (2009: 350)	Social media	The media that is published, created, and shared by individuals on the internet, such as blogs, images, video and others.
Dahnil et al. (2014: 124)	Social media marketing	Using the social media technology in order to conduct a firm’s marketing activities.
Barker et al. (2013: 3)	Social media marketing	Using of social networks, online communities, blogs, wikis or any other online collaborative media for marketing, sales, public relations and customer service.
Evans (2010: 231)	Social media marketing	A philosophy and a business strategy, supported by a technology platform, business rules, workflow, processes and social characteristics, designed to engage the customer in a collaborative conversation in order to provide mutually beneficial value in a trusted and transparent business environment. It's the company's response to the customer's ownership of the conversation.
Weinberg (2009: 3)	Social media marketing	The process that empowers individuals to promote their websites, products, or services through online social channels and tap into a much larger community that may not have been available via traditional channels.

As aforementioned in the literature review that is relevant to social media marketing strategy, the main conceptual framework implementation is able to provide a dimension of social media marketing strategy which considers customers, products, competitors, and market response aspects. These include customer communication channel focus, product diversity presentation awareness, proactive competitor learning capability, and market response timeliness orientation as elaborated in the next section.

## Customer communication channel focus

Customer communication channel focus refers to the ability of a firm to employ social media tools to announce, contact, educate, and connect with its customers and prospects, giving them a voice and discussion on shared interests in order to enhance the relationship with consumers (Badea, 2014). A wide range of customer communication channel focuses exist, including all forms of promotions, advertising, or publicity dissemination (Keller, 2001). Social media provides a close-up relationship between business and its customers that have direct interaction, changing from one-to-many to many-to-many solutions (Kuvykaite & Piligrimiene, 2013).

Currently, the advantage of information and communication technology (ICT) is one important factor of marketing communication (Šerić, Gil-Saura & Ruiz-Molina, 2014). The social media that rely on ICT have benefits from marketing communication, due to availability 24/24, 7/7, interactivity, time and global accessibility, and interaction (Eugenia, 2012). As Gurău (2008) stated, there are three specific characteristics of internet communication channels: (a) interactivity—the internet can become direct interaction between a company and its customers by a social media application platform; (b) transparency—online content is always accessible by any online user; and (c) memory—the content that is published on any social media platform can be archived. Hence, the practitioners of marketing communication should customize how audiences get and use information, due to social media technology that is able to rigorously capture data on customers. As a result, it takes data for analyzing consumer behavior.

One important point of customer communication is keeping a positive company image. In order to accomplish this goal, one study disclosed that a positive company image formation by social media usage is one that can be designed with the following elements: Firstly, it sets aims of communication, and defines them in the short and long-term. Secondly, it assigns a target audience that defines the group of users who will receive the media, such as youth or adult consumers, and male or female genders. Thirdly, in determining a message theme before sending out the message, the firm has to know if what they want to hear is interesting and valuable for them. Therefore, the sent contents have to match with consumer expectations. Fourthly, content form design is possibly texts, hypertexts, audio, photos, graphs, and video. Finally, select social media channels are dependent on the target audience to be reached and content which the company wants to send, such as choosing Facebook to promote company rewards to boost the “like” following, or choosing blog forums to introduce new products that they offer in the e-commerce websites (Kuvykaite & Piligrimiene, 2013). Furthermore, Badea (2014) mentioned that online communication strategy has to assign four main topics: 1) setting goals—short, medium, and long-term; 2) choosing the mix of communication—what networks are appropriate and why; 3) what will be the frequency of communication—work policy building, making the editorial plan, and implementing it; and 4) continuous monitoring. Although both perspectives study dissimilar points of strategic communication plans, these points potentially suggest the beginning of a marketing practitioner.

Moreover, customer communication channel focus gives more opportunity to regulate, and more choice that is a variety of content messages and enable feedback that communicates for each experience of goods and service consumption (Cray, 2012). Based on the above, the literature points out that a communication channel by social media tools is more likely to enhance firms to accomplish good cost utilization (Parveen, Jaafar & Ainin, 2015; Zailskaite-Jakste & Kuvykaite, 2013), marketing operation optimization (Paniagua & Sapena, 2014), higher

customer satisfaction (Eagleman, 2013), and marketing performance. Hence, the first set of proposition is as follows:

- P1: Customer communication channel focus has a positive influence on a) marketing operation excellence, b) cost utilization effectiveness, c) customer satisfaction increase, and d) marketing performance.*

### **Product diversity presentation awareness**

Product diversity presentation awareness refers to the firm's attempt to meet customers' demands and distribution by a variety of goods and services, and assembling of different products' information via a social media platform. Different products can be based on features, packaging, design, and brand image (Frambach, Prabhu & Verhallen, 2003). Product presentation can have both vividness and interactivity that influence good feelings in consumers' perceptions (Jiang & Benbasat, 2007). The vividness is a design cover in the form of color, product image, animation, liveliness and excitation to the senses. It has also been disclosed that the more appearances of interesting vividness demonstrated in various products, the higher rate of purchase intention (Song & Kim, 2012). Providing detailed product information is required for the success of e-commerce business (Jiang & Benbasat, 2007). Previously, e-commerce websites mostly employed text and pictures to illustrate product information (Lightner & Eastman, 2002) for all items available in their store. The product diversity in an e-commerce environment can be presented by various media and information (Jahng, Jain & Ramamurthy, 2002). Thus, product diversity in this context means a different mix or volume of products and services including physical size, complexity, and batch size (Miller, 1996).

Accordingly, Park (2002) suggested three essential aspects in online product presentations for success in online selling: Images of the product have to have the closest representation of the physical product, display related or similar products, and show various angles of the image—back, front, left, and right views. Predominantly, with a lot of products or services that e-commerce firms attempt to offer to their customers, management of product presentation is required. As a result of this reason, this paper is concerned with a product diversity presentation awareness concept. Interestingly, one important point to promote product variety in an online presentation, that is, product coordination, is also call "mix-and-match." It accommodates up-selling and cross-selling that are of key importance to customer relationship management and archives marketing profitability (Bolton, Lemon & Verhoef, 2004). When products are displayed as coordinated, it fetches complementary information to facilitate the consumer's decision-making (Yoo & Kim, 2012). For instance, a computer notebook is offered to coordinate with a printer rather than presented alone. When two or more products are displayed as coordinated offerings, consumers evaluate those products with an overall impression derived from product pairing.

Based on the aforementioned literature review, product diversity presentation awareness plays an important role in the good perception of online consumers, as well as the marketer's intelligence integrated with other related products offered to their customers. Thus, product diversity presentation awareness is more likely to encourage firms to accomplish their cost utilization effectiveness, marketing operation excellence, customer satisfaction increase, and marketing performance. Hence, the proposition is elaborated as follows:

- P2: Product diversity presentation awareness has a positive influence on a) marketing operation excellence, b) cost utilization effectiveness, c) customer satisfaction increase, and d) marketing performance.*

### **Proactive competitor learning capability**

Proactive competitor learning capability refers to ability of the firm in scanning, monitoring and analyzing the competitive environment continuously in order to forecast; evaluate the competitive situation; and access information about the company profile, marketing activity, strategies, or conventions of competitors with social media implementation (Ma, Pant & Sheng, 2011). Organizational learning is divided into two categories, external and internal learning. Competitor learning is a part of external learning. Organizational learning of the firm provides the necessary business competency to accomplish a sustainable competitive advantage (Bierly & Hämmäläinen, 1995). Competitor learning is one source factor of competitive advantage and advocates successful innovation, when they learn from the invention of their competitors (Lopez, Peon & Ordas, 2005). Likewise, Bierly & Hämmäläinen (1995) described that new innovation is often quickly copied by competitors, due to limitations of the innovators' competitive advantage. Continuous, external learning enables the firm to build and sustain competitive advantage (Hunt & Morgan, 1995). Also, external learning routines will enhance the transforming of operations to external environment conditions (Kohli & Jaworski, 1990).

Accordingly, Leaf (1978) suggested three aspects to learn a competitor's performance which are: a competitor's product, cost and delivery, and sales and service. Firstly, a competitor's product, and knowing the product characteristics of a competitor, is a key to posit strategy. It might have a concern for repositioning product planning in the market. Secondly, a firm wants to know the cost and delivery processes of its competitor. The firm has to take its competitor's products and find out how they are made, cost, and the delivery process. Finally, competitors learn about how to sell and use service methods to make for more sales effectiveness. Therefore, the ability of the firm which emphasizes competitor learning is more likely to reduce the cost of marketing research, improve their marketing operations to the optimization, build customer satisfaction, and marketing performance success. Similarly, He, Zha & Li (2013) stated that the success of a company should be in the ability to analyze all rich information—the product price of a market and competitor, a review of product and service, and a customer's opinion to determine what has happened, and predict what will happen in the future, both in short-term and long-term periods. Moreover, the firm not only needs to have processing information capability but also needs to create new knowledge faster than their competitor (Huang & Wang, 2011).

Presently, much user-generated content is freely available on social media technology. To archive competitive situations and evaluate the competitive environment of the firm, a business requires monitoring and analyzing both the customer content on their social media site and the textual information on their competitor social media site as well (He, Zha & Li, 2013). Particularly, the textual data of social media tools that are created from both customer content sites and competitor content sites are important to not only discovering and detecting new knowledge—favoring brand, popular product trends, and patterns of interest—but also a comprehension of how their competitors are acting. As a result, any textual data from social media can be analyzed in-depth that is related to the know-how of a competitor in a competitive environment (Governator & Lannella, 2011). Therefore, the businesses have to learn new

technology and new managerial practices which the competitor employs (Bierly & Hämäläinen, 1995).

Based on the literature review, proactive competitor learning capability is more likely to enhance firms to archive their cost utilization effectiveness, marketing operation excellence, customer satisfaction increase, and marketing performance. Thus, the proposition is elaborated as follows:

- P3: Proactive competitor learning capability has a positive influence on a) marketing operation excellence, b) cost utilization effectiveness, c) customer satisfaction increase, and d) marketing performance.*

### **Market response timeliness orientation**

Smart marketing managers must utilize knowledge to think about and find out how a market will respond to retain customers and interrupt their competitors (Day, 1992). Previously, marketing scholars had defined market responsive orientation as the establishing, allocation, and use of market information relevant to the current customers and product domain; and it focuses on expressed customer needs (Kohli and Jaworski, 1990). There are a few reasons why firms have to focus on current customers and expressed needs; that is, they are more likely to reduce errors in problem-solving, make accurate predictable trends, and make use of decreased complexity in the product development process to sustain their current market (Atuahene-Gima, Slater, and Olson, 2005). Possibly, in order to develop market response, firms are able to deploy market surveys or questionnaires on social media platforms to assess customer insight and satisfaction levels. As a result, based on recording feedback and analyzing consumer trends, they focus on improving products and service that are suggested by consumer discussion (Wang et al., 2013). Responsive market orientation is not only looking to customers as “leading” the firm into developing new products or service offerings to satisfy existing needs, but also meeting immediate market needs, in order to speed up time-to-market (Lamore, Berkowitz & Farrington, 2013).

Therefore, this paper defines market response timeliness orientation as the ability of the firm, in social media utilization of discovering, understanding, and satisfying expressed customer needs, both for the present and future audience, in suitable time (Narver, Slater & Maclachlan, 2004; Bodlaj et al., 2012). It is important to react timely to shopper needs and expand new markets earlier than one’s competitors (Lee, 2010). Especially, social media is instrumental for helping to gather information for both existing current customers and their prospects. According to the work by Patino, Pitta & Quinones (2012) it was demonstrated that new instruments help marketers in marketing research by using social media. That means it can be used instead of traditional market research methods such as telephony or even email. Marketing researchers employ social media in several practices, including: 1) pattern recognition, 2) consumer panels, 3) social networks, 4) market research online communities (MROC), 5) listening platforms, and 6) geo-tagging.

These patterns can be elaborated as follows: Firstly, pattern recognition is public opinion that can be obtained from aggregating searches and online mentions. Secondly, consumer panels are assigned an internet chat room with product and service questions. For some consumers, webcams are installed on their computer, by which the firms can engage with the panel member by using Skype or other communication software to research markets comfortably. Thirdly,

although social networks are live communications that are restricted to control by market researchers, there are advantages when marketers adapt suitable ways. A social network site like Facebook is able not only to create a brand or fan page, but also offer surveys for target groups. Twitter is able to be employed in research as an online listening tool. In addition, a social network can be both a focus group and used for in-depth interviewing. Fourthly, MROCs are enrolling members for interest and special study as closed communities with longer time research than for consumer panels. Fifth, listening platforms are bulletin boards, blogs, or review sites. The consumers just mention product and service, while market research is a rich source of any comment for comprehending essential trends and thoughts—of either attitude or thoughts. Finally, a geo-tagging service like Foursquare application both enables and provides a helpful record of visits to booths at tradeshows (Patino, Pitta & Quinones, 2012). Therefore, these new solution benefits are a part of market response that encourage over their competitors and are responsive quickly, in a suitable time, before the consumer trend has changed.

Collectively, these discussions are interesting for market response by using social media platforms that are beneficial to marketing research. The effect saves cost to the operation for real-time data recording, and satisfies their customer. Hereby, market response timeliness orientation is at a higher level, and more likely to supplement firms to archive their cost utilization effectiveness, marketing operation excellence, customer satisfaction increase, and marketing performance. Thus, the proposition is assigned as follows:

- P4: Market response timeliness orientation has a positive influence on a) marketing operation excellence, b) cost utilization effectiveness, c) customer satisfaction increase, and d) marketing performance.*

### **Marketing operation excellence**

Marketing operation excellence in this paper refers to the integration of a complicated set of marketing practices to enhance its marketing outcome through the most improved efficiency in a flexible delivery process, quick service response, and low cost of operation (Yu, Ramanathan & Nath, 2014). It can be viewed as the proportion of quantity in a marketing outcome and quantity of marketing resources input that are deployed in marketing strategy implementation (Kalaiganam, Kushwaha & Varadarajan, 2008). Actually, marketing operation concern can help firms be successful in superior performance; not only by performing in their organization but also by collaborating with external organizations.

The internet has been a constitutive core of the marketing operations of businesses (Kalaiganam, Kushwaha & Varadarajan, 2008). Importantly, marketing operation has been focusing on minimal operational cost, flexibility improvement, and distribution of delivery with a high quality of products and service (Tan, Kannan & Narasimhan, 2007). Although many businesses attempt to operate their business to enhance customer satisfaction and profitability (Piercy, 2010a), there are some businesses that fail in marketing operations, because they only focused on the front-end of operations, such as devoting themselves to website design and advertising for sales growth regardless of how to deliver products and services to customers. As a result, unsuccessful customer service, lost customer retention, and poor profitability occurs (Dholakia, 2005). Therefore, Chopra, Lovejoy & Yano (2004) highlighted that the best marketing operation has excellence in design, and information on what will fulfill customer demand that is required to improve marketing processes to support their need. Similarly, if the



marketer has rich customer needs information, then the products and services are able to be delivered and lead to customer satisfaction (Piercy, 2010b).

Specifically, some businesses separate responsibility functions from the marketing and operation department to identify individual duties. Eventually, both functions need to work together. For example, the work by Tang (2010) concluded that marketing is an externally-focused function area to monitor either consumer trends or a competitive environment. It also implements a marketing plan to increase the marketing outcome. In contrast, an operation with internally-focused functions has a responsibility to specify how to utilize resources to deliver complete effective marketing plans. Therefore, both marketing and operations require co-existence by which the firm can act on the right thing, performing by the standards of the marketing department, do the thing right, and perform by the standards of the operations department. Indeed, firms have striven to explore, and have developed best practices as a device for benchmarking that can officially improve the marketing organization's performance through optimization of marketing processes, tools and database marketing (Larissa, 2012).

The linkage of literature reviews are drawn by the relationship between marketing operation excellence on cost utilization effectiveness, customer satisfaction increase, and marketing performance. Hence, the proposition is proposed as follows:

*P5: Marketing operation excellence has a positive influence on a) cost utilization effectiveness, b) customer satisfaction increase, and c) marketing performance.*

### **Cost utilization effectiveness**

Cost utilization effectiveness refers to the minimizing of marketing cost management that emerges from applying new social media marketing rather than conventional marketing forms. The firm can also reduce its cost to advertising, promoting, and announcing marketing activity to its customers, which leads to optimizing the business process and the success of budget management (Schniederjans, Cao & Schniederjans, 2013). Essentially, the firms need to either increase or reduce their operational costs by managing the utilization of insufficient resources. Also, these firms show effort moving from traditional marketing practices— newspapers, radio, magazines, television advertising— towards more saving expenditures and social media marketing engagement (Tariq & Wahid, 2011).

The low-cost of internet access has opened up opportunities for the firm to deal directly with millions of customers (Palmer & Koenig-Lewis, 2009). Obviously, social media marketing is an online marketing tool that is based on absolute internet infrastructure. It builds new challenges for marketers, advertisers, strategists, and companies (Tariq & Wahid, 2011). When a social media is deployed for a business, it is a buzz conversation that calls out the brand name. The firms are able to save time for data collection feedback, and it is also an attempt to resolve their customer responses. These practices are cost-effective methods in marketing activities (Edosomwan et al., 2011).

The cost utilization of conventional forms of marketing or traditional marketing is more costly over social media marketing, due to the social media platform being free of cost to create a company fan page on Facebook, upload a video to YouTube or even post on blogging sites. It can be alternatively mentioned that the use of social media is high volume, but low expense. Conversely, conventional marketing is low volume, but high expense. For example, YouTube can be better at content presentation to understand stories, rather than other approaches (Pace, 2008). YouTube is the best way to test the ideas of a company that will offer new products and

services, and it is more cost-effective than ever before. YouTube can offer visitor rate-checking, sharing and discussing. Recently, one qualitative research from six organizations which used social media indicated that most organizational identical answers had been a cost reduction in terms of advertising and the customer service aspect. Moreover, the senior manager interviewed stated that they used cross-media campaigns. Originally, they advertised on a social media channel that the firm utilized via hard copy print advertisement; namely “offline media or traditional media,” in order to drive more traffic to their social media site (Parveen, Jaafar & Ainin, 2015). In the same vein, when there was either an offline event or marketing activity, they promoted it via a social media page, and even mixed them together. These methods can reach a large audience as well as have minimal cost to business operations.

Obviously, cost utilization effectiveness can be obtained from social media practices. Likewise, Tariq & Wahid (2011) noted that an aspect of social media benefit is applicable in customer care service on the social media platform. It is more effective in responding to customer complaints than a telephone call center. The firm can lower costs for staff payment and other facilitative resources. Moreover, during interaction with customers on their social media site, various problems are recorded and many problems are resolved in conversation. Thus, a social media site is a “best instrument” for generating new ideas, know-how, and source of consumer behavior learning.

However, based on the literature review, cost utilization effectiveness might be obtained from social media marketing usage. Subsequently, the firm that can control cost utilization will show minimal sales cost and increased profitability. Ultimately, when the level of cost utilization effectiveness is high, the more likely will be a positive influence on marketing performance. Therefore, the proposition is posited as follows:

*P6: Cost utilization effectiveness has a positive influence on marketing performance.*

### **Customer satisfaction increase**

Customer satisfaction increase refers to the augment of the feeling level of gratification acquired from marketing service, the underlying positive consumption experience, excitement, bringing novelty, and surprising service quality to serve customers (Khan & Fasih, 2014). It is important that the customer satisfaction feeling can be incurred from both utilitarian and hedonic benefits. Utilitarian benefits are related to functional properties, whereas hedonic benefits are related to emotional characteristics and experiential sensation (Batra & Athola, 1990). Generally, the more customer satisfaction, the more likely there will be a repurchase in the future, leading to promotion by positive word-of-mouth (WOM) that is highly believable (Tripathi, 2014).

The satisfying of customers’ needs and wants is a key cause of successful customer satisfaction of the firm (LaBarbera & Mazursky, 1983). Statistically, customer satisfaction identifies that a very satisfied customer is nearly six more times led to repurchase, or recommend their positive experience in a product or service, more than a just obtaining a satisfied customer. In contrast, only four percent of dissatisfied customers will complain to the company. Indeed, the customer that had a problem with consumption of their product and service will ultimately pass it on by word of mouth to nine other people. The satisfied customers will inform five other people about their positive experience about their consumption (Flott, 2002). On the other hand, only the satisfaction of product and service aspects would not assure that a consumer may continue to remain with the product or service (Tripathi, 2014).

In the company's aspect, a customer satisfaction trend can be evaluated by monitoring positive and negative comments or reviewing the company's brand by social media monitoring tools. Indeed, a content analysis of negative comments is a likely approach to the analysis of customer complaints. Also, monitoring a competitor's brand together with one's own, provides a competitive strategy for strengths and weaknesses in the trading market. As a result, social media monitoring can help a firm to identify emerging interest issues and trends that affect the industry (Mitchel, .(2010This information of customer trends along with customer's needs and wants, quickly leads to new product development that directly support their customer. For example, Pepsi's Mountain Dew makes practical use of the social media to incur new ideas for supporting decision-making for new product development. A fan page of the brand has input for new flavors, colors, and name packaging design from consumer engagement to come up with promotion ideas, product style, and target groups (Holay, .(2011All these are excellent approaches. Therefore, customer satisfaction can be obtained from this issue, due to the firm providing the new product or service that is beyond customer expectation.

However, customer satisfaction increase can be obtained from the customer service of the firm that provides either a higher level of satisfaction or exceeds expectation, which leads to superior marketing outcomes. Therefore, the proposition is posited as follows:

*P7: Customer satisfaction increase has a positive influence on marketing performance.*

## **Marketing performance**

Marketing performance has been used to measure the perceived impact of electronic marketing adoption for marketing success (Eid & El-Gohary, 2013). According to O'Sullivan and Abela (2007), it is noted that marketing performance can be divided into three research themes: measurement of marketing productivity, identification of metrics in use, and measurement of brand equity. However, this paper defines marketing performance as the outcome of social media marketing strategy that can be both a financial and a nonfinancial measurement. The financial aspect can be assessed from sales growth, net profit, and reduction of sales costs (Eid & El-Gohary, 2013). Nevertheless, nonfinancial measurements can be evaluated with the level of satisfaction from an executive, manager or stakeholder (O'Sullivan & Abela, 2007).

## **CONTRIBUTIONS AND FUTURE RESEARCH DIRECTIONS**

### **Contributions**

This paper provides useful contributions and implications to researchers, marketing managers, information technology managers, and top managers regarding available social media application in organizations. Social media marketing is a new challenge in the performance of a firm that is relevant to marketing operations in product and service, information management, novel ideas through applications of social media, which rise to traditional marketing fulfilment. Therefore, currently, social media marketing is a part of a strategy that business should emphasize, due to most customers participating with social media platforms. Social media is a marketing tool of a marketing mix that comprises a known promotion strategy, which underlies the 4Ps (Tariq & Wahid, 2011).

Likewise, Mangold & Faulds (2009) stated that social media is a part of a promotion mix because it is a component of conventional integrated marketing communication (IMC) tools of which there are two relevant promotional roles in the marketplace. Firstly, social media provides businesses both a dialog and a meeting place with their customers. Secondly, it provides customers an opportunity to discuss with one another by which that marketer cannot control the message. The smart marketer should follow any comment or conversation about a specific brand and company, competitors, and industry as much as possible, in order to identify what is the business's goal, target audience; and it should apply social media marketing strategy to marketing outcome success. Therefore, social media marketing strategy is an interesting issue that is able to serve the organization for supplementing marketing performance in the digital generation.

### **Suggestions for future research**

This conceptual framework investigates the relationship between social media marketing strategy and marketing outcome that one knows as its consequence. In order to absolutely implement the conceptual framework of social media marketing strategy, some environment constructs are required for continuous exploring such as antecedents, moderators, or even control variables. For the empirical research idea, this study proposes that Thai e-commerce firms should be most appropriately evident in this conceptual framework. Due to the situation of Thai e-commerce having more growth and high competition, as well as an evolution of 3G technology, it has provided an expanded e-commerce to the mobile commerce era and also Thai e-commerce firms expected a growth of 39.7 to 47.5 percent from the year 2012 (Kasikorn Research Center, 2013).

Therefore, future research is required to verify, expand, and examine a hypothesis with empirical data in Thai e-commerce firms, due to the social media user that has high, continuous growth. Specifically, the statistics of social media populations and user behavior in Thailand found that Thailand ranked ninth place in the overall Facebook population of 28 million users, Twitter at 4.5 million users, Instagram at 1.7 million users, and YouTube at 2.9 million video clips (Zocial Inc., 2014). Therefore, the higher growth rate of social media is conducive to the business challenge of marketing strategy, which seeks and retains customers in this online world.

### **CONCLUSION**

Nowadays, internet technology has been rapidly and continuously growing and developing. Especially, social media is occurred with internet technology that has an effect on the business environment such as in business process, marketing tools, organization culture, or even consumer behavior. The business has to find out to quickly react to both their customer and competitor in the digital era. Therefore, a new strategic approach such as social media marketing strategy is very interesting to fit with business operation.

This paper intends to provide an obvious understanding of relationships between social media marketing strategy and marketing outcomes. Moreover, this paper focuses on four dimensions of social media marketing strategy; namely, customer communication channel focus, product diversity presentation awareness, proactive competitor learning capability, and market response timeliness orientation. Also proposed, is its consequence that will have an effect on the marketing outcome; namely, cost utilization effectiveness, marketing operation excellence,

customer satisfaction increase, and marketing performance. However, future research requires investigating their antecedents, moderators, and control variables.

On the whole, although based on the literature review that all positively relationship purpose between each dimension of social media marketing strategy and it consequents, the empirical research at the firm level that one knows as a unit of analysis is require to examine it as soon as possible.

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# MARKETING MISSIONS – A CASE STUDY FOR THE SOCIAL MARKETING MIX

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## ABSTRACT

*This case study applies undergraduate marketing concepts to the Not-For-Profit (NFP) organization. The marketing mix becomes more complicated when applied to a NFP organization as the traditional 4 P's morph into 8 P's for a nonprofit organization. Of particular focus for this case study are the 4 extra P's of Publics, Partnership, Policy, and Purse Strings as these elements distinguish the NFP social marketing mix from the more traditional marketing mix leveraged by for-profit companies.*

*Students will be presented with background analysis for the Red Cross and for Habitat for Humanity – two NFPs that have successfully expanded their mission from one individual's passion to a global operation. Students will then consider the cause of a much smaller organization – Snack Pak 4 Kids. Like the Red Cross and Habitat for Humanity, Snack Pak 4 Kids was organized by one man with a passion to serve a societal need. It is a small NFP, local to the Amarillo, Texas area, but desiring to expand its operations throughout Texas and beyond. Students will be asked to consider the Snack Pak 4 Kids social marketing mix best able to launch this small NFP to a national level.*

# **CAN YOUR FIRM BENEFIT FROM ADVERTISING ANALYTICS AND BIG DATA? DETERMINING A FIRMS POTENTIAL FOR SUCCESS USING BIG DATA**

**Jobs, Aukers & Gilf**

## **ABSTRACT**

*This paper is the second paper of a two part series built on interviews conducted with big data firms in the summer of 2014. The first paper titled *The Impact of Big Data on Your Firms Marketing Communications: A Framework for the Emerging Marketing Analytics Industry* (Jobs, Aukers & Gilfoil, 2014) provided a consolidated framework and typology intended to help companies and researchers understand the structure of the emerging big data ecosystem as it relates to marketing communication. Small to mid-sized companies are concerned about the efficiency and effectiveness of ad spend. They want to use Big Data services, but need to be convinced that Big Data services are affordable and that they will provide a good return. This second paper provides key findings indicating which clients can most benefit by using Big Data, how they can most benefit, and by how much they can benefit. It also indicates the minimum advertising spend required to benefit from Big Data firms, the expected return on advertising spend, and critical data integrity factors a company needs to understand in order to effectively use Big Data. In particular, the research attempts to reveal specific insights to costs and performance expectations as they relate to marketing communications and advertising.*

# A CONCEPTUAL MODEL OF CUSTOMER SERVICE FLEXIBILITY STRATEGY AND SERVICE PERFORMANCE

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## ABSTRACT

*The aims of this conceptual paper are to propose a criticality and investigate the relationships among five dimensions of customer service flexibility strategy: customer adaptation focus, customer response awareness, individual demands concerns, participation-based service orientation, and service choices emphasis on service performance via service innovation, service excellence, service value, and service satisfaction; also to develop several propositions that will assume the relationship among constructs which are positively related. In addition, the concepts of the paper proposed in this study are driven from the characteristics of the markets of the twenty-first century which have the distinctive of dynamism, unpredictability, intense competition and increased customer power. Also service business sectors will drive the global economy (Zeithaml & Bitner, 2003). Customer service flexibility strategy is proposed to be one of the most important business strategies in dynamic environments. In this conceptual paper, customer service flexibility strategy refers to an ability of firms to respond to customer needs, and to enhance the level of customer satisfaction. This is the feeling that a product or service has met customer expectations under various conditions and in all situations that have occurred. The dynamic capability theory is applied to explain the relationships among the constructs of the conceptual model of customer service flexibility strategy. In fact, in the future, research should examine the propositions and develop for empirical research. Especially, evidence should come from the business service sector regarding cosmetic plastic surgery businesses in Thailand, since the International Society of Aesthetic Plastic Surgery (ISAPS) demonstrates trends in a survey which found that Thailand is in the world's top 22 countries with the highest surgery, ranked fifth in Asia. It is first in Southeast Asia. Additionally, cosmetic plastic surgery businesses in Thailand can create significant income for the country (International Society of Aesthetic Plastic Surgery, 2013). Finally, contributions for academic research and management practices in the service business are suggested.*

## INTRODUCTION

The era of globalization, which has brought about changes in the business environment has changed rapidly. Competition has become more intense in its impact on all businesses, both in the service and industrial business sectors. Competitiveness in terms of the service industry, rather than in the manufacturing industry and service business sectors, will drive the global economy in the twenty-first century (Zeithaml & Bitner, 2003). As a result, many service businesses have adjusted business plans to improve performance while still maintaining service quality in order to the corporation to sustain survival. The rapid changes in the market and in technology of the service business sectors are challenging the ability of firms to make modifications in service to respond to the customer needs and wants under uncertainty. Therefore, firms require competitive strategies to deal with customers under uncertain situations, to allow the finding of the actual needs of the customer. Customer

service flexibility strategy was proposed as one of the most important strategies of the twenty-first century, which is the firm's ability to respond to customer's needs to enhance the level of customer satisfaction. This is the feeling that a product or service has met customer expectations under various conditions and in all situations that have occurred. For reasons aforementioned, flexibility strategy is the most important in allowing the firms to specify significant changes, is able to adapt to environmental changes, is able to respond to customers in the form of individual customization service, and manages the demand cycle (Upton, 1994). It allows one to manage resources to adapt to various customer requests and environmental uncertainty in terms of a service program and service processes, and to achieve and maintain competitive advantage with superior service performance (Zhang et al., 2003).

Based on the literature review, customer service flexibility research has had increased for academic attention. Despite the fact that flexibility is implicit in the application of the marketing concept (Combe & Greenley, 2003), there are very few studies that have directly addressed customer service flexibility strategies. Thus, this paper makes effort to search and address this gap by creating a new dimension and is able to propose new dimension of customer service flexibility strategy to enhance service innovation, service excellence, service value, service satisfaction, and service performance. Since, field service had been characterized by a high degree of uncertainty customer service flexibility strategy can be considered an important competitive weapon in the field service business. Customer service flexibility strategy can have a positive influence on customer satisfaction, because customers are requesting the adjustment of an existing agreement that cannot unconditionally expect their service provider to comply with their demands (Hoyer & McInnes, 2001). Additionally, customer service flexibility strategy can improve the service process and service program, and actualize obtaining sustainable competitive advantages (Matthyssens, Pauwels & Vandembemt, 2005). Customer service flexibility strategy is a critical factor for adapting strategic plans to the competitive environment in a permanent change (Dibrell, Down & Bull, 2007). The aims of the research are to be identified in dimensions of customer service flexibility strategy and classified the outcome customer service flexibility strategy in service performance relationships. It will benefit academic research and management practices.

The purposes of this paper are to examine the relationships among the customer service flexibility strategy, and its consequences, to develop into an empirical research in the future which is illustrated as follows:

- 1) To investigate the relationships among each dimension of customer service flexibility strategy (customer adaptation focus, customer response awareness, individual demands concerns, participation-based service orientation, and service choices emphasis), service innovation, service excellence, and service value,
- 2) To investigate the relationships between service innovation, service excellence, service value, service satisfaction, and service performance,
- 3) To investigate the relationships between service excellence, service satisfaction, and service performance,
- 4) To investigate the relationships between service value, service satisfaction, and service performance, and
- 5) To investigate the relationships between service satisfaction, and service performance.

Additionally, the research questions in this paper are presented as follows:

- 1) How does each dimension of customer service flexibility strategy (customer adaptation focus, customer response awareness, individual demands concerns, participation

based service orientation, and service choices emphasis), have an influence on service innovation, service excellence, and service value?

2) How does service innovation have an influence on service excellence, service value, service satisfaction, and service performance?

3) How does service excellence have an influence on service satisfaction, and service performance?

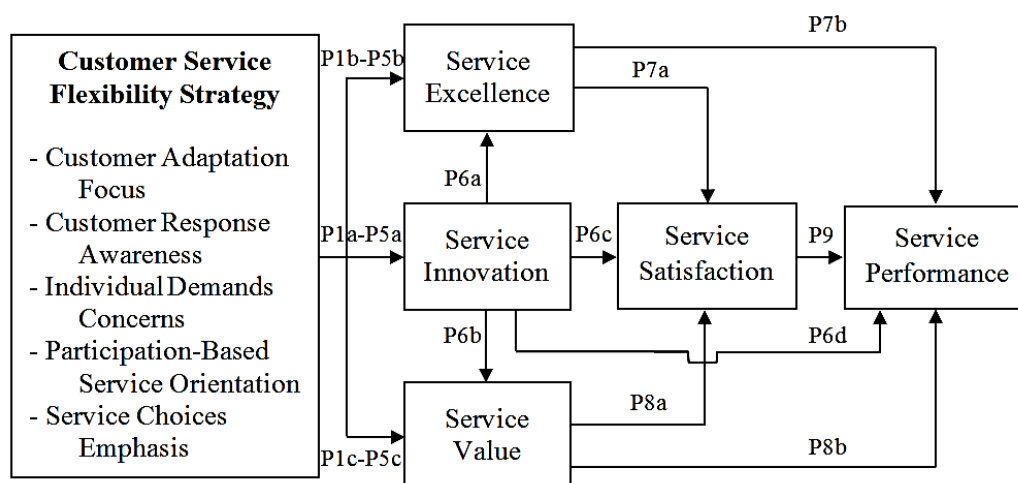
4) How does service value have an influence on service satisfaction, and service performance?

5) How does service satisfaction have an influence on service performance?

The next section of the conceptual paper is organized as follows: It reviews the relevant literature about the definitions, and links the relationships of all constructs through the dynamic capability theory to describe the conceptual model, and develops the related propositions for testing in future research. The contributions section explains guidelines suggested for future research and managerial contributions. The last section, the conclusion, mentions the findings involved in this conceptual paper.

### REVIEWS THE RELEVANT LITERATURE

This conceptual paper develops several propositions, and will assume the relationships among customer service flexibility strategy, and its consequences that are positively related. Therefore, a conceptual model of this paper is presented in Figure 1 below.



**Figure 1 A Conceptual Model of Relationships between Customer Service Flexibility Strategy and Service Performance**

The objective of this section is to explain the reviews of the relevant literature about the definitions, and links the relationships of all constructs through the dynamic capability theory to describe the conceptual model; and develop the related propositions for testing in future research.

This paper applies the dynamic capability theory to explain the relationship of the conceptual framework model in terms of the competency of firms that utilize of new and existing resources and capabilities for flexible operations. It also responds to rapid business environmental changes in that it achieves new service opportunities and sustains competitive advantage in the long run as well as service outcomes (Teece, Pisano & Shuen, 1997). The concept of dynamic capabilities as the best source of competitive advantage has been popular in strategic research, which affects business survival and success (Hou & Chien, 2010; Teece,

Pisano & Shuen, 1997). The capability approach tends to create outstanding and difficult-to-imitate advantages, and helps businesses avoid games with customers and competitors. Teece, Pisano & Shuen (1997), they use the dynamic capabilities to stress the firm's ability to take advantage of internal and external corporate specific competencies to address changing environmental uncertainty. In addition, dynamic capabilities have also focused on the firm's resources and capabilities, which demonstrated the relationship between firm resources and performance. Barney (1991) has proposed a key of strategic resources, which will cause a sustainable competitive advantage consisting of four characteristics: valuable resources, rare resources, imitative resources, and non-substitutable. All four characteristics are called VRIN (Barney, 1991). These firms that have own these resources will meet competitors with barriers, and it helps firms to achieve competitive advantage that sustainable and profitable. VRIN (Barney, 1991) as a source of dynamic capability creates competitive advantage under rapidest environmental change (Menon, 2008). Resources and capabilities of firms such as employee capability, skill, knowledge, technology innovation in service, and corporate reputation these make firms to rapidly adapt under uncertainty, allows firms to focus on and enhance flexible operation and potential competitiveness; and to achieve superior performance (Ranft & Lord, 2002; Teece, Pisano & Shuen, 1997; Smith & Grimm, 1987). In addition, it makes competitor imitation more difficult and requires high cost if imitated. For this reason, dynamic capabilities are a result of complex organizations and strategic routines, and help to develop a flexible strategy fit (Zollo & Winter, 2002).

Previous studies found that dynamic capabilities focus on managerial capabilities (Adner & Helfat, 2003; Mahoney, 1995), organizational learning (Helfat & Raubitschek, 2000; Cohen & Levinthal, 1990), and flexibility strategy (Grant, 1996; Sanchez, 1995), because these dynamic capabilities are important to the basic processes of a firm's adaptation (Miller 2003; Levinthal 1991) and dynamic strategy fit (Itami & Roehl, 1987). Smith & Grimm (1987) describe many ways in which a firm can grow, but firms need flexibility in the development of new and existing resources and capabilities to respond to change under environmental uncertainty. Firms need to examine the internal environment to establish new service or adjust usage for the existing resources, and to identify new resource acquisition possibilities (Ranft & Lord, 2002). In addition, an organization's knowledge is utilized to improve dynamic capabilities and increase business value. It is found that dynamic capability has a positive influence on firm performance (Hou & Chien, 2010; Helfat, 1997).

Therefore, the dynamic capabilities theory explains the relationships among each dimension of customer service flexibility strategy (customer adaptation focus, customer response awareness, individual demands concerns, participation-based service orientation, and service choices emphasis), service innovation, service excellence, service value, service satisfaction, and service performance. These are explained by dynamic capabilities in terms of flexible operational capability and adjusting the utilization of resources to respond rapidly to changing environments (Smith & Grimm, 1987). It allows firms to achieve competitive advantage and superior performance (Hou & Chien, 2010; Menon, 2008).

### **Customer service flexibility strategy**

Flexibility strategy has the important role in linking operations strategy to marketing strategy which gives an organization the ability to introduce new products and services, adjust processes rapidly, and customize products and service. It enables businesses to respond effectively to changing situations. The contextual concepts of flexibility and/or flexibility strategy are not new. They appear in the management, economics, and marketing literature as early as the 1950s. However, flexibility strategy has been addressed by research in the marketing field (Genus, 1995), and involves strategies crucial to market-linking activities

(Harrigan, 1985). Flexibility has an important role in linking marketing strategy to allow firms the ability to have customer service flexibility in terms of introducing new services, and rapidly adjusting service activities according to customer requirements. Additionally, customer service flexibility enables firms to respond effectively to changing situations; especially when dealing with market environment uncertainty that may be characterized by rapid changes, such as short and uncertain life cycles of products and service, innovative process technologies, and customized products and services (Awwad, 2007). The service provider flexibility strategy is an important factor to create customer satisfaction, trust, and commitment through the ability of firms to response customer's demands for modification in flexible characteristics, willingness to act, and showing intention to act (Bjoern, 2005).

In the twenty-first century, the characteristics of the market are dynamic, unpredictable, intense competition, an increase of customer power, and developing towards an increase distribution of targeted segments (Ramo, 2009; Zeithaml & Bitner, 2003). In addition, the trend of service flexibility characteristics in the twenty-first century focus on main customer needs in terms of individual customer needs, and create superior value for customers (Setia, Venkatesh & Joglekar, 2013; Halpern & Bates, 2010; Piller & Ihl, 2009). It differs from the twentieth century, because the service providers focused on customer service in terms of service flexibility process and program to respond to mass customers, that is often shown as a service operation involves service program offer for the mass customer to achieve cost minimizing in combined with a high level of customization for mass customers (McCarthy, 2004; Zhang, Vonderembse & Lim, 2002; Gupta & Somers, 1996; Suarez, Cusamano & Fine, 1995; Pine, 1993; Levitt, 1976). These conceptualizations of customer service flexibility strategy have been an important step in service that provides a better understanding of when firms manage to decrease concerns about rapid change in customer service (Upton, 1994).

This paper has applied the concept by the prior research of Correa & Ganesi (1994) who proposed seven types of service operations flexibility which are consistent with Aranda (2003), and apply within this paper. This paper has applied the concept by prior research, Correa & Ganesi (1994) proposed seven types of service operations flexibilities which are consistent with Aranda (2003), and apply within this paper. Namely; (i) design flexibility which refers to the ability to introduce new services; (ii) package flexibility is the ability to offer varied services within a period of time; (iii) delivery time flexibility refers to the ability to anticipate service delivery requirement; (iv) delivery location flexibility is the ability to offer service in a variety of places; (v) volume flexibility refers to the ability to change service output levels; (vi) system robustness flexibility is defined as the ability to remain effectively operating despite changes affecting inputs and process; (vii) customer recovery flexibility refers to the ability to recover the customer after something goes wrong. Additionally, customer service flexibility, typically, according to Aranda (2003), involves the following: the speedy introduction of newly-designed services, managing changes in the service mix, changing forms in customer delivery schedules, rapid modification of capacity, and customization of services. All of the above mentioned are typical forms of customer service flexibility that allow firms to make the required changes, individually customize, respond to market changes, adapt to market environmental uncertainty, respond to changes, and utilize new service opportunities. Therefore, this paper proposes a new dimension of customer service flexibility which consists of five dimensions of customer service flexibility: customer adaptation focus, customer response awareness, individual demands concerns, participation-based service orientation, and service choices emphasis. All of these concepts involve customer service flexibility that is important for service firms.

From a literature review of customer service flexibility strategy, it is found that various research provides different definitions: customer service flexibility strategy is an

ability of firms, in time, whom confronted unpredictable change, to improve operation flexibility, and to actually obtain sustainable competitive advantages (Matthyssens, Pauwels & Vandembemt, 2005). Furthermore, customer service flexibility strategy is defined as a firm's ability to manage resources, to adapt to various customer requests in environmental uncertainty in terms of a service program and service activities, and to achieve and maintain competitive advantage with superior service performance (Zhang et al., 2003). Upton (1994) defines customer service flexibility strategy as an ability of firms to meet customer demands on service delivery systems, customization of service, and manage the demand cycle. As a consequence, this paper defines customer service flexibility strategy as an ability of firms in response to customer needs, to enhance the level of customer satisfaction which is the feeling that a product or service has met customer expectation under various conditions and in all situations that have occurred (Setia, Venkatesh & Joglekar, 2013; Matthyssens, Pauwels & Vandembemt, 2005; Zhang et al., 2003).

Previous research found that customer service flexibility strategy is an essential success factor in the continuous creation of customer value, generates competitive advantage, and impacts service performance (Idris, Rahman & Hamid, 2014). Furthermore, firms focus on customer service flexibility strategy through utilization of customer information systems to enhance delivery service value over price. These must be done to conform to individual customer requirements involving individual designing processes that require a standardized, highly-efficiently process, because there is strong competition in the service market (Halpern & Bates, 2010). However, the service business emphasizes that customer service flexibility is a strategy of firms to help respond to individual customer requirements to meet customer expectations, in order to gain a competitive advantage and achieve service performance (Feng et al., 2012; Chen & Chen, 2004; Zhang et al., 2003). Accordingly, this paper focuses on the ability of a firm to use customer service flexibility strategy to create a competitive service advantage such as in service innovation, service excellence, and service value; leading to increased service satisfaction, and to achieve service performance.

### **Customer adaptation focus**

The first dimension of customer service flexibility strategy associated with adaptation is related to appropriately modifying the business and focusing on strategy. It develops from a beginning idea to the operation of the firms, while expanding and eventually being a success in business (Schindehutte & Morris, 2001). Additionally, customer adaptation focus is crucial to strategy in adapting quickly to changing market environment uncertainty (Randall, Morgan & Morton, 2003), such as the delivery system, managing changes in the service mix, changing forms in customer delivery schedules, rapid modification of capacity, and in the diversity customization of service to fit the customer (Aranda, 2003). Service firms can be a competitive advantage under market environment uncertainty through customer adaptation focus. According to nowadays, customers have a key role, a higher bargaining power, and are demanding. Especially, the target customer segment of services business is characterized by a high degree of uncertainty. These changes are the cause for service firms to develop a customer adaptation focus. Accordingly, customer adaptation focus can help a service business create satisfaction for each individual customer, satisfy customer desires, and meet customer expectations under market environment uncertainty. It also achieves and maintains competitive advantage with superior service performance (Simonson, 2005; Zhang et al., 2003).

The literature review found that the definitions of customer adaptation focus are various as follows: customer adaptation focus refers to the firm's concentration and need to create a variety of products and services, new opportunities, and resource sources to satisfy



customer satisfaction and popularity (Cavusgil & Zou, 1994; Ginsberg, 1988). Furthermore, customer adaptation focus relates to switching nature according to customer requests for more diversity, greater features, and higher quality in products and services (Kotler, 1989). According to Lee & Allaway (2002), customer adaptation focus refers to the potential of firms, based on the service provider's resource management, to reduce service delivery costs, and release service employees to offer better and more different service. Additionally, customer adaptation focus is defined as the attentiveness of firms to have essential resources and opportunities for customization intention in operations (Sohail & Shanmugham, 2003). Therefore, in this research, one can define customer adaptation focus as the firm's concentration to appropriately service customization of customers, and relate to the switching nature according customer requests more than in standardized offers for more diversity, greater features, and higher quality in products and services (Sohail & Shanmugham, 2003; Schindehutte & Morris, 2001; Kotler, 1989).

Prior research has demonstrated that the service business utilizes customer adaptation focus to enhance sales growth (Leonidou et al., 2002). The existing capability of firms to appropriately modify service, according to customer requests and expectations more than standardized offers, is related to products and services that are more diversified, have greater features, and have higher quality (Simonson, 2005; Kotler, 1989). In addition, customer adaptation focus has been driven by expected benefits and as a foundation of customer relationship management (Freeland, 2003). Based on customer relationship management is the challenge of service businesses in order to acquire customer information potential and to lead to develop capability, knowledge, and experience. These allow firms to create service innovation, achieve service excellence, and service value (Veerakumaran, 2009; Sohail & Shanmugam, 2003). Hence, customer adaptation focus plays a significant role in customer service flexibility strategy; and it is likely to promote firms to achieve their service innovation, service excellence, and service value. The proposition is developed as follows:

*P1: Customer adaptation focus is positively related to a) service innovation, b) service excellence, and c) service value.*

### **Customer response awareness**

Customer response awareness is the second dimension of customer service flexibility strategy. It is related to the willingness to service customers, and to deliver superior value to the customer (Naver & Slater, 1990). In addition, customer response awareness regards customer focus by identifying, analyzing, understanding, and satisfying customer needs (Johnson et al., 2003). Accordingly, customer response awareness allows support of customer service flexibility strategy to respond to customers under changing environment uncertainty, involving what they want, the way they want it, and when they want it, quickly and effectively (Walsh, 2007; Jayachandran et al., 2004).

Number of literatures define customer response awareness as the reflection of the propensity to monitor customer needs, and represents the potential of firms to meet customer needs effectively and quickly (Jayachandran et al., 2004; Martin & Grbac, 2003). Additionally, customer response is defined as a firm's operation to quickly and effectively respond to customer needs and wants (Jayachandran et al., 2004). According to Lee & Lin (2005) the definition of customer response awareness is a firm's operation to quickly respond and help in services to customers. Finally, Walsh (2007) states that customer response awareness refers to firms that focus on serving customers with what they want, the way they want it, and when they want it. In this context, the authors defined customer response

awareness as a firm's carefulness to service the customers quickly and effectively with what they want, the way they want it, and when they want it, in order to achieve satisfaction (Walsh, 2007; Jayachandran et al., 2004; Martin & Grbac, 2003).

Prior research has mentioned that firms can satisfy the customer, and are able to identify services and products differing from competitors, which allows the firms to maintain the loyalty of customers and enhance value for those customers (Magretta, 1998). According to Barney (1991), this value is rare, is a source of competitive advantage of firms, and is difficult to imitate and substitute. This paper proposes the competitive advantage of firms; namely, service innovation, service excellence, and service value. Therefore, service firms can achieve competitive advantage superior to competitors from competency in continuously delivering value to customers (Magretta, 1998; Barney, 1991). Moreover, the research of Rust et al. (2010) about Tesco, a leading UK retailer, found that superior customer response capability helps to offer services to meet customer needs quickly and effectively. This response leads to enhanced service performance. Therefore, customer response awareness in the action of proactive service strategy tends to gain service performance and service success. Likewise, the firm's service with greater customer response awareness has modern routines to meet customer needs in order to have long-term relationships, enhance customer service experiences (Rust et al., 2010); and lead to creating service value (Dean, 2007; Han et al., 1998), service excellence (Crotts & Ford, 2008), service innovation (Bitner, Ostrom, & Morgan, 2008), and service satisfaction (Homburg et al., 2009; Jones et al., 2003). Hence, customer response awareness plays a significant role in customer service flexibility strategy; and it is likely to promote firms to achieve their service innovation, service excellence, and service value. The proposition is developed as follows:

*P2: Customer response awareness is positively related to a) service innovation, b) service excellence, and c) service value.*

### **Individual demands concerns**

The third dimension of customer service flexibility strategy is individual demands concerns which is crucial to strategy in order to reach an individual customer in order to understand, collect, analyze, and explore each customer needs closely, and is able to respond to a customer correctly (Feng et al., 2012; Hooley & Theoharakis, 2008; Dibb, 2001). In the past, the service providers often offer services to focus on mass customers which has unsuccessful effects on customer service because of the inability to predict customer desires correctly leading to customer dissatisfaction, difficulty in maintaining customers having competitive disadvantage, and being difficult for survival among the conditions of intensive competition and changing uncertainty. Therefore, service firms have to change service strategy and turn to individual emphasis, to respond to more individual needs in order to reach the form one-to-one a customer. This achieves a response to the special needs and continuous preferences of the customer (Wang & Hong, 2006). The customization characteristic is an appropriate service offering for individual customer demands, which is more significant for customer service flexibility strategy in the present (Chen & Chen, 2004).

Individual demands concerns refers to the firm's carefulness to understand the customer as to the customization service in direct response to the in requirements and close personal preferences (Dibb, 2001). Moreover, individual demands concerns is defined as service providers who involve interaction with each customer to develop new services or design new and existing ones, based on the information that their customers have provided (Bhalla, Evgeniou & Lerer, 2004). They also found that individual demands concerns refers to a service provider focus on the collection, understanding, analyzing, and using information from the customers for a commitment to develop, implement and satisfy each customer

demand (Feng et al., 2012; Hooley & Theoharakis, 2008). Therefore, the authors defines individual demands concerns as a firm's attentiveness to reach out in the form of one-to-one with potential customer in order to understand, collect, analyze, and closely explore each customer need (Feng et al., 2012; Hooley & Theoharakis, 2008; Dibb, 2001).

According to the study of prior research, the service providers who focus on customer needs will have received knowledge and information in terms of customer needs and preferences, and abilities to expand an understanding of these needs and preferences, leading to the creation of service innovation (Joshi & Sharma, 2004). Additionally, individual demands concerns can yet help providers to achieve service excellence and service value (Anderson et al., 2008). Especially, service providers should be concerned with specific, potential customer needs, to receive the quality of knowledge and information regarding customer desires that indeed are true, and reduce lost benefits (Steiner et al., 2014). Hence, individual demands concerns plays a significant role in customer service flexibility strategy; and it is likely to promote firms to achieve their service innovation, service excellence, and service value. The proposition is developed as follows:

*P3: Individual demands concerns is positively related to a) service innovation, b) service excellence, and c) service value.*

### **Participation-based service orientation**

Participation-based service orientation is the fourth dimension of customer service flexibility strategy. Presently, the operation of customer involvement has been an organization's interest. Specifically, a service sector should focus on customer participation in the service process, and consider a potential customer to be involved in co-creation, join development, and co-designs; this is for increasingly diverse service, and to achieve new service (Bhalla, Evgeniou & Lerner, 2004). Therefore, customers are a perspective resource as a source of new service ideas. They involve rethinking the basic guidelines of creating new services and entry into the market which are important for service performance (Chesbrough, 2003).

A review of the literature demonstrates that service orientation refers to the firm's focus on operation by providing services, offering various services, and responding to customer changing needs rapidly and flexibly, in order to realize maximum profits (Xu et al., 2011). Additionally, customer participation is defined as "the degree to which the customer is involved in producing and delivering the service" (Dabholkar, 1990, p. 484). According to Claycomb et al. (2001), customer participation refers to the idea of customers who join more actively in the services provided, leading to greater perceived service quality and enhanced customer satisfaction. Therefore, this paper participation-based service orientation refers to firm's focus on a potential customer involvement in co-creation, development, and design of service activities and offering new services (Xu et al., 2011; Bhalla, Evgeniou & Lerer, 2004; Nambisan, 2002).

In a previous research study of customer participation in service value creation, the researchers identified five roles that customer participants can play; (i) customers play roles as resources; (ii) customers play roles as co-producers; (iii) customers play roles as buyers; (iv) customer play roles as users; and (v) customers play roles as products (Nambisan, 2002; Finch, 1999; Gersuny & Rosengren, 1973). Consistent with a previous research study of participation-based service orientation in context of the service businesses, the benefits of customer participation, involve new ideas and knowledge, co-creation, join development, and co-designs for increasingly diverse service. This is in order to achieve service innovation, and affect service excellence and service value by focusing on customers as a source of knowledge and new service ideas (Lundkvist & Yakhlef, 2004). Increasingly, customers

participate in service value creation by serving themselves, such as at an ATM or by collaborating with service providers such as in healthcare (Claycomb et al., 2001). Hence, participation-based service orientation plays a significant role in customer service flexibility strategy; and it is likely to promote firms to achieve their service innovation, service excellence, and service value. The proposition is developed as follows:

*P4: Participation-based service orientation is positively related to a) service innovation, b) service excellence, and c) service value.*

### **Service choices emphasis**

The last dimension of customer service flexibility strategy is service choices emphasis that is crucial to strategy in offering many options from a service list according to those existing services which allows easy customer's service selection decisions (Ata et al., 2007). Because a variety of customers' needs has an effect on a service provider, it is necessary to adapt the offering service choices that focus on responding to customer needs and service satisfaction, and to achieve service performance. Service providers are increasingly engaged in mass or individual customization and offering customer service choices also called a menu of service choices, service packages, and service programs of various features and options for customizing their own products and services (Liechty et al., 2001).

The definition of service choices emphasis refers to a service provider that focuses on offering customers a choice menu of items, and lets customers design their own service program by choosing the items that are most appropriate to customer needs (Slywotzky, 2000). In addition, service choices emphasis is defined as a service provider that offers many properties customers can choose from, to customize, such as in asking customers to provide rankings or ratings of individual service profiles, or asking customers to make choices from several competing services and service profiles. This is focus on optional pricing features, and assessing these features according to direct customer demand (Verma & Smith, 2010; Ramaswamy & Cohen, 2000). This is consistent with Ata et al. (2007), who mention that a service choices emphasis refers to service providers' designs of features and options, a variety of service lists according to existing services, or information regarding customer requests. It also allows the customers to easily make service selection decisions. In this context, one defines service choices emphasis as the firm's concentration to offer many existing options on a service list that easily allows the customers to decide service selection (Verma & Smith, 2010; Ata et al., 2007; Ramaswamy & Cohen, 2000).

The prior work of Shapiro and Varian (1999) found that an ability of service providers to customize, offer a choice of services, and set prices for services led to increased service value and revenues. Additionally, according to many scholars, it is found that a variety of service choices is of high quality, modern, and helps to achieve service excellence by creating more added service choices and better choices for serving superior expectations of customers, and with highest satisfaction (Lusch, Vargo & Tanniru, 2010; Schwartz, 2004; Chernev, 2003; Iyengar & Lepper, 2000). Meanwhile, Schwartz (2004) indicates that the firms that focus on offering service choices can continually create new service alternatives, leading to service innovation (Steiner, 2014). Hence, service choices emphasis plays a significant role in customer service flexibility strategy; and it is likely to promote firms to achieve their service innovation, service excellence, and service value. The proposition is developed as follows:

*P5: Service choices emphasis is positively related to a) service innovation, b) service excellence, and c) service value.*

## Service innovation

Service innovation is one of the strategy creating new services, exists in order to respond to a customer's need and can achieve competitive advantage (Masseti, 1996). Additionally, Avlonitis, Papastathopoulou & Gounaris (2001) demonstrate that service innovation is a critical role that can lead to service success. Today, service business environments are changing rapidly and tend to be more technological and most complex. The service firm necessarily adapts and responds to the environmental changes (Johnson et al., 2003.) Meanwhile, customer expectation is concerned with the most service innovation in service businesses (Veerakumaran, 2009). Likewise, service innovation can maintain existing customers, attract new customers, and create shareholder value (Gustafsson, 2009).

As a result of the literature review, service innovation refers to a service provider's ability to develop services which lead to great achievement and new advantages to respond to customer needs and satisfaction (Haddad & Algadeer, 2004). In addition, service innovation refers to a new or enhanced intangible offering that involves the firm's performance of a task/activity intended to benefit customers (Berry et al., 2006). Likewise, service innovation is defined as a new or significantly-improved service concept or process (Chen et al., 2011). Therefore, this paper defines service innovation as a new service concept or process that has been developed or seriously improved and is heterogeneous in what exists to allow creation of new value and advantage (Chen et al., 2011; Haddad & Algadeer, 2004; Berry et al., 2006).

In a research paper of Thomke (2003) argues that service innovation is achieved through both internal and external sources of the firm. The internal sources of the firm are concerned about research and development, such as a new service committee, and the marketing function. The external sources of the firm involve the competitive firms, customers, and a government department. Meanwhile, Halpern (2010) mentions that ability of service businesses to develop service innovation is critical to satisfy customer satisfaction. Consistent with Edvardsson & Enquist (2011), it is argued that service innovation can create the highest customer service experiences through marketing communication such as word-of-mouth, leading to superior customer service value when compared with values in other companies, and to achieve a service excellence position. Additionally, the findings of McDermott & Prajogo (2012) demonstrate that innovation orientation is directly related to firm performance. Therefore, service innovation is a potential factor to enhance service excellence, service value, service satisfaction, and service performance. The proposition is developed as follows:

*P6: Service innovation is positively related to a) service excellence, b) service value, c) service satisfaction, d) service performance.*

## Service excellence

In the context of service excellence is the overall way of service processes that balance stakeholder concerns and increase the probability of long-run success as a business through service operations, customer-related service, financial performance and service performance excellence (Edgeman et al., in press). Within the firms, studied service excellence is perceived of as being a measure of how good one is, and a means by which the service business can move forward. Likewise, service excellence is to instill best practices within an organization in order to support its values and strategic objectives, and meet stakeholders' expectations such as those of customers, employees, managers, and others; and to maintain competency in a competitive position (Ritchie & Dale, 2000). Service excellence

is dependent on superiority in the design and management of service systems related to serving excellence as perceived by customers in a variety and value creation (Lusch, Vargo & Tanniru, 2010). Therefore, service excellence is based on the perception of professionals and customers. This is an excellent service provider in the field and is able to deliver excellent services leading to customer happiness, satisfaction, loyalty, and long-term profitability.

The literature review demonstrates that service excellence is defined as an ability of a service provider to be perceived of as excellent by professionals and customers in the field, and is capable of delivering excellent services that result in customer delight, loyalty, and long-term profitability (Edvardsson & Enquist, 2011). Additionally, it was found that service excellence refers to service feature greatness, the best service, and is superior to the competition, being beyond the expectations of the customer (Limpsurapong & Ussahawanichakit, 2011). Therefore, the characteristics of service excellence may appear when it is compared with others in a homogeneous field service business, and it receives mention by customers as having a superior service that is better than competitors. It can help firms to achieve competitiveness in the long-run (Ritchie and Dale, 2000), to meet customer service satisfaction (Wiertz et al., 2004), and lead to service performance (Stuart-Kregor, 2006). As mentioned above, this paper defines service excellence as having a service nature reputation that is best and preeminent over the competition, and service that exceeds customer expectations (Edvardsson & Enquist, 2011; Limpsurapong & Ussahawanichakit, 2011).

In prior research, Wiertz et al. (2004) explore service quality, partnership quality, and image quality that have an effect on service excellence, and found that service excellence has an effect on behavioral intentions. The results showed that service excellence has a positive influence on satisfaction and trust. Likewise, a paper by Stuart-Kregor (2006) found that service excellence can drive a service business to achieve service performance. Therefore, service excellence is a potential factor to enhance service satisfaction, and service performance. The proposition is developed as follows:

*P7: Service excellence is positively related to a) service satisfaction, b) service performance.*

## **Service value**

Service value is the concept that is the most outstanding among marketing concepts (Babin & James, 2010). Service value creation is regarded as directing a customer. It is a new paradigm to create sustainable competitive advantage of more comprehensive firms, by focusing on service quality, customer satisfaction (Ngo & O’Cass, 2010), knowledge, and persons who participate in how to create value (Gronroos & Ravald, 2011).

The literature reviews demonstrate that service value is defined as the consumer’s overall assessment of the utility of a service based on perceptions of what is received and what is given (Ulaga & Chacour, 2001; Zeithaml, 1988). Likewise, service value refers to an ability of a service provider to offer service in what is customer need and usefulness perceived; further, it has been evaluated by customers (Monari, Bini & Piccolo, 2009; Bai & Ye, 2005; Bourguignon, 2005). The above mentioned issues lead to definitions of service value in this paper. Service value refers to superior service quality and new experiences which a customer perceives, and evaluates regarding what is received such as benefits, quality, or performance that is worth more than what is paid, such as in price or cost (Monari, Bini & Piccolo, 2009; Bai & Ye, 2005; Bourguignon, 2005; Ulaga & Chacour, 2001; Zeithaml 1988).

Recent research demonstrates that service value has a critical influence on service satisfaction, an impact on service loyalty and service performance (Lee, Ribeiro & Olson,

2007). Likewise, Thuy (2012) explores customer perception related to service value and service satisfaction, together with tangibles, empathy, and assurance aspects of service quality, which are important roles in determining customer service satisfaction (Lai, 2004). Especially, the research of Edvardsson & Enquist (2011) illustrates the role of culture in building and conducting a strategy in the context of service value, excellence, and innovation by using a case-study approach in the context of the IKEA furniture company retail service provider. Significant service values are specified, analyzed, and compared with values in other service providers. The findings found that characteristic of firms based on innovation such as web-based chat experience rooms, the value of marketing communications, and the social network allow firms to share value among customers, employees, and leaders of IKEA to discover the guideline development of service values, excellence, and innovation in sustainable firms. Therefore, service value is a potential factor to enhance service satisfaction, and service performance. The proposition is developed as follows:

*P8: Service value is positively related to a) service satisfaction, b) service performance.*

### **Service satisfaction**

Service satisfaction is an important concept regarding areas in the service literature reviews, and many researchers demonstrate that the service business should emphasize the role of service satisfaction, which will lead to service business performance (Afthnios, Theodorakis & Nassis, 2005; Mittal et al., 2005; Wang, Lo & Yang, 2004). The characteristics of service satisfaction are the emotional reactions of customers to the gap between expected service and received service. Customer satisfaction sense occurs when perceived service is received that is beyond expectation, when compared with past service experience. This is consistent with Anderson et al. (2004), who suggest that service satisfaction is a result of service between the expectation and perceived performance of a service offering. Additionally, customers perceived that received service was above expectations when compared with past service experience. Customer sense has satisfaction in service, initiates word-of-mouth, increases the volume of purchases, and it will allow service providers to achieve service performance (Afthnios, Theodorakis & Nassis, 2005).

Past researchers have given definitions of service satisfaction, referring to a service provider's capability to manage and satisfy diverse customer expectations and to improve customer experience. This service offering achieves a high degree of trust and increases future cash flow (Gruca & Rego, 2005; Balasubramanian, Konan & Memon, 2003). Wang, Lo & Yang (2004) suggested that service satisfaction is a fundamental indicator regarding service performance in the past, present and future. Meanwhile, Yoo & Park (2007) defined service satisfaction as the extent to which customers perceive that their needs are being met by the service businesses. In addition, service satisfaction refers to an idea obtained by comparing the incidents experienced during the period in which the customers search for, find, buy, use, mend and consume the product or service according to their expectations (Bostan, Acuner & Yilmaz, 2007). Therefore, in this paper, service satisfaction is defined as the firm's delight in serving the responses of, and the fulfilling of existing customer needs quickly and according to customer expectations. (Gruca & Rego, 2005; Anderson et al., 2004; Balasubramanian, Konana & Menon, 2003).

In previous research, Mittal et al. (2005) showed that the positive link between satisfaction and performance, holds very well in the services context. In addition, customer knowledge sharing leads to customer service satisfaction (Stefanou & Sarmaniotis, 2003). It includes correctly offering services to individual customer needs and new services development to meet changing customer needs, which have an effect on customer service satisfaction (Piccoli & O'Connor, 2003). Customers have a high level of perceived service

quality, leading to a high level of service satisfaction (Yoo & Park, 2007), which is a fundamental indicator regarding service performance (Wang, Lo & Yang, 2004). Therefore, service satisfaction is a potential factor to enhance service performance. The proposition is developed as follows:

*P9: Service satisfaction is positively related to service performance.*

## **Service performance**

Service performance is a multi-dimensional construct, consisting of two broad measures: subjective performance such as in customer loyalty, and objective performance such as in return on assets: ROA (Guo, 2002; Agarwal et al., 2003). While subjective measures of performance are important to profitability, objective measures of performance provide the link to profitability in service firms (Agarwal et al., 2003). One component to evaluate service performance will be comprised of financial outcomes; namely, the revenue and profitability of the service activity (Antioco et al., 2008). Therefore, in this paper, service performance is defined as outcomes of service activity measured by sales, market share, and overall performance related to service procedures (Antioco et al., 2008; Agarwal et al., 2003).

## **CONTRIBUTIONS**

This paper provides a theoretical and managerial contribution for appropriate academic research and administrative practices for researchers, marketing directors, and marketing managers. Especially, the managerial positions that concentration on customer service flexibility strategies to apply to service businesses. This paper has reviewed the literature to propose the relationships among each dimension of customer service flexibility strategy (customer adaptation focus, customer response awareness, individual demands concerns, participation-based service orientation, and service choices emphasis) and its consequences that are related to service performance. Accordingly, useful theoretical and managerial contributions for academic research and administrative practices are described separately in each section below.

### **Theoretical contribution**

In this paper, the literature is reviewed to explain the relationship among each dimension of customer service flexibility strategy (customer adaptation focus, customer response awareness, individual demands concerns, participation-based service orientation, and service choices emphasis) and its consequences as related to service performance, to provide a clear understanding of the relationships. In addition, this paper also applies the main theoretical frameworks; namely, the dynamic capability theory on existing knowledge, and the literature of customer service flexibility strategy. The issue of interest in this paper provides several propositions to develop into the hypotheses in the form an empirical research. It is one of the first known investigations to directly link a relational model of customer service flexibility strategy to service performance via service innovation, service excellence, service value, and service satisfaction, in the case of cosmetic plastic surgery businesses in Thailand.

In addition, this paper has offered new dimensions of customer service flexibility consisting of five dimensions; namely, customer adaptation focus, customer response awareness, individual demands concerns, participation-based service orientation, and service choices emphasis. The several propositions have generated a base for the dynamic capability theory, when the firms have the ability and utilize new and existing resources and capabilities



for flexible operations. Also, they respond to rapid business environmental changes, achieve new service opportunities, and sustain competitive advantage in the long run for service outcomes (Teece, Pisano & Shuen, 1997). The resources and capabilities of firms help firms to rapidly adapt under uncertainty, allowing firms to focus and enhance flexible operations, which can achieve competitive advantage and superior performance (Ranft & Lord, 2002; Teece, Pisano & Shuen, 1997; Smith & Grimm, 1987). Additionally, the dynamic capability theory is supported by the relationships between customer service flexibility strategy and other variables. Accordingly, shows that the theory will confirm the relationship in the conceptual model.

### **Managerial contribution**

This paper provides benefit managerial contributions for appropriate administrative practices for marketing directors and marketing managers, especially in the context of cosmetic plastic surgery businesses in Thailand. Accordingly, customer service flexibility strategy can help firms to respond to customer needs, and to enhance the level of customer satisfaction which is the feeling that a product or service has met customer expectation under various conditions and in all situations that have occurred (Setia, Venkatesh & Joglekar, 2013; Matthyssens, Pauwels & Vandenbemt, 2005; Zhang et al., 2003). Cosmetic plastic surgery businesses implement customer service flexibility strategy in order to achieve competitive advantage and service performance. This paper proposes competitive advantage; namely, service innovation, service excellence, service value, and service satisfaction. Cosmetic plastic surgery businesses should focus on each dimension of customer service flexibility strategy (customer adaptation focus, customer response awareness, individual demands concerns, participation-based service orientation, and service choices emphasis) which is related to service performance via service innovation, service excellence, service value, and service satisfaction. In order for cosmetic plastic surgery businesses to have the capability to respond to the lifestyles of customers amid rapid change, they adapt themselves to the uncertain business environment with flexible service to ensure the creation of competitive advantage (service innovation, service excellence, service value, and service satisfaction) and to achieve service performance superior to competitors (Walsh, 2007; Zhang et al., 2003).

Additionally, this paper suggests that one should the investigation of the relationship among each dimension of customer service flexibility strategy (customer adaptation focus, customer response awareness, individual demands concerns, participation-based service orientation, and service choices emphasis) and its consequences that are related to service performance. The finding will identify dimensions of customer service flexibility strategy and will explain the factors affecting customer service flexibility strategy in service performance relationships correctly and clearly. This allows firms to be selected for the best strategic fit with the context of other firms.

### **Future research directions**

This paper has proposed several propositions that could develop an empirical research in order to, investigate to directly link relational model of the relationship among each dimension of customer service flexibility strategy and service performance. Especially, in the context of cosmetic plastic surgery businesses in Thailand, since the business offers the potential to simultaneously examine five dimensions of customer service flexibility strategy. The cosmetic plastic surgery businesses contexts are now more complex as various customers and competitors expand globally (International Society of Aesthetic Plastic Surgery, 2013).

Therefore, cosmetic plastic surgery businesses must improve or create their services in many ways in order to meet customer needs together with adapting themselves to follow the rapid change of a customer's demands to achieve competitive advantage and service performance, superior to competitors (Walsh, 2007; Dibrell et al., 2007; Zhang et al., 2003).

## CONCLUSION

This paper attempts to increase the level of knowledge and understanding of customer service flexibility strategy, and provides new dimensions of customer service flexibility strategy that were used in the definition. Additionally, this paper contributes to the dynamic capability theory of competitive advantage and performance by developing the relationships among customer service flexibility strategy, service innovation, service excellence, service value, service satisfaction and service performance. Meanwhile, this paper contributes an investigation to directly link relational models of the relationships among each dimension of customer service flexibility strategy (customer adaptation focus, customer response awareness, individual demands concerns, participation-based service orientation, and service choices emphasis) and service performance via service innovation, service excellence, service value, and service satisfaction from the cosmetic plastic surgery businesses in Thailand. This is because this business offers the potential to simultaneously examine five dimensions of customer service flexibility strategy. Finally, this paper also contributes to the understanding of the role of marketing in the strategy discussion, and provides theoretical and managerial contribution for appropriate academic research and administrative practices for researchers, and marketing executives.

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# CUSTOMERS' DE TERMINATION OF SERVICE QUALITY AND SATISFACTION IN A REPAIR/RETURN PROCESS: A QUANTITATIVE STUDY

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## ABSTRACT

*The disconnect between service quality perceptions, expectations, and delivery of service quality in a company can lead to customer dissatisfaction. Improving a service process, such as the merchandise return and repair process, is crucial for company leaders who desire to improve overall satisfaction and be competitive in the marketplace. In most service-based organizations, customers' perceptions of quality and satisfaction are key performance metrics.*

*Historically, manufacturers have not developed services systematically even though the financial benefits of effective service processes are significant. While much research exists on service quality, no researcher has focused on how a power tool manufacturer might best increase customer satisfaction through improved return/repair processes.*

*This study first provides a brief review of the extensive literature on service quality and customer satisfaction. Then, literature on the return and repair processes of manufacturers is reviewed. The results of a survey of customers for a major manufacturer of power hand tools is described. This study uses a common model of customer satisfaction, the expectancy disconfirmation model, and the SERVQUAL model. The expectancy disconfirmation model proposes that customer satisfaction results from a consumer's comparison between expectations and perceived performance on the service quality dimensions of tangibles, reliability, responsiveness, assurance, and empathy. The SERVQUAL model is used to identify important service quality dimensions, measure customers' perceptions and expectations of service quality on those dimensions, and assess the relationship between service quality and customer satisfaction.*

*A series of hypotheses are tested that address the five dimensions of service quality and their relative importance as drivers of overall satisfaction, the extent to which customers are satisfied with the process, and expectations and perceptions of performance. A gap analysis, paired samples t-tests, correlational analysis, and analyses of variance were conducted to test the hypotheses. Results identify the most important service quality dimension and customer expectations and performance on that dimension relative to others. Results also indicate that customer satisfaction is affected by perceptions of service quality and that customers are generally satisfied even though their expectations of service quality exceed their perceptions of performance.*

*Theoretical contributions to the literature on service quality and customer satisfaction are discussed.*

*Consistent with previous literature, service quality is significantly related to customer satisfaction. But some of the results are not consistent with previous literature on the expectancy disconfirmation model.*

*The study also serves as a starting point to develop a more industry-specific standard for measuring service quality and gives practical recommendations to manufacturers desiring to improve their service processes by identifying relevant service quality attributes and assessing their impact on the relationship between perceived service quality and customer satisfaction. Manufacturers should develop systematic methods, like the SERVQUAL model, for continual assessment of service quality and satisfaction across all customer segment and focus on improving areas of deficiency in service quality that customers perceive important and where their expectations exceed perception*



# **IMPROVING MENTORING FOR WOMEN IN CORPORATE AMERICA**

**Martin Meyers - University of Wisconsin**

## **ABSTRACT**

*This paper discusses gender equity with the mentoring function in corporate America. The paper discusses what has been done to limit the mentoring opportunities for women and what has been done to use mentoring to get more women to climb the corporate ladder. The paper also considers suggestions for making mentoring a more productive process for women.*

## **INTRODUCTION**

Many studies have documented the value of mentoring. Quicker job advancement and increases in pay are two obvious benefits. Women who have achieved a series of promotions often state that excellent mentoring is a reason for their success in climbing the corporate ladder. Women are as likely to experience mentoring as their male counterparts (O'Brien, 2010). Corporations need to focus on the quality of mentoring for the women. Mentorship and sponsorship are crucial for career progression. Mentorship benefits the mentor. The mentors receive valuable information, greater commitment from colleagues, and a sense of fulfillment and pride. It might be human nature to feel obligated to return favors in a variety of different types of relationships such as the mentor/mentee relationship. The conclusion might be that everyone gains from this reciprocal relationship. It is suggested that mentees avoid complaining and focus on specific problems and searching for the most optimal solution to specific problems (Sandberg, 2013).

The gender dividend explains how developing the skills of women benefits corporate America. Investing in women results in higher revenues, expanded markets, and improved recruitment and retention of women (Pellegrino, D'Amato, and Weisberg, 2011). Other benefits would include a more skilled and motivated workforce.

Both men and women with sponsors are more likely to ask for an increase in their salary compared to those without sponsors (Sandberg, 2013). Some requests for pay increases are granted and some are not. There is the expression, "if you do not ask you do not get." It is possible to draw the conclusion that those who have sponsors and mentors might have more confidence. The increased confidence could give one the courage to ask for a pay raise, increased responsibilities, and a promotion.

## **MENTORING STRATEGIES**

One reason for upper level management to change the corporate culture would be an estimated 33% of men report that weaker networks and the old boys club are obstacles women face in corporate America (Groysberg and Bell, 2013). Members of the upper level of management could make planned efforts to include women for games of golf and other activities that have been difficult to join. The men in upper levels of management need to be made aware of the lack of women in senior positions and options for being more inclusive. This concept would also apply for being more welcoming for people of color, those with physical disabilities, and other populations who have not been previously included in activities restricted to white men.

An individual in an organization needs to make sure that women are being mentored by people of the same level as their male counterparts. There have been situations where women have been mentored by individuals with less influence and power compared to the men in the same organization. Sponsorship makes the mentoring process more effective. Sponsorship has the mentor use his or her influence with senior executives to advocate for those they are mentoring (Ibarra, Carter, and Silva, 2010). It would be beneficial to have someone in the organization coming from a position of power as a strong ally.

Deloitte, a major American audit and consulting firm, has implemented a successful strategy for mentoring women. The Retention and Advancement of Women program started in 1993. The number of women in leadership position has close to tripled since the initiation of the program. Cathy Engelbert is the CEO of Deloitte. Ms. Engelbert has recognized the value of the mentoring she received from the former CEO and other males (Clayton, 2015). The Retention and Advancement of Women program stresses the importance of including men. It is about creating a culture where everyone can be successful (Pelegrino, D'Amato, and Weisberg, 2011). Deloitte took further steps in 2008 by starting a leadership development program. The program started by working with senior women in the tax division who were getting ready for a promotion. There were twenty-one women in the program. Each woman was assigned to a sponsor, received executive coaching, shadowed members of the executive committee, and took on global assignments. Eighteen of the twenty-one woman received a promotion (Sandberg, 2013). Perhaps, this program could be used as an example for other companies to implement.

Goldman Sachs recognized that senior men sometimes felt uncomfortable in sponsoring and mentoring junior woman because of what others might think. A senior man seen with a junior woman could be interpreted as dating, but it can be an important and valuable part of the mentoring process for the mentee. A male member of the management team discussed a breakfast or lunch only policy in a training session because some men might feel uncomfortable having dinner with a junior female employee. He received some praise for being honest about his feelings. It was recognized by some that this policy could even up the playing field for women (Sandberg, 2013). It is probably valuable when men and women feel comfortable discussing some of their concerns. Open and honest communication in the organization can result in identifying a variety of creative solutions for helping women have a fairer chance in the mentoring process.

## **CONCLUSIONS**

Quality sponsorship and mentoring programs are tools that can lead to greater gender equity in corporate America. An important benefit of the gender dividend is more skilled employees and increased profits for the company. Further, there are benefits for the mentor that include access to valuable information on the company and a higher degree of commitment from their colleagues.

## **FUTURE RESEARCH**

Future research will compare mentoring in the United States with mentoring in Norway or Sweden. A reason for selecting Norway or Sweden is the fact that they might be the most progressive countries when it comes to working towards gender equity. Norway was the first country to impose a quota for women on corporate boards. Norway passed a law in 2003 that required women to compose forty percent of the seats on corporate boards. There are no quotas in the United States, where women hold almost 17 percent of the seats on corporate boards of fortune 500 companies (Lublin, 2012). Sweden's maternity and paternity

benefits are the most generous in the world. Swedish citizens and foreign residents receive eighty percent of their present salary with a limit of \$65,000 for a period of thirteen months. The fathers must take a minimum of two months paternity leave. There have been conversations on increasing the two months to three months (Hannsegard, 2012). A reason often given for requiring the father to take two months is to reduce sexism. It encourages the father to play a more active role in the nurturing of the babies.

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# DETERMINANTS OF MANUFACTURER COMMITMENT TO THE INDEPENDENT SALES REPRESENTATIVE

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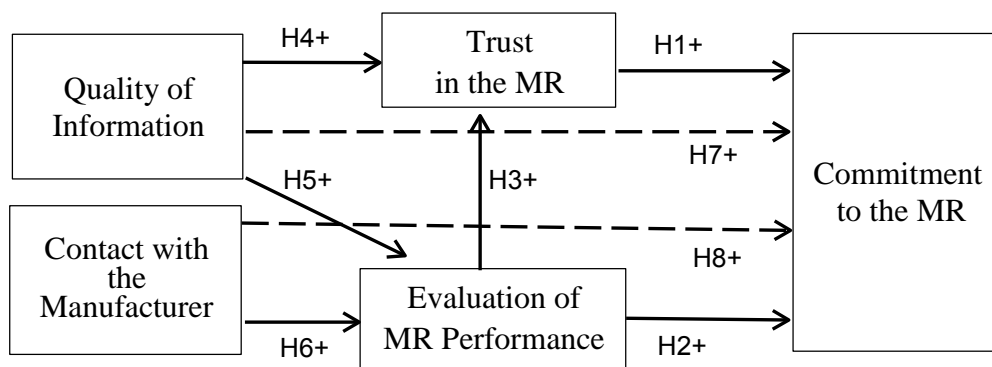
## ABSTRACT

*Independent sales representatives handle all or part of the selling function for manufacturers on a contract basis. There is some risk for the representative; the manufacturer might switch to a different representative or decide to handle sales by vertically integrating. This could occur if the representative has not cultivated the manufacturer’s commitment to the working relationship. Moreover, the representative may not know how to go about increasing the manufacturer’s commitment to having a long-term working relationship. This study sought to provide helpful information by examining determinants of manufacturer commitment.*

*Transaction costs economics (TCE) is used as a theoretical foundation for hypothesized relationships to develop a model relating manufacturer perceptions to commitment. Specifically, manufacturer trust in the representative and perceptions of the representative’s performance are examined. These perceptions are also examined in relation to the quality of information provided by the representative and contact with the manufacturer. An analysis of indirect effects was completed to account for the influence of antecedents on manufacturer commitment.*

*Using survey data collected from 115 manufacturers, a path analysis was completed to test hypothesized relationships. The findings support hypotheses and motivated completion of a supplemental analysis to explore the relationship between the manufacturer’s perception of information quality and the manufacturer’s trust. The influence of information quality on manufacturer trust perceptions is compared to the influence of a representative’s contact with the manufacturer. Findings from tested hypotheses and the supplemental analysis indicate areas that may be improved by the representative to achieve greater commitment from a manufacturer.*

**FIGURE 1  
DETERMINANTS OF MANUFACTURER COMMITMENT**



# **APPLYING A METHOD FOR MEASURING COGNITIVE AGE TO THE KUWAIT MARKET**

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## **ABSTRACT**

*The authors present a simple method for measuring cognitive age. More than 600 users of coffee shops in the state of Kuwait are interviewed. The measure appears to show internal consistency, reliability, correlation with another measure of age (chronological age), and also correlates with outcome items in an expected manner. The authors also propose that the cognitive age indicator may be considered a ratio-level measure.*

# **MARKETING INNOVATION STRATEGY AND MARKETING PERFORMANCE: A CONCEPTUAL FRAMEWORK**

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**Prathanporn Jhundra-Indra, Mahasarakham University, Thailand**  
**Sutana Boonlua, Mahasarakham University, Thailand**

## **ABSTRACT**

*In the globalization era, business firms face rapid changes in both the needs of customers and the nature of markets. Firms, in order to gain competitive advantage and improve performance, need to develop new strategies and practices to attract more customers. This paper offers marketing innovation strategy as one effective method to deal with environment dynamism. Marketing innovation strategy, in this research, refers to new methods in executing variety of marketing strategies to improve marketing outcomes and to increase marketing performance. In corresponding with marketing mix, five dimensions of marketing innovation strategy are presented, namely internet marketing focus (Place/Promotion), relationship marketing concentration (Promotion), customer co-creation orientation (Product/Price), alternative marketing awareness (Product/Price), and alliance marketing concern (Place/ Promotion). As marketing innovation strategy is related to innovation capability and considered a dynamic capability, dynamic capabilities theory is employed to explain the relationships between marketing innovation strategy and its consequence variables, namely brand trust, customer fulfillment, marketing image, and marketing performance. This paper concludes that marketing innovation strategy is likely to positively assist business firms to increase marketing outcomes and performance, and this matter should be confirmed empirically. Finally, a conceptual model presenting relationships among marketing innovation strategy and related constructs is provided.*

## **INTRODUCTION**

The globalization era comes with borderless information flow. Business firms in the world face rapid changes in both the needs of customers and the nature of markets (London & Hart, 2004). The variation in environmental factors is driving the essential market mechanisms to swing continuously (Luo & Park, 2001). Markets have become more complex as a result of high competition and demand uncertainty (Blocker et al., 2011). Consumers, nowadays, are knowledgeable and empowered. They are more considerate in their purchasing of goods and services. Their consumption is made through a broader range of products/services, which make it harder to be categorized or accounted (Baird & Gonzalez-Wertz, 2011). In order to compete and survive in the speed of environmental change and uncertainty, it is necessary that firms need to develop new strategies and practices to attract more customers and maintain competitive advantage. Marketing innovation strategy is one of several terms that has found its effective way to deal with environment dynamism.

The concept of innovation is so extensive that it can take various explanations (Fagerberg, 2004; Gopalakrishnan & Damanpour, 1997). In simple term, innovation can be described as the introduction of new things or something novel (Halpern, 2010). It can also be explained in terms of an idea, a product or process, a system, or device that is perceived to be new to an individual, a group of people, or firms, an industrial sector or a society as a

whole (Vakola & Rezgui, 2000). According to Johne (1999), innovation can be categorized into three main types: market innovation, product innovation and process innovation. Product innovation (including service innovation) is related to the identification and development of new products or services. Market innovation is related to the recognition of new markets and how to best serve them. Process innovation is related to the identification of new internal operations and how to perform them in finest way. This paper emphasizes the process innovation in marketing context, the marketing innovation.

Marketing innovation strategy can be viewed as new marketing methods or new ways of marketing. It involves significant changes in implementing various marketing strategies to enhance the efficiency and effectiveness of marketing (Moreira et al., 2012), which allows firms to gain competitive advantage and to create shareholder value. Marketing innovation strategy can support business firms to increase shareholder value by expanding the customer's lifetime value, improving their engagement, increasing their likelihood of spreading positive word of mouth, as well as the possibility of sharing their ideas for developing of new products and services with the firms (Gaskin, n.d.). In this research, marketing innovation strategy refers to new methods in executing variety of marketing strategies to improve marketing outcomes and to increase marketing performance. According to the prior studies and related literature, this research proposes five dimensions of marketing innovation strategy, namely internet marketing focus, relationship marketing concentration, customer co-creation orientation, alternative marketing awareness, and alliance marketing concern.

In this research, dynamic capabilities theory is employed in order to explain the linkages between marketing innovation strategy and its consequence variables. According to Teece, Pisano and Shuen (1997), dynamic capabilities can reflect a firm's ability in achieving new and innovative forms of competitive advantage. Breznik and Lahovnik (2014) point out that dynamic capabilities directly affect firm's competitive advantage and performance. As innovation capability is found to be a dominant dynamic capability (Breznik & Lahovnik, 2014), marketing innovation strategy can be considered one of the capability leading firm to achieve higher level of competitive advantage and performance.

The objective of this paper is to conceptualize a framework for examining relationships between marketing innovation strategy and marketing outcomes including customer fulfillment, brand trust, marketing image, and marketing performance. In the following sections, existing knowledge from marketing literature and related fields is reviewed to understand the relationship among the constructs.

## **LITERATURE REVIEW AND CONCEPTUAL FRAMEWORK DEVELOPMENT**

### **Dynamic Capabilities and Marketing Innovation Strategy**

One of the most influential theories in marketing literature and related fields is dynamic capabilities. Dynamic capabilities theory is introduced, by Teece, Pisano, and Schuen (1997), as firm's abilities in dealing with rapidly changing environment through integrating, building, and reconfiguring internal and external competences. It enables firm in generating new value-creating strategies (Eisenhardt & Martin, 2000). This research uses dynamic capabilities to explain the linkages among marketing innovation strategy, marketing outcomes, and marketing performance.

Marketing innovation strategy can be described as a new marketing methods or new ways of marketing involving significant change in implementing various marketing strategies to enhance the efficiency and effectiveness of marketing (Moreira et al., 2012), and thus, gaining competitive advantage and creating shareholder value (Gaskin, n.d.). In this paper, marketing innovation strategy is explained as the firm's approach in using new methods for

executing variety of marketing strategies to improve marketing outcomes and to increase marketing performance. Breznik and Lahovnik (2014) point out that dynamic capabilities directly affect firm's competitive advantage and performance. As innovation capability is found to be a dominant dynamic capability (Breznik & Lahovnik, 2014), marketing innovation strategy can be considered one of the capability leading firm to achieve higher level of competitive advantage and performance.

As for the strategies involved in this research, Akroush (2012) has studied four components of marketing strategy which consist of product strategy, price strategy, place strategy, and promotion strategy. Also, a number of studies related to marketing innovation are found to study marketing mix as dimensions of the marketing innovation (Hsu, 2011; Heunks, 1998; Shergill & Nargundkar, 2005; Harms et al., 2002). For example, Shergill and Nargundkar (2005) include the four Ps of marketing in the marketing innovation's dimensions. Moreover, a work by Saxena (2011) demonstrates marketing innovation through various types of product/service innovation. In addition, Ren, Xie, and Krabbendam (2010) point out that internet marketing and relationship marketing have recently been a major focus in marketing innovation, which business firms applied in order to achieve sustainable competitive advantage. Besides, Prahalad and Ramaswamy (2004) mention that co-creation with customer will lead company to increase its competitive advantage. This research incorporates recently used marketing strategies and marketing mix, and introduce dimension of marketing innovation strategy. Altogether, this research presents five dimensions of marketing innovation strategy which consist of internet marketing focus, relationship marketing concentration, customer co-creation orientation, alternative marketing awareness, and alliance marketing concern.

### **Internet Marketing Focus**

The first dimension of marketing innovation strategy is internet marketing focus. Nowadays, internet has altered the people's ways of living: the ways in finding and sharing information, the ways in connecting and interacting with others, as well as the ways in shopping (Son et al., 2012). Accordingly, internet-based community, or so called "social networking", has been extensively acknowledged by both the media and the general public (Sledgianowski & Kulviwat, 2009). Consequently, in business, social networking is gradually used to enhance three-way communication with and among customers (Constantinides et al., 2008). In this research, internet marketing focus is defined as the practice that firm executes its marketing communication and activities via social networking and digital media channels.

A number of studies in marketing field have revealed the benefits of internet marketing and social media. Castronovo and Huang (2012), in line with Kozinets et al. (2010), emphasize word-of-mouth referrals and communication as benefits of social media marketing. Agnihotri et al. (2012) have revealed the benefits of social media usage in value creation for both customer and salesperson. Chung and Austria (2010) also found positive effect of social media marketing messages on online shipping value. In addition, in a work by Rodriguez, Peterson, and Krishnan (2012) social media is found to be positively related to firm's sales process and sales performance. Ren et al. (2010) find that internet marketing has recently been a major focus in marketing innovation leading business firms to achieve sustainable competitive advantage. Accordingly, internet marketing focus is likely to influence on marketing outcomes, namely brand trust, customer fulfillment, marketing image, and marketing performance. Thus, the propositions are stated as follows:

- P1* Internet marketing focus will have a positive effect on (a) brand trust, (b) customer fulfillment, (c) marketing image, and (d) marketing performance.



### **Relationship Marketing Concentration**

The second dimension of marketing innovation strategy is relationship marketing concentration. Basically, relationship marketing (RM) is described as the firm's marketing activities in building relationships at every point of the interaction with the customer, with the intention to create various benefits for both the firm and the customer (Theron & Terblanche, 2010). Since relationship is seen to be the perception of the interrelationship between the firm and its customers regarding potential exchanges from the past to the future (Odekerken-Schröder et al., 2003), the primary focus of relationship marketing is for the firms to build close and strong relationships with their customers.

In relationship marketing literature, although studies are usually concerned about the importance of keeping existing customers, as well as obtaining and attracting new customers, in the relationship marketing activities (Berry, 2002), the more recent works are tend to emphasize further on customer retention (Evanschitzky & Wangenheim, 2006; Kruger & Mostert, 2012; Shirazi & Mat Som, 2013; Radu, 2013). For instance, Evanschitzky & Wangenheim (2006) claim that a firm would be more benefited from putting effort to maintain strong relationships with current customers rather than trying to attract new customers. Radu (2013) also state that keeping old customers is cheaper than attracting new ones. In addition, Kruger and Mostert (2012) found that not all customers are willing to build long-term relationships with organizations, and thus, customer's relationship intention should be considered in maintaining durable relationships. However, as mentioned by Radu (2013), attracting new customers is still a preferable target for all business operations as it would be extremely beneficial on the long run. Accordingly, the study of relationship marketing in this paper concerns both relationship building and maintaining elements. Thus, in this research, relationship marketing concentration is defined as the firm's practice in using a variety of marketing activities in order to attract and maintain long-term relationship with customers.

Recently, relationship marketing has proved to be essential for most business organizations (Chuwiruch & Ussahawanitchakit, 2013). For businesses and marketers, the importance of building more sustainable and long-lasting relationships with their customers has been recognized (Eisingerich & Bell 2007). According to Liang et al. (2009), an investment in customer relationships is found to provide the basis for developing strategies for creating customer value, and that such strategies provide the foundation for a sustainable competitive advantage, which in turn, leads to solid financial performance. Relationship marketing is considered one of the main marketing innovation focuses that firms employ to create sustainable competitive advantage (Ren et al., 2010). Also, Barry et al. (2008) confirms that strong customer relationships can yield higher profits and increase market shares. In addition, Chuwiruch and Ussahawanitchakit (2013) found that strategic relationship marketing can lead to marketing outcomes such as brand trust, customer commitment, market reliability, and marketing success. Therefore, relationship marketing concentration is likely to influence marketing outcomes, namely brand trust, customer fulfillment, marketing image, and marketing performance. Thus, the propositions are stated as follows:

- P2      *Relationship marketing concentration will have a positive effect on (a) brand trust, (b) customer fulfillment, (c) marketing image, and (d) marketing performance.*

### **Customer Co-creation Orientation**

The third dimension of marketing innovation strategy is customer co-creation orientation. Generally, co-creation is a process that incorporates customer in the experience of developing product or service (Son et al., 2012). In the process, customer is able to combine design options in discussion with firm (Antikainen et al., 2010; Khalid & Helander,

2003; von Hippel, 1998). According to Fiore et al. (2001), co-creation allows customers to design products or services that suit their particular needs and preferences as well as enables them to choose personalized combination of product specifications. It is possible that the co-creation outcome may be recognized as highly marketable product, and thus, able to be sold extensively to all consumers (Wind and Rangaswamy, 2001). In this research, customer co-creation orientation is defined as the practice that firm invites its customer to cooperate in creating or developing of its products or services.

According to Elg et al. (2012), co-creation is associated with customer learning which allow firms to better understand their customers and improve their services. Gylling, Elliott, and Toivonen (2012) found that co-creation and shared meaning can lead to forming of market-focused strategic flexibility which, in turn, result in enhancing performance. Accordingly, it can be assumed that customer co-creation orientation would positively affect marketing outcomes including brand trust, customer fulfillment, marketing image, and marketing performance. Thus, the propositions are stated as follows:

- P3 Customer co-creation orientation will have a positive effect on (a) brand trust, (b) customer fulfillment, (c) marketing image, and (d) marketing performance*

### **Alternative Marketing Awareness**

The fourth dimension of marketing innovation strategy is alternative marketing awareness. The word 'alternative' means something is performed differently from the usual or traditional way (Oxforddictionaries.com). Accordingly, alternative marketing can be described as marketing techniques that are not performed traditionally (Philippine Business, 2008). In this sense, alternative marketing can be viewed as firm's alteration of marketing mix such as offering of unusual products or services, using of unexpected communication forms and channels, and performing unique and astonishing marketing promotions. In this research, alternative marketing awareness is defined as the practice that firm provides products or services with specific elements that are not usually offered in the market.

Dev (2006) states that nontraditional marketing is a way to sustain firm's marketing position. Hence, alternative marketing awareness is expected to affect marketing outcomes such as brand trust, customer fulfillment, marketing image, and marketing performance. Thus, the propositions are stated as follows:

- P4 Alternative marketing awareness will have a positive effect on (a) brand trust, (b) customer fulfillment, (c) marketing image, and (d) marketing performance.*

### **Alliance Marketing Concern**

The fifth, and the final, dimension in this model of marketing innovation strategy is alliance marketing concern. Over the last decade, strategic alliances have increasingly been a topic of interest in both business as well as academic especially in marketing and management fields (e.g. Gulati, 1998; Spekman & Sawhney, 1990; Varadarajan & Cunningham, 1995). This increased interest is a result of constantly rise in strategic alliance establishment among firms (Gammoh & Voss, 2013). Marketing strategic alliance can be described as interorganizational relationships involving skills and resources sharing among alliance partners in an attempt to accomplish their goals and objectives (Varadarajan & Cunningham, 1995). Therefore, in this research, alliance marketing concern is defined as the practice that firm forms a network and cooperation with its rivals or other related businesses in order to add value offering to its customers and other stakeholders.

A number of studies in marketing field have examined strategic alliance and inter-firms relationships and their various outcomes including firm performance (Bucklin & Sengupta, 1993; Heide, 1994; Jap, 2001; Luo, Rindfleisch, & Tse, 2007; Palmatier, Dant, &

Grewal, 2007; Swaminathan & Moorman, 2009). A work by Luo, Rindfleisch, and Tse (2007) reveals that forming alliances with competitors has an inverted U-shape on firm's financial performance. This can be implied that establishing cooperation with rivals at an appropriate level can be beneficial to the firm. According to Palmatier, Dant, and Grewal (2007), firm performance can be enhanced by investing in specific relationship with high ability in creating value. Swaminathan & Moorman (2009) also found that marketing alliance is associated with firm's value creation and performance. Accordingly, alliance marketing concern is likely to influence marketing outcomes: comprising of brand trust, customer fulfillment, marketing image, and marketing performance. Thus, the propositions are stated as follows:

- P5 Alliance marketing concern will have a positive effect on (a) brand trust, (b) customer fulfillment, (c) marketing image, and (d) marketing performance.*

### **Brand Trust**

Trust is considered one of the most significant factors in creating successful buyer-seller relationship (Morgan & Hunt, 1994; Dwyer, Schurr, & Oh, 1987). Geyskens, Steenkamp and Kumar (1998) refer to trust as honesty and/or munificence the exchange parties believing in each other. Trust can also be described as the degree of confidence and willingness of an entity to depend on its exchange partner (Moorman, Zaltman, & Deshpande, 1992).

As for brand, Kotler (1997) describes it as a combination of name, term, symbol, logo, and/or design which is used in recognizing a product/service or products/services of a seller or a group of sellers, and distinguishing these products/services from those of its competitors. As stated by Keller (2003), apart from a product, service, shop, and organization; brand can also be used to represent a place, an idea, as well as famous personality. In addition, Davis (2002) extends the meaning of brand to encompass the perceptions and expectations of customers from experiencing of the product, service, or the organization.

Accordingly, brand trust can be referred to as the willingness of customer to count on a brand (Lau & Lee, 1999). Also, Lin and Lee (2012) describe brand trust as the degree of confidence and positive expectations the customer have toward the brand. Therefore, in this research, brand trust is defined as the confidence and willingness of the customer in relying on the ability of the firm or the brand to perform its promised function.

Trust, as stated by Garbarino and Johnson (1999), is one of the main factors influencing consumer's purchase intentions. It is also claimed to be a key element in building strong relationships between consumer and company (Sirdeshmukh et al., 2002). In addition, according to Morgan and Hunt (1994), trust is shown as a sign of confidence in reliability and integrity of the exchange partner. As a result, brand trust can be considered a factor affecting performance of the firm. Thus, the proposition is stated as follows:

- P6 Brand trust will have a positive effect on marketing performance.*

### **Customer Fulfillment**

Customer needs fulfillment can be described as a firm's competency to correctly and instantly analyze, understand, and respond to the needs of customers by offering new products or services that add value to entail satisfaction (Jadesadalug & Ussahawanitchakit, 2009; Johnson et al., 2003; Narver & Slater, 1990). Dynamic capability approach explains that customer needs response is a worthy capability because they enable the firm to monitor and meet changing customer needs and rapidly responds to that which provides satisfaction of value (Waranantakul & Ussahawanitchakit, 2012). Therefore, in this research, customer

fulfillment refers to capability of firm in accurately understanding and responding to customer needs.

According to Kohli and Jaworski (1990), customer needs fulfillment can create superior customer value leading to increasing of competitive advantage. Likewise, Waranantakul and Ussahawanitchakit (2012) have found a positive influence of customer needs fulfillment on marketing advantage. Accordingly, customer fulfillment is expected to positively affect marketing performance. Thus, the proposition is stated as follows:

*P7 Customer fulfillment will have a positive effect on marketing performance.*

### **Marketing Image**

In marketing and related fields, one of the most interesting matters is image. Image can be explained as the set of meanings used to describe something and make its known and remembered (Van Riel, 1995). On this basis, the way people view and feel about an organization, in other word 'image' of an organization, can be referred to as organizational image, corporate image, and business image. A number of scholars have worked on describing the meaning of business/corporate image (Bromley, 1993; Grunig, 1993; Alvesson, 1990; Gray & Smetzer, 1985). Based on organizational behavior literature, business image is described as the way that organizational members perceive their organization (Bromley, 1993), as well as the way they believe the others recognize it (Dotton & Dukerich, 1991). Psychologists define corporate image as a symbolic association between an organization and its stakeholders (Grunig, 1993). In sociological perspective, corporate image is recognized as a sense or an inner picture and fabrication or a communicated image (Alvesson, 1990). As for strategists, corporate image is characterized as 'the impression of the whole corporation held by its various publics' (Gray & Smeltzer, 1985, p. 73).

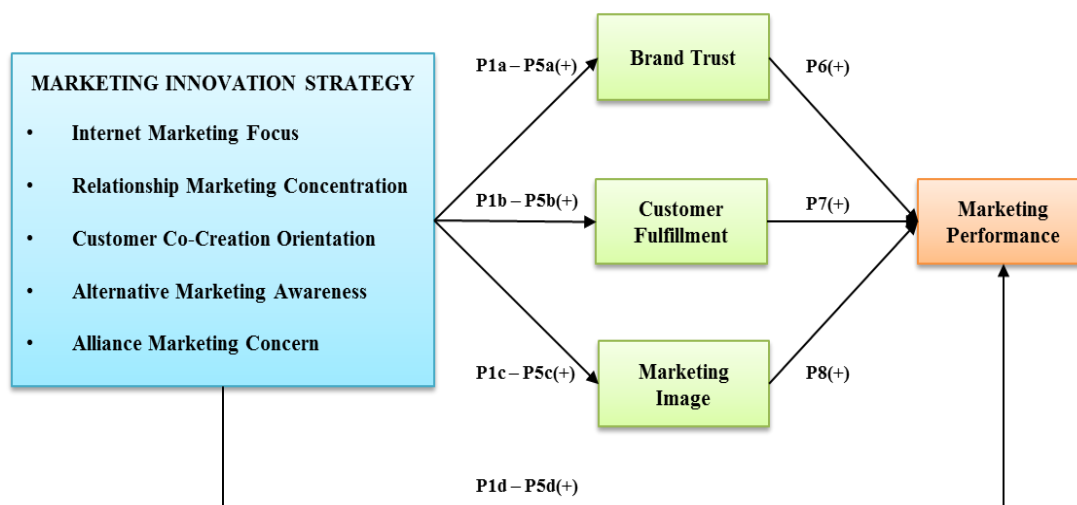
Marketing image is considered a factor representing the characteristic of market offering that supports firms to create value in the form of emotional benefits, which extend product features and functional benefits, as well as associations in customers' minds (Ogba & Tan, 2009). Image is also indicated, by Zaghoul, Hayajneh, and Almarzouki (2010), as the outcome of an individual's processing of multifaceted and complicate struggle of attributes in messages receive from organization and other social, historical, personal lived experiences, and material factors. Therefore, in this paper, marketing image is defined as an overall impression made on the minds of the public, including customers and other stakeholders, about credibility and quality of a firm's services and performance.

Image is correlated with various physical and behavioral elements of the organization, for example business name (brand), style, assortment of products/services, tradition, ideology, and to the impression of quality communicated by each person interacting with the organizations' clients (Zaghoul et al., 2010). Harms et al. (2002) states that image of product and company, embedded in customer's mind, can directly contribute to marketing advantages. According to Robertson and Gatignon (1986), image assists consumers in evaluating the commodities offered by a certain company as well as diminishing insecurity in their buying decision making. Kazoleas, Kim, and Moffitt (2001) also states that image play a crucial role in affecting customer's buying intention in marketing activities. Hence, it can be claimed that marketing image is considered to be one of the factors influencing performance of the company. Thus, the proposition is stated as follows:

*P8 Marketing image will have a positive effect on marketing performance.*

In total, this research offers five variables comprising one main variable, marketing innovation strategy, and four consequences-brand trust, customer fulfillment, marketing

image, and marketing performance. A conceptual model presenting the relationships among the variables with stated propositions is provided below.



**Figure 1: A Conceptual Model of Marketing Innovation Strategy and Marketing Performance**

### CONTRIBUTIONS

This research makes a number of theoretical and managerial contributions. For the academic aspect, firstly, it provides an additional insights relating to marketing innovation strategy by offering a set of specific strategies to be examined. Secondly, this research presents that marketing innovation strategy can be considered a dynamic capability, and thus, can be effectively implemented in response to environmental dynamism. Finally, this paper offers a conceptual model linking marketing innovation strategy to marketing performance, which can be used as a guideline for studies regarding marketing innovation strategy in the future. For the managerial contributions, this research mentions a set of strategies that is expected to help companies increase their performance. It also lists three areas that would be improved as a result of applying the stated marketing innovation strategies. However, this paper is only a conceptual paper. Therefore, the model needs to be investigated empirically in order to confirm the validity of the model.

### CONCLUSION

To sum up, this research presents marketing innovation strategy as a mean that business firms can use in response to the rapidly changing environment. Altogether, this research offers five variables including one main variable, which is marketing innovation strategy, and four consequences: brand trust, customer fulfillment, marketing image, and marketing performance. In order to link the five variables together, dynamic capabilities view is employed. Accordingly, in this research, marketing innovation strategy is considered a dynamic capability that will lead firms to gain more competitive advantage through enhancing brand trust, customer fulfillment, and marketing image; and, consequently, increase marketing performance. A conceptual model illustrating the variables and the relationships among them is also provided. In addition, this research makes some contributions to both academic and managerial aspects. Finally, an empirical investigation of the proposed model and further exploration on the matter of marketing innovation strategy is recommended.

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# **A CONCEPTUAL FRAMEWORK OF CUSTOMER RELATIONSHIP MANAGEMENT CAPABILITY AND MARKETING SURVIVAL**

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## **ABSTRACT**

*Customer relationship management (CRM) is increase in management approach. Many organizations, especially in service businesses, will be adopting CRM to retain and create value for their customers. Moreover, business can enhance performance that leads to business competitiveness by CRM capability. In addition, much prior literature of CRM is focused on customer value, such as customer satisfaction and customer loyalty, but lack focus on inside organizations. This paper fulfills the gap of CRM literature and proposes the conceptual model of customer relationship management capability and marketing outcomes. There are five dimensions of customer relationship management capability that are core constructs consisting of customer database value, customer learning continuity, customer-based participation, customer communication channels, and customer organization partnerships. Therefore, marketing outcome has a five-construct model comprised of service creativity, service innovation, service excellence, service competitiveness, and marketing survival. This conceptual model provides the proposition of a relationship among CRM capability, marketing outcomes, and all positive directions. Finally, this paper investigates managerial implications and provides guidelines for future empirical research.*

## **INTRODUCTION**

The rapid change of business environments and high competition that affect business, finds new source of business competitive advantage (Armstrong, 2005). Increasingly, business creates the strategy to retain its customer who is less sensitive to price and loyalty, such as by focusing and different strategies (Dess et al., 2010). Customer relationship management (CRM) is invested more in business, and CRM has been increasingly adopted as a core strategy (Rigby & Ledingham, 2004). In addition, Chen and Chen (2004) suggest that a firm can reach a tangible benefit such as increased revenues and profitability, and an intangible benefit such as improved customer service, and increased customer satisfaction from CRM. Commonly, customers are important to business survival and the customer orientation approach is a critical factor of business success and it guides business to focus on the customers (Ranjan & Bhatnagar, 2008). Consequently, 72 percent of business must focus on retaining customers (Band, 2010).

In addition, globalization makes the environment of the marketplace change. Business presents various product and services to respond to customer needs. Customer needs has more choices to choose in the marketplace, and customers can get a product and service easier. Thus, a customer can compare between sellers and make the best choice for a response customer to need. Business must build relationships with customers to guard against competitors' offerings (Therron & Terblanche, 2010). Furthermore, businesses are investing in building customer relationships, leading to developing business strategies for creating

customer value. Additionally, Barry and others (2008) investigated long-term relationship with customer to get more profits and increase market share.

Moreover, based on the prior literature of marketing research, most studies focus on the influence of CRM that affects customers and creates customer value, such as customer loyalty or satisfaction (Hong-Kim Yim , Anderson & Swaminathan, 2004; Mithas, Krishnan & Fornell, 2005) it affects firms such as leading to an increase in profitability of a firm (Cao& Gruca, 2005). These issues shed light on the CRM capability research gap. Hence, the main purpose of this paper is to examine the relationship of customer relationship management capability and marketing outcome. Moreover, the specific research objectives of this paper are as follows:

- 1) To investigate the effects of each dimension of customer relationship management capability (Customer Database Value, Customer Learning Continuity, Customer Based Participation, Customer Communication Channel, Customer Organizational Partnership) on service creativity, service innovation, service excellence and service competitiveness,
- 2) To investigate the effect of service creativity on service innovation, service excellence and service competitiveness,
- 3) To investigate the effect of service innovation and service excellence on service competitiveness, and
- 4) To investigate the effect of service competitiveness on marketing survival

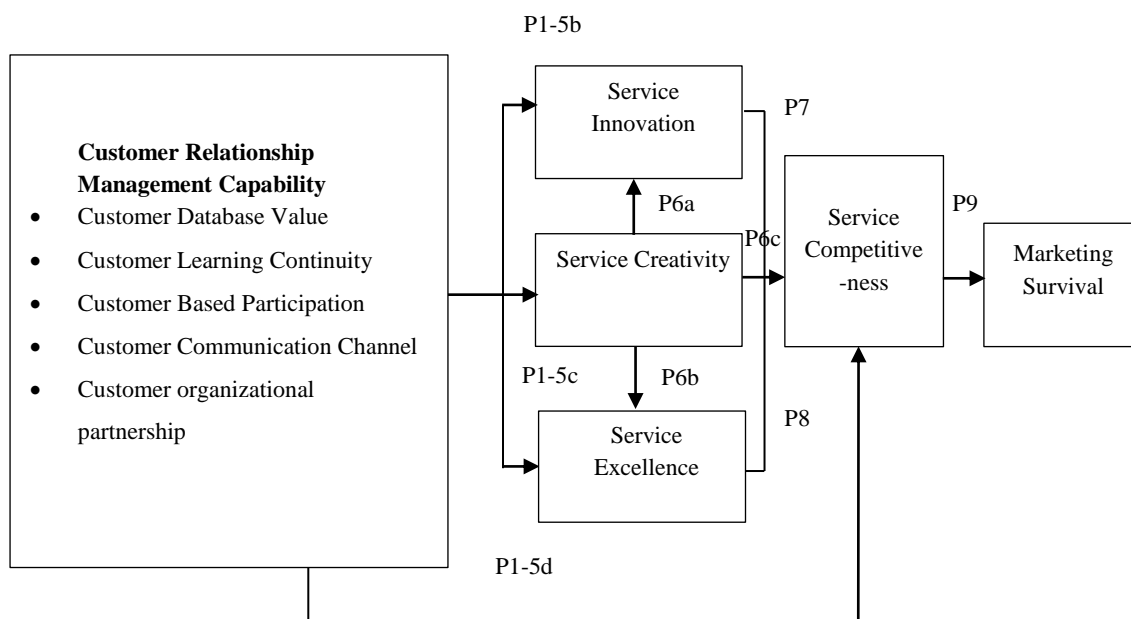
Specifically, the research questions of this study are the following:

- 1) How do the five dimensions of customer relationship management capability have an influence on service creativity, service innovation, service excellence and service competitiveness?
- 2) How does service creativity have an influence on service innovation, service excellence and service competitiveness?
- 3) How do service innovation and service excellence have an influence on service competitiveness?
- 4) How does service competitiveness have an influence on marketing survival?

This paper is structured as follows: the first part denotes the relevant literature reviews and linkages to propositions that are presented in the conceptual framework. Second, the contribution includes managerial contributions and future research idea. The final part is conclusion of this paper.

## **LITERATURE REVIEWS**

This conceptual paper shows the relationships among customer relationship management capability, service creativity, service innovation, service competitiveness, and marketing survival which are apparently discussed and inspected. Also, the conceptual, linkage, and research models are provided in Figure 1.



**Figure 1: A Conceptual Framework of Customer Relationship Management Capability and Marketing Survival**

**Customer relationship management capability**

Customer relationship management (CRM) is evaluated from relationship marketing. The concept of CRM began to be of interest in the 1990’s (Ling & Yen, 2001). CRM has the intention of building relationships with customers for enhancing business profitability in a competitive economy (Ismail, Talukder & Panni, 2007; Jayachandran et al., 2005). In addition, CRM could lead a business to improve its performance (Malmi et al., 2004).

Based on the prior literature review, this paper defines customer relationship management capability as a firm ability to build a long-term relationship for retaining a customer and enhance business profit from the relationship (Buttle, 2001). For the advantage of customer relationship management, the firms can use CRM to create customer value and improve business performance. Zablah, Bellenger & Johnston (2004) presents the point of view and concept of CRM which is clearer in CRM. The study suggested five concept of CRM consist of CRM as a process, as a strategy, as a philosophy, as a ability, and as a technology.

CRM capabilities are imbedded in CRM activities that use a firm’s skills and knowledge to “identify potential customers, maintain a relationship with them, and use this relationship to make a profit for the firm” (Morgan, Vorhies and Mason, 2009). Furthermore, CRM capabilities are embedded in major CRM activities (Reinartz et al., 2004). Therefore, many researchers provide various dimensions of CRM activity such as information-sharing, customer involvement, long-term partnership, joint problem-solving, technology- based CRM (Lin, Chen & Chiu, 2010); and a CRM framework such as contact channel management, customer data management, enterprise-wide management and information management (Lui, 2007).

Furthermore, this conceptual framework suggests five dimensions of customer relationship management capability that include: customer database value, customer learning continuity, customer based participation, customer communication channel, and customer organizational partnership which are related to a customer and competitor in the service sector.

<b>Table 1</b>	
<b>SUMMARY OF CUSTOMER RELATIONSHIP MANAGEMNET CONCEPT</b>	
POINT OF VIEW	CONCEPT
AS A PROCESS	Creating and improving the long-term relationship with others parties
AS A STRATEGY	Organization investment in valuable customer and decrease investment in valueless customer
AS A PHILOSOPHY	Philosophy of work , which purpose to putting the customer in the focus of organization
AS A ABILITY	Ability of firm to custom every customer behavior by use on the customer information and customer knowledge
AS A TECHNOLOGY	Technology use to integrate marketing system, sale systems and information systems to creating relationship with customer

**Customer Database Value**

Prior research has indicated that the assets of a business such as customer information, can create capability and make business deploy effectively for creating advantage (Hooley et al., 2001). Businesses can find and hold business opportunity by using customer data analysis and taking advantage by maintaining a relationship with a customer (Kumar et al 2009; Ramani & Kumar 2008). In addition, Panduri & Edara (2014) indicate that business value can be created by using customer data analysis and the high quality of a database is important to CRM (Zahay, Peltier & Krishen, 2012). Customer data value is significant to the CRM process, which focuses as a business asset (Reimann, Schilke &Thomas, 2010). Therefore, the neglect of customer data quality may be the cause of business fail (Verhoef ,Reinartz & Krafft,2010; Zahay, Peltier, & Krishen, 2012). CRM process must record and analyze customer data to use in a sale, for marketing and customer service that will make that function more effective. Also, the failure of CRM system is incompetence in management and, it gets benefits from the data (Jayachandran et al., 2005; Verhoef et al., 2010).

From the literature review, the customer database value refers to an ability of the firm to create an effectively customer database to have significant information by analyzing, which is used to create a long-term relationship with a customer (O’Leary et al, 2004). Consequently, the efficiency of a CRM program comes from the customer database because a firm can deploy a customer database for potential information (Winer, 2001). In addition, customer information is a key success of CRM in finance services (Morgan, 2007) by collecting the customer data and mindset to use for enhancing customer value and business performance (Reinartz, Kraff & Hoyer, 2004). Business can enhance capability from a database, such as seeking customer desires and needs, creating new products and future value, building creativity from the database (Zahay, 2008), and archiving innovation (Battor and Battot, 2010). Hence, the first proposition is as follows:

*P1: Customer database value will have a positive influence on a) service creativity, b) service innovation, c) service excellence, and d) service competitiveness.*

**Customer Learning Continuity**

Learning is important to an organization. An organization is members can get knowledge and new an approach by a continuous learning process and interaction with the business environment (Argyris, 1991; 1977). Learning is a cause of customer knowledge

creation that leads to create a competitive advantage of business (Murillo & Annabi, 2002; Winer 2001).

Learning as a process of seeking customer desires to identify a potential customer, evaluate customer value, and predict future behaviors of a customer (Sun, Li & Zhou, 2006). Academics can divide the source of learning capability in to two types which are internal and external (Hurley & Hult, 1998). An external source such as customers are important to business. A customer orientation that focuses on the understanding of customer needs, responds to their needs and creates superior customer value (Jumpapang & Ussahawanitchakit, 2012). Thus, business must attempt to continuous on customer learning that leading to getting valuable customer knowledge. From the customer learning perspective, customer learning continuity refers to the continuous process of managing customers and understanding customer needs which are used for creating superior customer value (Cummings & Worley, 1997; Fiol & Lyles, 1985; Jumpapang & Ussahawanitchakit, 2012).

Furthermore, previous research has suggested that customer orientation is positively related to innovation, customer value creation, and business performance (Blocker et al., 2011; Nasution et al., 2011). Customer learning orientation may help the business to understand customer needs, create new products and services, and reduce the launching time of new products and services (Feng et al., 2012; McEvily and Marcus, 2005). Hence, the proposition is proposed as follows:

- P2: Customer learning continuity will have a positive influence on a) service creativity, b) service innovation, c) service excellence, and d) service competitiveness.*

### **Customer-Based Participation**

The strength of a core business's competencies is from incorporating customers by digesting a customer's knowledge and responding to customer need (Cohen & Levinthal, 1990; Dahan & Hauser, 2002). Customers increase to participate with business to co-create customer experience ( Bendapudi & Leona, 2003; Payne, Strorbacka & Flow, 2009; Prahalad & Ramswamy, 2004). Customer participation has various definitions such as: 1) business activities or processes that collaborate with a customer to create value (Ngo & Cass, 2013), and 2) customer involvement to the degree of producing and delivering the service (Dabholkar, 1990). Thus customer-based participation can be refers to the firm ability to create customer involvement and collaboration with a firm in producing and delivering service to create value.

Additionally, the literature review of Mustak, Jaakkola & Halinen (2013) presented the customer participation outcome such as the aspect of service co-production, creation of strategy, improving service performance, technology of based on self-sense, or new product development. Furthermore, the benefits of customer participation are presented as: 1) used information from customer participation to reduce market uncertainty, 2) identification of a customer's need (Dahan & Huaser, 2002), 3) getting varieties of ideas that lead to a business's creativity (Cooper et al, 2002), and 4) creating a new product or new service (Dholakia & Morwitz, 2002). In addition, interaction between business and customer can help business to have greater service delivery (Auh et al., 2007) and lead to the competitive advantage (Bendapudi & Leone, 2003).

Based on the literature review, customer based participation is more likely to develop firms to achieve their best service and competitiveness. Thus, the proposition is elaborated upon as follows:

- P3: Customer- based participation will have a positive influence on a) service creativity,*

*b) service innovation, c) service excellence, and d) service competitiveness.*

### **Customer Communication Channel**

Communications is important to business. Communication makes for business understanding and influencing customer behavior that lead to improve customer retention, loyalty and profitability (Swift, 2001). Relationships can built by sharing information and close communication (Day, 1992). In addition, communication can link people to create a relationship (Duncan & Mority, 1998). Then, how businesses can communication with their customer communication channel is the way that businesses can connect to their customer by a multichannel. Furthermore, multichannel customer management is important, because businesses use multichannel communication to enhance customer value that leads to customer retention (Neslin et al, 2006). From a customer communication and multichannel management perspective one can explain the concept of a customer communication channel. A customer communication channel can refer to a firm's ability to create, deploy and evaluate a communication channel to enhance a long-term customer relationship.

Communication channel creation can lead to building relationship with a customer. Unfortunately, not all communication channels have the same effect. The research comparing the effect of each communication channel suggests that different communication channels make the difference in customer perception (Danaher & Rossiter, 2011). Moreover, social media can lead customer willingness to engage with business, lead to creativity, and create innovation (Baird & Parasnis, 2011). For the business sector, marketing communication channels make a firm to have deeper understanding of their customer and understand the customers co-creation in development process (Gustafsson, Kristensson & Witell, 2012).

Based on the studies cited above, customer-based participation possibly influence creativity, innovation, excellence and the competitiveness of a service section. Hence, the proposition is proposed as follows:

*P4: Customer- based participation will have a positive influence on a) service creativity, b) service innovation, c) service excellence, and d) service competitiveness.*

### **Customer Organization Partnership**

Potential resources are important to business for creating competitiveness. Business will find the potential resource to make business a success. Productive resources include customers as a potential resource or as a potential partner (Lengnick-hall, 1996). Furthermore, a customer as a partner is the same as the concept of customer voluntary performance or CVP. CVP refers to customer behavior that shows a willingness to support the ability of business to deliver service quality (Bettencort, 1997) such as in: 1) suggestions for making excellent service, building customer value with service encounters positive action, and a recommendation to the business. In addition, the voluntary customer implies the perspective of an employee to motivate their customers to create customer partnerships (Mills & Morris, 1986). The hint of a voluntary customer perspective defines customer organization partnership as a firm motivating customer behavior to support the ability of the firm to deliver service quality.

More literature suggests that customer orientation must focus on customer relationship marketing that requires developing and understanding the motivation of business's customer as a partner in service delivery (Bagozzi, 1995; Bitner, 1997; Lengnick-Hall, 1996). Partners are important to business (Kelley et al., 1990). Partners can help a business to promote its product and service, develop service quality, and use information from the partner to create service innovation (Zeithaml et al., 1996; Schneider & Brown, 1995). Partnership engagement and a co-working relationship create benefit to the customer and supplier (Gemunden et al., 1998). Additionally, customer-business collaboration leads to

business innovation, and economic success ( Hakansson & Snehota, 1995), and long-term competitive advantage.

The linkage of literature reviews are drawn by the relationship between customer organization partnership implementation in service creativity, service innovation, service excellence and service competitiveness. Hence, the proposition is proposed as follows:

- P5: Customer organization partnership will have a positive influence on a) service creativity, b) service innovation, c) service excellence, and d) service competitiveness.*

### **Service Creativity**

Service creativity refers novel production and potential ideas that are useful for the service business (Ambile et al., 1996). Creativity is a source of innovation. The lack of business creativity is a lack of innovation (Howard et al., 2008). A business can find creativity from an external source such as a service user and customer information (Oke, 2007). An external and internal business resource can lead to creativity for service innovation and business creativity that is concerned with CRM. Moreover, CRM capability leads to creativity such as external knowledge exchange, partnership building and networking. Thus, service firm capability requires customer knowledge (Giannopoulou, Gryszkiewicz & Barletier, 2013). Furthermore, customer knowledge is important to a business because customer knowledge is a source of a firm's capability that can create competitive advantage (Chesbrough & Appleyard, 2007). In addition, Khodakarami & Chan (2014) indicate that a business can get customer knowledge from the CRM process. Thus, business customer information and knowledge gets new ideas, and provides new products or services that are appropriate to customer expectations and needs.

However, based on the literature review, service creativity as the cause of innovation, makes business create greater service to customers and leads to competitive advantage. Therefore, the proposition is posited as follows:

- P6: Service creativity will have a positive influence on a) service innovation, b) service excellence, and c) service competitiveness.*

### **Service Innovation**

Innovation perspective is presented as a different product or service that creates new potential customer satisfaction, rather than improvement (Ducker, 2001). Innovation definition can refer to a process that begins with a novel, proceeds with the development of an invention, and results in the presentation of a new product, process or service for the market (Thornhill, 2006). In a service perspective, service innovation can refer to a new form of service activity such as a warranty policy, maintenance routines, order placement system and after-sales service that can enhance customer satisfaction (Gopalakrishnan and Damanpour, 1997).

Carlisle and others (2013) show that the service sector has continuous, increasing innovation. Innovation became an important factor, played significant role toward the business's value, and created a competitive advantage under a changing business environment (Cheng and Krumwiede, 2012). In addition, Battor and Battor (2010) indicate that innovation is the mediating factor between CRM and its superior performance. Furthermore, innovation can be an important key for competitiveness. Furthermore, innovation is a key element of business success and business performance (O'Cass and Julian, 2006). Moreover, Lin, Chen & Chiu (2010) suggest that CRM makes business innovation increase.



Therefore, service innovation can be obtained from this address, due to the firm presenting new products or service to respond an exceed customer expectation. A firm that provides a higher level of satisfaction or exceeds expectation leads to the competitiveness of the firm. Therefore, the proposition is posited as follows:

*P7: Service innovation will have a positive influence on service competitiveness.*

### **Service excellence**

Excellence refers to superior conditions that make for excellent and superior quality (Assussy, 2008). A business can enhance excellence by focusing on customer needs, market outcomes, business financial structure, core competencies and technology (McNamara, 1997). Thus, organizational excellence can refer to a quick response to customer need, the ability to complete an operation in the best way and survival with risk environment (Kumar and Gulati, 2010). In addition to the result of excellence one can present best practice that can support a business objective and value, enhancing a stakeholder's expectation and building competitiveness (Ritchie and dale, 2000).

Akkarawimut and Ussahawanitchakit (2010) define service excellence as the best of service pattern that is superior over a competitor. Also, they suggest service excellence that can lead to customer satisfaction and trust. Thus, service excellence can create competitiveness for a firm.

The linkage of literature reviews are drawn by the relationship between service excellence and service competitiveness. Hence, the proposition is proposed as follows:

*P8: service excellence will have a positive influence on service competitiveness.*

### **Service competitiveness**

Service competitiveness can be defined as firm ability to develop, maintain and gain service quality to enhance marketing profit and get superior service management over competitors (Ussahawanichakit, 2007; D'Cruz, 1992).

In the context of relationship marketing, the researchers Mei and Nie (2008) studies the influence of business capability, competitiveness and the firm performance of high-tech firms in China. The result indicated that business capability has a significant influence on competitiveness and gains performance.

In addition, the effect of competitive action in business makes a firm concentrate on information and communication with customers to create sustainability (Sonntag, 2000). Thus, businesses that face competition will build business competitiveness and create a competitive position superior to rivals that leads to sustain ability and the survival of the business.

Therefore, service competitiveness can be obtained from this address, due to the perception of customer or others perceive to ability of firm, which leads to marketing survival. Hence, our proposition is posited as follows:

*P9: Service competitiveness will have a positive influence on marketing survival.*

### **Marketing Survival**

Business survival is explained as sustainable economic growth and long-term business (Schwartz, 2009) and can be a potential indicator of business performance (Barnard, 1947). In addition, marketing survival is described as firm permanently in the marketplace that has a higher performance than the previous year (Christensen, Suarez & Utterback, 1998). Moreover, survival is depend on business's innovation and relationship with external actors (Barnett & Carroll, 1995; Carroll & Hannan, 2000).

## CONTRIBUTIONS

This paper provides the potential contributions and implications to researchers, marketing managers, CRM managers and top managers for applying the customer relationship management capability in their business. For the researcher, prior research suggests various CRM components and most result in concern for customers such as in customer satisfaction, customer value and customer profit. However, this paper expands the understanding of CRM capability useful to business such as in building creativity in business, and creating innovation and excellence for a firm to reach competitiveness. For the manager, these papers provide the CRM capability component. Manager can applying CRM capability component in their business to make for higher effective performance.

For future research ideas, the paper provides a deeper understanding of the phenomenon suggesting to beauty clinic businesses in Thailand which are appropriate evidence for this conceptual model, and for which there are two reasons: firstly, beauty clinics business has similar product and service. A customer has sensitive feel when they choose a product or service, if the product or service have the same benefit, that lead customer changing their choice is easier. Moreover, retaining customers is important to the service business. Thus, the business can retain the customers by use of CRM for creating a relationship between customers and businesses. As a result, the business needs to adjust its a CRM capability to retain customers (Parvitiyar & Sheth, 2001). Secondly, the beauty business has a high competition. A business must create a unique business and try to differentiate it from others.

Consequently, both reasons are important challenges for deploying customer relationship management capability in a changing situation to gain marketing survival. Meanwhile, the beauty clinic business in Thailand is appropriate to observe in empirical research, in the case of customer relationship management capability.

## CONCLUSION

This paper has intended to provide an obvious understanding of relationships between customer relationship management capability and marketing survival. Moreover, this paper is focuses on five dimensions of customer relationship management capability; namely, customer database value, customer learning continuity, customer-based participation, customer communication channel, and customer organizational partnership. Additionally, this paper proposes customer relationship management capability and its consequences which will positively influence marketing survival.

However, prior study suggests the various dimensions of CRM capability but does not cover the dimensions which this paper presents as a wide aspect of CRM capability influence on marketing survival. Likewise, the empirical research at the firm level is required to provide evidence. One expects that this paper will create interest in the marketing research field, which is appropriate for the changing business environment.

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# **THE FINANCIAL IMPACT OF BRANDING ON THE MOVIE INDUSTRY: THE ROLE OF THE FRANCHISE**

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## **ABSTRACT**

*This paper examines the domestic box office revenue determinants of movies that include sequels as part of a franchise. The sample consists of 225 films released during 1976-2014. Regression results indicate the primary determinants of box office revenue for films that are part of a movie franchise are genre, numeric order in a series of movies, receiving a restricted rating, critical acclaim, Oscar award nominations, and production budget. One of the more interesting results includes the observation that science fiction, action, comedy, and family movie genres have a positive and statistically significant impact on box office revenue but the horror movie genre is not statistically significant. The empirical results imply a 10% increase in positive critical ratings augments box office revenue by \$11.89 million, while an Oscar nomination is worth approximately \$35 million in box office revenue. Holding other factors constant, production budget returns 26 cents per dollar of expenditure but the marginal return of continuing a franchise decreases box office revenue by \$9.2 million per successive film in a franchise.*