

Linköping Studies in Science and Technology  
Dissertations No. 2096

# Exploring Proactive Market Strategies

How Proactivity Shapes Value-Creation

Harald Brege

Linköping Studies in Science and Technology  
Dissertations No. 2096

# Exploring Proactive Market Strategies

How Proactivity Shapes Value-Creation

**Harald Brege**



**2020**

Department of Management and Engineering  
Linköping University

SE-581 83 Linköping, Sweden

© Harald Brege, 2020

*Exploring Proactive Market Strategies: How Proactivity Shapes Value-Creation*

Linköping Studies in Science and Technology, Dissertations No. 2096

ISBN: 978-91-7929-794-7

ISSN: 0345-7524

*Printed by:*

LiU-Tryck, Linköping, 2020

*Distributed by:*

Linköping University

Department of Management and Engineering

SE-581 83 Linköping, Sweden

Tel: +46 (0)13-28 10 00

*“The people who get on in this world are the people who get up and look for the circumstances they want, and if they can't find them, make them.”*

***George Bernard Shaw***



# Abstract

In discussions of firm strategy, proactivity is often mentioned as an enabler of effective goal accomplishment and high performance. However, it is rarely explained what, more precisely, being more proactive actually entails, or even indeed defined what is meant by the term ‘proactivity’ in this particular context. This dissertation seeks to investigate proactivity and its role in shaping firms’ market strategies. From prior research on proactivity in the strategic marketing domain, we know that proactive firms, on average, develop more radical innovation, are better at managing complex and highly competitive environments, and seem to achieve higher business performance. However, few, if any, of these prior studies properly define proactivity and take a more holistic perspective on its impact on firms’ market strategies.

In this dissertation I propose a definition of proactivity through three main proactive characteristics: being future-oriented, taking the initiative, and driving change. Thus, a proactive firm does not wait for things to happen and then react to those events. Instead, it keeps a long-term horizon on its scanning for market intelligence and takes action before things happen, in order to create the change needed to improve its situation. While certainly not all proactive actions are successes, particularly not if the firm lacks proper awareness of the situation or exceeds its capabilities in its striving to shape events, proactive firms do have access to a broader set of opportunities than their less proactive competitors.

To understand how proactivity influences market strategies, it is first necessary to understand market strategy itself a bit closer. I define market strategies as firms’ strategies for creating customer value. According to the market orientation literature, the basis of achieving long-term high firm performance is to consistently provide customers with superior value to that of the competition. Thus, firms’ market strategies are squarely at the center of their efforts to become more successful. To study these strategies and the effects they have, it is necessary to go beyond strategy documents and study the actual activities that firms perform to implement them. A market strategy, in my conceptualization, can thus be perceived as a coherent set of activities aimed at fulfilling certain goals, leading to the creation of customer value. These activities can then be further categorized according to the strategic orientations that drive the firm’s strategy-making, with customer orientation, competition orientation and innovation orientation being the orientations that have the most impact on market strategies.

From this conceptual foundation, the dissertation takes four different approaches to investigating proactive market strategies, each presented in one of the four appended papers. In the first paper, a conceptual typology of different types of market strategies based on different value-creation logics – which are the combinations of responsiveness and proactivity that influence a firm’s value-creation efforts – is presented. In the second paper, the market strategies of five proactive firms are investigated to find three generic proactive market strategies, each representing a typical way for firms to employ proactivity in their market strategies. The third paper uses fuzzy-set qualitative comparative analysis to investigate the configurations of proactivity, market environment and different market strategies that consistently lead to high market-strategic effectiveness. Finally, the fourth paper goes more in-depth in exploring the activities that firms employ to create value for customers, with particular focus on the different activities that are performed during different stages of contact with a customer.

Through this thorough investigation of proactive market strategies, this dissertation presents a holistic view of proactivity and its impact on firms’ market strategies and their associated activities. As this is the first proper holistic view of proactivity in market strategy and also the first attempt to properly define proactivity in the market-strategic context, the dissertation also provides directions for future research.

# Sammanfattning

”Vi måste vara mer proaktiva” är en fras som säkerligen har dragits på många strategimöten. I såväl internationaliserade jättar som lokala småföretag, tjänsteföretag likväl som tillverkande industrier, har det i styrelserum, ledningsmöten, pratats om behovet att vara mer proaktiv. Det uppenbara är att proaktivitet ses som något positivt, något som kan hjälpa företaget bli bättre, mer konkurrenskraftigt, och så vidare. Men vad menar man egentligen med att vara proaktiv i det här sammanhanget? Och hur påverkar det egentligen företags prestationsförmåga? Harald Brege vid Linköpings Universitet har studerat proaktivitet och hur företag kan använda det för att öka effektiviteten på sina marknadsstrategier, d.v.s. deras strategier för att skapa kundvärde.

Proaktivitet är en nyckel som kan låsa upp möjligheter för företag att bli bättre på att hantera en föränderlig och komplex omvärld och stärka sin konkurrenskraft. Slår man upp ordet ”proaktiv” i SAOL får man veta att det betyder förebyggande eller förutseende, men för att kunna användas som ett verktyg för strategiutveckling behövs en mer användbar definition än så. Ur ett strategiskt perspektiv så har proaktivitet tre huvudsakliga komponenter: att **vara långsiktig**, att **ta initiativet** och att **driva förändring**. Det viktigaste för ett proaktivt företag är att inte vara passiva och vänta på att något händer som tvingar dem till förändring eller att bara reaktivt agera på det som finns i omvärlden. Istället så blickar man framåt, identifierar de potentiella sätt som en situation kan utvecklas på och tar sedan initiativet och agerar för att förändra situationen så att den passar företaget bättre.

Dock så räcker det inte bara att bli proaktiv och så får man stora vinster på direkten. För att proaktiviteten ska bli framgångsrik så måste ett företag dels arbeta för att skaffa en grundlig förståelse av sin omgivning, dels se till de olika delarna i deras marknadsstrategi hänger ihop och arbetar mot samma mål. Är strategin otydlig eller om företaget håller på med saker de inte har insikt i så är proaktivitet istället sannolikt att ge dåliga resultat.

Genom att arbeta för att förstå sina kunder på djupet så kan proaktiva företag snabbt komma med lösningar till behov, inklusive behov som kanske inte ens kunderna själva hade identifierat. Genom att aktivt arbeta med att förändra kunders uppfattning av vad en leverantör ska göra för dem och att påverka politiker och andra intressenter så kan proaktiva företag forma sina marknader för att bättre passa dem. Genom att driva produktutveckling som fokuserar på morgondagens produkter och att testa nya möjligheter, inte bara småförbättringar av samma gamla produkter, så kan proaktiva företag skapa innovativa nya erbjudanden som vänder upp och ner på marknaden. Dessa tre exempel belyser de tre generiska proaktiva marknadsstrategier som har identifierats: kundengagemang, marknadsformande, och innovationsledarskap.



# Acknowledgements

Writing this dissertation (and performing the underlying research) has been quite the journey for me, both personally and professionally. While I knew I wanted to do a PhD at some point, I had somehow expected that I would work with other things for a couple of years before returning to academia. However, life does not always turn out the way you expect, and when I was offered a very interesting research project on proactive market strategies in the spring of 2015, I accepted gladly. While there have of course been many interesting and fun things during these five years, one of the most unexpectedly interesting aspects of doing a PhD has been to meet such a broad range of managers and employees from many different firms. Through the meeting between practice and theory, it is possible to perform research that is academically sound, but also practically relevant, and I find this aspect of marketing research very rewarding.

Of course, there have been many who have helped, supported, and guided me along the way. First, I want to thank my supervisors Daniel Kindström and Johan Holtström. They have been very patient and supportive and allowed me to find my own way forward, while providing a good mix of pressure to keep going and enough breathing space to work things through properly. Special thanks go out to Daniel for being an excellent discussion partner to help me develop my ideas and for the help in writing several of the papers in this dissertation.

Second, I want to thank my family for the support and inspiration to get through this research project. My parents have given me a passion for learning and knowledge that goes beyond just getting an education to get a well-paid job, and for that I am ever thankful. I also want to thank my wonderful girlfriend Kati for supporting me through the tough final months of writing this dissertation and remaining patient with my many late nights of working.

Last, I want to thank my colleagues at INDEK and the many other people I have met and had interesting discussions with along the way. Huge thanks to Alexey, Arvid, Brenda, Daniel, Ehsan, Emelie, Fredrik, Mario, Markus, Martin, Mohammad, Mojataba, Nandita, Per, Sarah, Ya, Özgün, and everyone else for the many fikas, lunches and other meetings we have had. You all have made this not only an incredibly fun experience, but also very though-provoking and intellectually stimulating.

*Linköping, 2020-08-24*

**Harald Brege**



# Appended Papers

## Paper I

**Title:** Proactivity and Responsiveness in Value Creation: A Conceptual Typology of Market Strategies

**Authors:** Harald Brege & Daniel Kindström

**My contribution:** Creating the research idea, developing the conceptual framework and typology, leading the writing process, and writing the majority of the paper

**Status:** Published in *Journal of Business & Industrial Marketing*

## Paper II

**Title:** Exploring Proactive Market Strategies

**Authors:** Harald Brege & Daniel Kindström

**My contribution:** Creating the research idea, developing the conceptual framework, leading the data collection and data analysis, leading the writing process, and writing the majority of the paper

**Status:** Published in *Industrial Marketing Management* Vol. 85 (January)

## Paper III

**Title:** Proactive Market Strategies: A Fuzzy-Set Analysis of Proactive Strategic Configurations

**Authors:** Harald Brege & Daniel Kindström

**My contribution:** Creating the research idea, developing the conceptual framework, leading the data collection and data analysis, leading the writing process, and writing the majority of the paper

**Status:** Under review with *Journal of Business & Industrial Marketing*

## Paper IV

**Title:** Proactive Management of Customer Value Creation (working title)

**Authors:** Harald Brege

**My contribution:** Creating the research idea, developing the conceptual framework, collecting and analyzing data, and writing the paper

**Status:** Working paper



*Part I:*

**Cover**



# Table of Contents

<b>Table of Contents</b> .....	<b>xv</b>
<b>Lists of Tables and Figures</b> .....	<b>xvii</b>
<b>1 Introduction</b> .....	<b>1</b>
1.1 What are proactive market strategies?.....	2
1.2 A little background on market strategy.....	4
1.3 Research purpose and research questions.....	8
1.4 Contributions of the papers to answering the research questions .....	11
1.5 Outline of this dissertation .....	14
<b>2 Conceptual Framework</b> .....	<b>15</b>
2.1 Theoretical foundations .....	16
2.2 Conceptualizing proactivity in a strategic marketing context .....	25
2.3 Conceptualizing market strategies through strategic orientations .....	31
<b>3 Methodology</b> .....	<b>39</b>
3.1 Philosophy of science .....	39
3.2 Research process .....	43
3.3 Research design .....	47
3.4 Research quality.....	50
3.5 Ethical considerations.....	53
<b>4 Summaries of the Appended Papers</b> .....	<b>55</b>
4.1 Paper I .....	56
4.2 Paper II.....	57
4.3 Paper III .....	58
4.4 Paper IV.....	59

<b>5</b>	<b>Discussion.....</b>	<b>61</b>
5.1	About the general nature of market strategies.....	62
5.2	Entering the proactive in proactive market strategies.....	63
5.3	Different types of proactive market strategies .....	69
5.4	The activities of proactive market strategies .....	73
5.5	Returning to the research questions.....	75
<b>6</b>	<b>Conclusions.....</b>	<b>81</b>
6.1	Summary of key findings.....	83
6.2	Theoretical contributions .....	86
6.3	Managerial implications .....	88
6.4	Directions for future research .....	90
	<b>References .....</b>	<b>92</b>

# Lists of Tables and Figures

## List of Tables

Table 1: Individual contributions of the papers to answering the research purpose	11
Table 2: Overview of key market-strategic activities .....	33
Table 3: Types of conceptualizations (adapted from MacInnis, 2011) .....	48
Table 6: Validity procedures used in my research.....	51
Table 5: Three generic proactive market strategies .....	70
Table 6: High-performing configurations.....	72

## List of Figures

Figure 1: Overview of research questions.....	9
Figure 2: An integration of market orientation perspectives .....	21
Figure 3: Four approaches to current and future customer needs .....	24
Figure 6: Rough timeline of the research project.....	44
Figure 5: Proactivity and strategic orientations influencing market strategy .....	65
Figure 6: Different types of market strategies.....	69



# 1 Introduction

Proactivity is an interesting concept in marketing studies. The marketing literature is full of examples of proactivity being a key driver of firm success. Being proactive has been identified as a key characteristic needed in order to create value for customers (e.g. Narver, Slater & MacLachlan, 2004; Herhausen, 2016). Proactively acting before others can, for example, give firms a first-mover advantage (e.g. Lieberman & Montgomery, 1988; Kerin, Varadarajan & Peterson, 1992), while having a more proactive approach to managing the market can, for example, enable firms to shape their markets into more preferable configurations (e.g. Kindström, Ottosson & Carlborg, 2018; Nenonen, Storbacka & Windahl, 2019). Being more proactive can also enable firms to overcome highly competitive, turbulent, and dynamic market circumstances (e.g. Tsai, Chou & Kuo, 2008; Day, 2011). The list of potential benefits from being proactive goes on.

These examples present a compelling case for proactivity being an important concept to consider for firms that strive to be successful in often competitive and dynamic modern markets. However, there is a distinct lack of studies taking a more holistic approach to proactivity and the role it can play in shaping firms' market strategies, by which I mean that they do not consider proactivity from an overarching market-strategic perspective, but only as it applies in the more narrow context of their particular topic.

This dissertation is focused on this more holistic approach by looking at the area of *proactive market strategies*. This concept will be explained in more detail later on, but for now can be summarized as the proactive strategies firms craft to create value for customers. As such, proactive market strategies are essential for firms trying to improve the value they can offer customers by tapping into the potential for improved value-creation that can be enabled through proactivity.

There have been many developments over the past half century of marketing research, but one common thread is that gaining a competitive advantage through marketing activities is becoming harder over time (Kumar et al., 2011). As more and more firms adapt the proposed practices that help improve their value-creation, it becomes harder to distinguish yourself as a firm by doing so; what was once unique has become commonplace (Frösén et al., 2016). As it stands today, proactivity represents a key for continuing to realize the potential for improved value-creation that marketing can offer, thereby opening the door to gaining competitive advantage (Narver et al., 2004).

## 1.1 What are proactive market strategies?

The first thing to consider regarding proactive market strategies is the role of proactivity in enabling firms to create market strategies that help them achieve their goals. In this sense, being proactive enables firms to create proactive market strategies, which, as exemplified above, can bring many different types of benefits; looking through the strategic marketing literature, proactivity can enable firms to focus on the latent needs of customers (e.g. Narver et al., 2004; Atuahene-Gima et al., 2005), broaden their ability to innovate (e.g. Li, Lin & Chu, 2008; Tan & Liu, 2014), explore new opportunities (e.g. Day, 2011; Lieberman & Montgomery, 1988), and overcome highly dynamic and competitive market environments (e.g. Blocker et al., 2011; Tsai et al., 2008), to just mention a few benefits. Thus, proactivity can be said to help shape firms' market strategies and thereby enable them to create superior customer value.

However, in the above-mentioned research, the concept of proactivity is rarely given a clear definition. For example, in the definition of proactive market orientation, it is mentioned that this does *not* refer to “... *another use of proactive in which a business is simply highly energized in attempting to satisfy target customers' expressed needs*” (Narver et al., 2004, p. 336), but it is never explicitly stated what it *does* refer to. This leaves us with an implicit definition of proactivity that simply refers to focusing on customers' latent needs, which defines the concept too narrowly to be useful in the broader set of market-strategic considerations. Such a definition, while correct in that particular context, is simply not very useful for investigating how proactivity affects market strategy in a broader sense.

Based on the effects of proactive market orientation on firm performance, proactivity seems to show great promise in terms of both enabling firms to adapt a market orientation to their circumstances, thus improving its effectiveness (e.g. Narver et al., 2004; Li et al., 2008), and crafting market strategies that help them overcome dynamic and intensely competitive markets (e.g. Tsai et al., 2008; Wang et al., 2013). However, it is never made clear how the increased proactivity, vis-à-vis a less proactive market orientation, brings about these effects. Looking at the strategic marketing literature, there are examples of market strategies exhibiting proactive characteristics, such as market shaping (e.g. Elg et al., 2012; Storbacka & Nenonen, 2015; Kindström, Ottosson & Carlborg, 2018; Nenonen, Storbacka & Windahl, 2019), that show how a more proactive management of the market can bring benefits to firms. However, there is a lack of studies taking a holistic perspective on proactive market strategies, and especially ones looking at the role of proactivity in shaping firms' market strategies to enable the creation of superior value (Brege & Kindström, 2020).

In other fields, there has been more detailed interest in the nature of proactivity, primarily perhaps in organizational behavior, a field focused on the “*study of human behavior in organizational settings*” (Moorhead & Griffin, 1995, p. 4) (see also Grant & Ashford, 2008, for an overview of research into proactive work behavior). There are two principal models within organizational behavior that seek to explain proactive behavior: the proactive personality (e.g. Bateman & Crant, 1993; Crant, 2000) and personal initiative (e.g. Frese et al., 1996; Frese & Fay, 2001). These two concepts differ slightly in their descriptions of proactive work behavior, but what is common is the focus on actively taking the initiative at an early stage and avoiding remaining passive until action is forced upon you by external circumstances (Crant, 2000; Frese & Fay, 2001; Grant & Ashford, 2008). While the definitions provided from organizational behavior work when describing the actions of people in organizations, more work is needed to adapt this view of proactivity into the firm-centric, strategic marketing context. Once such a definition exists, it will be possible to delve further into the role of proactivity in shaping market strategy.

In this dissertation, I argue that proactive market strategy is an important concept in strategic marketing research, both to understand how firms can use proactivity to shape their market strategies and to understand the role of proactivity in enabling firms to improve their value creation. However, there is a lack of research in this area, hampering our ability to understand proactivity and proactive market strategies. The lack of conceptual clarity regarding what, more precisely, proactivity entails in a market-strategic context, and the lack of research taking a more holistic perspective of proactive market strategies, means that there definitely are gaps in our understanding of market strategy.

## 1.2 A little background on market strategy

Success in business is built on the ability to provide customers with superior value compared to what the competition can offer. This principle is often referred to as the *marketing concept* (see e.g. Kotler, 1972; McNamara, 1972; Lusch & Laczniak, 1987). By consistently offering the best value propositions available vis-à-vis the needs of customers, firms can gain competitive advantage and thus achieve superior business performance (Narver & Slater, 1990; Slater & Narver, 1994; Hult & Ketchen, 2001; Morgan, Vorhies & Mason, 2009). Firms that follow the business philosophy of the marketing concept become *market-oriented*, meaning they run their businesses with the main focus of satisfying customer needs more effectively than their competitors can. Such a firm is driven by a *market orientation* (e.g. Kohli & Jaworski, 1990), which can be said to be the implementation of the marketing concept within the organization of a firm (Narver & Slater, 1990).

### 1.2.1 Market orientation is not all it used to be

One of the key routes to sustained competitive advantage, and thus also to achieve the associated superior business performance (Kirca, Jayachandran & Bearden, 2005; Kumar et al., 2011), with a basis in marketing research has been for firms to successfully adopt a market orientation. Ironically, while market orientation has remained a popular research construct among scholars, there has consistently been little research on how firms can actually become market-oriented, despite many calls for the need to understand this process better. (For some of the few studies on the implementation of a market orientation see e.g. Kennedy, Goolsby & Arnould, 2005; Beverland & Lindgreen, 2007.) Nevertheless, the concept itself has gained managerial traction, and more and more firms are becoming market-oriented, thereby seeking to improve their performance (Kumar et al., 2011).

However, there has been a shift in the relationship. A multitude of studies over the past 30 years have investigated the link between market orientation and performance, through a vast array of different potential mediators and moderators, and have found that being market-oriented does indeed, on average, positively impact business performance (see e.g. Narver & Slater, 1990; Jaworski & Kohli, 1993; Slater & Narver, 1994). In a meta-analysis of 114 studies on the market orientation-performance link, Kirca et al. (2005) find that there is a significant relationship, both directly and through mediators, between high market orientation and high performance. But a more recent longitudinal study by Kumar et al. (2011) finds that this relative performance advantage that market-oriented firms gain, while still positive, has decreased markedly since the 1990s. The indication is that while market orientation used to be a source of sustained competitive advantage, it is somehow losing that status as time goes on.

The main reason for this decline in relative performance seems to be intimately linked with the increased popularity of market orientation among firms (Kumar et al., 2011). Market orientation primarily improves performance by making firms more focused on trying to understand customer needs and how to satisfy them (Narver & Slater, 1990; Narver, Slater & MacLachlan, 2004). Through a set of activities based on gathering market intelligence, on both customers and other market actors, disseminating this information throughout the organization, and using it to craft responses to relevant market events (e.g. Kohli & Jaworski, 1990), market-oriented firms tend to develop the types of market-focused capabilities that are highly conducive to long-term performance (Day, 1994; 2011). However, as more and more firms become market-oriented, these capabilities naturally become increasingly common in the market, and thus the benefits that a market-oriented firm can gain from them decrease accordingly; instead of being a source of sustained competitive advantage, market orientation has moved towards becoming a part of the cost of competing (Kumar et al., 2011; Frösén et al., 2016).

This development should, however, not be taken as an indication that market orientation is losing its relevance. As it becomes part of the cost of competing, market orientation turns from a ‘nice-to-have’ capability into a more crucial one (e.g. Day, 2011; Kumar et al., 2011; Frösén et al., 2016). Previously, firms that were market-oriented experienced a performance advantage over those that were not, but those other firms could often achieve success (albeit typically to a lesser degree) through other means (Kumar et al., 2011). However, with these recent developments in mind, the situation is turning around and while market-oriented firms no longer experience the same performance benefits they used to, it is becoming increasingly difficult for non-market-oriented firms to achieve high performance (Frösén et al., 2016). Market orientation can thus be said to be shifting from a *sufficient* condition for high performance (i.e. if a firm is market-oriented, it will very likely have high performance) to a *necessary* condition (i.e. while not all firms that are market-oriented will achieve high performance, most high-performers will be market-oriented) (Frösén et al., 2016).

Even after losing its former position as a source of competitive advantage in and of itself, market orientation still has an important role to play for firms striving to be successful. As Kumar et al. (2011, p. 28) put it: “... *to have a unique advantage, companies must continuously identify new dimensions of [market orientation] to distinguish themselves*”, meaning that it is not enough for a firm simply to be market-oriented; it must also be market-oriented in the right way for its situation and capabilities in order to gain an advantage over its competitors. Thus, focusing on market orientation is still important in order for firms to be able to unlock the potential for superior performance that is still there, but each firm must identify the appropriate approach to market orientation that fits the firm and its strategic objectives.

## 1.2.2 Different types of market orientation

However, in order to understand how firms can adapt their way of being market-oriented, it is first necessary to consider the market orientation construct itself more closely. Narver et al. (2004) divide the market orientation construct into two types: responsive market orientation and proactive market orientation (see also e.g. Atuahene-Gima, Slater & Olson, 2005; Tsai, Chou & Kuo, 2008; Zhang & Duan, 2011). Responsive market orientation refers to firms that focus on finding and satisfying the *expressed* needs of customers, i.e. the needs that customers are aware of having and can articulate to potential suppliers, particularly through traditional solutions (Narver et al., 2004). Firms that have a proactive market orientation, on the other hand, focus more on the *latent* needs of customers, i.e. needs that the customer is unaware of having or cannot express, and consider how their needs will evolve over time.

While responsive and proactive market orientation were initially seen as different ways of being market-oriented (Narver et al., 2004), later research has shown that they are rather two complementary dimensions to the market orientation of a firm (Atuahene-Gima et al., 2005). Depending on the circumstances of a firm's market environment (e.g. Tsai et al., 2008; Wang et al., 2013), the type of business activities performed (e.g. Li, Lin & Liu, 2008; Lamore, Berkowitz & Farrington, 2013) or the relative levels of each type of market orientation (e.g. Jaeger, Zacharias & Brettel, 2016; Herhausen, 2016), the impacts of responsive and proactive market orientation differ. In particular, proactive market orientation is seen as effective in aiding firms to manage highly turbulent and/or competitive markets to achieve high performance (Tsai et al., 2008; Blocker et al., 2011; Bodlaj, Coenders & Zabkar, 2012).

From this stream of literature, there are thus results that show that proactivity can enable firms to strengthen their value creation in many different ways. When combined with the proposition forwarded by Kumar et al. (2011) that firms must find the right way for them to be market-oriented in order to reap the benefits of market orientation, this indicates that proactivity is indeed a promising approach. However, it remains rather vague what firms actually do to gain these benefits, and thus also what the role of proactivity itself is in enabling this potential for improved value creation. In order to use proactivity as leverage to become more successful, firms must first understand what they should do, which requires moving from the rather abstract market orientation to the more concrete field of market strategy.

## 1.2.3 From market orientation to market strategy

A key factor in exploiting the benefits of a market orientation, proactive or not, is to incorporate it throughout a firm's market strategies. As conceptualized in this dissertation, a market strategy is a coherent set of integrated activities, aimed at creating value for customers (Brege & Kindström, 2020; cf. Varadarajan, 2019), with the ultimate goal of

creating superior customer value. In this dissertation, market orientation refers to a customer and market-centric philosophy that drives business decisions and activities within a firm towards effectively satisfying the needs of its customers (in line with e.g. Narver & Slater, 1990; Deshpandé, Farley & Webster, 1993), while market strategy rather refers to the sets of actual activities firms perform in order to achieve that goal. Thus, whereas a market orientation is a set of more abstract principles that should be considered when crafting strategies, a market strategy represents the concrete set of activities that result from that crafting process.

The broader set of strategic considerations arising from marketing decisions is often referred to as the domain of *strategic marketing*, and the construct for investigating this field is often called *marketing strategy* (Varadarajan, 2010; 2019; Morgan et al., 2019). Thus, the term *marketing strategy* encompasses all types of strategies grounded in marketing, from advertising and branding to pricing and customer value creation, and much more. Compared to the vast array of different types of strategic considerations captured by the concept of marketing strategy, the strategies that are the topic of this dissertation are more focused. I envision the term *market strategy* to refer to a subset of marketing strategies specifically focused on the creation of customer value. This should not be seen as a refutation of the concept of marketing strategy, but rather as a meaningful way to distinguish a subset of strategies with a particular focus, much like e.g. the way strategic considerations from pricing are studied using pricing strategy as a construct.

The value of the distinction between marketing strategy and market strategy stems precisely from the increased focus on value creation. As mentioned previously, the marketing concept holds that firms become successful by providing superior value to customers (Kotler, 1972; Narver & Slater, 1990). So, to understand how proactivity influences firm success, it is necessary to understand the role of proactivity in enabling the creation of customer value. Thus, there is need for a construct that can capture the strategic considerations firms have as they strive to create value for their customers. In this dissertation, I propose that the term *market strategy* to fill this role.

Research on topics such as proactive market orientation indicates that proactivity enables firms to create superior customer value (e.g. Narver et al., 2004; Tsai et al., 2008). Thus, it seems that proactivity is in some way involved in improving the effectiveness of firms' market strategies, thereby enabling them to improve their value-creation. By applying proactivity to the concept of market strategy, it is possible to study this relationship between proactivity and the creation of customer value, allowing for a better understanding of the role of proactivity in shaping market strategies. By studying the proactive market strategies that arise as firms use proactivity to improve their value creation, it is possible to understand how proactivity can help improve firm success.

## 1.3 Research purpose and research questions

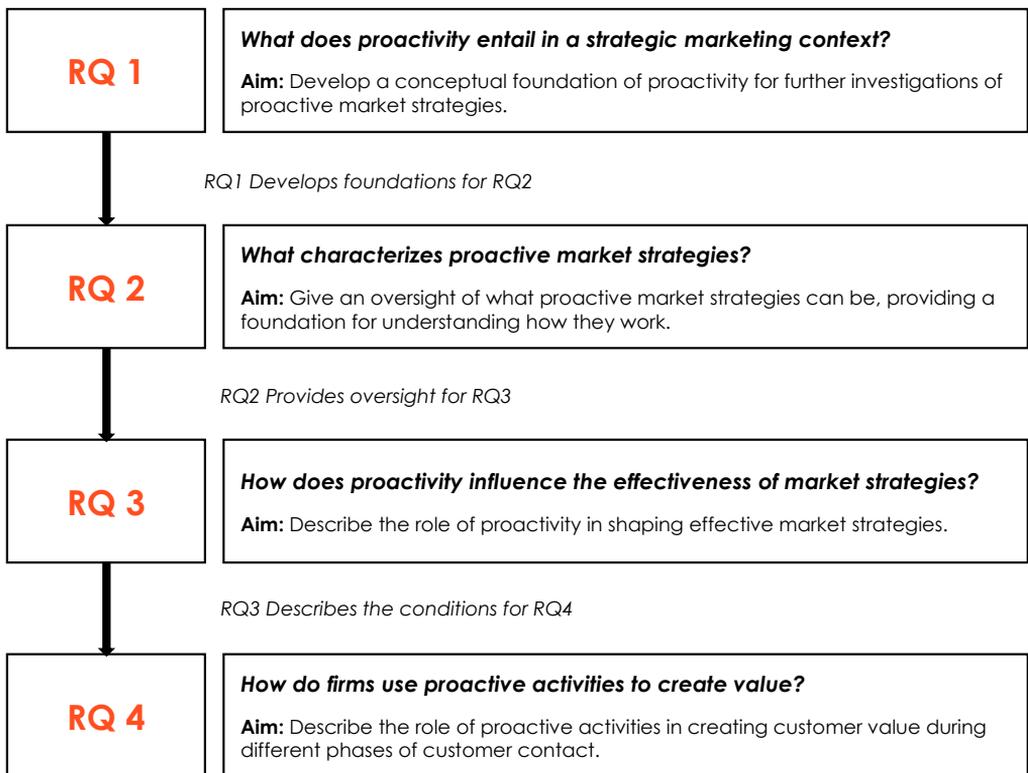
As demonstrated above, there is both relevance in considering market strategy as a distinct concept within strategic marketing and a need for greater understanding of the role of proactivity in shaping market strategy in firms. Furthering this field will, however, necessitate more research into proactive market strategies. Proactivity is used as a concept in strategic marketing research, but often only in narrow contexts and without a clear definition of what it would entail if applied to a broader set of market-strategic issues. Understanding how to define proactivity is an important first step towards understanding its role in influencing value-creation, and a step that must be taken before we can begin to consider proactive market strategies as a whole.

There have also been many calls over the years for marketing research that is more relevant to practitioners (e.g. Reibstein et al., 2009; Kumar, 2018; Steenkamp, 2018). One of the main arguments in many of these calls for increased managerial relevance is for the need for more strategic marketing research dealing with topics that managers struggle with (e.g. Day, 1992; Reibstein et al., 2009; Varadarajan, 1992; 2019). Based on the many discussions with managers I have had as part of this dissertation, I can attest that market strategies and proactivity are perceived as topics of great interest and are considered highly relevant. Furthermore, managers also express uncertainty regarding how to be proactive and how to adapt market strategies to different market situations. Research that can improve our understanding of how to become proactive and how proactivity can enable firms to craft more effective market strategies would not only address research gaps in the strategic marketing literature, but also provide useful tools for managers in guiding their firms.

In line with the above, the overarching aim of my research is to understand the role of proactivity in shaping market strategy and enabling firms to create superior value, topics which I consider to be of both high academic interest and managerial relevance. Based on this, the purpose of this doctoral dissertation is as follows:

*This dissertation aims to increase our understanding of how proactivity can shape market strategy.*

In order to aid the study, the purpose has been broken down into four research questions, which are outlined in Figure 1 and will be discussed in more detail below. Since there is much that is unclear and unknown about proactivity in general and proactive market strategies in particular, my intent is to start with broader, more exploratory questions (RQ1 and RQ2), which are then followed by more explanatorily focused questions aimed at gaining a deeper understanding of proactive market strategies (RQ3 and RQ4). The questions have thus been developed to build on each other, delving deeper into proactive market strategies and the role of proactivity in shaping market strategy.



*Figure 1: Overview of research questions*

### **RQ 1: What does proactivity entail in a strategic marketing context?**

This first research question is aimed at proactivity itself. One of the main hurdles for further research into proactive market strategies is the lack of a clear definition of what the concept entails in a strategic marketing context. Answering this question will provide a conceptual foundation that is useful for a continued investigation of proactive market strategies. While proactivity has been a relatively popular concept in strategic marketing, such as in the market orientation literature (e.g. Narver et al., 2004), it has undergone little to no conceptual development. In other contexts, there are definitions of proactive behavior as a behavior focused on avoiding passively waiting and instead seizing the initiative to achieve goals (e.g. Crant, 2000; Frese & Fay, 2001; Grant & Ashford, 2008), but this definition has never been extended and translated to marketing.

### **RQ 2: What characterizes proactive market strategies?**

Research into proactive market orientation (e.g. Narver et al., 2004; Atuahene-Gima et al., 2005; Herhausen, 2016) and market shaping (e.g. Elg et al., 2012; Kindström et al., 2019; Nenonen et al., 2019) provides insight into how particular market strategies with apparent proactive characteristics work. However, there is a lack of studies looking beyond these particular examples and towards a more general description of what proactive market strategies can be. In order to understand the different ways in which proactivity can shape market strategies, it is first necessary to establish a clearer concept of what proactive market strategies actually are. This research question is aimed at understanding what proactive market strategies can be by providing an oversight of different types of market strategies and how proactivity is involved in shaping them. By looking at different proactive market strategies, it is possible to understand what characterizes them, thus providing a foundation for further research into the effects of proactivity on market strategy.

### **RQ 3: How does proactivity influence the effectiveness of market strategies?**

The literature on proactive market orientation suggests that proactivity enables firms to improve their value-creation (e.g. Narver et al., 2004; Tsai et al., 2008; Blocker et al., 2011; Herhausen, 2016). However, beyond the standard configuration of proactive market orientation – customer orientation and competitor orientation focused on identifying and satisfying the latent needs of customers (Narver et al., 2004) – it is unclear how proactivity influences the effectiveness of market strategies, and it is not clear how proactivity actually helps bring about this effect. By looking at different types of market strategies – proactive and non-proactive – in different types of market environments, it is possible to gain a better understanding of how proactivity itself helps influence the market strategies of firms and what is important for those strategies to be effective.

#### **RQ 4: How do firms use proactive activities to create value?**

Just as many scholars call for more research on how firms can implement a market orientation (e.g. Kennedy et al., 2005; Beverland & Lindgreen, 2007; van Raaij & Stoelhorst, 2008), there is a need to study how firms can adopt proactive market strategies. In order to understand how individual activities aggregate into effective market strategies and how firms can become more proactive, it is necessary to investigate the proactive activities that firms perform as part of their proactive market strategies. Through these activities, it not only becomes possible to understand how proactive firms create value for customers, but also possible to provide concrete guidance for firms seeking to become more proactive.

## **1.4 Contributions of the papers to answering the research questions**

This dissertation contains four appended papers that help answer the four research questions posed above, and thus also meet its purpose. The individual contributions of the papers in answering the research questions are presented in Table 1 below. This is then followed by a short introduction to each paper, containing an overview of its main subject, research design, and key contributions.

*Table 1: Individual contributions of the papers to answering the research purpose*

<b>Paper</b>	<b>Subject</b>	<b>Design</b>	<b>Key contribution(s)</b>	<b>Links to RQs</b>
<b>Paper I</b>	Proactivity and responsiveness in market strategy	Conceptual typology	- A working definition of proactivity in the strategic marketing context - A typology of different types of market strategies	<b>RQ1</b> RQ2
<b>Paper II</b>	Types of proactive market strategies	Qualitative multiple case study	- Three generic proactive market strategies that represent archetypal ways of proactively managing the market - The insight that proactive market strategies involve integrated activities driven by multiple strategic orientations	<b>RQ2</b> RQ4
<b>Paper III</b>	The performance impact of proactivity	Fuzzy-set qualitative comparative analysis	- Two proactive market strategies that are linked to high performance - A construct for measuring proactivity	<b>RQ3</b> RQ1
<b>Paper IV</b>	Investigation of the activities involved in proactive market strategies	Qualitative multiple case study	- A framework of which types of activities are used to create value during which stages of customer contact	<b>RQ4</b> RQ2

As can be seen in Table 1 above, while each paper is primarily focused on answering one research question (shown in bold in the '*Links to RQs*' column in the table), most papers help to answer multiple questions. Since the research questions cut across multiple papers, the answer to each is based on a synthesization of the findings from several studies involved with the dissertation work. Each paper provides some of the answers to the purpose of the dissertation, meaning that the objective of this cover (*kappa*) is to put together these pieces and discuss proactive market strategies and proactivity in more depth than the limited space of a journal paper allows. With this added synthesization of my research findings, this dissertation can become more than just a collection of papers and provide an additional contribution through its more in-depth investigation of proactivity and proactive market strategies.

**Paper I** is a conceptual paper focused on developing two of the key theoretical frameworks used in this dissertation: a definition of proactivity in the strategic marketing context and an activity-based perspective on market strategies. It provides a definition of proactivity based on three proactive characteristics, and introduces the concept of a value-creation logic that influences firms in their attempts to create customer value. This results in a conceptual typology of four archetypal market strategies, based on the different value-creation logics that give rise to them.

This paper is primarily focused on answering RQ1, both by providing a more nuanced view of what proactivity can be in a marketing context and through the definition and its associated proactive characteristics. Furthermore, the paper also touches upon the uses of proactive market strategies, which represent a subset of the market strategies in the typology, thus also contributing to answering RQ2. My role in the paper, which was co-authored by Daniel Kindström, was to lead the development work and writing, including creating the initial idea, developing the conceptual framework, and writing most of the paper.

**Paper II** is an empirical paper based around a case study of five proactive firms and focused on developing the concept of a proactive market strategy. The paper investigates the proactive activities of the case firms and characterizes the firms' use of proactivity through proactivity profiles, which highlight the areas in which each firm focuses its proactive efforts. These are then studied to arrive at three generic proactive market strategies, which serve to both describe what a proactive market strategy is and exemplify the types of generic approach to proactive value creation.

This paper focuses on exploring what proactive market strategies are and how firms use them, touching primarily on RQ2. Since the paper's study of proactive market strategies is based on a study of the proactive activities that the case firms perform, the paper also helps move towards an answer to RQ4. My role in the paper, which was co-authored by Daniel Kindström, was to lead the development work and writing, including

creating the initial idea, developing the conceptual framework, collecting most empirical data, leading the data analysis, and writing most of the paper.

**Paper III** is an empirical paper based around a fuzzy-set qualitative comparative analysis (fsQCA) – a set-theoretic method of analyzing configurations of factors and their effect on a particular outcome – of a number of Swedish SMEs. The paper is aimed at investigating which configurations of market strategy, proactivity and market environment can be consistently linked to high market-strategic effectiveness.

These configurations help us to understand the role of proactivity in enabling market strategies to be effective, making a strong contribution to an answer to RQ3. Furthermore, in working to develop a way to measure proactivity as a condition for the fsQCA analysis, the paper also furthers the work on a definition of proactivity, helping elaborate the answer to RQ1. My role in the paper, which was co-authored by Daniel Kindström, was to lead the development work and writing, including creating the initial idea, developing the conceptual framework, collecting most empirical data, leading the data analysis, and writing most of the paper.

**Paper IV** is an empirical paper based on an in-depth case study of a proactive and a non-proactive firm, aimed at comparing the activities proactive firms perform to enable customers to create value-in-use as opposed to what non-proactive firms do. The paper finds that proactive firms are more active in studying the needs of customers, and that they perform more activities aimed at preparing market offerings that match customer needs and activities aimed at enabling customers to create value on their own.

This paper is mostly focused on answering RQ4, since it focuses on the activities proactive firms use to create value for customers. However, since it also investigates how the proactive market strategy of a firm creates customer value, it also touches upon RQ2. I wrote this paper independently, conceiving the initial idea myself and carrying out all the work involved in developing the theoretical framework, collecting empirical data and writing the paper.

## 1.5 Outline of this dissertation

The rest of this doctoral dissertation will be structured as follows:

- In **Chapter 2**, I will present the theoretical framework that the dissertation uses as a foundation, including the conceptual developments I have undertaken as part of the research.
- In **Chapter 3**, I will present the methodology used in the dissertation work, including my view on the philosophy of science, the research design, and analytical techniques. I will discuss the validity and reliability of the study, and will describe the relevant ethical considerations.
- In **Chapter 4**, I will briefly summarize the four appended papers.
- In **Chapter 5**, I will discuss proactivity and proactive market strategy based on the findings from the appended papers. This will be both a continuation of the discussions from each paper and a synthesis of their findings, resulting in a holistic discussion of proactive market strategies, structured around the four research questions above.
- Finally, in **Chapter 6**, I will present the conclusions of the study, including a summary of the key findings, an overview of the main theoretical contributions of the dissertation, directions for future research, and managerial implications.

## 2 Conceptual Framework

While there are numerous studies in the strategic marketing literature that touch upon the concept of proactivity, few make explicit use of the concept in a structured way, even fewer clarify what proactivity means in their research, and none provide a holistic overview of proactivity in market strategy, i.e. proactive market strategies. The aim of my doctoral research is to understand proactive market strategies, but this is a term that never has been satisfactorily defined in the marketing literature. Thus, before any further studies can be made, be they broader explorations of the use of proactivity in market strategies or deeper investigations into the role of proactive activities in shaping the effectiveness of proactive market strategies, there are a number of key conceptual developments that must be addressed.

This chapter will detail the conceptual framework that lays the foundation for my research into proactivity and market strategy, starting with an overview of the theoretical foundations for my work. This is then followed by conceptual developments of what I deem to be the three key areas for further investigations of proactive market strategies: (1) a working definition of proactivity, (2) a framework for understanding market strategies, and (3) a conceptualization of proactive market strategies themselves.

## 2.1 Theoretical foundations

This first section of the conceptual framework will focus on the theoretical foundations of this dissertation work. As previously mentioned, my research has required conceptual development around the key concepts of proactivity and market strategy, which were previously lacking in conceptual refinement. However, before describing these developments, I find it pertinent to lay out their theoretical foundations in greater detail. These are the theoretical areas that I have used as the basis for all of my conceptual work, and, while they may not all be explicitly mentioned in the conceptualizations, they have influenced my work and this research to a great extent.

### 2.1.1 The marketing concept and creating customer value

At the core of my view of the marketing discipline as a whole and what our role as marketing scholars should be focused on is the marketing concept. In somewhat simplified terms, the marketing concept refers to the basic business principle that a firm achieves success by consistently providing customers with customer value that is superior to that of the competition (e.g. Kotler, 1972; McNamara, 1972; Lusch & Laczniak, 1987). The core of this principle is the idea that if a firm can offer value propositions that create superior value for customers, they will preferentially engage in business transactions with that firm, giving it a competitive advantage that enables it to achieve superior business performance. Creating value for customers is thus not a purely altruistic act, but is rather based on the realization that in order to gain value, the firm must also provide value. Kotler (1972, p. 50) describes this mind-set thus: “*The marketer is attempting to get value from the market through offering value to it.*”

Such a concept may sound simple, but it is not very clear from the marketing principle itself how firms should go about achieving this. Fortunately, the marketing literature offers some answers. Since the early days of marketing, the proposal has been to put “*the [customer], not the company, in the middle*” (Keith, 1960, p. 35). By putting great emphasis on its customers and their needs, rather than being solely focused on e.g. efficient manufacturing or technically innovative product development, a firm ensures that its focus is on the aspects of its offerings that provide value for the customers, thus enabling these offerings to provide superior value (Narver & Slater, 1990). This is not to say that other things are not important or valuable, but rather that the customer focus is needed to ensure such activities are focused on improving the aspects of the firm and its offerings that would enhance its ability to provide value for customers, rather than just piquing the interests of engineers or alleviating the cost concerns of managers.

Understanding customer value and how it can be improved is, however, quite a tricky prospect. While there are many potential ways of conceptualizing or measuring customer value, it remains an elusive, ephemeral and, above all, *subjective* phenomenon (e.g. Grönroos & Gummerus, 2014). The archetypal view of value and value creation inherent in the marketing concept is described below in a quotation from Kotler:

*“Value is completely subjective and exists in the eyes of the beholding market. Marketers must understand the market in order to be effective in creating value. This is the essential meaning of the marketing concept.” (Kotler, 1972, p. 50)*

There are a number of important take-aways from this quotation, but key among them are: (1) the emphasis on the customer as the one who determines what is valuable and what is not, and (2) the onus placed on the marketer to understand the needs of the market in order to be able to create value (Kotler, 1972; McNamara, 1972; Narver & Slater, 1990). In a more modern take on essentially the same view of value, Grönroos and Gummerus (2014, p. 207) say that *“value... is uniquely, experientially and contextually perceived and determined by customers”*. This shows that while the conceptualizations of value have become more refined and precise over the decades, the main thrusts are the same. Customers decide what is valuable, and it is thus imperative for firms to understand them in order to create value, which is necessary for high business performance.

### **2.1.2 Strategic marketing and marketing strategy**

The marketing principle defines marketing as a discipline centered around understanding customers and creating market offerings that enable a firm to satisfy customer needs and create superior customer value (e.g. Kotler, 1972; Narver & Slater, 1990). This obviously means that marketing has far-reaching implications for firm strategy. Decisions on which markets to serve, how to segment markets, developing market offerings for different markets and segments, etc. have great impact on the strategic management of the firm. This set of strategic considerations raised by marketing is often referred to as the domain of strategic marketing (Day, 1992; Varadarajan, 1992).

Strategic marketing is thus the field of study concerned with the marketing issues and marketing decisions that have consequences for the strategic management of the firm (Varadarajan, 2010). The domain of strategic marketing concerns can be formally defined as follows:

*“The domain of strategic marketing encompasses the study of organizational, inter-organizational and environmental phenomena concerned with (1) the behavior of organizations in the marketplace in their interactions with consumers, customers, competitors and other external constituencies, in the context of the creation, communication and delivery of products that offer value to customers in exchanges with organizations, and (2) the general management responsibilities associated with the boundary spanning role of the marketing function in organizations.” (Varadarajan, 2010, p. 126)*

As a domain, strategic marketing thus refers to a broad range of issues that originate from the marketing concept and are of strategic interest. It does not, however, cover how firms manage these strategic issues in their strategies (Varadarajan, 2010). This is instead the focus of marketing strategy, which is the main construct for studying how firms engage with strategic marketing in practice (Varadarajan & Clark, 1994; Varadarajan & Jayachandran, 1999). Marketing strategy can be formally defined as follows:

*“Marketing strategy refers to an organization’s integrated pattern of decisions that specify its crucial choices concerning markets to serve and market segments to target, marketing activities to perform and the manner of performance of these activities, and the allocation of marketing resources among markets, market segments and marketing activities toward the creation, communication and/or delivery of a product that offers value to customers in exchanges with the organization and thereby enables the organization to achieve specific objectives.” (Varadarajan, 2010, p. 128)*

In summary, strategic marketing refers to the broader set of strategic considerations associated with marketing activities, while marketing strategy refers to the creation and execution of organizational strategy which enables a firm to manage these considerations (Day, 1992; Varadarajan & Clark, 1994; Varadarajan & Jayachandran, 1999; Varadarajan, 1992, 2010).

### **2.1.3 Market orientation**

Market orientation refers to the implementation of the market concept in a firm, meaning that a market-oriented firm is one that has embraced the principle that superior business performance is achieved by consistently providing customers with superior value (e.g. Kohli & Jaworski, 1990; Narver & Slater, 1990). As such, it is one of the most important concepts in strategic marketing, if not outright the most important one, and also represents “...the foundation of high-quality marketing practice” (Kohli, Jaworski & Kumar, 1993, p. 467).

The term 'market-oriented' was originally coined to describe those firms that followed the marketing concept and were more focused on understanding customers than improving production efficiency or other operational concerns (Shapiro, 1988). While the term had been used in the 1980s and literature from even earlier clearly broached the same subject, the vast stream of research on market orientation began with the two seminal papers published in the February 1990 issue of *Journal of Marketing* (Narver & Slater, 1990; Kohli & Jaworski, 1990). Both papers share an overarching idea of what the core of market orientation is, and that it is the foundation of high firm performance. There is no doubt that the two papers look at the same phenomenon when they describe market orientation (Matsuno, Mentzer & Rentz, 2005). However, they differ in their ways of describing market orientation, which has led to different ways of looking at the same concept.

This section on market orientation will start by expanding upon the two core conceptualizations of market orientation, before detailing the relationship between market orientation and performance. Thereafter, the development of the construct into proactive and responsive market orientation will be described. Finally, the more recent development of an ambidexterity view of market orientation will be discussed.

As previously mentioned, there are different ways of conceptualizing market orientation. Even in the February 1990 issue of *Journal of Marketing* in which the concept was popularized, there were two papers presenting distinct approaches to how to view market orientation. These perspectives were: (1) viewing it as an aspect of the organizational culture in a firm, wherein the firm has a culture that drives it towards satisfying customers (Narver & Slater, 1990; Matsuno, Mentzer & Rentz, 2005), or (2) viewing it as an organizational conduct, wherein the firm performs certain customer-centered activities (Kohli & Jaworski, 1990; Matsuno et al., 2005).

**Market orientation as an organizational culture.** Narver and Slater (1990) argue that market orientation is best perceived as an organizational culture, one wherein a firm is committed to offering and providing superior value for its customers. As a culture, market orientation is not connected to any particular set of activities, but rather represents an all-pervasive focus on customer-centric value-creation that can be seen in all of the firm's activities (Narver & Slater, 1990; Gatignon & Xuereb, 1997). This means market orientation arises from the set of values embedded in a firm and which drives its strategies (Noble et al., 2002). For a firm to be market-oriented, these driving values must include two areas, viewed as strategic orientations: (1) a customer orientation – i.e. the idea that firms become successful by focusing on their customers (e.g. Deshpandé, Farley & Webster, 1993) – and (2) a competitor orientation – i.e. the idea that firms must focus on their competitors to ensure they can satisfy customers better than the competition can (e.g. Armstrong & Collopy, 1996). These two strategic orientations guide a market-oriented firm in its strategy-making processes (Noble, Sinha & Kumar, 2002), enabling it to

maintain a comprehensive focus on creating customer value. However, as strategic orientations, they are subordinate to market orientation itself, and the reason I refer to them as such is that they are seen as lower level of focus for firms that market orientation. If used simultaneously, they offer more benefits than they would separately, but that combination is not enough to for a firm gain the full benefits of a market orientation (Narver & Slater, 1990).

For a firm to truly be market-oriented (in the cultural view), it is not enough to be customer-oriented and competitor-oriented, it also needs what is referred to as an inter-functional coordination, which can enable the divisions of the firm to simultaneously identify and consider customer needs as well as competitor activities, and to guide the activities in the firm towards the creation of customer value (Narver & Slater, 1990). In this way, inter-functional coordination can be seen as a type of organizational capability, rather than a third type of subordinate strategic orientation (Gatignon & Xuereb, 1997; Noble et al., 2002). By enabling a market-oriented firm to achieve the full potential benefit of its customer orientation and competitor orientation, inter-functional coordination represents the capability a firm needs in order to make the most of these strategic impetuses (Gatignon & Xuereb, 1997; Noble et al., 2002). The most important aspect of an inter-functional coordination is the ability to bring together disparate parts of a firm and coordinate value-creating activities towards the common goal of creating value for customers.

In summary, the cultural view of market orientation is based in the idea that a market-oriented firm is market-oriented because it is driven by a customer and competitor-focused culture, which permeates the various activities of the firm and drives it towards creating value for customers (Narver & Slater, 1990; Gatignon & Xuereb, 1997).

**Market orientation as a set of activities.** Kohli and Jaworski (1990) take a different perspective and instead view market-orientation as a set of activities that enables a firm to implement the marketing concept in its organization. Thus, a firm “... *whose actions are consistent with the marketing concept*” (Kohli & Jaworski, 1990, p. 1) is market-oriented, regardless of cultural aspects (cf. Narver & Slater, 1990). Specifically, they postulate a set of three types of activities that enable firms to become market-oriented: (1) the generation of market intelligence, (2) the dissemination of that intelligence in the firm, and (3) using that intelligence to make a response. The argument is that for a firm to implement the marketing concept - i.e. realizing that superior business performance stems from providing superior customer value (Kotler, 1972; Kohli & Jaworski, 1990) - it must collect information about the market environment it competes in, including e.g. customer needs, the actions of competitors, etc., ensure that all parts of the firm have understood this, and then act on that information (Kohli & Jaworski, 1990).

By focusing on activities instead of more abstract drivers, this conceptualization of market orientation is more clearly focused on *what* a firm does, rather than *why* it does that (Matsumo et al., 2005).

**An integrated perspective.** Before continuing, there are some important criticisms of both perspectives to consider. For example, Kohli, Jaworski and Kumar (1993) argue that the cultural view on market orientation puts too much emphasis on customers and competitors and does not properly consider the broader range of important market signals. However, there is criticism against the activity perspective of market orientation as well. For example, it is argued that collecting, disseminating, and responding to market intelligence does not necessarily lead to increased creation of customer value if the firm does not have a culture that values its customers (Pelham, 1997; Matsumo et al., 2005).

While the two perspectives on market orientation are obviously rather different, and at times opposed to each other, they are not irreconcilable. In the views of Matsumo et al. (2005), they should rather be seen as complementary, in that one is unlikely to exist, or at least provide any significant benefits, without the other. Just as it is unlikely for a firm to be able to perform the market-oriented set of activities proposed by Kohli and Jaworski (1990) without a culture that is focused on customers and competitors, it is unlikely for such a culture, as proposed by Narver and Slater (1990) to give any tangible benefits to the firm without giving rise to similar activities. Thus, a market-oriented culture can be viewed as an antecedent to market-oriented activities, as seen in Figure 2 below (Matsumo et al., 2005).

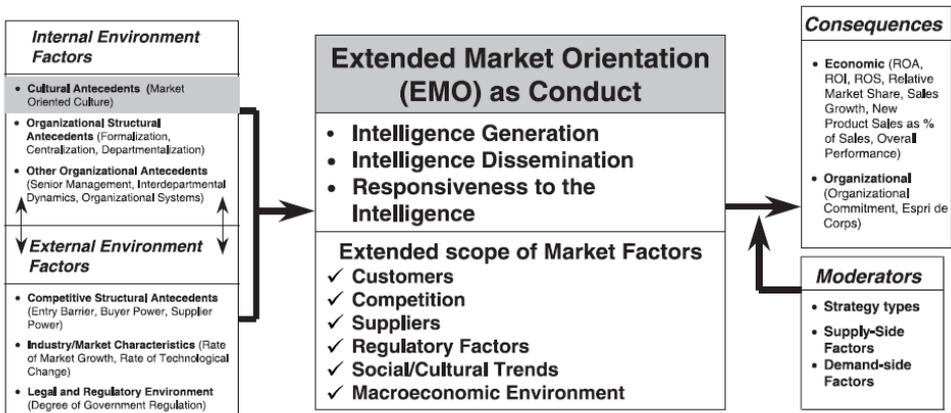


Figure 2: An integration of market orientation perspectives

While this perspective offers a way to integrate the cultural and the activity-based conceptualizations of market orientation – in what is referred to as extended market orientation (Matsuno et al., 2005) – most studies using market orientation continue to use one or the other of the major perspectives (Liao et al., 2011). The most important thing to consider from the integration of market orientation as culture and as activities is that both perspectives are compatible, and that it thus is possible to use studies using either perspective together as long as the different concepts are kept in mind.

### **Market orientation and performance**

One of the most well-studied links in the marketing literature is that between market orientation and firm performance (see Liao et al., 2011, for a literature review of performance-focused market orientation research). While many different performance metrics have been studied, e.g. firm profitability, firm growth, firm innovativeness, etc., a large majority of studies find a positive link between market orientation and firm performance (e.g. Narver & Slater, 1990; Jaworski & Kohli, 1993; Slater & Narver, 1994; Han, Kim & Srivastava, 1998; Matsuno & Mentzer, 2000; Kirca, Jayachandran & Bearden, 2005; Morgan, Vorhies & Mason, 2009; Kumar et al., 2011; Frambach, 2016). This shows why even a well-established and mature concept like market orientation still is the focus of much continued research: there is a well-established link between it and superior firm performance (Liao et al., 2011; Kumar et al., 2011).

Interestingly, the exact nature of this relationship seems to be changing over time. As found by e.g. Kumar et al. (2011) and Frösén et al. (2016), market orientation does not bring the same type of performance benefits found in earlier studies. While market-oriented firms still enjoy superior growth and profitability compared to non-market-oriented competitors, the relative benefit has decreased compared to the 1990s (Kumar et al., 2011). This is attributed to the increasing number of market-oriented firms active in modern markets; if most firms already are market-oriented, it naturally becomes increasingly more difficult to gain an advantage from being market-oriented (Kumar et al., 2011). Instead, it is the firms that are not market-oriented that suffer difficulties in competing. This change in the effect of market orientation is also found by Frösén et al. (2016), who find that market orientation has turned from a sufficient condition for high performance into a necessary but not sufficient one. This means high-performing firms are likely to be market-oriented, but market-oriented firms are not necessarily successful (Frösén & Tikkanen, 2016; Frösén et al., 2016).

Thus, firms that strive to gain the performance benefits enabled by being market-oriented can no longer simply focus on implementing a market orientation. In a market environment where market orientation is characterized as necessary but not sufficient for firm success, it is more important than ever for firm to become market-oriented. Instead, they must develop a way of being market-oriented that fits them and their circumstances (Kumar et al., 2011).

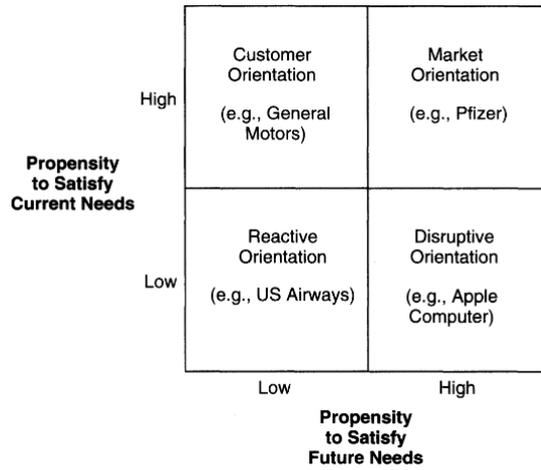
## Proactive and responsive market orientation

To better understand how firms can develop ways of being market-oriented that fit them, it is necessary to look more closely at the conceptualization of market orientation itself again. One of the key criticisms of market orientation as a concept is that it turns firms into unimaginative followers who can only do what their customers tell them, thus stymieing their innovativeness (e.g. Christensen & Bower, 1996; Berthon, Hubert & Pitt, 1999). In response to this criticism, market orientation scholars argue against this follower behavior and make a distinction between being customer-led and customer-leading (Slater & Narver, 1998). There is thus a type of reactive firm that is being led by its customers, which resembles the criticism by e.g. Christensen and Bower (1996), and a more proactive, properly market-oriented firm that leads its customers instead (Slater & Narver, 1998; Kumar, Scheer & Kotler, 2000).

From this distinction sprung a major re-conceptualization of market orientation. By conceiving market orientation as not a single construct, but rather a combination of two different ones, responsive market orientation and proactive market orientation, both of these behaviors could be explained as different ways of being market-oriented (Narver et al., 2004; Atuahene-Gima et al., 2005). From this perspective, market orientation has two behavioral dimensions, proactivity and responsiveness, which determine how a firm goes about trying to create value for customers. Responsive market orientation is used to describe the more customer-led type of market-oriented behavior, which is characterized by a focus on identifying and satisfying the expressed needs of customers, typically using the types of solutions the customer is already aware of (Narver et al., 2004). Proactive market orientation, on the other hand, refers to the more customer-leading type of market-oriented firms, who focus more on identifying and satisfying the latent needs of customers (i.e. the needs the customers were unaware of having), often using latent solutions (i.e. solutions the customers were not aware of) (Narver et al., 2004). Thus, by tapping into proactivity, market-oriented firms can become more innovative (Li, Lin & Chu, 2008; Aspara & Tikkanen, 2013).

The initial paper by Narver et al. (2004) which established proactive and responsive market orientation as concepts conceived them as mutually exclusive, but subsequent research has shown that they are complementary dimensions to the market orientation construct (e.g. Atuahene-Gima et al., 2005; Olson & Slater, 2005). While some research has indicated that using both types of market orientation in combination has detrimental effects on firm performance (e.g. Atuahene-Gima et al., 2005; Aspara & Tikkanen, 2013), more studies have found benefits from having a more ambidextrous type of market orientation (e.g. Tsai et al., 2008; Li et al., 2008; Zhang & Duan, 2010; Blocker et al., 2011; Bodlaj, Coenders & Zabkar, 2012; Lamore, Berkowitz & Farrington, 2013; Tan & Liu, 2014; Herhausen, 2016).

This idea of an ambidextrous approach is important for firms seeking to gain the benefits of market orientation. Herhausen (2016) finds that firms benefit from maintaining a balance between responsive and proactive market orientation, and that this benefit increases if the balance is kept at a higher level of market orientation. Ketchen, Hult and Slater (2007) argue that it is only through an ambidextrous approach to market orientation that a firm can truly be said to be fully market-oriented, as seen in Figure 3 below.



*Figure 3: Four approaches to current and future customer needs*

While the potential benefits of an ambidextrous market orientation, combining high levels of proactivity and responsiveness, are large, there are also high costs associated with developing such a market orientation (Atuahene-Gima et al., 2005; Herhausen, 2016). As they strive to develop a market orientation that fits them, firms must thus also consider how to invest in proactivity and responsiveness without incurring more costs than the benefits they gain.

## 2.2 Conceptualizing proactivity in a strategic marketing context

The first piece of new conceptual development for this dissertation work concerns proactivity itself. As previously mentioned, it is a relatively popular term in management and marketing literature, both for academics and for practitioners, but unfortunately this popularity has not translated into much conceptual work aimed at further defining what proactivity entails. For continued studies of proactive market strategies, it is first necessary to become clearer about what proactivity actually is, otherwise the whole concept of proactive market strategy becomes unclear.

### 2.2.1 An overview of previous research on proactivity in the strategic marketing field

While I criticize the strategic marketing field for not defining proactivity in a clear and holistic way, there are many areas of research that touch upon proactivity and use it in different ways.

**Proactive market orientation.** In the field of proactive market strategy, which has been more extensively described above, the focus of proactive action is on finding the latent needs of customers and developing latent solutions to articulated needs (Narver et al., 2004; Herhausen, 2016). This view of proactivity focuses on how firms can gain a deeper understanding of customer needs and thus also become better prepared to offer them value-creating solutions (Atuahene-Gima et al., 2005). Proactivity is thus tightly linked with firms taking action on beforehand to be better prepared to perform necessary activities.

However, the view of proactivity presented in the literature on proactive market orientation is limited to understanding its effect on customer-oriented activities, as well as lacking in nuance. It is not possible to gain a holistic understanding of the role of proactivity when proactivity only is linked to a subset of the possible activities a firm performs in its market strategies. Furthermore, this viewpoint does not address questions such as whether there are multiple, different ways of being proactive.

**Market driving.** The market driving literature is a precursor to the development of proactive market orientation (Narver et al., 2004; Slater & Narver, 1998), but one of the key proactive characteristics of a market driving strategy is not as clearly present in the market orientation literature. This is the emphasis on firms to educate customers and change their behavior in ways that both fit the firm better and that enable better value creation (Kumar, Scheer & Kotler, 2000; Kumar, 1997; Tuominen, Rajala & Möller, 2004). Thus, beyond the concept of proactively creating value through satisfying the latent needs of customers, the market driving literature posits that firms should take a more proactive role in shaping the behavior of customers towards more beneficial positions.

However, just as with the literature on proactive market orientation, the market driving literature is very focused on customer-oriented activities and does thus not provide a sufficiently holistic perspective on proactivity in a strategic marketing context.

**First-mover advantage.** The literature on first-mover advantage presents proactivity as a means to gain competitive advantage by being the first to do something new on a market (Lieberman & Montgomery, 1988; Kerin et al., 1992). By being the first to e.g. offer a new, innovative type of offering on a market, a firm has the opportunity to establish customer expectations, entrench its position, and use its more advanced knowledge of the technology behind the innovation to gain a competitive advantage (Lieberman & Montgomery, 1988; Varadarajan, Yadav & Shankar, 2007).

This view of proactivity addresses the advantages firms can gain by being proactive and launching new offerings before competitors, but this does little to help understand the role proactivity can play in market strategies for firms on established markets. Moreover, the literature on second-mover advantage or first-mover disadvantage (e.g. Hoppe, 2000) shows that this does not necessarily provide a consistent way for firms to use proactivity to gain market-strategic effectiveness. Thus, while giving an interesting insight on the role of proactivity in creating advantage and seizing opportunities, first-mover advantage cannot provide a more holistic perspective on the role of proactivity in market strategy.

**Market shaping.** In the market shaping literature, proactivity is used to enable firms to shape markets in broader ways than the first-mover advantage or market driving literature conceives (Elg et al., 2012; Storbacka & Nenonen, 2015). Through proactively influencing different market actors, a firm using a market shaping strategy can change the structure of the market towards more beneficial configurations (Kindström et al., 2018; Nenonen et al., 2019). This view of proactivity adds many layers to the behavior; there is both the acting on beforehand, similar to what is seen in first-mover advantage, and the change that is driven seen in market-driving.

While this is the most comprehensive and nuanced take on proactivity of these examples, it still only represents a single application of proactivity in market strategy. As seen with the above examples, proactivity can be used in many different ways, not only to shape markets. Furthermore, we gain no further insight into proactivity itself, and if there are multiple ways of being proactive or not.

## 2.2.2 Proactivity in the organizational behavior literature

Organizational behavior is a field of research focused on the behavior of people in organizational settings (Moorhead & Griffin, 1995). From this type of perspective, proactive behavior represents a highly motivated type of behavior exhibited by individuals in organizations (Grant & Ashford, 2008). While this context is quite different from the market-strategic, firm-centric context of interest in this dissertation, there are many similarities between the ways proactivity is expressed. In the organizational behavior field,

proactivity has primarily been studied through two relatively separate streams of research: proactive personality (e.g. Bateman & Crant, 1993; Crant, 2000), which has been most popular in the US, and personal initiative (e.g. Frese et al., 1996; Frese & Fay, 2001), which has been more popular among European researchers (Grant & Ashford, 2008).

**Proactive personality.** In the stream of proactive personality, proactivity is initially defined as “...*the relatively stable tendency to effect environmental change*” (Bateman & Crant, 1993, p. 103). This definition introduces the important concept of driving change as an integral part of proactive behavior but is otherwise relatively short and leaves much to be said. One of the main issues with this definition is that change often is an outcome of proactive behavior rather than a behavioral characteristic itself, making the definitions hard to use to identify proactivity in a particular behavior (Crant, 2000). Crant (2000, p. 436) refine the prior definition of proactivity as “*taking initiative in improving current circumstances or creating new ones; it involves challenging the status quo rather than passively adapting to present conditions*”. To further explain, he offers that “*proactive people actively seek information and opportunities for improving things; they don’t passively wait for information and opportunities to come to them*” (Crant, 2000, p. 437).

By defining proactivity in this way, Crant (2000) highlights two important aspects that were absent in the earlier definition: (1) proactivity entails initiative-taking, and (2) proactivity is about creating future opportunities. This means proactivity is not only about effecting some form of change, but about perceiving a way in which the future situation could be better than the present, and then taking the action necessary to bring about the change that can create this future (Bateman & Crant, 1993; Crant, 2000; Grant & Ashford, 2008).

Thus, proactivity, from the perspective of the proactive personality field, is behavior focused on taking the initiative rather than waiting, looking towards the future rather than being stuck in the present, and driving change rather than supporting the status quo (Bateman & Crant, 1993; Crant, 2000; Parker, Williams & Turner, 2006; Parker, Bindl & Strauss, 2010).

**Personal initiative.** Frese et al. (1996, p. 38) define personal initiative as “...*characterized by the following aspects: it (1) is consistent with the organization’s mission, (2) has a long-term focus, (3) is goal-directed and action-oriented, (4) is persistent in the face of barriers and setbacks, and (5) is self-starting and proactive*”. While proactivity is considered part of personal initiative in this definition, it is also correct to view personal initiative as a proactive behavior (Grant & Ashford, 2008). Frese and Fay (2001, p. 134) go on to state that “*[o]ne consequence of such an active approach is that the environment is changed*”, further capturing the integral aspect of driving change to proactive behavior. The condition that proactive behavior should have a long-term focus adds emphasis to the notion that anticipatory action is an important part of proactive behavior (Frese et al., 1996; Grant & Ashford, 2008).

In summary, from the perspective of the personal initiative field, proactive behavior is focused on having a long time-horizon and working towards a future goal rather than short-term actions, taking the initiative and working through or around problems rather than waiting for things to improve on their own, and changing things to achieve goals rather than adhering to the status quo (Frese et al., 1996; Frese & Fay, 2001; Grant & Ashford, 2008).

**A combined view.** By looking at the above, it is possible to see many common threads between proactive personality and personal initiative. Proactivity is about looking towards and anticipating the future, taking the initiative, and driving change to achieve specific goals (Bateman & Crant, 1993; Frese et al., 1996; Crant, 2000; Frese & Fay, 2001. Grant and Ashford (2008, p. 8) put additional emphasis on the anticipatory and change-driving nature of proactivity as they define proactive behavior as “*anticipatory action that employees take to impact themselves and/or their environments*”. This definition highlights the idea that proactive behavior is about acting in anticipation of environmental change rather than as a response to it (Frese & Fay, 2001; Grant & Ashford, 2008).

One final important aspect to consider is that proactive behavior must be mindful, i.e. driven by a clear intent (Weick & Roberts, 1993; Chan, 2006). What this means is that proactive behavior should have an intended impact, i.e. be taken with a particular outcome in mind (Crant, 2000; Grant & Ashford, 2008), not just create change for the sake of changing things. By anticipating a future situation in which they are better off and then seizing the initiative and driving the change needed to get there, proactive people find greater success than their more passive or reactive peers (Seibert, Crant & Kraimer, 1999; Crant, 2000; Seibert, Kraimer & Crant, 2001).

### **2.2.3 Expanding proactivity in a marketing context**

While the different descriptions of proactivity as an organizational behavior exhibited by individuals are excellent starting points for a definition of proactivity, it is first necessary to consider how it differs in the firm-centric, market-strategic context. Looking back at the mentions of proactivity in the marketing literature, there are a few ideas that inform how to view firm-centric proactivity.

In relation to what they refer to as proactive, Narver et al. (2004, p. 336) argue that “*[proactivity] is distinguished from another use of proactive in which a business is simply highly energized in attempting to satisfy target customers’ expressed needs. No matter how energetically an organization attempts to satisfy customers’ expressed needs, such behaviors do not comprise proactive market orientation*”. This statement, while focused on proactive market orientation and not proactivity itself, still clearly indicates that proactivity is supposed to be about purposefully identifying ways to change the present situation and driving the change needed to do so.

Furthermore, Narver et al. (2004, p. 335) argue for the need for “... *‘proactivity’ in the anticipatory sense*” in order for firms to make the most of their market orientation, further cementing the central nature of anticipation in proactivity. To support this view, the anticipatory element of proactivity is also found in other firm-centric proactive concepts, such as proactive corporate environmental strategy – wherein a firm voluntarily adapts stricter environmental protection than present regulation demands in order to be better prepared for future tightening of regulations (e.g. Aragón-Correa, 1998; Buysse & Verbeke, 2003; Aragón-Correa & Sharma, 2003) – and proactive corporate social responsibility – a similar concept, focused on the proactive adoption of new social policies before they become mandated or demanded by customers (e.g. Du et al., 2007; Groza et al., 2011).

**Defining proactivity.** Based in the above discussion of proactivity, I arrive at the following definition of proactivity in the market-strategic, firm-centric context:

*In a market-strategic context, proactivity is defined as **being future-oriented, taking the initiative, and driving change.***

The definition has three defining characteristics which signify proactive behavior, marked in bold above, which will now be explained in more detail.

### 1. **Being future-oriented**

Both Frese et al. (1996) and Crant (2000) emphasize the importance of the future for proactive behavior. By anticipating future developments and setting long-term goals, proactive firms set themselves up for future success (Day, 2011; Barton & Wiseman, 2014). Through an awareness of what the future is likely to bring, proactive firms can take action to, for example, adapt to regulation (e.g. Aragón-Correa & Sharma, 2003), satisfy the evolving needs of customers (e.g. Narver et al., 2004) or lead market developments in desired directions (e.g. Nenonen et al., 2019).

The reason I use being future-oriented as a single characteristic instead of dividing it into “setting future goals” and “acting in anticipation” is that the two are so tightly interwound. Since it is the anticipation of a possible future state that drives a proactive firm in setting its long-term goals for how to change the present situation (see e.g. Crant, 2000), the two are in many ways two sides of the same coin. The central aspect is that proactive action is driven by the future, both in that it is taken in anticipation of the future, and that it is guided towards a future goal. Thus, the first characteristic of proactivity is being future-oriented.

## **2. Taking the initiative**

As evident from as well the concept of personal initiative as proactive personality, is the need for proactive action to take the initiative rather than react to some external stimulus (e.g. Frese & Fay, 2001; Crant, 2000). A proactive firm is self-started (Frese et al., 1996) in that it takes action because it has anticipated there is a need to do so, or at least some benefit to doing so, driven by its own internal stimuli instead of reacting to the environment.

This characteristic is also reflected in the marketing literature, where firms should e.g. lead customers and help them understand their latent needs. (Slater & Narver, 1998; Tuominen et al., 2004; Narver et al., 2004). By seizing the initiative instead of waiting for something to happen or reacting to the actions of competitors, proactive firms are enabled to lead developments in favored directions (e.g. Lieberman & Montgomery, 1988) and make the most of their anticipations of the future. Thus, the second characteristic of proactivity is taking the initiative.

## **3. Driving change**

The key aspect of proactivity from the first definition of proactive behavior in the proactive personality literature, and central to the later development of the concept, is the propensity to challenge the status quo and drive change (Bateman & Crant, 1993; Crant, 2000). Just anticipating the future and identifying ways to improve the present situation is not enough to bring success; it is by effecting the necessary change to shift circumstances towards the better that proactive firms create their own success (Frese et al., 1996; Frese & Fay, 2001).

Challenging the status quo and driving change has been identified as important in the marketing literature as well. It is by helping customer find their latent needs and offering latent solutions to needs that a firm with a proactive market orientation becomes successful (Narver et al., 2004) and by embracing the dynamic nature of markets to shape them into favorable configurations that a firm with a market shaping strategy becomes successful (Storbacka & Nenonen, 2016). Thus, the third characteristic of proactivity is driving change.

## 2.3 Conceptualizing market strategies through strategic orientations

As previously mentioned, in this dissertation, I conceptualize market strategies as integrated sets of activities aimed at creating value for customers. By using activities as the basis for market strategy, the concept is more closely linked with the actual implementation of the strategy in reality rather than an abstract plan of which parts will never be realized (Mintzberg & Waters, 1985; Mintzberg, 1987; Okmus, 2001a, 2001b). Furthermore, the activities chosen for a strategy are of key importance in ensuring strategic success (Porter, 1996; Zott & Amit, 2005; Jarzabkowski, 2005), lending further support for this conceptualization.

However, this conceptualization does not make it clear how to understand the activities that make up a market strategy. They should be focused on value-creation in some form, since that is the focus of a market strategy, but otherwise lack categories or classifications. One way to move beyond this predicament is to return to market orientation, and specifically market orientation as a set of activities (Kohli & Jaworski, 1990). Conceived as the activities of collecting market intelligence, disseminating that intelligence through a firm, and responding to it, market orientation seems to be at least part of a market strategy, since these are all activities in some way aimed at improving the customer value a firm can provide to its customers. But, as pointed out by Pelham (1997) and Matsuno et al. (2005), these activities only create value if a firm is focused on its customers; just collecting and responding to intelligence with no desire to please customers is unlikely to result in value-creation. Thus, market orientation as a culture is needed to drive these activities towards value-creation by focusing the firm more closely on customers and competition (Matsuno et al., 2005).

In this view, a strategic focus on customers and competitors drives firm activities towards value-creation by giving them more tangible goals to work towards. This idea can be generalized to the concept of a strategic orientation (e.g. Gatignon & Xuereb, 1997; Noble et al., 2002), which refers to a core thrust in a firm's strategy-making. In the market-strategic context, a strategic orientation then represents an area that a firm focuses on while crafting strategies to create value for customers. Thus, a strategic orientation will drive a firm towards performing certain types of activities as part of their market strategies.

There are three key strategic orientations for driving value creation in market strategies: (1) customer orientation, (2) competition orientation, and (3) innovation orientation (Gatignon & Xuereb, 1997; Olson, Slater & Hult, 2005; Slater, Olson & Hult, 2006; Slater, Hult & Olson, 2007), which will soon be described in more detail. An overview of key market-strategic activities driven by each strategic orientation can also be found in Table 2 below.

### 2.3.1 Customer orientation

The first strategic orientation of the model is customer orientation, defined as the business principle that a firm creates superior value, and thus becomes successful, by focusing on its customers (Narver & Slater, 1990; Deshpandé et al., 1993; Blocker et al., 2011). This means the firm should put the customer at the center, rather than itself (Keith, 1960) and even put the interests of the customer before their own as they strive to improve long-term performance (Deshpandé et al., 1993). As put by Keith (1960, p. 37): “*The company’s purpose was no longer to mill flour, nor to manufacture a wide variety of products, but to satisfy the needs and desires, both actual and potential, of our customers*”.

Customer orientation, as conceived by Narver et al. (2004), has two core aspects: to identify the needs of customers and then to offer solutions to satisfy those needs. These two aspects will be described below, including the differences between responsive and proactive customer-oriented approaches.

#### Identifying customer needs

In order to create value for customers, a firm must first understand what it is that its customers need (Narver & Slater, 1990), which means an important activity focus of any customer-oriented firm is to work to identify the needs of its customers (Deshpandé et al., 1993; Narver et al., 2004). Firms must thus work to collect market intelligence on their customers and disseminate that information throughout the firm (Kohli & Jaworski, 1990; Kumar & Bhagwat, 2010). By ensuring that everyone in the firm is aware of customer needs, they are enabled to focus on the customer’s needs in all firm activities (Kumar & Pansari, 2016).

However, the levels of responsiveness and proactivity in a firm will affect how it goes about identifying the needs of its customers; while a responsive customer-oriented firm will be content to focus on the expressed needs of its customers, a proactive firm will go beyond this and focus on the latent needs of its customers (Slater & Narver, 1998; Narver et al., 2004). Moreover, the needs of customers are not necessarily stable over time (Duncan, 1972) and there are differences in how responsive and proactive firms manage this issue (e.g. Bodlaj et al., 2012). A responsive firm is attentive to changes in the needs customers express and continuously strives to adapt to these changes, while a proactive firm instead anticipates the future evolution of a customer’s needs or any new needs it is likely to have in the future and acts to be prepared to satisfy those needs as well (Narver et al., 2004; Bodlaj et al., 2012).

Table 2: Overview of key market-strategic activities

	<b>Responsive activities</b>	<b>Proactive activities</b>
<b>Customer-oriented</b>	<p><b>IDENTIFYING CUSTOMER NEEDS</b></p> <ul style="list-style-type: none"> <li>- Collecting customer intelligence on the expressed needs of customers</li> <li>- Adapting to changes in customer needs</li> <li>- Disseminating intelligence on customer needs throughout the firm</li> </ul> <p><b>SATISFYING CUSTOMER NEEDS</b></p> <ul style="list-style-type: none"> <li>- Offering solutions that the customer is aware of to satisfy needs</li> </ul>	<p><b>IDENTIFYING CUSTOMER NEEDS</b></p> <ul style="list-style-type: none"> <li>- Collecting customer intelligence to identify latent customer needs</li> <li>- Anticipating the future evolution of customer needs</li> <li>- Disseminating intelligence on customer needs throughout the firm</li> </ul> <p><b>SATISFYING CUSTOMER NEEDS</b></p> <ul style="list-style-type: none"> <li>- Offering latent solutions to satisfy customer needs</li> <li>- Satisfying a broader range of customer needs, including the customers' customers</li> <li>- Engaging with customers to solve problems before they become severe</li> </ul>
<b>Competition-oriented</b>	<p><b>ENGAGING COMPETITORS</b></p> <ul style="list-style-type: none"> <li>- Collecting intelligence on the short-term goals and activities of competitors</li> <li>- Acting to counter the short-term market activities of competitors</li> </ul> <p><b>DOMAIN OF COMPETITION</b></p> <ul style="list-style-type: none"> <li>- Collecting intelligence on competitors in the product-market domain</li> <li>- Creating entry barriers against threats of new entrants</li> </ul>	<p><b>ENGAGING COMPETITORS</b></p> <ul style="list-style-type: none"> <li>- Collecting intelligence on the long-term strategic goals and capabilities of competitors</li> <li>- Eroding the competitive advantages of competitors</li> </ul> <p><b>DOMAIN OF COMPETITION</b></p> <ul style="list-style-type: none"> <li>- Collecting intelligence even on potential entrants that are outside current product-market domain</li> <li>- Actively shaping the market by shifting customers' expectations and interacting with a broad range of market stakeholders</li> </ul>
<b>Innovation-oriented</b>	<p><b>BUSINESS FOCUS</b></p> <ul style="list-style-type: none"> <li>- Focusing on exploiting market opportunities that have been previously found</li> </ul> <p><b>INNOVATION FOCUS</b></p> <ul style="list-style-type: none"> <li>- Focusing on incremental innovation to improve current market offerings</li> </ul>	<p><b>BUSINESS FOCUS</b></p> <ul style="list-style-type: none"> <li>- Focusing on exploring new market opportunities and creating new opportunities in the future</li> </ul> <p><b>INNOVATION FOCUS</b></p> <ul style="list-style-type: none"> <li>- Focusing on radical and architectural innovation to create new market offerings</li> <li>- Leading technological development in the market in favored directions</li> </ul>

## Satisfying customer needs

Beyond just identifying the needs of customers, it is imperative for a firm to satisfy those needs as well (Narver & Slater, 1990). One key aspect to achieve the proper satisfaction of customer needs is to ensure that everyone in a firm – from managers and development engineers to front-line employees and manufacturing personnel – are aware of what the customer needs from the firm’s offerings and how they can, in their own role, help create customer value (Kumar & Pansari, 2016; Kumar et al., 2017). The most important aspect in this is to get close to customers and enable employees to focus on ensuring customer satisfaction, rather than just maintaining a transactional customer relationship (Kumar et al., 2010; Pansari & Kumar, 2017).

Differences between responsive and proactive approaches to satisfying customer needs are large and span both different types of solutions to customer needs (Narver et al., 2004) and different approaches to managing customers (e.g. Winer, 2001; Reinartz, Krafft & Hoyer, 2004). While a responsive firm is focused on what a customer says, which indeed is an important area for value-creation (Kumar & Bhagwat, 2010), such approaches often miss out on value-creation potential by adhering too closely to the types of solutions customers are aware of (Narver et al., 2004). Proactive firms go beyond these types of solutions and offer latent ways of satisfying customer needs, i.e. using solutions that the customer is unaware of (Narver et al., 2004). Such a solution is not necessarily based in a new innovation, it simply refers to the firm broadening the perspective of its customers as to what ways there are to satisfy needs (see e.g. Olson, Walker & Ruekert, 1995; Ali, Krapfel & LaBahn, 1995).

A proactive firm also has a broader scope of the types of customer needs to satisfy; by e.g. focusing on the customer’s customers and what it can do to help the customer satisfy their needs, a proactive firm can enable still greater value-creation (Homburg, Wilczek & Hahn, 2014). Moreover, a proactive firm will not wait for customers to encounter problems or become dissatisfied with a solution they have, but instead proactively engage with customers to catch such developments early on, while there is time to address these issues (Olson, Walker & Ruekert, 1995, Hogan, Lemon & Libai, 2003; Narver et al., 2004).

### 2.3.2 Competition orientation

Traditionally, a *competitor orientation* is defined as the business principle that a firm must focus on its competitors to become successful (Narver & Slater, 1990; Tajjedini et al., 2006). However, research has shown that an exaggerated focus on competitors is likely negatively impact firm performance (Armstrong & Collopy, 1996). In response to this criticism, and the overly narrow focus on competitors as opposed to the broader market (Kohli et al., 1993), I have chosen to broaden the scope of this strategic orientation into *competition orientation*. In broadening the scope of competition in this way, I can also follow recent research in the field of market shaping, conceives of entire markets as

dynamic entities that can be shaped by firms (Storbacka & Nenonen, 2015; Kindström et al., 2018). By using such a perspective, competition orientation instead becomes the business principle that a firm becomes successful by focusing on ways of improving its competitiveness, including engaging with a broader set of market stakeholders.

Viewed as such, competition orientation has two primary aspects to consider: the way a firm engages with competitors (e.g. Narver & Slater, 1990; Armstrong & Collopy, 1996) and the way a firm perceives and engages the domain of competition itself (e.g. Porter, 1980; Nenonen et al., 2019). These two aspects will be described below, including differences between responsive and proactive approaches.

### **Engaging competitors**

The most obvious concern for a competition-oriented firm is the question of how to deal with competitors. This should not so much be about ways for a firm to “beat” competitors, which often ends in lowered performance because the firm loses focus on customer value and instead just fights its competitors (Armstrong & Collopy, 1996), but rather on ways to ensure the firm can provide customers with superior value compared with its competition (Narver & Slater, 1990). Competition-oriented firms must thus build an accurate awareness of competitors and their value-creating capabilities. A key aspect in developing this awareness is to collect market intelligence on competitors, ensure everyone in the firm is aware of it, and responding to the intelligence (Kohli & Jaworski, 1990). Just as with customer intelligence, it is of importance that competitor-oriented firms respond to intelligence and take measures that will serve to improve their ability to provide customers with superior value (Narver & Slater, 1990).

In the area of collecting intelligence on competitors, a key difference between proactive and responsive competition-oriented firms arises; while responsive firms focus on the ongoing actions and how to increase competitiveness here and now, proactive firms instead focus on the long-term advantages and strategic capabilities of competitors (Narver et al., 2004). Furthermore, proactive firms will be more actively focused on shaping customer preferences in specific and the market in general towards configurations that suit them better than competitors (Kindström et al., 2018; Nenonen et al., 2019). By eroding competitors’ advantages in this way, the proactive firm ensures that the strengths of competitors are decreased in importance and its own strengths are well-aligned with the most pertinent needs of the market.

## **Domain of competition**

The domain of competition does, in this case, refer to firms' perceptions of the product-market domains they compete in and the actors that are of relevance for these domains (Li, Lin & Chu, 2008; Tan & Liu, 2014). While most firms are aware of their direct, and most of the significant indirect, competitors, new entrants to the market are a threat that can disrupt business as usual (e.g. Henderson & Clark, 1990). For this purpose, firms erect entry barriers and employ different other strategies for dissuading potential entrants from entering their market (Porter, 1980, 1985; Mintzberg, 1987).

But there are other, more proactive, ways of thinking about how to manage the competition in a market, including ways of changing the market entirely. For example, Kim and Mauborgne (2004) conceive of highly competitive markets as “red oceans”, where the water is red with the blood spilled by the many competitors as they fight for dominance. Firms should instead strive to identify ways to create “blue oceans”, which are instead characterized by an absence of competition (Kim & Mauborgne, 2004). By shaping the expectations of customers and focusing on the core value-creating activities for customers in a market, it is possible for a proactive firm to shape the market into a more favorable configuration (Elg et al., 2012; Storbacka & Nenonen, 2015; Ottosson & Kindström, 2016).

Moreover, proactive and responsive firms will differ in the scope of their searches for relevant competitors (Zhang & Duan, 2010): a responsive firm is focused on competitors that are already active in their market and on obvious threats of new entrants while a proactive firm will broaden its scope to include a wider range of indirect competitors - i.e. those that satisfy the same customer needs but using entirely different solutions - and potential entrants from further beyond their present product-market domain (Li et al., 2008; Tan & Liu, 2014).

### **2.3.3 Innovation orientation**

An innovation orientation, in the market-strategic context, refers to the business principle that firms become successful by focusing on creating customer value through innovation (Hurley & Hult, 1998; Siguaw, Simpson & Enz, 2010; Stock & Zacharias, 2011). Innovativeness holds an important role for firms striving to achieve high performance (Hult, Hurley & Knight, 2004), and innovation orientation represents the organizational focus that gives rise to superior innovativeness (Stock & Zacharias, 2011). As such, an innovation orientation is of importance for firms developing value-creating market strategies, since it drives activities that enable the firm to further improve its value-creation through increased innovation.

There are two primary aspects of innovation orientation that are of interest in the market-strategic context: the type of business focus a firm has (March, 1991; Tushman & O'Reilly, 1996) and the type of innovation focus it has (Henderson & Clark, 1990; Li et al., 2008).

### **Business focus**

Business focus, in this context, refers to a firm's focus on exploiting existing opportunities or exploring new ones (March, 1991). Exploitation of current market opportunities enables a firm to improve its performance in the present, but the absence of exploration risks leaving the firm without new opportunities to exploit in the future (Tushman & O'Reilly, 1996). However, without properly exploiting the opportunities that are found, it is difficult for an exploring firm to be successful as well (March, 1991). In the market orientation literature, it is found that responsive firms tend to be more focused on exploitation whereas proactive firms tend to focus on exploring new opportunities instead (Li et al., 2008; Tan & Liu, 2014). An additional option is for firms to develop an ambidextrous approach, wherein exploitation and exploration are combined to gain the benefits of both (March, 1991; Tushman & O'Reilly, 1996). This option is often difficult, since there are costs associated with both sets of activities, but as shown by e.g. Herhausen (2016), firms that manage to ambidextrously balance proactive and responsive approaches often gain benefits over those who only follow one or the other.

Since proactive firms tend to gather knowledge from further outside their present product-market domain, they are often in better positions to explore the different potential opportunities that exist (Tan & Liu, 2014). Moreover, the future-oriented and change-inducing focus of proactive firms opens up for the possibility to actively create future opportunities, rather than just exploring the opportunities that exist in a market (Narver et al., 2004).

### **Innovation focus**

There are many different ways of innovating (e.g. Ettlie, Bridges & O'Keefe, 1984; Garcia & Calantone, 2002), and innovation focus, in this context, refers to the type of innovations that a firm is focused on. Henderson and Clark (1990) conceive of three primary types of innovation: (1) incremental innovation, in which the individual components of a solution are improved, but the linkages between them remain the same, (2) radical innovation, in which both components and linkages are changed, and (3) architectural innovation, where components remain the same, but the linkages between them are altered to create a new innovation. Typically, responsive firms tend to focus on incremental innovation of their existing solutions, while proactive firms tend to strive towards radical or architectural innovation to create entirely new solutions (Li et al., 2008; Tan & Liu, 2014).

While there has been criticism that market orientation hampers firm innovation (e.g. Christensen & Bower, 1996; Berthon et al., 1999), research into the connection between market orientation and innovation has shown that both enhance each other (e.g. Hurley & Hult, 1998; Joshi & Sharma, 2004; Bodlaj et al., 2012; Kocak, Carsrud & Oflazoglu, 2017). This represents the performance impact that can be achieved by e.g. involving key customers with advanced needs in a firm's innovation processes, helping ensure that the customers' needs are kept in focus during development and that the results hold potential to create customer value (von Hippel, 1986; Urban & von Hippel, 1988; Slater & Narver, 1998).

# 3 Methodology

This chapter will present and justify the methodological choices I have made in the research for this dissertation, and will outline the key parts of the research process that I went through. I will start with a presentation of the philosophy of science that has guided me, followed by an overview of the research process, a broad description of the research design, and a presentation of the measures taken to ensure quality research. Since each of the appended papers contains a methodology section detailing the methods, data collection, analytical techniques, etc. which were used in that study, this chapter will not go into such details. Instead, I will focus on the broader strokes and describe the decisions and motivations behind the development of this dissertation. Most importantly, I will describe the different studies I have performed and explain how they are combined into the research project that this dissertation represents.

## 3.1 Philosophy of science

One of the core issues in any piece of scientific research is the researcher's view on what science and knowledge really are (Chalmers, 1999; Okasha, 2002). This issue has a bearing on questions such as how it is possible to gain knowledge and what it is possible to know something about. This first section will outline my approach to these issues, which aligns closely with that of scientific realism (e.g. Hunt, 1990; Leplin, 1984), and how that affects my research.

### 3.1.1 My ontological view and scientific realism

My ontological viewpoint is based around the objectivist view that reality, the world, is something that both does exist and does so independently of any particular observer. This objective reality is full of different phenomena, which are the many different things that exist in the world. However, not all phenomena are the same; a piece of metal or the ambient temperature of a location are different from the feeling you get watching a beautiful sunset or a strategy to achieve a certain goal. The phenomena that physically exist in the world and which can be observed directly are referred to as tangible phenomena, whereas phenomena that cannot be directly observed are intangible. The intangible phenomena described above share the common trait that they are grounded in the human consciousness rather than being physical objects or properties, and thus, they are subjective (Hunt, 1989, 1990). While the hardness of a mineral is a physical property that can be directly measured through various methods, the feeling a person gets while watching a beautiful sunset is not directly observable; it is only possible to observe it indirectly by e.g. inferring the person's mood from their behavior or through their own description of their current mood. Thus, the world and its phenomena may be objective, but many of these phenomena are intangible and cannot be studied through direct scrutiny (Chalmers, 1999). Instead, different indirect methods of observation must be used to infer the properties of the intangible phenomena (Okasha, 2002).

However, there are two different types of intangible phenomena in the world. Different people may have different feelings about a sunset, giving rise to a large number of subjective viewpoints that are fundamentally correct, since the feeling a person has about something is purely subjective and cannot be falsified based on what someone else feels about that thing. The market strategy of a firm is different from these feelings because it is a shared phenomenon that has arisen from the social context of the firm. The market strategy is not dependent on any of the individuals who work in the firm; if someone quits the firm and is replaced by someone else, the strategy does not necessarily change (Hunt, 1989). A change in the strategy does not arise from the changes in the mood of any particular person in the firm, but rather from a change in the social context that it emerges from. A new CEO may change the strategic plan for a firm, but for a de facto change in the firm's strategy to take place this change must resonate with the other people that work in the firm, giving rise to a change in the social context. Thus, intangible phenomena can be divided into personal, purely subjective phenomena that emanate from the consciousness of a single person and shared subjective phenomena that arise from the social context created by a group of people. While the personal phenomena only exist in the mind of a single person and can change if that person were to change their mind, shared phenomena are more persistent and only change if the social context from which they emerge were to change.

This ontology holds the position that even these intangible phenomena should be considered proper phenomena of this world that it is possible not only to study but also to gain knowledge about. This viewpoint is close to the school of thought called scientific realism, which holds that there exists a world that is independent of any observer and which it is possible to gain knowledge about (e.g. Hunt, 1990; Leplin, 1984). From this point of view, the role of scientific inquiry is both intended to and able to gain insight into and create knowledge about the tangible and intangible phenomena of the world (Chalmers, 1999; Hunt, 1990). However, while the world exists and can be known, researchers are subjective agents, and can both be mistaken about what phenomenon they are studying and create incorrect knowledge about that phenomenon. Thus, it is important for scholars to be critical of the methods they use to study the world, to ensure that they are not incorrectly inferring the properties of intangible phenomena based on faulty methods. Hunt (1990, p. 13) describes the strength of scientific realism thus:

*“Scientific realism is also critical, without being nihilistic. All knowledge claims and their methods of production are to be subjected to critical scrutiny, but the nihilistic view that knowledge and truth are impossible to achieve are emphatically rejected.”* (Hunt, 1990, p. 13)

Thus, while any study can potentially be flawed, and all studies should be thoroughly scrutinized for flaws and errors, knowledge and truth are attainable (Hunt, 1990). I consider this outlook to be careful but optimistic, ensuring that concern about potential problems does not overpower the potential for producing valuable results that bring us ever closer to correctly describing reality. Since it is my belief that there exists a real world and my research is intended to explore the intangible phenomenon of proactive market strategy, I believe that the scientific realism school of thought is a good fit with my personal worldview and the research objectives of this dissertation.

However, at this point it must be considered that market strategy is not a natural part of the world, like, for instance, magnetism or atoms, but is rather a phenomenon that emerges from the social context of individuals who organize into firms and engage in economic activity (Hunt, 1990; Bhaskar, 2009). The phenomenon of proactive market strategy thus emerges from and is embedded in the social context of firms that are proactively engaging with the market (on embedded phenomena, see Yin (2018)). There is no inherent conflict between the idea that a phenomenon emerges from a social context and that it exists as a real, but intangible, phenomenon in the world (Leplin, 1984; Hunt, 1990; Bhaskar, 2009). My perspective is that, while the phenomenon of market strategy is intangible and arises from a particular social context, it is not subjective, in the sense that it exists separately from the subjective perspectives of the individuals in that context (Hunt, 1990).

In this thesis, proactive market strategy is viewed as a real yet intangible phenomenon that emerges from and is embedded in the context of individuals organizing in firms and engaging in economic activities.

### 3.1.2 Doing research in scientific realism

The core issue when studying intangible phenomena, such as market strategies, is thus not whether or not they actually exist- all phenomena, tangible as well as intangible, exist in the world – but which methods of indirect observation can be used to study them.

It is important at this point to note the difference between science being capable of producing statements that can correctly describe phenomena in the world and an individual study actually managing to do so. The lack of prior understanding regarding the phenomenon of proactive market strategy poses some problems that have to be managed in this research. The parable of the blind men investigating an elephant comes to mind, wherein the men reach vastly different conclusions about what they are investigating due to their limited information. Since each of them only uses the information they have at hand individually and fails to aggregate and synthesize their collective information into a more holistic picture of the phenomenon, they all draw incorrect conclusions about what they are researching.

I interchangeably use the terms '*perspective*' and '*view*' to refer to a set of information regarding a phenomenon, such as the information from an interview or from a case study. By synthesizing several perspectives into a more holistic one, which considers all the information from multiple sources, I strive to produce a statement that is more likely to be correct (see e.g. Hunt, 1990; Yin, 2018; Creswell & Creswell, 2018). A holistic perspective is, in this sense, a perspective that considers a phenomenon from a wider angle and synthesizes multiple views of it, in order to give a more correct statement about what it is.

Moreover, science is conducted using particular designs and techniques, which are (ideally) chosen by the scholar for their particular usefulness in a particular study (Creswell & Creswell, 2018). These designs and techniques, which can be called models of conducting research, are primarily designed to be more sensitive to certain things and less sensitive to others; thus, while a particular model might be very good for finding certain types of results, it might completely fail to find others, because of the way it is designed (Giere, 2010). What this means is that the results of a study can to some degree be dependent on the research design and techniques used, which may possibly influence their truthfulness (Chalmers, 1999; Giere, 2010).

Because of the lack of prior knowledge about proactive market strategy, this thesis aims to explore and increase our understanding of the topic, meaning that the subject of the research is currently a rather blurry elephant to study. To ensure that I get as correct a statement of the phenomenon as possible, I must consider multiple perspectives. For

the purposes of this thesis, this entails using different methods that can capture different perspectives and synthesizing a wide range of views. By doing so, I can develop a more holistic perspective on the phenomenon of proactive market strategy.

Furthermore, it is important to note that the phenomenon being studied in this thesis is nuanced, meaning that the correctness of any statement about proactive market strategy is dependent on many contextual factors besides the phenomenon itself (Creswell & Creswell, 2018; Chalmers, 1999). In the case of strategic marketing, contingency factors like industry and market characteristics, firm resources and capabilities, and many others influence the performance outcomes of firms' strategic choices (e.g. Drazin & Van den Ven, 1985). Thus, it is important to consider that the contextual characteristics of the firms being studied, as noted above, will influence the investigation of the phenomenon of proactive market strategy itself.

## **3.2 Research process**

This project started in September 2015 when I was admitted as a PhD student at the Division of Industrial Management at Linköping University's Department of Management and Engineering. My research project was named "Proactive Market Strategies" and I felt it was a good match with my personal interests in business strategy, especially as it relates to B2B firms. Previously, I had studied for a Master of Science in Industrial Engineering and Management, with a focus on industrial marketing and economic information systems, so I was somewhat familiar with the field when I entered it. As I delved into this interesting topic, I went through developing a framework for understanding the literature, designing my research project, collecting empirical data, many late nights of writing, meeting and learning from amazing colleagues, and much more. Completing this project has undoubtedly been the toughest thing I have been through in terms of both challenge and workload, but it has also been the most rewarding thing I have done thus far.

I will now outline the major stages of the research process and describe the choices I have made. An outline of the research process can also be seen in Figure 4 below. It is, of course, a shortened version that does not mention all the back-and-forth work, but it gives an overview of the general process, the problems I faced, and how they were overcome. Although this overview gives a sequential picture of the research process, most of these steps did to at least some degree overlap, and the overall process has been very iterative as I have moved back and forth between literature study, conceptual development and empirical study.

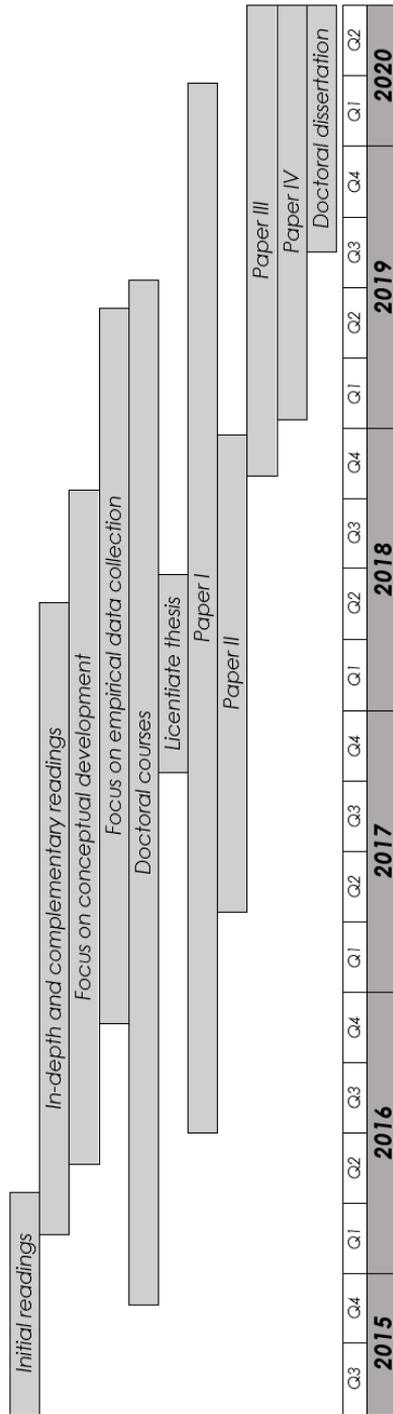


Figure 4: Rough timeline of the research project

### **3.2.1 Literature readings and framework development**

As with most doctoral projects, the early phase of my research was characterized by extensive literature study. My initial readings were relatively unfocused, broadly going into many different topics within strategic marketing and strategic management. Early literature searches were typically aimed at finding the most quoted papers within a field, reading them, and then snowballing onwards using interesting references in these papers. Many topics I touched upon had elements of proactivity, either explicit elements such as in market shaping (e.g. Ottosson & Kindström, 2016) or more tacit elements as in first-mover advantage (e.g. Lieberman & Montgomery, 1988). However, most of the literature I found only dealt with proactivity in a tangential or brief manner. The main breakthrough came as I was reading the market orientation literature and came upon the seminal paper on proactive and responsive market orientation by Narver et al. (2004). From then on, my readings became more focused on market orientation and then different strategic orientations, as I started the early development of the framework presented in Chapter 2 of this dissertation.

The next major issue was how to handle proactivity itself. Since none of the areas in the strategic marketing or strategic management literature that I had found opened up the black-box of proactivity and delved into what it consisted of, especially not outside of their particular context, I had to turn to another field for inspiration. This breakthrough came when it was suggested that I should read the seminal paper on the proactive personality by Crant (2000). This paper introduced me to the field of organizational behavior, which was quite different from what I was used to. By searching through this field for research into proactive behavior, with particular help from a literature review by Grant and Ashford (2008), I got a more nuanced view of what proactivity was and which components it consisted of.

Thus, the main issue was to develop a framework for proactivity that could marry the nuances from the organizational behavior research with the view on proactivity from strategic marketing. This development resulted in the definitions presented in Chapter 2 of this dissertation. The later stages of the development of the conceptual framework were also characterized by the more systematic collection and study of relevant literature in each field, although I still complemented the systematic review with snowball referencing, to ensure I found relevant older research as well as newer studies.

### **3.2.2 Developing the research design**

My initial research design was largely influenced by the research tradition at my division, with a focus on qualitative studies and case study research. Furthermore, I was going to present a licentiate thesis about halfway through the project, so I also had to choose a design that could produce some results relatively quickly. The initial literature readings took quite some time before I had a sufficiently developed framework to feel I was ready for empirical studies. In retrospect, it could have been possible to embark on empirical study earlier on using e.g. a grounded theory approach, but my mindset was focused on a more deductive approach, mostly due to my engineering background and my limited experience of alternative methods. Instead, I focused on developing a case study to investigate what proactivity is like when used by firms in their market strategies. This case study is presented in more detail in Paper II among the appended papers.

Thus, the early phase of my research (before writing my licentiate thesis) was focused on exploring proactive market strategies, both conceptually and empirically, resulting in the appended Papers I and II. After this exploratory phase, I wanted to focus on understanding proactivity in greater depth and to see if I could apply different methods and analytical techniques, in order to broaden my perspectives on proactivity in market strategy.

During this time, I was working on a different research project as part of my work at the Division of Industrial Management, and in this project I came into contact with a number of interesting firms that could be useful as I continued my research. This resulted in two separate studies, one focused on studying market-strategic effectiveness using fuzzy-set qualitative comparative analysis (fsQCA) and one in-depth case study to contrast the market-strategic activities of proactive versus non-proactive firms, which are presented in Papers III and IV, respectively, among the appended papers. For more information on each study, please refer to the methodology section of the respective paper.

### **3.2.3 Collection of empirical data**

This section is only intended to give an overview of the general principles that guided my data collection and the considerations I made. For more in-depth views on the collection in each study, I refer to the respective paper.

Since the three empirical studies presented in this dissertation all use a qualitative approach, the collection of empirical data has been mostly focused on interviews. While other collection techniques such as observation studies could have been both interesting and beneficial for the case studies (Silverman, 2014; Eriksson & Kovalainen, 2016), this was unfortunately not possible in most of the cases, since firms would not permit such extensive access.

I conducted most interviews by myself and recorded them whenever I could get permission to do so, in order to be able to come back to them later. Recordings were supplemented by notes I took during the interviews – more extensive notes in cases where I could not record the interview – which were expanded as soon after the interview as possible. My personal data collection was then complemented by data collected by my co-authors and combined into the material used for the analysis.

Overall, collecting data and interviewing many different people at different positions in different firms within different industries has been one of the most interesting aspects of this project. By talking to people and getting them to describe and explain what they do and why, I feel that I have come to understand firms and managerial decision-making on a whole new level compared to when I started this journey. I believe a large part of my personal development as a marketing researcher has come from an increased intimacy with a broad variety of Swedish firms and the decision-making they go through.

### **3.3 Research design**

Research design is the strategy that a researcher intends to use to meet the goals of a scientific study (Creswell & Creswell, 2018). In this way, the research design can be seen as the plan for how to answer the research questions and meet the purpose of the particular study (Zikmund et al., 2009), detailing the various techniques that will be employed to collect and analyze the data needed for the research.

This section will describe my research design in greater depth, while remaining focused on what brings the studies I have conducted together into a single project. Broadly speaking, this research project can be divided into three different aspects: purely conceptual development, exploratory study, and explanatory study, which is described below.

#### **3.3.1 Conceptual development**

The first aspect of the research design concerns the rather extensive conceptual work involved in developing and enhancing the theoretical framework used in this dissertation. Since proactive market strategy as a concept is not yet established and the area is relatively unexplored, it felt natural to me to start working on establishing definitions of key concepts and creating a conceptual framework through which to understand the existing literature.

There are many different ways of defining or conceptualizing a phenomenon, and I have long been interested in how different something can seem depending on the definition used to look at it. Using proper conceptualizations and definitions is important for conducting good marketing research, as indeed it is for all research (Lewis, 1970; MacInnis, 2011), so concepts and definitions have been a focus area for me during this work. Since many studies suffer from poor conceptualizations that do not fit the overall

research design or objective and decrease the overall quality of their results (MacKenzie, 2003; Jarvis et al., 2003), I decided to develop a new framework for studying proactive market strategies. Moreover, I was inspired by MacInnis's (2011) call for more papers aimed at developing novel conceptual frameworks that can drive future marketing research, instead of mostly focusing on existing constructs. While my conceptualizations and definitions are not completely new or derived from purely inductive research, I believe I have added some novelty by continuing the development of the strategic orientation framework and combining research from several different fields to create my definition of proactivity.

MacInnis (2011) distinguishes between four overarching types of conceptualizations, each with two subdivisions, describing different ways conceptualizations are used in research using various metaphors. These four archetypal categories are outlined in Table 3 below and broadly go from more exploratory on the left side towards more normative at the right end.

*Table 3: Types of conceptualizations (adapted from MacInnis, 2011)*

<b>General</b>	<b>Envisioning</b>		<b>Explicating</b>		<b>Relating</b>		<b>Debating</b>	
<b>Specific</b>	<b>Identifying</b>	<b>Revising</b>	<b>Delineating</b>	<b>Summarizing</b>	<b>Differentiating</b>	<b>Integrating</b>	<b>Advocating</b>	<b>Refuting</b>
Metaphorical role of researcher	Astronomer	Artist	Cartographer	Astronaut	Naturalist	Architect	Guide	Prosecutor
Metaphorical tool	Telescope	Paintbrush	Map	Spaceship	Magnifying glass	Architectural plans	Compass	Evidence

My conceptual work broadly falls within the left half of the model, with its focus on exploring what proactivity and proactive market strategies can be rather than proscribing what they should be. As such, my aim has been to create a definition that helps marketing scholars identify what proactivity is, what its principal components are, and how it all relates to market strategy. For my conceptualization of proactive market strategy, I have aimed to enhance the existing strategic orientation framework by adding an increased focus on the nature of the activities that firms perform. This gives a better opportunity for scholars to identify what is proactive in a particular proactive market strategy and to separate proactive strategies from similar, yet not proactive ones. While the results from this aspect of the research have been used in all four studies, it is most obvious in Paper I, which is entirely focused on the creation of a concept for proactivity and responsiveness in strategic marketing and the archetypal market strategies that arise therefrom.

### **3.3.2 Exploratory study**

The aspect of exploration in my research project refers to the fact that much of my work, especially in the early years of the project, has been aimed at exploring what proactive market strategies are in quite a broad sense. The exploratory phase was primarily focused on case study research into proactive firms, to better understand what it means for a firm to be proactive and what it is they did that was proactive. Since proactivity and proactive market strategies are both intangible phenomena that are relatively unknown from prior literature, case study research was deemed most appropriate for this part of the research (Eisenhardt, 1989; Eisenhardt & Graebner, 2007). A case study approach enables me to investigate the proactive market strategies of firms despite being sensitive to the firm context by providing richer empirical data to analyze (Eisenhardt, 1989; Yin, 2018). Moreover, the proactive activities of the case firms are embedded in their organizations, further improving the fit of case study research in this situation. To better grasp the common threads among proactive firms, I chose to focus on a multiple case study (Eriksson & Kovalainen, 2016; Yin, 2018), where the activities of five proactive firms are compared and contrasted to give a more nuanced view of proactivity. The results from the exploratory empirical research are mostly presented in Paper II, but there are also elements of it in Paper IV.

### **3.3.3 Explanatory case study**

After the exploratory study had progressed to a point where I felt more familiar with the phenomenon of proactive market strategies and had started to be able to delineate what was proactive and what was not, I became interested in delving more into research aimed at explaining the role of proactivity and what effects it has. While my conceptualizations had not yet reached a point where I felt I could create measurement constructs for full-on quantitative research methods, such as survey data collection and statistical analysis, I had enough to move away from just exploring and to start looking at what was actually happening. In this, I was influenced by Frösén et al. (2016), who had used the – in the marketing field at least – relatively new technique of fsQCA (Ragin, 2000; 2008) to investigate the mature topic of market orientation and find interesting new results. Thus, I designed a study based on the quantization of qualitative case data to use fsQCA to investigate the role of proactivity in creating effective market strategies in different contexts, which is presented in Paper III.

Another approach that I took to moving towards explaining the role of proactivity in shaping market strategy was to look in greater depth at the actual activities that proactive firms perform while creating customer value and contrasting these with the activities of non-proactive firms. Thus, it is possible to gain an understanding of how proactive firms differ and how proactive activities help improve the value-creation of proactive firms. This study is presented in Paper IV.

## 3.4 Research quality

For a study to be relevant, it is important that it is of high quality. What this entails for the researcher is that they must consider the procedures that can be taken to ensure that the research quality is improved. Broadly speaking, research quality boils down to the concepts of validity and reliability, which can be described using the questions “Have you done things properly?”, and “Could someone else do that again?” (Creswell & Creswell, 2018). In this section, I will describe the procedures to ensure high validity and reliability that I have considered, and the measures taken to ensure high quality in the research for this dissertation. As with the rest of this chapter, more detailed descriptions of the particulars in a single study are available in the papers. Furthermore, since the related concept of generalizability – i.e. the degree to which it is possible to apply the results from a study to other cases or situations (Creswell & Creswell, 2018; Yin, 2018) – is so tightly linked to the single study that I will not include an overarching discussion of it here.

### 3.4.1 Validity

The concept of validity is strongly linked to the integrity of a study (Yon, 2018). Integrity can be measured at many levels, from the consistency of the methodology itself, to the correct usage of particular methods to e.g. collect data, and the correct application of analytical techniques to investigate these data (Creswell & Creswell, 2018; Yin, 2018). Furthermore, it is important that the researchers are transparent about the research process and do not make unnecessary deviations from the research plan that might affect the results and their integrity (Creswell & Creswell, 2018).

However, validity does not necessarily mean the same thing depending on which type of research is being conducted. Creswell and Creswell (2018, p. 199) say that “*Validity does not carry the same connotations in qualitative research as it does in quantitative research; nor is it a companion to reliability... or generalizability*”, by which they refer to the fact that it is more difficult to assess whether qualitative research has been conducted properly. Since, for example, the incorrect usage of analytical techniques or improper data collection might lead to mistaken results that do not reflect reality, this is an important factor to consider when designing and conducting qualitative research. Fortunately, there are a multitude of procedures that a researcher can follow to help ensure that the validity of their research is not compromised (Creswell & Creswell, 2018; Yin, 2018; Eriksson & Kovalainen, 2016).

Table 4 below lists the validity procedures suggested by Creswell and Creswell (2018) and describes the measures I have taken to ensure the validity of my research. This is followed by a general description of how I have strived to strengthen the integrity of each part of my research.

*Table 4: Validity procedures used in my research*

<b>Validity procedure</b>	<b>Conceptual development</b>	<b>Exploratory case study</b>	<b>Explanatory case study</b>
Triangulate data sources	<b>YES</b>	<b>YES</b>	<b>YES</b>
Member checking	N/A	<b>YES</b>	<b>YES</b>
Rich, thick description	<b>YES</b>	<b>YES</b>	<b>YES</b>
Clarify researcher bias	NO	NO	NO
Present negative information	NO	<b>YES</b>	<b>YES</b>
Prolonged field study	N/A	NO	<b>YES</b>
Peer debriefing	<b>YES</b>	<b>YES</b>	<b>YES</b>
External auditor	NO	NO	NO

### **Conceptual development**

When defining new concepts and developing frameworks for future research, it is important to consider a breadth of prior research (Creswell & Creswell, 2018). By doing so, it becomes possible to integrate important points from different perspectives, giving a more nuanced view of a phenomenon. Furthermore, it also enables a researcher to better consider the criticism and weaknesses of a particular approach to looking at a certain phenomenon (Chalmers, 1999). While not all conceptualizations of a phenomenon are compatible and can be integrated, using different points of view can still provide a broader perspective on a topic (Yin, 2018).

An example of how I have used multiple data sources in my conceptual work can be seen in the definition of proactivity presented in Chapter 2. By using two different perspectives on proactivity from the field of organizational behavior – namely proactive personality (Bateman & Crant, 1993; Crant, 2000) and personal initiative (Frese et al., 1996; Frese & Fay, 2001) – with multiple sources each, and integrating that with the multiple streams of research in strategic marketing that touch upon proactivity – such as proactive market orientation (Narver et al., 2004) and market shaping (Kindström et al., 2018) – I can provide a definition that both considers proactivity as a human behavior and adapts it to fit the firm-centric marketing context. Using multiple streams of research, with multiple articles used to back each view, I can develop a definition with high construct validity (see e.g. Yin, 2018).

As can be seen in the results from the conceptual study presented in Paper I, as well as in the frame of reference in Chapter 2 of this dissertation, I strive to provide rich descriptions of my frameworks and definitions and the different studies that go into them. Through a rich description, it becomes easier for others to study a work and assess the soundness of its development and the integrity of its resulting constructs and definitions. As a final measure, I have extensively discussed my frameworks with senior researchers and other colleagues at the Division of Industrial Management, to help identify weak spots and strengthen the quality of my work.

## **Exploratory and explanatory case studies**

The basis for a high-quality case study is to capture a breadth of perspectives on the subject, enabling a more thorough and detailed description of the case and ensuring that specific individuals' perspectives do not skew the overall picture (Creswell & Creswell, 2018; Eriksson & Kovalainen, 2016). In any case study, achieving a high level of empirical intimacy with the case subject is important (Ragin, 2008; Yin, 2018). Thus, multiple interviews are important, both to allow multiple interviewees to corroborate findings and to identify inconsistencies among depictions of the case firm (Creswell & Creswell, 2018; Silverman, 2014). Furthermore, by interviewing a mix of normal employees as well as managers at each case firm, multiple perspectives can be integrated, giving a more representative view of the case firm and its activities (Eisenhardt, 1989; Yin, 2018).

In several of my studies, multiple researchers were involved with the data collection and I was not present at all interviews conducted. To ensure the validity of the data collection, interviews were conducted using interview protocols and we held workshops at which the cases were discussed extensively (Yin, 2018). During these, we were able to identify any disagreements or dissimilarities in our descriptions of the cases or our understanding of the phenomena being studied. Through discussion, we could then establish a common view, thereby ensuring the integrity of our work (Campbell et al., 2013). Moreover, I performed member checks (Lincoln & Guba, 1985), where preliminary case descriptions and some analyses were validated with interviewees at the case firms to ensure we had not misunderstood them.

The main difference between case studies aligned with the exploratory aspect of my research and the explanatory aspect is that for some of the latter I had had the opportunity to study the case firm over a longer period of time. Since longitudinal approaches provide an opportunity to study the effects of particular activities and strategies, this helps strengthen the validity of the results (Silverman, 2014; Yin, 2018).

### **3.4.2 Reliability**

Often, reliability is considered synonymous with reproducibility, that is, whether another researcher could use the same methods and techniques to produce the same (or at the very least, highly similar) results as found in a study (Creswell & Creswell, 2018). While this is obviously reliant on high-integrity research – it is, after all, hard to reliably reproduce incorrect results stemming from invalid research – there are a number of procedures a researcher can take to strengthen the reliability of the research and help others who wish to reproduce or investigate the results of their studies (Yin, 2018). When considered in the context of qualitative research, ensuring high reliability primarily requires extensive documentation of the methods used to collect data and analyze them, so that the method can be reviewed later (Yin, 2018).

For the conceptual work I have performed in the research for this dissertation, ensuring reliability is primarily an issue of providing references to the literature used in the development of the conceptualizations and definitions. Since anyone can access this literature, it is quite easy to review my work and repeat the process I have used to develop the frameworks.

There is more to say about the reliability procedures taken in the case studies I have performed. The primary measures used to ensure intercoder reliability in the studies with multiple researchers involved was the use of a common interview protocol and extensive discussions of the cases (Yin, 2018). By letting researchers independently evaluate cases and then comparing notes and discussing divergent evaluations to create a consensus, we minimized the impact of intercoder disagreement (Creswell & Creswell, 2018; Yin, 2018). By ensuring reliability in my own work and providing descriptions of my research methods, I have ensured that others could reproduce my research.

### **3.5 Ethical considerations**

All research, even in marketing, comes with ethical considerations. In my work, these considerations primarily concern ensuring the anonymity of interviewees, obtaining informed consent, protecting sensitive firm information while presenting cases that are as rich as possible, and ensuring professional research conduct.

Protecting the anonymity of interviewees is important to ensure that they feel they can speak their minds freely, thus improving the research quality. As I started talking to prospective case firms about interviews, I often asked them to suggest whom to interview. While this ensured that I could talk to people who were knowledgeable about my topics of interest, it raised the risk of managers identifying particular interviewees in my cases, thus breaking the anonymity. To address this, I made interviewees aware that contributing to the study was voluntary and that I would not share their remarks without removing any identifiers first, unless I was given permission to quote them. To reduce the risk of managers identifying individual respondents, case descriptions were only shared in aggregated form. All interview materials were managed only by me and other researchers in each study, and access to non-anonymized was not given to anyone outside the research group.

Beyond simply anonymizing the interviewees from each firm, I have also anonymized the case firms themselves. By making the firms anonymous and removing any particularly sensitive information that the firms did not want disseminated, I could increase the number of firms interested in participating in my studies and also gain access to more relevant information about these firms. This anonymization also entailed obfuscating the exact sizes and industries of the firms.



# 4 Summaries of the Appended Papers

This chapter will provide short summaries of each of the four papers that are appended to this dissertation. As a whole, the four studies presented in the appended papers address proactivity and proactive market strategies from slightly different angles and thus provide different perspectives on the research questions and purpose of this dissertation. The conceptual study in Paper I investigates the prior literature and was, in many ways, used to create a theoretical foundation on which to base further research. The exploratory case study in Paper II goes into greater depth in investigating the different types of proactive market strategies. The fsQCA study in Paper III looks at different factors linked to market-strategic effectiveness, thus investigating how proactivity works in different types of market strategies. Finally, the in-depth case study in Paper IV takes a slightly different route and investigates the proactive activities that proactive firms perform as part of their value creation and how they differ from those of non-proactive firms, thus providing more insight into how proactivity helps firms improve their value-creation efforts.

## 4.1 Paper I

The first paper appended to this dissertation, titled “*Proactivity and Responsiveness in Value Creation: A Conceptual Typology of Market Strategies*” and published in *Journal of Business & Industrial Marketing*, covers, as the name implies, the conceptual work I have carried out in developing a framework for understanding market strategies and defining proactivity in the market-strategic context. This paper was published in an earlier form in my licentiate thesis.

As a purely conceptual paper, there are no empirics present; instead, the development is based on prior marketing and organizational behavior literature. By combining the fields of proactive personality (e.g. Bateman & Crant, 1993; Crant, 2000) and personal initiative (e.g. Frese et al., 1996; Frese & Fay, 2002) from organizational behavior with proactive market orientation (e.g. Narver et al., 2004; Atuahene-Gima et al., 2005) and other marketing literature touching upon proactivity, we develop a definition of proactivity in a firm-centric, market-strategic context. Using literature on strategic orientation (e.g. Gatignon & Xuereb, 1997; Noble et al., 2001; Olson et al., 2005), we then develop a framework for understanding different types of market strategies based on the activities involved with them.

Based in the definition of proactivity (and responsiveness, which plays an important part in the paper, but not as much in the dissertation or this summary), we propose the idea of a value-creation logic (e.g. Möller, 2006; Slater, Hult & Olson, 2007), which influences how firms perform the activities that are part of their market strategies. Using different value-creation logics, conceptualized as different configurations of high and low levels of proactivity and responsiveness in the firms’ activities, a typology of four distinct archetypal market strategies is developed. These four types – Visionary, Adaptive, Ambidextrous, and Habitual – represent different approaches to value creation. Furthermore, we demonstrate that even market strategies driven by the same strategic orientations end up very different in terms of firm activities, purely based on the different value-creation logics that influence the strategies.

## 4.2 Paper II

The second paper appended to this dissertation, titled “*Exploring Proactive Market Strategies*” and published in *Industrial Marketing Management*, covers the early and more exploratively oriented empirical work I performed. This paper was published in an earlier form in my licentiate thesis.

The paper primarily concerns the investigation of five different proactive case firms and identifying the common themes among their proactive market strategies. The five case firms – anonymized as Automated Waste Collection, Industrial Solutions Group, IoT Platform, Education & Services, and Custom Product Solutions – are all characterized by a proactive approach to creating customer value and can thus provide insight into what characterizes proactive market strategies. This investigation is grounded in a conceptual framework based on the market-strategic activity framework and definition of proactivity first developed in Paper I. By studying the activities that each firm performs as part of its efforts to create customer value and assessing the different levels of proactivity in activities driven by different strategic orientations, each firm is given a proactivity profile. These profiles describe where the foci of the firms’ proactive activities lie.

Using these proactivity profiles, we then identify the proactive market strategies used by each firm. Based on the strategies employed by the firms, we identify three distinct generic proactive market strategies: market shaping, customer engagement, and technology leadership. These represent three generic approaches to improving firm creation of customer value by being more proactive, based on different types of market strategic foci (i.e. market strategies driven by different combinations of strategic orientations).

Beyond the three generic proactive market strategies, one of the most important findings in the paper is that properly proactive market strategies necessitate the integration of activities driven by different strategic orientations. It is by bringing together different parts of the firm and integrating their value-creation efforts that proactivity can allow for superior value creation.

### 4.3 Paper III

The third paper appended to this dissertation, titled “*Proactive Market Strategies: A Fuzzy-Set Analysis of Proactive Strategic Configurations*” and currently submitted for review with *Journal of Business & Industrial Marketing*, covers my efforts to investigate how proactivity influences the effectiveness of different types of market strategies.

The paper is based on a fuzzy-set qualitative comparative analysis (fsQCA, see e.g. Ragin, 2000, 2008) of proactivity, market-strategic focuses, and market environments, striving to identify configurations where proactivity is an important factor in creating market-strategic effectiveness. The method used in the paper is based on qualitative case studies of 26 Swedish SMEs, which are then quantified into a number of conditions that describe each individual case. For example, one condition was the level of customer orientation exhibited by the firm through its activities. The qualitative case description was then translated into what is called a condition membership score (Ragin, 2000), ranging from 0, representing a firm that was definitely not customer-oriented, to 1, representing a firm that absolutely was customer-oriented. This qualitative process of assigning condition membership scores for each case firm and condition was then repeated to quantify all of the case firms. Using the cases and their condition membership scores, we could then use fsQCA, a set-theoretic method (Fiss, 2011), to investigate which configurations of different levels of proactivity, different market-strategic foci and different market environments could be causally linked with high market-strategic effectiveness.

The results from the analysis provided two proactive strategic configurations that consistently led to high market-strategic effectiveness: (1) a combination of high proactivity and a customer- and innovation-focused market strategy, and (2) a combination of high proactivity and a customer- and competitor-focused market strategy. Both of these configurations consistently led to high market-strategic effectiveness, even in the presence of a highly turbulent market environment. Furthermore, we found support for the findings of Kumar et al. (2011) and Frösén et al. (2016) that market orientation on its own is no longer sufficient for high firm performance, but that some degree of customer orientation is necessary for success. Lastly, we also found support for Tsai et al.’s (2008) finding that proactivity is an important factor in enabling firms to overcome dynamic environments. While not all configurations that led to consistently high performance involved proactivity, those that did involve proactivity could manage a dynamic environment in a way that most others could not.

## 4.4 Paper IV

The fourth and final paper appended to this dissertation, tentatively titled “*How Do Proactive Firms Create Value? Proactive Management of Customer Value Creation*” and presented as a conference paper at the 9<sup>th</sup> BMM-EMAC Biennial International Conference in Berlin, concerns the activities that proactive firms use to enhance their creation of customer value.

The paper is based on an in-depth, longitudinal case study of a proactive firm in its efforts to create customer value. The activities performed by the proactive firm are then contrasted with those of a non-proactive firm, providing insight into their differences and the different ways that higher levels of proactivity influence the value creation of the proactive firm.

To study this, a framework based on the concept of customer value as value-in-use (e.g. Grönroos, 2008, 2011) and different stages of contact with a customer was developed. The framework is based on three different spheres of contact: (1) the supplier sphere, where the firm acts before coming into contact with a customer, (2) the joint sphere, where the firm is in contact with the customer and collaborates with them, and (3) the customer sphere, where the customer independently acts to realize value in use from the solution the firm has provided (Grönroos & Voima, 2013; Grönroos & Gummerus, 2014). In these spheres, the firm can e.g. perform activities to improve the potential value a solution has for a customer, improve the solution so that the customer can more easily realize the potential as value-in-use, and directly assist the customer to help them realize value-in-use (Grönroos, 2008; Grönroos & Voima, 2013; Grönroos & Gummerus, 2014). While a firm cannot (by definition) take direct actions in the customer sphere, I conceptualize this to refer to activities that the firm performs but will take effect primarily in the customer sphere, such as improving the ease-of-use of a product.

I find that the proactive firm primarily differs from the non-proactive firm in the supplier and customer spheres. While both firms adapt to customer preferences and are focused on enabling value creation in the joint sphere, the proactive firm distinguishes itself by performing many more activities within the supplier sphere aimed at improving the knowledge needed to develop solutions with higher potential value by both investing more in innovation and studying potential customers more. Furthermore, the proactive firm was more active in working with existing customers when developing new solutions, leading to increased learning about ways to increase the value potential and facilitate easier realization of value-in-use. Within the customer sphere, the proactive firm was also more active by having performed more activities that enabled customers to realize value-in-use effectively and efficiently, without the need to contact the firm.

A proactive firm thus seemingly gains its value-creation benefits by performing more activities in anticipation of the future, both to be better prepared once it comes into contact with a new customer and to enable customers to more easily realize the potential value of a solution without the need for assistance from the firm.

## 5 Discussion

This chapter will take the results and findings from the four appended papers and then use these as the basis for a discussion on proactivity in general and proactive market strategies in particular. After five years of research, there are many things to be said about proactivity, and this discussion will attempt to capture the most interesting, intriguing, and important things I have found and thought about.

First, I will provide a broad discussion of market strategies in general and what it is that makes proactive market strategies proactive. This then moves on to a more focused discussion of proactivity itself, explaining what it is and what it is not (from my perspective). From this understanding of proactivity, I then discuss various ways of looking at different types of proactive market strategies, followed by a discussion on the actual activities that are so central to my way of conceptualizing market strategies.

The discussion aims to present a broad synthesization of the findings from the papers, together with the thoughts that I did not have the space for elsewhere. This synthesization will then be concluded with a section aimed at condensing the broader discussion into answers to each of the four research questions.

## 5.1 About the general nature of market strategies

At the core of understanding proactive market strategies is, of course, market strategies as a whole. By improving our understanding of the general case, it becomes easier to delve deeper into the special case of proactive market strategies. Thus, before continuing the discussion of how firms use proactive market strategies, it is pertinent to talk about market strategies on a more general level first.

As I have previously mentioned, I perceive market strategies to be firms' strategies for creating customer value, centered around developing and delivering market offerings to customers (cf. Varadarajan, 2010). There are many ways of creating value for customers, so the exact shape the market strategies of any particular firm take is driven by the mix of strategic orientations that influence the firm, i.e. its perception of how to be successful (Gatignon & Xuereb, 1997; Noble et al., 2002). Thus, firms can potentially end up with different market strategies, even if they compete for the same customers in the same market, based on the differences between the strategic orientations that drive them, even before differences based on levels of proactivity and responsiveness are added to the mix.

However, a market strategy must be put into action before it can have an impact on the value-creation of a firm, and this is done by performing key activities centered on the focal areas outlined in the firm's strategy (see e.g. Jarzabkowski, 2005). Thus, it is through the activities that a firm performs that its strategies are brought to life. No matter what shape these market strategies ultimately take, or which strategic orientations drive them, they are implemented through the activities that firms perform (Okumus, 2001; Jarzabkowski, 2005). Since these activities are so central to the implementation of a market strategy, and thus to the results they bring about, I argue that it is fitting to perceive market strategies as coherent sets of activities aimed at creating value for customers.

Using the framework put forth by Mintzberg and Waters (1985), the strategies that are implemented by firms consist of one part *planned* strategy, i.e. strategy that comes from a formal strategic planning process in the firm, and one part *emergent* strategy, i.e. strategy that has not been planned but emerges along the way. Furthermore, not all of the planned strategy will likely be implemented; some parts will fall to the wayside, which can make the actual implemented strategy deviate further from what was initially planned than just from the impact of emergent strategy. By looking at market strategies through the sets of activities performed to implement them – as opposed to slick strategy road maps or similar plans, where the degree to which these actually resemble reality is unclear – I argue that we come closer to seeing the true face of a particular market strategy.

## 5.2 Entering the proactive in proactive market strategies

Now, having made the case for viewing market strategies as coherent sets of activities, driven by a firm's mix of strategic orientations and aimed at creating value for customers, it is time to enter proactivity. In Paper I, I expand this general concept of market strategy to include two behavioral dimensions, proactivity and responsiveness, based on the distinction between proactive and responsive market orientation (Narver et al., 2004). From this perspective, proactive market strategy then becomes a subset of all market strategy, characterized by proactive behavior that is expressed throughout firms' activities.

When I mention strategic behavior in this context, I again refer to the actual activities performed by a firm in the implementation of a strategy. A proactive market strategy is thus a market strategy for which the set of activities is dominated by proactive activities, as outlined in the conceptual framework. Proactive firms are deemed to be proactive because they perform proactive activities that exhibit one or more of the three proactive characteristics outlined above. It is certainly not enough for a firm's managers to talk about proactivity or to craft proactive action plans; the proactivity must be visible in the activities the firm performs.

One issue with this approach is the often future-oriented and anticipatory nature of proactive strategies. For example, if a particular activity in a firm's market strategy results in a favorable outcome by capitalizing on an emerging trend that the firm's competitors have so far missed, is this evidence of a proactive, future-oriented strategy or is it merely the result of a lucky guess? Crant (2000) provides some guidance for evaluating situations like this. Proactive action must be performed with clear intent; simply being lucky is not enough. Thus, the intent behind the activity is essential for understanding the proactivity of the market strategy it is part of. If the firm anticipated that the trend would emerge, or even just made sure it was prepared to act swiftly once the trend eventually did emerge, that would be evidence of proactivity on the firm's part.

Conversely, if the firm believed that the trend was already present without any evidence or merely hoped there would be some customers who liked the offering, that would be evidence that the firm was not very proactive in this regard. Furthermore, even if the firm prepared for the emergence of the trend, but ended up presenting its offerings to the market too early and made a loss, that would still be evidence of a proactive strategy, just not a very successful one. As Chan (2006) notes, proactive approaches often place higher demands on firms to have a high level of awareness of their capabilities as well as the conditions of the market in which they operate; otherwise, a proactive approach often leads to less success than a less proactive one would.

The proactivity in a firm's market strategy is thus dependent on two things: the nature of the activities being performed when implementing the strategy and the intent behind these activities. When investigating the market strategies of a firm, it is thus necessary to: (1) study the activities the firm performs, (2) organize them into groups of activities aimed at the same types of strategic goals, which are thus part of the same strategy, and (3) investigate the intent behind these activities. A truly proactive firm will be future-oriented, take the initiative and drive change – i.e. follow the proactive characteristics – not only in the outcome of the activities that are part of its market strategies, but also in the intention that drives them.

### **5.2.1 Proactivity affects activities in a different way than strategic orientations do**

From this description of proactivity as an influencer of firm activities, it would be easy (and, at a glance, perhaps even reasonable) to equate proactivity with a strategic orientation, a type of 'proactive orientation' as it were. However, I believe this conceptualization is faulty for a number of reasons.

I argue that proactivity affects firm activities in a different way to strategic orientations. When I mention that a firm's market strategy is driven by its mix of strategic orientations, this means that the focus of the set of activities the strategy consists of is driven in a particular direction. A firm that is customer-oriented will be driven towards creating value through a superior focus on customer needs and a superior customer relationship, while an innovation-oriented firm will be driven towards product development and other ways of innovating in its struggle to create customer value (Narver & Slater, 1990; Gatignon & Xuereb, 1997; Olson et al., 2005). But what would a potential 'proactive-oriented' firm do? Proactivity does not have a set goal; it represents a way of acting, or a *behavior*, rather than an *objective*. Even if we say a supposedly 'proactive-oriented' firm is a firm that strives to be proactive, it is still not clear what this firm is trying to be proactive about as it attempts to create value for its customers.

However, since firms can be driven by multiple strategic orientations at once (Narver & Slater, 1990; Gatignon & Xuereb, 1997), can it not be said that the 'proactive orientation' is just one of many orientations influencing the activities of the firm? Once again, this is not the case. A firm with a strategic orientation made up of a mix of customer orientation and competitor orientation (i.e. a classic market-oriented firm) performs activities driven by a combination of those orientations. It will likely perform customer-oriented activities aimed at identifying e.g. the needs of customers in concert with competitor-oriented activities such as erecting barriers to competition by binding customers into long-term contracts. If this firm were to be proactive, the proactivity would not be exhibited through a third set of activities aimed at being proactive, but through those customer-oriented and competitor-oriented activities being more proactive (i.e.

exhibiting some or all of the three proactive characteristics). So, while customer orientation and competitor orientation result in their own sets of activities, proactivity alters the way these activities are performed. While the sets of activities driven by customer orientation and competitor orientation may be integrated to some degree, they still represent separate strategic objectives. Proactivity, on the other hand, does not represent a strategic objective, but rather a way of increasing the effectiveness of the activities driven by the strategic orientations.

Certainly, the proactivity of a proactive firm will influence the nature of the activities that the firm performs in its market strategies, as shown in the description of proactive activities in the conceptual framework, but it does so in a fundamentally different way to strategic orientations. The strategic orientations outlined in the conceptual framework present clear foci for the activities, i.e. specific areas the market strategies will focus on while striving for value creation (Noble et al., 2002). This means that a customer-oriented firm will perform different activities from one that is innovation-oriented, since it has a different concept of what is most important in order to be able to create value for customers. Proactivity, on the other hand, does not offer a clear answer to what a firm should focus on to consistently create superior customer value. Instead of providing such a direction for the firm’s activities, proactivity imparts on the firm the importance of performing activities in a certain way, i.e. in alignment with proactive characteristics.

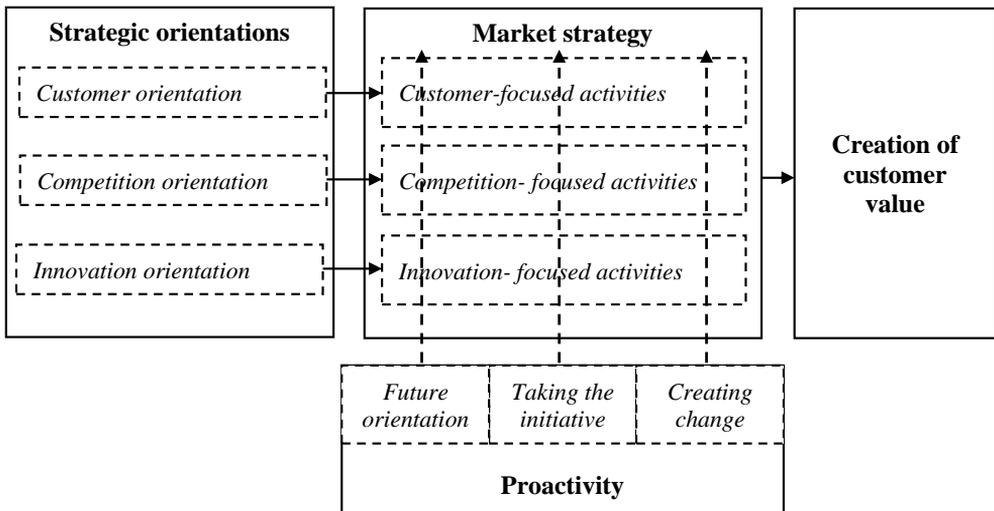


Figure 5: Proactivity and strategic orientations influencing market strategy

Thus, it can be said that while strategic orientations drive *what* (types of) activities a firm perceives it should perform to become successful, proactivity instead influences *how* these activities should be performed. This relationship is shown in Figure 5 above, where the strategic orientations on the left determine which activities end up in the market strategy, but the proactivity at the bottom instead influences how these activities are performed.

From these descriptions, it might seem that proactivity is a superior concept relative to strategic orientation, but this is not the case. As mentioned many times previously, proactivity, of and by itself, only represents a particular way of doing things, a way that is characterized by future-orientation, taking the initiative and driving change. While this approach holds great potential for crafting effective market strategies and achieving success, it says nearly nothing about what a firm should do, i.e. what activities it should perform. While a firm with clear strategic orientations but lacking in proactivity still can craft market strategies that may lead to some (or even great) success, a firm that is only proactive but has no clear perception of what to do will likely face market failure. As Chan (2006) points out, being proactive without a grasp of the situation will likely end up in failure, and this means firms must have something other than proactivity to give them a grip on how to achieve success.

### **5.2.2 Proactivity influences the effectiveness of market strategies differently to dynamic capabilities**

The description of proactivity as a phenomenon within the firm that enables it to enhance the performance of its strategies seems rather similar to a dynamic capability. Yet I will again argue that no, proactivity is not a dynamic capability. Dynamic capabilities refer to capabilities in a firm that enable it to enhance its other capabilities (Teece, Pisano & Shuen, 1997; Winter, 2003). For example, a firm may have a capability within product development that enables it to enhance its offerings, and a capability within process development that enables it to enhance its product development efforts, and so forth. This shows that dynamic capabilities exist on multiple levels, with each level enhancing the performance of those below it (Winter, 2003). From this perspective, proactivity might look like a dynamic capability, since it has the same type of ability to enhance the performance of various firm activities. However, just as with strategic orientations, this similarity fades when the two concepts are compared more closely.

Eisenhardt and Martin (2000, p. 1107) define dynamic capabilities as: “*The firm’s processes that use resources – specifically the processes to integrate, reconfigure, gain and release resources – to match and even create market change.*” This definition is similar to that of e.g. Teece et al. (1997), and positions dynamic capabilities as organizational processes that use resources to drive change in a firm and its environment. While the

driving change aspect certainly aligns dynamic capabilities with one of the proactive characteristics I propose, this does not mean proactivity is a dynamic capability.

A dynamic capability, being a process, refers to a particular type of knowledge that has been embedded in a firm, driving it to perform a range of activities covered by the process (Eisenhardt & Martin, 2000). So, for example, product development as a dynamic capability would refer to a design and innovation process that drives activities aimed at developing new offerings for customers. Following the above definition of a dynamic capability, these activities should be closely aligned with at least one proactive characteristic, meaning they are likely to be proactive, but not necessarily so. Proactivity, on the other hand, guides firms to perform their value-creating activities in certain ways.

What then would proactivity as a dynamic capability do in a firm? As a process, a dynamic capability should provide some form of blueprint or guidance for what types of activities to perform, and should also include the necessary organizationally embedded knowledge to perform them. Proactivity, however, is not about which activities to perform, and certainly does not include knowledge about the correct way of performing certain activities, but rather about the behavioral characteristics of those activities.

Ultimately, proactivity refers to a behavior, and one that must be exhibited through the concrete activities that firms perform. Exactly which activities these should be can be guided by strategic orientations, for the overarching goals and aims of the activities (Gatignon & Xuereb, 1997; Noble et al., 2002), and by dynamic capabilities, to guide which activities would best fit those goals (Teece et al., 1997; Eisenhardt & Martin, 2000). Proactivity, on the other hand, does not aid the firm in deciding on which activities or even which types of activities to perform, but in deciding how these activities should be performed. So, while activities driven by a dynamic capability certainly can be proactive, proactivity itself lacks both the implications for which types of activities to perform and the embedded knowledge to perform them that would make it a dynamic capability.

Strategic orientations, dynamic capabilities, and proactivity play different roles in influencing the market strategies of firms, and all of them are important for those strategies to be effective. Proactivity lacks the ability to guide firms towards the right types of activities to perform to become successful, but on the same note, strategic orientations and dynamic capabilities are also more likely to lead to success when they result in sets of activities that are more proactive (e.g. Narver et al., 2004; Blocker et al., 2011; Herhausen, 2016).

### 5.2.3 Proactivity as a value-creation logic

So, how should the influence that proactivity has on firms' market strategies and their associated activities be described and conceptualized? I argue that proactivity should be viewed as a type of logic that influences the value creation of firms. Compared to the way strategic orientations drive market strategies, the influence of proactivity is different; while the mix of a firm's strategic orientations drives it to take a particular path on its way towards creating value for customers, proactivity imparts no particular directions for what to do to become successful. It does, however, influence the ways the firm goes about taking the path that the mix of strategic orientations put it on. As mentioned above, strategic orientations influence what a firm chooses to do, while proactivity influences how it goes about doing it. This type of relationship is depicted in Figure 7 a few pages back.

From this perspective, proactivity becomes a type of lens through which a firm can perceive its value-creation efforts and design sets of activities that lead towards the targets set by its strategic orientations. By acting proactively, both in the sense of activities exhibiting the proactive characteristics and in the sense of crafting market strategies including typical proactive activities (as outlined in the conceptual framework), firms turn their market strategies into proactive market strategies. A proactive market strategy is thus a set of activities driven towards a particular goal by a set of strategic orientations, performed in a way influenced by the firm's level of proactivity. In this way, proactivity becomes a guiding logic for the firm in its value-creation efforts, or what I term a 'value-creation logic' (see e.g. Möller et al., 2006). As I show in Paper I, there are multiple different types of value-creation logics, but in this dissertation, I am focused on investigating the influence of proactivity.

As a value-creation logic, proactivity enhances the ability of firms to consistently create superior value through their (proactive) market strategies, but for this relationship to hold, the firm must also be driven by strong strategic orientations. Proactivity can thus enhance the effectiveness of market strategies, but only if they have clear foci and are aligned with the firm's internal capabilities and the market environment. This is what I mean by a value-creation logic: it does not by itself provide a blueprint for what a firm should do to be successful, but rather a set of principles for what a good blueprint should look like. By influencing the nature of the market strategies a firm crafts (i.e. how activities should be performed) rather than their aim (i.e. not focusing on what types of activities the firm should perform), proactivity and other value-creation logics (e.g. responsiveness) offer the potential for more effective strategy, but cannot by themselves be the foundation of those strategies.

## 5.3 Different types of proactive market strategies

Having presented my view on what proactivity is, and how it interacts with market strategy, it is time to take a closer look at proactive market strategies again. Based on the concept of the value-creation logic from Paper I, there are different types of market strategies depending not only on the strategic orientations that drive the strategy, but also on the value-creation logic of the firm that employs them. To synthesize these findings and explain their differences and similarities, I will now discuss different types of proactive market strategies in more detail.

### 5.3.1 How value-creation logics shape market strategies

By looking at the typology of different market strategies from Paper I (seen in Figure 8 below), it becomes apparent that different value-creation logics (i.e. different configurations of proactivity and responsiveness) result in different types of market strategies. While the previous text in this chapter has been focused solely on proactivity, responsiveness (e.g. Narver et al., 2004) represents another dimension of firms' value-creation logics, resulting in two different proactive approaches to market strategies, as shown in Figure 6. Furthermore, while only the Visionary and Ambidextrous strategies exhibit high levels of proactivity, all four types of strategies presented in the typology are of interest in understanding how firms use market strategies, and in particular how firms' market strategies develop over time.

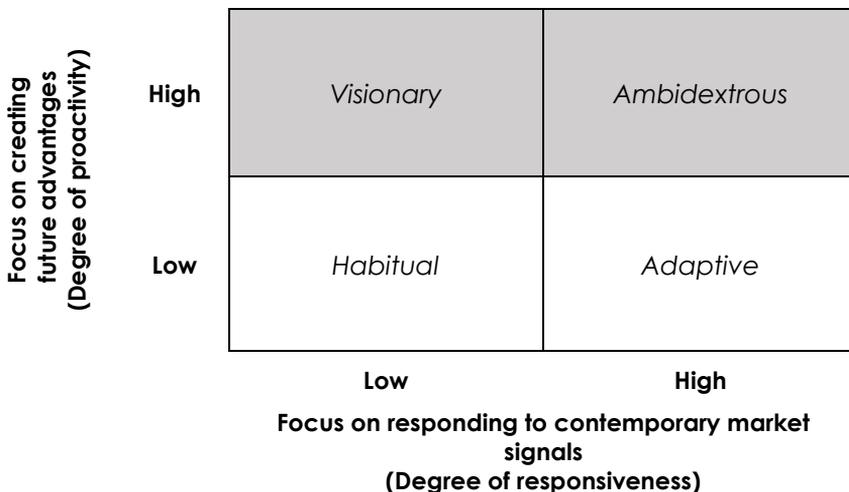


Figure 6: Different types of market strategies

First, it should be noted that the epithets used to describe each type of strategy in the typology are based entirely on the configuration of proactivity and responsiveness that guides the strategy. Thus, a Visionary strategy may have any mix of strategic orientations that influence which types of activities are performed, but all such strategies will be similar in the way the firms go about performing these activities. Continuing with Visionary strategy as an example, a customer-oriented firm will likely focus on figuring out the latent needs of customers and anticipating how those needs will develop over time, but not be very focused on their expressed needs (Narver et al., 2004). Meanwhile, an innovation-oriented firm would likely focus on developing radical new innovations to satisfy customer needs rather than any type of smaller, incremental innovations (Li et al., 2008). These two firms are very different in terms of what they choose to focus on, but are very similar when it comes to how they go about it; both focus on proactive activities with a clear future-oriented and change-inducing character, but lack a focus on the type of responsive activities that might pay off better in the short term. Hence their epithet as Visionary firms. When evaluating the market strategy of a firm, it is thus important to look beyond the mix of strategic orientation and study the underlying value-creation logic that drives the strategy as well.

### 5.3.2 Generic approaches to proactive market strategies

Leaving the overarching value-creation logics aside for a moment and looking at just proactive market strategies, the appended Papers II and III provide some further insight into the different types of strategies that firms use. One of the main contributions of Paper II is the framework of generic proactive market strategies, presented in Table 5 below.

*Table 5: Three generic proactive market strategies*

<b>Theme</b>	<b>Customer orientation</b>	<b>Competition orientation</b>	<b>Innovation orientation</b>
Proactivity through <b>market shaping</b>	○	●	
Proactivity through <b>customer engagement</b>	●		○
Proactivity through <b>innovation leadership</b>		○	●

 Primary activity focus     
  Secondary activity focus

The generic proactive market strategies in this discussion are three archetypal approaches to proactivity in firms' market strategies (see also e.g. Miles & Snow, 1979; Miller, 1980 on strategic archetypes). As such, they are typical sets of activities that firms use while striving to create superior value for customers, characterized by high levels of proactivity in certain areas. Furthermore, these generic proactive market strategies have interesting implications for the general role of proactivity in shaping market strategies. As can be seen in Table 5 above, none of the generic proactive market strategies are driven by all three typical strategic orientations from the conceptual framework. Moreover, none of them put the same emphasis on being proactive across all orientations, even if all firms studied in Paper II were proactive to some degree in almost all categories of activities.

What set the generic proactive market strategies found in Paper II apart from other sets of proactive activities was the level of integration among activities driven by multiple strategic orientations. Thus, while any coherent set of customer value-creating activities that exhibits high levels of proactivity can be said to represent a proactive market strategy, the generic proactive market strategies require the set of activities to be driven by multiple strategic orientations and still be tightly integrated. This call for integrated activities from multiple orientations goes back to the origins of market orientation as a combined customer, competitor, and organizational orientation (Narver & Slater, 1990; Gatignon & Xuereb, 1997). In their seminal paper, Narver and Slater (1990) point out that market orientation, as a combined set of multiple orientations, was more effective than any of them were individually, and this continued to hold true when market orientation was refined into proactive and responsive market orientation (Narver et al., 2004).

This integration of multiple orientations continues to be seen in the highly effective proactive configurations in Paper III. Therein, two proactive market strategies that consistently lead to high performance are presented. These can be seen as configurations C1 and C2 in Table 6 below.

Both of these proactive market strategies resemble generic proactive market strategies (Market shaping for C1 and Customer engagement for C2), and include integration of activities across multiple strategic orientations. One of the generic proactive market strategies, innovation leadership, is not present in the findings from Paper III, but this can be explained through the empirical context of the paper. Since the firms that were investigated to make up the cases for the study were all SMEs, it is likely that they lack the necessary resources to succeed with the more demanding innovation leadership strategy.

Table 6: High-performing configurations

<b>Configuration (High business performance)</b>	<b>C1</b>	<b>C2</b>	<b>C3a</b>	<b>C3b</b>
Market-strategic focus				
<i>Customer orientation</i>	O	O		O
<i>Competitor orientation</i>	O			X
<i>Innovation orientation</i>		O	X	X
Proactivity	O	O	X	X
Environmental dynamism			X	
<hr/>				
<b>Goodness-of-fit</b>				
Consistency	0.87	0.91	0.87	0.92
Raw coverage	0.68	0.75	0.54	0.51
Unique coverage	0.02	0.05	0.02	0.01
Solution coverage	0.84			
Solution consistency	0.83	<i>O - Condition must be present</i>		
Frequency cut-off	1	<i>X - Condition must be absent</i>		
Consistency cut-off	0.91	<i>Blank - Do not care, condition does not affect performance either way</i>		

### 5.3.3 Synthesis

In total, the generic proactive market strategies represent archetypal approaches to how firms can use proactivity to shape their market strategies in more effective ways. While the value-creation logics approach from Paper I gives interesting insights into different types of proactive approaches to value creation – and how market strategies driven by the same strategic orientations can result in very different activities based on the relative levels of proactivity among the firms – it says little about how proactivity impacts the effectiveness of those market strategies. The generic proactive market strategies from Paper II and highly effective proactive configurations from Paper III connect proactivity with sets of integrated activities driven by certain combinations of strategic orientations, and thus provide more insight into how proactivity can shape the effectiveness of particular market strategies.

## 5.4 The activities of proactive market strategies

As a consequence of the definition of market strategy that I use in this dissertation, the activities that firms perform (and especially the proactive activities) play a very important role. Placing great emphasis on activities is in line with the activity-focused conceptualization of market orientation, which holds that a firm can only be seen as market-oriented if it performs certain types of activities (Kohli & Jaworski, 1990). In the conceptual framework, I use this as a foundation and present sets of typical proactive and non-proactive activities driven by different strategic orientations, which have been derived from the marketing and strategic management literature.

However, just as the overall concept of proactivity has been unclear and needed further investigation, the activities that make up market strategies also need to be looked at more closely. Since it is through performing activities that firms both implement their intended market strategies and exhibit the proactivity that can make them into proactive market strategies, these activities hold an important position.

### 5.4.1 Are there activities that are inherently proactive?

Throughout this discussion, I have treated proactive market strategies as coherent sets of activities exhibiting proactive characteristics that are aimed at providing customers with superior value. This does, however, pose a number of questions that need to be looked at more thoroughly. First, are those activities necessarily proactive activities? Is there a difference between proactive activities and activities with a proactive characteristic?

The overview of proactive activities from the conceptual framework does suggest that certain activities are inherently proactive. I list examples such as proactive innovation-oriented firms being more likely to perform innovation activities aimed at developing explorative innovations (Li et al., 2008). Is a drive to create more radical innovation that explores new market opportunities then inherently proactive? While scholars such as Li et al. (2008) and Tan and Liu (2014) have indeed connected proactivity to a higher propensity for radical innovation, this does not mean that radical innovations are always proactive.

Firstly, it is necessary to consider the intent behind an activity to determine how proactive it is (Bateman & Crant, 1993; Crant, 2000). Through the behavioral characteristics of the activity, along with its driving intent, it becomes possible to evaluate whether or not it is proactive. Thus, even if an activity seemingly exhibits proactive characteristics, it might actually not be proactive if undertaken on a whim or without an intent towards certain outcomes. This intent can sometimes be hard to gauge, and easy to rationalize *post hoc*, but is critical to understanding proactivity.

Returning to the example of exploratory innovations, this means that not all innovation processes resulting in radical innovations need be proactive; it depends on the drive behind the activities. However, actively striving towards developing a radical innovation is proactive. Radical innovations are by their very nature intended to change the market in different ways, and often require firms to invest significant resources over a longer time period to come to fruition (Christensen & Bower, 1996). But by being the first to offer a new type of value proposition to the market, firms can gain great benefit and (hopefully) recoup these long-term investments. Thus, activities aimed at developing radical innovations often only pay off in the longer term, by enabling the firm to take the initiative and be the first to make a new offering that potentially reshapes the market. As this shows, radical innovation is by its very nature closely associated with proactivity. Activities aiming at developing radical innovations are thus inherently proactive, because they are aligned with the proactive characteristics and are driven by a clear intent.

What this example is meant to show is that while certain activities are inherently proactive, as outlined in the conceptual framework, they are proactive because they exhibit proactive characteristics by their very nature. It is the connection to the proactive characteristics that transforms these activities into proactive activities, not some other nebulous aspect, and firms must still act with an active intent to be proactive when performing them. Just performing research that a firm's engineers find interesting with no clear plan or goal and then coincidentally making a discovery that leads to a radical innovation is not proactive, since there was no intent to guide the activities leading to the discovery. On that same note, incremental innovation aimed at e.g. developing new aspects to an offering that can bring a new segment of customers into a market can be proactive, even if incremental innovation typically is not. Thus, performing such archetypally proactive activities with an active intent is overwhelmingly likely to be proactive.

Proactive activities are proactive because of their connection to the proactive characteristics, and, as the framework shows, there are certain activities driven by the different strategic orientations that are highly likely to be proactive and others that are likely not to be. To ultimately understand how proactive an activity actually is, it is necessary to investigate the intent behind its undertaking, but these represent archetypal proactive activities that firms base their proactive market strategies around.

## 5.5 Returning to the research questions

In order to clarify how the findings from my papers and the above discussion relate to the overarching purpose of this dissertation, I will now provide answers to each of the research questions. These answers come in the form of condensed summaries from the synthesization.

### 5.5.1 RQ 1: What does proactivity entail in a strategic marketing context?

The first concern I had was the lack of conceptual clarity and a working definition of proactivity in the strategic marketing context. While proactivity was relatively popular, in marketing as well as elsewhere, it was not very clear what was meant by ‘proactive’. The answer to this research question is based on the conceptual work I conducted early on in the research project, as seen in Paper I as well as the conceptual framework chapter of the dissertation.

From the field of organizational behavior, there are primarily two different ways of looking at proactivity, but both share many similarities (Grant & Ashford, 2008). While these studies concern proactivity as a behavior among individuals working in organizations, there are many parallels to be drawn to the firm-centric strategic marketing context. Based on these streams of literature, proactivity is best described as initiative-taking action aimed at producing some form of change in the person’s environment (Bateman & Crant, 1993; Crant, 2000; Frese & Fay, 2001; Grant & Ashford, 2008).

Looking at the common thrusts in the marketing literature on proactive phenomena, such as proactive market orientation (e.g. Narver et al., 2004; Atuahene-Gima et al., 2005) or market shaping (e.g. Kindström et al., 2018; Nenonen et al., 2019), helped nuance this view. I established that the view of proactivity from the marketing literature was largely in agreement with those characteristics and arrived at the definition of proactivity as driven by future-orientation, taking the initiative, and creating change.

These three proactive characteristics provide a foundation for further conceptualization and study of proactive market strategies, but there is more to be said about proactivity in the strategic marketing context. First, it is important to decouple proactivity from success; proactive action does not have to be successful to be proactive (Crant, 2000; Chan, 2006). Furthermore, proactivity is not a strategic orientation and affects market strategies in different ways. As a value-creation logic, proactivity takes the position of influencing how firms choose to perform the activities that make up their market strategies.

In summary, proactivity is a behavior exhibited through the activities firms perform to implement their market strategies. This behavior is characterized by being future-oriented, taking the initiative and driving change, and the activities must furthermore be performed with an active intent to be proactive. Finally, it is important to realize that proactivity is not a silver bullet that always brings success; in fact, proactive action taken with a poor understanding of the situation is likely to bring about worse results than less proactive actions would (Chan, 2006).

### **5.5.2 RQ 2: What are the characteristics of proactive market strategies?**

After developing a clearer definition of what proactivity entails for market strategy, the next issue was to explore how firms use proactive market strategies. Since there was a lack of studies taking a holistic view on the topic, I started by identifying a number of firms that I could verify as being proactive in their approach to creating customer value, and then studied their proactive market strategies further. This resulted in the study seen in Paper II, which also presents the framework of generic proactive market strategies.

Developing typologies is nothing new in the strategy field (see e.g. Miles & Snow, 1979; Porter, 1985; Slater et al., 2007), and is a useful tool for understanding different approaches to achieving a goal. The typology of different market strategies based on their underlying value-creation logics from Paper I presents a view where proactive market strategies are either Visionary strategies or Ambidextrous strategies, depending on the level of responsiveness in the firm's activities. From this perspective, any market strategy consisting of activities characterized by proactivity is a proactive market strategy, which differs from the view in Paper II. The generic proactive market strategies do not take heed of the overarching value-creation logic of the firm and instead focus on the differences between proactive strategies driven by different strategic orientations, resulting in the three generic strategies of customer engagement, market shaping and innovation leadership.

The differences between these two papers can be explained by their different foci. In Paper I the goal was to develop a conceptual model of the behaviors that affect value creation, based on the proactive and responsive market orientation framework (Narver et al., 2004), in order to understand the full breadth of possible proactive market strategies. In Paper II, on the other hand, the objective was to find the common thrusts among the proactive market strategies of successful proactive firms. Thus, all firms - and all strategies - investigated were proactive, and the goal was to find how different mixes of strategic orientations resulted in different proactive market strategies. By synthesizing the frameworks from both papers, it is possible to understand both the overarching value-creation logics that drive market strategies, and how they interact with the strategic orientations to result in specific proactive market strategies.

### **5.5.3 RQ 3: How does proactivity influence the effectiveness of market strategies?**

One of the main reasons why proactivity is such an interesting phenomenon to study is the implications it holds for increased firm performance through more effective market strategies. Narver et al. (2004) claim that proactive market orientation is superior to responsive market orientation and is the key to unlocking the value-creation potential in market orientation. While later studies find this is not necessarily always the case (e.g. Atuahene-Gima et al., 2005; Tsai et al., 2008), proactivity nonetheless has a stronger positive influence on performance (Blocker et al., 2011; Herhausen, 2016).

A key aspect of proactivity is that it affects market strategy in different ways than strategic orientations and dynamic capabilities do, and cannot be relied upon to bring success if the firm is lacking in strategic focus or capabilities. Thus, a firm that is only proactive will likely not be very successful. Proactivity instead becomes interesting when a firm has established a set of strategic orientations and the capabilities needed to perform those types of activities at a professional level. Then, proactivity has the potential to enhance the firm's market strategies by influencing how it performs these activities, likely leading to greater success than otherwise (Crant, 2000; Narver et al., 2004). Proactivity can thus enhance the market strategies of firms, increasing their effectiveness by making the firms focus on long-term success by taking the initiative to challenge the status quo and bring about change in the market.

However, not all market strategies will become more effective by being proactive. As Tsai et al. (2008) show, certain market situations, as well as certain sets of capabilities, do not provide the circumstances that enable proactivity to enhance firms' market strategies enough to offset its costs. Paper III finds two proactive market strategies, which reflect the customer engagement and market shaping strategies from the generic proactive market strategies, where proactivity can be linked to consistently high strategic effectiveness.

This contingency perspective on proactive market strategies is very interesting and means firms must understand their internal and external circumstances before it is possible to evaluate whether or not proactivity has the potential to improve their strategic effectiveness.

## 5.5.4 RQ 4: How do firms use proactive activities to create value?

While the overall positive effect on value-creation from proactive market strategies has been discussed extensively above, there has not been much discussion of the role played by the individual proactive activities in establishing this effect. As I conceive of proactive market strategies as coherent sets of integrated proactive activities, it stands to reason that the proactive activities themselves play an important part in bringing about any enhanced value-creation on the part of a proactive firm. While touched upon conceptually in Paper I, and briefly also empirically in Paper II, it is primarily in Paper IV that I study the proactive activities of proactive firms and how they influence value-creation.

The most important aspects of a proactive activity lie in its adherence to the three proactive characteristics – being future-oriented, taking the initiative, and driving change – and in the active intent behind it. Without these two aspects, an activity can scarcely be said to be proactive at all, and is thus by definition not part of the proactively-influenced value-creation of a firm. But beyond this basic description, there are many more interesting aspects of the value-creation that is driven by proactive activities. As shown in Paper IV, the key aspects of value-creation driven by proactive activities is grounded in improving a firm's preparation for future activities and by making it easier for customers to realize value from an offering without the need for active assistance from the firm.

Thus, while there are obviously some aspects of value-creation that are inherent to the type of activity being performed – such as better product performance stemming from successful innovation activities or customer satisfaction stemming from an excellent service encounter – it seems that proactivity not only influences value-creation by influencing the performance of these activities, but also by influencing the *timing* of the activities performed. As previously described, while both a proactive and a non-proactive customer-oriented firm will perform activities aimed at e.g. identifying customer needs, they will do so in different ways (Narver et al., 2004). However, the difference seems to be not only in their respective foci on latent or articulated needs, but also in when the firm chooses to perform these activities.

From what I find in Paper IV, the proactive firm will perform more activities and devote more effort and resources to being well-prepared for the identification activities that start with the joint sphere of contact with the customer (see e.g. Grönroos, 2008; Grönroos & Voima, 2013) than the non-proactive firm will. By performing activities to build more knowledge before coming into contact with a prospective customer, the proactive firm is better poised to deliver a value-creating solution to the customer within the time they have to deliver. The same type of phenomenon can be seen in the customer sphere, where the proactive firm puts more emphasis on performing activities to enable the customer to realize value more easily and with less need to call on the firm for assistance. These findings are highly consistent with the three proactive characteristics;

acting to prepare for future activities entails both taking the initiative and being future-oriented, and while driving change is not necessarily a part of such activities, it is often necessary to challenge the status quo in a firm to build new types of knowledge (Gnizy, Baker & Grinstein, 2014).

Thus, beyond the potential for improved value-creation that can be seen from employing more proactive activities of and by themselves, as outlined in the conceptual framework in Chapter 2, proactive firms use proactive activities to improve value-creation by acting with a different timing than non-proactive firms.



## 6 Conclusions

The purpose of this dissertation is to increase our understanding of how proactivity can shape market strategy. As seen in e.g. the literature on market shaping (e.g. Kindström et al., 2019; Nenonen et al., 2019) and proactive market orientation (e.g. Narver et al., 2004; Herhausen, 2016), proactivity holds great promise for enabling firms to craft more effective market strategies. At the same time, a deeper understanding of this role is hampered by the lack of conceptual clarity about what proactivity entails and the lack of a holistic approach to the study of proactive market strategies. I set out on this research project almost five years ago to attempt to address these issues, and have since studied proactivity and proactive market strategies to understand how proactivity can enable firms to be more successful through enhanced value creation. While there are aspects of proactive market strategies that I would have liked to delve further into than I had the time or the empirical data for, this dissertation still represents one of the most extensive, holistic and conceptually clear takes on proactive market strategies in the current marketing literature.

The four appended papers represent different approaches to proactive market strategies. Paper I focuses on the conceptual development of proactivity itself and a broader understanding of how it shapes the market strategy of firms. Paper II is focused on taking this conceptualization and trying to understand the common thrusts among proactive market strategies. Paper III then investigates the link between proactivity and market-strategic effectiveness a little more rigorously using fuzzy-set qualitative

comparative analysis, providing deeper insight into the role of proactivity in shaping effective market strategy under different circumstances. Finally, Paper IV takes a slightly different approach and dives more deeply into three firms working with proactive market strategies to investigate and understand how different proactive activities are used to create value for customers. These four papers are then complemented by a broader synthesis and discussion of the nature of market strategies and proactivity in this cover (*kappa*). Together, they do not say everything there is to say about proactive market strategies, particularly when it comes to details, but this dissertation still achieves what I set out to do.

Through the conceptual development of market strategy and proactivity in the strategic marketing context, I aim to provide definitions with higher conceptual clarity than existing ones, creating a foundation for continued research into proactive market strategies. My typology of different types of market strategies driven by different value-creation logics from Paper I and the three generic proactive market strategies from Paper II provides insight into how proactivity is expressed by firms and how it influences market strategy, and furthermore also serves to illustrate how firms use proactive market strategies to become successful. The proactive configurations from Paper III replicate findings from e.g. Narver et al. (2004) about the relationship between proactivity and effective market strategies, and also shows how proactivity is a key aspect in managing more dynamic markets (see e.g. Tsai et al., 2008; Day, 2011). Paper IV then provides a deeper understanding of how proactivity shapes market strategy by providing a more in-depth investigation of the proactive activities that make up proactive market strategies.

Through these four papers, this dissertation both provides an exploration of proactivity and takes steps towards explaining the role of proactivity in shaping the effectiveness of market strategies. The synthesis and discussion of proactive market strategies in this *kappa* then serves to further enrich these findings. While there are aspects of proactive market strategies that still need to be developed further, such as more detailed contingency perspectives on when and how to be proactive and the capabilities needed to succeed, I argue that this dissertation meets its purpose. By providing a conceptually clear and holistic overview of proactivity in general and proactive market strategies in particular, I establish a starting point for continued research into this exiting area while also providing interesting explanations of what proactive market strategies are and how proactivity influences their effectiveness.

## 6.1 Summary of key findings

Five years of research, containing five conference presentations, four papers, and almost endless discussions, must now be distilled into a brief overview of the key findings from my doctoral studies. The overarching purpose of this dissertation is to understand proactivity and its role in shaping market strategy, and throughout my research I have made a number of interesting findings, both conceptual and empirically driven, that help me meet this purpose.

**Character and intent make an activity proactive.** From the conceptual work on the nature of proactivity in a strategic marketing context I arrived at the three proactive characteristics of being future-oriented, taking the initiative and driving change. What this means is that activities that express these behavioral characteristics are more proactive than those that do not. It is not necessary to express all of them, but the more characteristics an activity has and the stronger their expression, the more proactive it is.

However, there is one more critical aspect to proactivity beyond the three proactive characteristics, and that is intent. Even activities that manage to drive change, create the circumstances that allow a firm to establish long-term success, and also match the proactive characteristics, would in actuality not be proactive if they were simply based on luck. As Crant (2000) points out, proactive actions must be guided by an active intent to create change, not simply cause it by lucky circumstance.

**Proactivity by itself is not enough for success.** Many takes on proactivity, including the original conceptualization of proactive market strategy, see it almost as a silver bullet that can enable firms to overcome all sorts of challenges and become successful. This is, unfortunately, not the case. A firm with a proactive market orientation does statistically achieve greater success than market-oriented firms that are less proactive (Narver et al., 2004; Herhausen, 2016). However, this is not because proactivity is a silver bullet, but because it complements the strategic orientations embedded in market orientation and guides the firm to perform activities in certain ways that enhance the effectiveness of the resulting market strategies.

As pointed out by Chan (2006), taking proactive action with a poor understanding of the situation is likely to end in worse failure than less proactive actions in the same circumstances would. Proactivity thus has the potential to enhance the effectiveness of a firm's market strategies if they are driven by clear strategic orientations and supported by the capabilities of the firm. If this foundation does not exist in the firm, becoming more proactive in its activities is highly unlikely to bring success to the firm.

**Proactive firms act in advance to drive future value creation.** Two of the key characteristics of proactivity are being future-oriented and taking the initiative. Both of these indicate the emphasis on acting in advance that is commonly associated with proactivity. The Merriam-Webster Dictionary defines the adjective ‘proactive’ as: “*acting in anticipation of future problems, needs, or changes*” (Merriam-Webster, 2020), clearly demonstrating this connection to anticipatory and future-oriented action.

While there is a lot more to proactivity in the strategic marketing context than anticipating what is going to happen and taking action based on that, it is still an important aspect. I have, for example, studied a highly proactive firm in the waste collection business that did not necessarily try to anticipate future developments so much as act based on a vision of what they would like the market to look like and then consistently, over the long term, perform activities aimed at creating the change needed to get there. This is proactive, but not with a strong emphasis on anticipating developments. Their reasoning is that the market tends to be very stable and any changes have to be brought about by the firm itself; they are unlikely to come on their own or by the agency of other market actors. Still, the actions of the firm are clearly future-oriented, taken in advance to create a market situation that better fits the firm in the long term.

What this illustrates is that the influence of proactivity on market strategy will drive firms towards acting in advance, in order to e.g. explore new opportunities, shape markets into more beneficial positions, or develop new offerings that will bring new customers to the firm. Anticipating future developments may or may not be aspects of the proactive market strategies of proactive firms, but the strategies will nonetheless drive the firms towards acting in advance rather than just reacting to events in the environment, or even remaining passive and only acting when forced to do so by external circumstances.

**The effect of proactivity is mediated by contingency factors.** As mentioned above, proactive action is not always successful, and the reason for this often boils down to the fit between the firm and its environment. Tsai et al. (2008) find that the higher performance of firms driven by a proactive market orientation is most pronounced in highly competitive and/or turbulent markets, where the enhanced market strategies of such firms bring necessary competitive advantage. In less competitive and turbulent markets, they find that proactive market orientation does not outperform responsive market orientation, since the enhanced market strategies do not offer a competitive advantage that is proportional to their higher costs to the organization (Atuahene-Gima et al., 2005; Tsai et al., 2008).

What this serves to illustrate is that depending on the market environment a firm competes in and the nature of customer needs in that market, proactivity will not necessarily enhance the firm’s market strategies enough to offset the often higher costs associated with proactive activities (see also Narver & Slater, 1990). However, in the study of SMEs presented in Paper III, the two proactive configurations show examples of how proactive market strategies can consistently lead to high performance, whether markets

are highly dynamic or not. Processes such as globalization and digitalization have made most markets more dynamic and open to international competition (Day, 2011). This seems to indicate that the enhanced effectiveness enabled by proactivity is becoming a consistent way of reaching higher performance across a broader range of markets and environments than was previously the case.

Beyond the contingency effects of the external market environment, factors internal to the firm also influence the effectivity gains from being proactive. As is shown in both the generic proactive market strategies from Paper II and the proactive configurations in Paper III, proactivity does not have a universally positive impact on all types of market strategies. Instead, certain types of market strategies, e.g. those driven by a set of customer orientation and innovation orientations, are positively influenced by proactivity in most cases, while other combinations do not see the same type of consistent effect. What I believe this boils down to is that firms must find a way of being proactive that fits their circumstances and strategic orientations, i.e. the right type of proactivity for them. This harkens back to the calls from Kumar et al. (2011) that firms must find the right way for them to be market-oriented in order to gain the potential benefits that market orientation can offer. In order for firms to enjoy the potential benefits from proactivity, they must find the right way of being proactive that fits with their circumstances.

**Effective proactive market strategies are driven by multiple strategic orientations.** While there are numerous ways for a firm to be proactive and express this through their market strategies, my studies indicate that there are some common thrusts among the more effective proactive market strategies. Just as the performance potential in market orientation lies in its successful integration of customer and competitor orientations, the most effective proactive market strategies consist of integrated activities driven by multiple strategic orientations.

Proactive market strategies are conceptualized as coherent sets of activities that exhibit proactive characteristics, which indicates a very broad set of possible proactive market strategies. However, in the generic proactive market strategies from Paper II, as well as in the proactive configurations from Paper III, the most effective proactive market strategies always contain activities driven by multiple strategic orientations. Furthermore, as I found in the case studies for Paper II, the different types of activities are tightly integrated, with e.g. innovation-oriented activities integrated with customer-oriented activities.

This integration is central to the higher effectiveness of these types of proactive market strategies, since it means important information for creating customer value is spread across divisions in firms, enhancing their value-creation efforts as a whole (see e.g. Kohli & Jaworski, 1990; Jaworski & Kohli, 1996). As seen in the proactive configurations from Paper III, proactivity can enable firms to manage environments and create value in ways that non-proactive market strategies find it harder to do, but capturing this enhanced

performance puts higher demands on the firms' strategic foci, i.e. their sets of strategic orientations.

This emphasis on activities driven by multiple orientations can in many ways be seen as a proactive take on the market orientation conceptualization by Kohli and Jaworski (1990), wherein the activities a firm performs indicate its level of market orientation. Just as proactivity plays a central role in enabling firms to capture the value-creation potential in the orientation-based view of market orientation (Narver & Slater, 1990; Narver et al., 2004), proactivity seems to be an important aspect of capturing the value from the market intelligence-focused activities of the other conceptualization of market orientation (Kohli & Jaworski, 1990).

Thus, while there exists a large set of proactive market strategies that are only driven by a single orientation (or at least are only proactive in the activities driven by one of their orientations), this type of proactivity is unfortunately unlikely to result in superior performance. In order for firms to use proactivity to enhance the effectiveness of their market strategies, they need to be driven by a set of multiple strategic orientations, and must also integrate these activities so that the whole firm shares information and processes that are important for creating value (see e.g. Kohli & Jaworski, 1990; Jaworski & Kohli, 1996; Narver et al., 2004; Day, 2011).

## 6.2 Theoretical contributions

This dissertation makes a number of theoretical contributions, primarily to the literature on strategic marketing, which will be detailed below.

**A conceptualization of market strategies using strategic orientations and activities.** The strategic orientation framework was developed to describe how different firms have different strategic focuses and the equifinality of many different approaches to reaching success (Gatignon & Xuereb, 1997; Noble et al., 2002; Olson et al., 2005). I use this framework as the starting point to develop a conceptualization of market strategies based on the different types of activities they perform. Since I argue that the activities a firm performs while implementing their market strategy are key to understanding the actual realized strategy of the firm (see e.g. Mintzberg & Waters, 1985), it is natural to view market strategies as coherent sets of activities aimed at creating value for customers. This conceptualization uses the strategic orientation framework to divide up different types of activities, as primarily seen in the appended Papers I and II, helping us understand the differences between market strategies with different foci. By using concrete firm activities as the foundation for understanding market strategies, I provide a framework that enables researchers to study the market strategies of firms in a clearer way than just using strategic plans or similar.

**A definition of proactivity in a strategic marketing context.** One of the key criticisms I raise against the existing marketing literature in this dissertation is that while many studies use the term ‘proactivity’, none of them provide a proper definition of what they mean by proactive. Most leave the definition implicit, leading to wildly different interpretations, e.g. Narver et al. (2004) who consider proactivity to be about gaining knowledge of customers’ latent needs, Day (2011) who considers proactivity to be about vigilantly sensing the market for new developments and exploring new opportunities, or Lieberman and Montgomery (1988) who consider proactivity to be about being the first to do something new in a market. My definition of proactivity, based on a synthesis of the work on proactivity in the organizational behavior field (e.g. Ashford & Grant, 2008; Crant, 2000; Frese & Fay, 2002) with the existing work in the marketing field, provides a much clearer point of departure for studies dealing with proactive phenomena. By using the three proactive characteristics – being future-oriented, taking the initiative, and driving change – it is possible to evaluate the level of proactivity in a firm’s activities and strategies and also to see in which way a firm is being proactive, thus giving a more nuanced view of proactivity.

**Different types of value-creation logics influence market strategies.** The concept of a value-creation logic is presented in Paper I and refers to a firm’s logic for how it can best create value for customers. One downside of the strategic orientation framework is that, on its own, it does not fully explain how firms driven by the same strategic orientations often end up with different activities as they implement their strategies. By introducing the concept of a value-creation logic, i.e. a combination of proactivity and responsiveness in a firm’s approach to creating value, I provide a tool for understanding how different types of market strategies come into being. Furthermore, I provide a typology of four archetypal market strategies and how they arise from different value-creation logics.

**The three generic proactive market strategies.** The second appended paper presents three generic proactive market strategies that help provide insight into what separates a proactive market strategy from a market strategy that on the whole is not proactive but has proactive elements. The key finding here is that proactive market strategies do not only contain proactive activities but also integrate proactive activities driven by multiple strategic orientations. While individual proactive elements in a market strategy may help it achieve success, the strategy as a whole seems unlikely to be proactive unless several proactive elements are integrated to work towards the same strategic goal. This, and the three generic proactive market strategies themselves, contribute to the field by providing insight into how firms can integrate proactivity into their strategies on a deeper level.

**The four configurations from the fsQCA study.** The third appended paper presents four configurations of market strategies, proactivity, and market environment, and how they consistently lead to market-strategic effectiveness. This contribution helps support existing literature pointing towards market orientation as a necessary but insufficient

condition for high performance (e.g. Frösén et al., 2016; Kumar et al., 2011), and also shows that proactivity has an important role to play in enabling firms to overcome a highly dynamic environment (e.g. Day, 2011; Tsai et al., 2008). Furthermore, the configurations help explain which types of market strategies benefit the most from including proactivity, furthering our understanding of the role proactivity plays in facilitating high market-strategic effectiveness.

**Proactive activities enhance value creation by preparing for future activities.** As can be seen in Paper IV, the main way in which the proactive firm differs from the non-proactive firm is not in the desire to create value – the non-proactive firm expressed just as strong a desire to provide value for customers – but in the large number of activities it performs to prepare for future creation of value potential and realization of customer value. By acting to collect data and gain knowledge of customer needs and preferences, as well as feedback on the performance of the firm’s solutions with existing customers, the proactive firm becomes better prepared to create value than the non-proactive firm. Thus, while proactive market strategies are not all about acting in advance, as can be seen in the three proactive characteristics, one of the main ways the three characteristics come together is when acting beforehand in order both to be better prepared for future activities and to ensure customers’ future activities go smoothly.

## 6.3 Managerial implications

Since I am of the opinion that marketing research needs to be more managerially relevant, I shall now outline the key managerial implications from my research. While most of the research I have performed is more exploratory in nature and I thus have little to base any prescriptive or normative statements about proactivity on, there are still a number of key findings about the nature of proactivity and proactive market strategies that can be used to guide managerial decision-making about market strategies.

**Focus on developing capabilities linked to the proactive characteristics.** Most obviously, firms wishing to capture the potential for increased value-creation from proactivity must focus on the characteristics of the activities they perform. Since proactive activities must, to some degree, be future-oriented, take the initiative, and drive change, firms can assess the degree to which they are doing these things. Typically, it is not a simple matter for a firm to go from being non-proactive to become proactive; most of the non-proactive firms presented in Paper III were not so because they had decided they did not want to be proactive – usually they did want to be – but because they felt they lacked the capabilities or resources to be more proactive. As Chan (2006) notes, proactive action without a good grasp of the situation at hand is likely to provide poor results, so aimless attempts at developing proactive market strategies from scratch are unlikely to bring success to a firm. Instead, firms should work to develop the capabilities needed to perform

activities that are in line with the proactive characteristics and enhance the proactivity of their activities, until they are prepared for proactive market strategies.

**Integrate different types of proactive activities to create proactive market strategies.**

As seen in the study presented in Paper II, successful proactive firms do not simply use proactive activities, they integrate different types of proactive activities into the same proactive market strategies. The three identified generic proactive market strategies rest on activities driven by multiple strategic orientations but aimed at the same goals. Thus, for a firm striving to craft proactive market strategies, it is important to consider how different divisions of the firm can coordinate and collaborate to create these integrated proactive activities. This is similar to the call from the market orientation literature for firms to disseminate market intelligence throughout the organization (e.g. Kohli & Jaworski, 1990). In order to ensure superior value creation, the capabilities and know-how of different teams across the firm organization must be brought together to perform key proactive activities in the proactive market strategy. For example, a customer engagement proactive market strategy requires both customer-oriented and innovation-oriented activities to be integrated in order to be successful. By creating teams with members who have the most insight into customers and their wants and needs together with members who are knowledgeable about the firm's development capabilities, it is possible to coordinate innovation- and customer-centric activities to create customized solutions that provide superior value for customers. This is, for example, the main proactive market strategy of the case firm Custom Product Solutions described in Paper II.

**Proactivity is as much about when activities are performed as about which activities to perform.** As presented in Paper IV, one key aspect of a successful proactive firm is that it acts earlier than its non-proactive counterpart. This has two aspects: the proactive firm performs both more activities aimed at preparing for future activities and more activities aimed at ensuring customers' future success. The more proactive firm is better prepared with knowledge about customer needs and potential solutions before meeting with a customer, and is thus better prepared to lead the customer in a desired direction compared to a firm that lets the customer take the initiative. Furthermore, the proactive firm performs more activities while developing new offerings and implementing solutions to ensure that the customer will be able to create great value independently in the future, thus ensuring both a more satisfied customer and less demand on the firm's support functions. By acting in advance to take care of potential issues before they become problems and ensuring customer needs are met without the need for customers to contact the firm about adjustments, the successful proactive firm ensures high customer satisfaction and smoother value-creation.

## 6.4 Directions for future research

While this dissertation has made considerable progress with investigating proactivity and its role in shaping market strategies for superior value creation, there are many things that I have not been able to do (yet). Broadly speaking, I see four major directions for future research into proactivity and proactive market strategies: (1) further studies of proactivity itself, (2) more in-depth qualitative studies of the role of proactive activities in shaping proactive market strategies and creating value, (3) more quantitative research aimed at developing constructs for measuring proactivity and investigating its impact on e.g. firm performance, and (4) studies of how firms can become more proactive.

Studies into proactivity itself need to continue the work I carried out to identify the three proactive characteristics and create the definition of proactivity of the market-strategic context. While these characteristics seem sufficient to cover the different ways of being proactive, further work is needed to define and refine each characteristic. Along with this comes the question of whether there are different ways of being proactive and if they differ in meaningful ways. A type of proactivity defined by a stronger emphasis on one or the other of the characteristics might for example be more beneficial in certain situations. If so, then it would be necessary to categorize and study how different types of proactivity influence different types of market strategies. This is something I had the ambition to do with the fsQCA study in Paper III, but I ultimately had too little data to attempt such investigations. Beyond these considerations, there is need for more studies of proactivity to develop the measurement scales needed to continue with more quantitative research. While I am satisfied with my definition of proactivity in the market-strategic context, I do not believe work in this area is concluded by a long shot.

The next focus area for future studies is continued qualitative studies of proactive activities and their role in creating effective proactive market strategies. My studies presented in Papers II and IV touch upon this area, but it is still not sufficiently clear how different types of proactive activities at different times of contact with a customer create a particular type of proactive market strategy. Furthermore, as presented in Paper I, there are other types of value-creation logics beyond purely proactive ones to consider, and it is still unclear how activities influenced by different logics might interact in shaping a particular market strategy. Especially from a managerial perspective, it is quite important to understand which types of proactive activities to emphasize when considering spending or organizational development, so we need more knowledge about the proactive activities that make up the proactive market strategies.

Beyond the types of research I have mostly focused on, there is also a need for more quantitative studies of proactive market strategies. In particular, I call for more research focused on developing measurement scales for proactive market strategies – which goes well with the above call for more refined scales to measure proactivity itself – that make it

possible to study the effect proactivity can have on various firm performance metrics and how different levels of proactivity impact the outcome of market strategies. However, this quantitative research of survey data need not only entail statistical analysis; as showcased by e.g. Frösén et al. (2016), the fsQCA method can be used successfully on surveys, which allows for studies of more advanced configurations and permits better consistency than the smaller data-sets derived from qualitative cases can.

The last of the major directions for future research that I propose is more studies of the implementation of proactivity in a firm and how firms can best start using proactive market strategies to improve their value creation efforts. While I have shown that being proactive likely comes with benefits for a firm's ability to create value, it is not clear how to get there. Just as with market orientation itself (Kennedy et al., 2003; van Raaij & Stoelhorst, 2008), there is a need for more research into how firms can become more proactive. This is a particularly important area for managerially relevant research, since a common complaint from firms I have interviewed is that it is very uncertain how to go about increasing the proactivity of a non-proactive firm. The firms that are already proactive often know how to keep on increasing proactivity, but for those who have yet to get there, the road is very dark indeed.

# References

- Ali, A., Krapfel, R., & LaBahn, D. (1995). Product Innovativeness and Entry Strategy: Impact on Cycle Time and Break-even Time. *Journal of Product Innovation Management*, Vol. 12, No. 1, pp. 54-69.
- Aragón-Correa, J. A., & Sharma, S. (2003). A Contingent Resource-Based View of Proactive Corporate Environmental Strategy. *The Academy of Management Review*, Vol. 28, No. 1, pp. 71-88.
- Armstrong, J. S., & Collopy, F. (1996). Competitor Orientation: Effects of Objectives and Information on Managerial Decisions and Profitability. *Journal of Marketing Research*, Vol. 33, No. 2, pp. 188-199.
- Atuahene-Gima, K., Slater, S. F., & Olson, E. M. (2005). The Contingent Value of Responsive and Proactive Market Orientations for New Product Program Performance. *The Journal of Product Innovation Management*, Vol. 22, No. 6, pp. 464-482.
- Bateman, T. S., & Crant, J. M. (1993). The Proactive Component of Organizational Behaviour: A Measure and Correlates. *The Journal of Organizational Behavior*, Vol. 14, No. 2, pp. 103-118.
- Bateman, T. S., & Crant, J. M. (1999). Proactive Behavior: Meaning, Impact, Recommendations. *Business Horizons*, Vol. 42, No. 3, pp. 63-70.
- Berthon, P., Hulbert, J. M., & Pitt, L. F. (1999). To Serve or Create? Strategic Orientations Toward Customers and Innovation. *California Management Review*, Vol. 42, No. 1, pp. 37-58.
- Beverland, M. B., & Lindgreen, A. (2007). Implementing Market Orientation in Industrial Firms: A Multiple Case Study. *Industrial Marketing Management*, Vol. 36, No. 4, pp. 430-442.
- Bhaskar, R. (2009). *Scientific Realism and Human Emancipation*. London, UK & New York, NY: Routledge.
- Blocker, C. P., Flint, D. J., Myers, M. B., & Slater, S. F. (2011). Proactive Customer Orientation and Its Role for Creating Customer Value in Global Markets. *Journal of the Academy of Marketing Science*, Vol. 39, No. 2, pp. 216-233.

- Bodlaj, M., Coenders, G., & Zabkar, V. (2012). Responsive and Proactive Market Orientation and Innovation Success under Market and Technological Turbulence. *Journal of Business Economics and Management*, Vol. 13, No. 4, pp.666-687.
- Brege, H., & Kindström, D. (2020). Exploring Proactive Market Strategies. *Industrial Marketing Management*, Vol. 84 (January), pp. 75-88.
- Campbell, J. L., Quincy, C., Osserman, J., & Pedersen, O. K. (2013). Coding In-Depth Semistructured Interviews: Problems of Unitization and Intercoder Reliability and Agreement. *Sociological Methods & Research*, Vol. 42, No. 3, pp. 294-320.
- Chakravarty, A., Kumar, A., & Grewal, R. (2014). Customer Orientation Structure for Internet-Based Business-to-Business Platform Firms. *Journal of Marketing*, Vol. 78 (September), pp. 1-23.
- Chalmers, A. F. (1999). *Vad är vetenskap egentligen?* St Lucia, Queensland, Australia: Open University Press.
- Christensen, C. M., & Bower, J. L. (1996). Customer Power, Strategic Investment, and the Failure of Leading Firms. *Strategic Management Journal*, Vol. 17, No. 3, pp. 197-218.
- Crant, J. M. (2000). Proactive Behaviour in Organizations. *Journal of Management*, Vol. 26, No. 3, pp. 435-462.
- Creswell, J. W., & Creswell, J. D. (2018). *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches: 5th ed.* Thousand Oaks, CA: Sage.
- Day, G. S. (1992). Marketing's Contribution to the Strategy Dialogue. *Journal of the Academy of Marketing Science*, Vol. 20, No. 4, pp. 323-329.
- Day, G. S. (1994). The Capabilities of Market-Driven Organizations. *Journal of Marketing*, Vol. 58, pp. 37-52.
- Day, G. S. (2011). Closing the Marketing Capabilities Gap. *Journal of Marketing*, Vol. 75, No. 4, pp. 183-195.
- Deshpandé, R., Farley, J. U., & Webster, F. E. (1993). Corporate Culture, Customer Orientation, and Innovativeness in Japanese Firms: A Quadrad Analysis. *Journal of Marketing*, Vol. 57, No. 1, pp. 23-37.
- Drazin, R., & Van den Ven, A. H. (1985). Alternative Forms of Fit in Contingency Theory. *Administrative Science Quarterly*, Vol. 30, No. 4, pp. 514-539.
- Dubois, A., & Gadde, L.-E. (2002). Systematic Combining: An Abductive Approach to Case Research. *Journal of Business Research*, Vol. 55, No. 7, pp. 553-560.

- Eisenhardt, K. M. (1989). Building Theories from Case Study Research. *The Academy of Management Review*, Vol. 14, No. 4, pp. 532-550.
- Eisenhardt, K. M., & Graebner, M. E. (2007). Theory Building from Cases: Opportunities and Challenges. *The Academy of Management Journal*, Vol. 50, No. 1, pp. 25-32.
- Elg, U., Delignoul, S. Z., Ghauri, P. N., Danis, W., & Tarnovskaya, V. (2012). Market-Driving Strategy Implementation Through Global Supplier Relationships. *Industrial Marketing Management*, Vol. 41, No. 6, pp. 919-928.
- Eriksson, P., & Kovalainen, A. (2016). *Qualitative Methods in Business Research: 2nd Edition*. Thousand Oaks: California: SAGE Publications.
- Ettlie, J., Bridges, W., & O'Keefe, R. (1984). Organization Strategy and Structural Differences for Radical Versus Incremental Innovation. *Management Science*, Vol. 30, No. 6, pp. 682-695.
- Fiss, P. C. (2011). Building Better Causal Theories: A Fuzzy Set Approach to Typologies in Organization Research. *Academy of Management Journal*, Vol. 54, No. 2, pp. 393-420.
- Frambach, R. T., Fiss, P. C., & Ingenbleek, P. T. (2016). How Important is Customer Orientation for Firm Performance? A Fuzzy Set Analysis of Orientations, Strategies, and Environments. *Journal of Business Research*, Vol. 69, pp. 1428-1436.
- Frese, M., & Fay, D. (2001). Personal Initiative: An Active Performance Concept for Work in the 21st Century. *Research in Organizational Behavior*, Vol. 39, pp. 133-187.
- Frese, M., Kring, W., Soose, A., & Zemple, J. (1996). Personal Initiative at Work: Differences between East and West Germany. *The Academy of Management Journal*, Vol. 39, No. 1, pp. 37-63.
- Frösén, J., Luoma, J., Jaakkola, M., Tikkanen, H., & Aspara, J. (2016). What Counts Versus What Can Be Counted: The Complex Interplay of Market Orientation and Marketing Performance Measurement. *Journal of Marketing*, Vol. 80, No. 3, pp. 60-78.
- Garcia, R., & Calantone, R. (2002). A Critical Look at Technological Innovation Typology and Innovativeness Terminology: A Literature Review. *The Journal of Product Innovation Management*, Vol. 19, No. 2, pp. 110-132.
- Gatignon, H., & Xuereb, J.-M. (1997). Strategic Orientation of the Firm and New Product Performance. *Journal of Marketing Research*, Vol. 34, No. 1, pp. 77-90.

- Gnizy, I., Baker, W. E., & Grinstein, A. (2014). Proactive Learning Culture: A Dynamic Capability and Key Success Factor for SMEs Entering Foreign Markets. *International Marketing Review*, Vol. 31, No. 5, pp. 477-505.
- Grant, A. M., & Ashford, S. J. (2008). The Dynamics of Proactivity at Work. *Research in Organizational Behavior*, Vol. 28, pp. 3-34.
- Grönroos, C. (2008). Service Logic Revisited: Who Creates Value? And Who Co-Creates? *European Business Review*, Vol. 20, No. 4, pp. 298-314.
- Grönroos, C. (2011). Value Co-Creation in Service Logic: A Critical Analysis. *Marketing Theory*, Vol. 11, No. 3, pp. 279-301.
- Grönroos, C., & Gummerus, J. (2014). The Service Revolution and Its Marketing Implications: Service Logic vs Service-Dominant Logic. *Managing Service Quality*, Vol. 24, No. 3, pp. 206-229.
- Grönroos, C., & Voima, P. (2013). Critical Service Logic: Marking Sense of Value Creation and Co-Creation. *Journal of the Academy of Marketing Science*, Vol. 41, No. 1, pp. 133-150.
- Groza, M. D., Pronschinske, M. R., & Walker, M. (2011). Perceived Organizational Motives and Consumer Responses to Proactive and Reactive CSR. *Journal of Business Ethics*, Vol. 102, No. 4, pp. 639-652.
- Han, J. K., Kim, N., & Srivastava, R. (1998). Market Orientation and Organizational Performance: Is Innovation a Missing Link? *Journal of Marketing*, Vol. 62, No. 4, pp. 30-45.
- Henderson, R. M., & Clark, K. B. (1990). Architectural Innovation: The Reconfiguration of Existing Product Technologies and the Failure of Established Firms. *Administrative Science Quarterly*, Vol. 35, No. 1, pp. 9-30.
- Herhausen, D. (2016). Unfolding the Ambidextrous Effects of Proactive and Responsive Market Orientation. *Journal of Business Research*, Vol. 69, pp. 2585-2593.
- Hogan, J. E., Lemon, K. N., & Libai, B. (2003). What Is the True Value of a Lost Customer? *Journal of Service Research*, Vol. 5, No. 3, pp. 196-208.
- Hoppe, H. C. (2000). Second-Mover Advantages in the Strategic Adoption of New Technology Under Uncertainty. *International Journal of Industrial Organization*, Vol. 18, pp. 315-338.
- Hult, G., & Ketchen, D. (2001). Does Market Orientation Matter?: A Test of the Relationship between Positional Advantage and Performance. *Strategic Management Journal*, Vol. 22, No. 9, pp. 899-906.

- Hunt, S. (1990). Truth in Marketing Theory and Research. *Journal of Marketing*, Vol. 54, No. 3, pp. 1-15.
- Hunt, S. D. (1989). Reification and Realism in Marketing: In Defense of Reason. *Journal of Macromarketing*, Vol. 9 (Fall), pp. 4-10.
- Hurley, R. F., & Hult, G. M. (1998). Innovation, Market Orientation, and Organizational Learning: An Integration and Empirical Examination. *Journal of Marketing*, Vol. 62, No. 3, pp. 42-54.
- Jaeger, N. A., Zacharias, N. A., & Brettel, M. (2016). Nonlinear and Dynamic Effects of Responsive and Proactive Market Orientation: A Longitudinal Investigation. *International Journal of Research in Marketing*, Vol. 33, pp. 767-779.
- Jarvis, C., MacKenzie, S., Podsakoff, P., Mick, D., & Bearden, W. O. (2003). A Critical Review of Construct Indicators and Measurement Model Misspecification in Marketing and Consumer Research. *Journal of Consumer Research*, Vol. 30, No. 2, pp. 199-218.
- Jarzabkowski, P. (2005). *Strategy as Practice: An Activity-Based Approach*. Thousand Oaks: California: SAGE Publications.
- Jaworski, B. J., & Kohli, A. K. (1996). Market Orientation: Review, Refinement, and Roadmap. *Journal of Market-Focused Management*, Vol. 1, No. 2, pp. 119-135.
- Joshi, A., & Sharma, S. (2004). Customer Knowledge Development: Antecedents and Impact on New Product Performance. *Journal of Marketing*, Vol. 68 (October), pp. 47-59.
- Keith, R. J. (1960). The Marketing Revolution. *Journal of Marketing*, Vol. 24, No. 4, pp. 35-38.
- Kennedy, K. N., Goolsby, J. R., & Arnould, E. J. (2003). Implementing a Customer Orientation: Extension of Theory and Application. *Journal of Marketing*, Vol. 67, No. 4, pp. 67-81.
- Kerin, R. A., Varadarajan, P. R., & Peterson, R. A. (1992). First-Mover Advantage: A Synthesis, Conceptual Framework, and Research Propositions. *Journal of Marketing*, Vol. 56, No. 4, pp. 33-52.
- Ketchen, D., Hult, G., & Slater, S. F. (2007). Toward Greater Understanding of Market Orientation and the Resource-Based View. *Strategic Management Journal*, Vol. 28, No. 9, pp. 961-964.
- Kim, W. C., & Mauborgne, R. (2004). Blue Ocean Strategy. *Harvard Business Review*, Vol. 82, No. 10, pp. 76-84.

- Kindström, D., Ottosson, M., & Carlborg, P. (2018). Unraveling Firm-Level Activities for Shaping Markets. *Industrial Marketing Management*, Vol. 68 (January), pp. 36-45.
- Kirca, A. H., Jayachandran, S., & Bearden, W. O. (2005). Market Orientation: A Meta-Analytical Review and Assessment of Its Antecedents and Impact on Performance. *Journal of Marketing*, Vol. 69, No. 2, pp. 24-41.
- Kohli, A. K., & Jaworski, B. J. (1990). Market Orientation: The Construct, Research Propositions and Managerial Implications. *Journal of Marketing*, Vol. 54, No. 2, pp. 1-18.
- Kohli, A. K., Jaworski, B. J., & Kumar, A. (1993). MARKOR: A Measure of Market Orientation. *Journal of Marketing Research*, Vol. 30, No. 4, pp. 467-477.
- Kotler, P. (1972). A Generic Concept of Marketing. *Journal of Marketing*, Vol. 36, No. 2, pp. 46-54.
- Kumar, N. (1997). The Revolution in Retailing: From Market Driven to Market Driving. *Long Range Planning*, Vol. 30, No. 6, pp. 830-835.
- Kumar, N., Scheer, L., & Kotler, P. (2000). From Market Driven to Market Driving. *European Management Journal*, Vol. 18, No. 2, pp. 129-142.
- Kumar, V. (2018). Engagement Marketing – What we Know and Need to Know. *2018 EMAC Conference*. UK, Glasgow: University of Strathclyde.
- Kumar, V., & Bhagwat, Y. (2010). Listen to the Customer. *Marketing Research*, Vol. 22, No. 2, pp. 14-19.
- Kumar, V., & Pansari, A. (2016). Competitive Advantage Through Engagement. *Journal of Marketing Research*, Vol. 53, No. 4, pp. 497-514.
- Kumar, V., Jones, E., Venkatesan, R., & Leone, R. P. (2011). Is Market Orientation a Source of Sustainable Competitive Advantage or Simply the Cost of Competing? *Journal of Marketing*, Vol. 75, No. 1, pp. 16-30.
- Kumar, V., Rajan, B., Gupta, S., & Dalla Pozza, I. (2017). Customer Engagement in Service. *Journal of the Academy of Marketing Science*, DOI 10.1007/s11747-017-0565-2.
- Lamore, P. R., Berkowitz, D., & Farrington, P. A. (2013). Antecedents of Proactive and Responsive Market Orientation. *International Journal of Sustainable Strategic Management*, Vol. 4, No. 1, pp. 2-23.
- Leplin, J. (1984). *Scientific Realism*. Berkeley & Los Angeles, CA: University of California Press.

- Lewis, D. (1970). How to Define Theoretical Terms. *Journal of Philosophy*, Vol. 67, No. 13, pp. 427-446.
- Li, C.-R., Lin, C.-J., & Chu, C.-P. (2008). The Nature of Market Orientation and the Ambidexterity of Innovations. *Management Decision*, Vol. 46, No. 7, pp. 1002-1026.
- Liao, S.-H., Chang, W.-J., Wu, C.-C., & Katrichis, J. M. (2011). A Survey of Market Orientation Research (1995-2008). *Industrial Marketing Management*, Vol. 40, pp. 301-310.
- Lieberman, M. B., & Montgomery, D. B. (1988). First-Mover Advantages. *Strategic Management Journal*, Vol. 9, Summer special issue, pp. 41-58.
- Lincoln, Y. S., & Guba, E. G. (1985). *Naturalistic Inquiry*. Newbury Park: California: SAGE Publications.
- Lusch, R. F., & Laczniak, G. (1987). The Evolving Marketing Concept, Competitive Intensity and Organizational Performance. *Journal of the Academy of Marketing Science*, Vol. 15, No. 3, pp. 1-11.
- MacInnis, D. (2011). A Framework for Conceptual Contributions in Marketing. *Journal of Marketing*, Vol. 75, No. 4, pp. 136-154.
- MacKenzie, S. (2003). The Dangers of Poor Construct Conceptualization. *Journal of the Academy of Marketing Science*, Vol. 31, No. 3, pp. 323-326.
- March, J. G. (1991). Exploration and Exploitation in Organizational Learning. *Organization Science*, Vol. 2, No. 1, pp. 71-87.
- Matsuno, K., & Mentzer, J. T. (2000). The Effects of Strategy Type on the Market Orientation-Performance Relationship. *Journal of Marketing*, Vol. 64, No. 4, pp. 1-16.
- Matsuno, K., Mentzer, J. T., & Rentz, J. O. (2005). A Conceptual and Empirical Comparison of Three Market Orientation Scales. *Journal of Business Research*, Vol. 58, No. 1, pp. 1-8.
- McNamara, C. P. (1972). The Present Status of the Marketing Concept. *Journal of Marketing*, Vol. 36, No. 1, pp. 50-57.
- Mintzberg, H. (1987). The Strategy Concept I: Five Ps for Strategy. *California Management Review*, Vol. 30, No. 1, pp. 11-24.
- Mintzberg, H., & Waters, J. A. (1985). Of Strategies, Deliberate and Emergent. *Strategic Management Journal*, Vol. 6, No. 3, pp. 257-272.

- Möller, K. (2006). Role of Competences in Creating Customer Value: A Value-Creation Logic Approach. *Industrial Marketing Management*, Vol. 35, No. 8, pp. 913-924.
- Moorhead, G., & Griffin, R. W. (1995). *Organizational Behavior: Managing People and Organizations, 5th Edition*. Boston, Massachusetts: Houghton Mifflin.
- Morgan, N. A., Vorhies, D. W., & Mason, C. H. (2009). Market Orientation, Marketing Capabilities, and Firm Performance. *Strategic Management Journal*, Vol. 30, No. 8, pp. 909-920.
- Morgan, N., Whitley, K., Feng, H., & Chari, S. (2019). Research in Marketing Strategy. *Journal of the Academy of Marketing Science*, Vol. 47, No. 1, pp. 4-29.
- Narver, J. C., & Slater, S. F. (1990). The Effect of Market Orientation on Business Profitability. *Journal of Marketing*, Vol. 54, No. 2, pp. 20-35.
- Narver, J. C., Slater, S. F., & MacLachlan, D. L. (2004). Responsive and Proactive Market Orientation and New-Product Success. *The Journal of Product Innovation Management*, Vol. 21, pp. 334-347.
- Nenonen, S., Storbacka, K., & Windahl, C. (2019). Capabilities for Market-Shaping: Triggering and Facilitating Increased Value Creation. *Journal of the Academy of Marketing Science*, Vol. 47, No. 4, pp. 617-639.
- Noble, C. A., Sinha, R. K., & Kumar, A. (2002). Market Orientation and Alternative Strategic Orientations: A Longitudinal Assessment of Performance Implications. *Journal of Marketing*, Vol. 66, No. 4, pp. 25-39.
- Okasha, S. (2002). *Philosophy of Science: A Very Short Introduction*. Oxford: Oxford University Press.
- Okumus, F. (2001a). Towards a Strategy Implementation Framework. *International Journal of Contemporary Hospitality Management*, Vol. 13, No. 7, pp. 327-338.
- Okumus, F. (2001b). A Framework to Implement Strategies in Organizations. *Management Decision*, Vol. 41, No. 9, pp. 871-882.
- Olson, E. M., Slater, S. F., & Hult, G. T. (2005). The Performance Implications of Fit among Business Strategy, Marketing Organization Structure, and Strategic Behavior. *Journal of Marketing*, Vol. 69, No. 3, pp. 49-65.
- Olson, E. M., Walker, O., & Ruekert, R. (1995). Organizing for Effective New Product Development: The Moderating Role of Product Innovativeness. *Journal of Marketing*, Vol. 59, No. 1, pp. 48-62.
- Ottosson, M., & Kindström, D. (2016). Exploring Proactive Niche Market Strategies in the Steel Industry: Activities and Implications. *Industrial Marketing Management*, Vol. 55, pp. 119-130.

- Pansari, A., & Kumar, V. (2017). Customer Engagement: The Construct, Antecedents, and Consequences. *Journal of the Academy of Marketing Science*, Vol. 45, No. 3, pp. 294-311.
- Pelham, A. M. (1997). Mediating Influences on the Relationship Between Market Orientation and Profitability in Small Industrial Firms. *Journal of Marketing Theory & Practice*, Vol. 5, No. 3, pp. 55-76.
- Porter, M. E. (1980). *Competitive Strategy: Techniques for Analyzing Industries and Competitors*. New York, NY: The Free Press.
- Porter, M. E. (1985). *Competitive Advantage: Creating and Sustaining Superior Performance*. New York, NY: The Free Press.
- Porter, M. E. (1996). What Is Strategy? *Harvard Business Review*, Vol. 74, No. 6, pp. 61-78.
- Ragin, C. (2000). *Fuzzy-Set Social Science*. Illinois: Chicago: University of Chicago Press.
- Ragin, C. C. (2008). *Redesigning Social Inquiry: Fuzzy Sets and Beyond*. Chicago, Illinois: The University of Chicago Press.
- Reibstein, D. J., Day, G. S., & Wind, J. (2009). Guest Editorial: Is Marketing Losing Its Way? *Journal of Marketing*, Vol. 73, No. 4, pp. 1-3.
- Reinartz, W., Krafft, M., & Hoyer, W. (2004). The Customer Relationship Management Process: Its Measurement and Impact on Performance. *Journal of Marketing Research*, Vol. 41, No. 3, pp. 293-305.
- Shapiro, B. P. (1988). What the Hell is "Market-Oriented"? *Harvard Business Review*, Vol. 66, No. 6, pp. 119-125.
- Silverman, D. (2014). *Interpreting Qualitative Data, 5th Edition*. Thousand Oaks, California: SAGE Publications.
- Slater, S. F., & Narver, J. C. (1994). Does Competitive Environment Moderate the Market Orientation-Performance Relationship? *Journal of Marketing*, Vol. 58, No. 1, pp. 46-55.
- Slater, S. F., & Narver, J. C. (1998). Customer Led and Market Oriented: Let's Not Confuse the Two. *Strategic Management Journal*, Vol. 19, No. 10, pp. 1001-1006.
- Slater, S. F., Hult, G. T., & Olson, E. M. (2007). On the Importance of Matching Strategic Behavior and Target Market Selection to Business Strategy in High-Tech Markets. *Journal of the Academy of Marketing Science*, Vol. 35, No. 1, pp. 5-17.

- Slater, S. F., Olson, E. M., & Hult, G. M. (2006). The Moderating Influence of Strategic Orientation on the Strategy Formation Capability-Performance Relationship. *Strategic Management Journal*, Vol. 27, pp. 1221-1231.
- Steenkamp, J.-B. E. (2018). The Future of the Marketing Department at Business Schools. *Journal of the Academy of Marketing Science*, Vol. 46, No. 2, pp. 169-172.
- Storbacka, K., & Nenonen, S. (2015). Learning with the Market: Facilitating Market Innovation. *Industrial Marketing Management*, Vol. 44 (January), pp. 73-82.
- Strauss, A., & Corbin, J. M. (1990). *Basics of Qualitative Research: Grounded Theory Procedures and Techniques*. Thousand Oaks, California: SAGE Publications.
- Tajeddini, K., Trueman, M., & Larsen, G. (2006). Examining the Effect of Market Orientation on Innovativeness. *Journal of Marketing Management*, Vol. 22, No. 5-6, pp. 529-551.
- Teece, D., Pisano, G., & Shuen, A. (1997). Dynamic Capabilities and Strategic Management. *Strategic Management Journal*, Vol. 18, No. 7, pp. 509-533.
- Trusov, M., Bucklin, R., & Pauwels, K. (2009). Effects of Word-of-Mouth Versus Traditional Marketing: Findings from an Internet Social Networking Site. *Journal of Marketing*, Vol. 73 (September), pp. 90-102.
- Tsai, K.-H., Chou, C., & Kuo, J.-H. (2008). The Curvilinear Relationships between Responsive and Proactive Market Orientations and New Product Performance: A Contingent Link. *Industrial Marketing Management*, Vol. 37, No. 8, pp. 884-894.
- Tuominen, M., Rajala, A., & Möller, K. (2004). Market-Driving versus Market-Driven: Divergent Roles of Market Orientation in Business Relationships. *Industrial Marketing Management*, Vol. 33, No. 3, pp. 207-217.
- Tushman, M., & O'Reilly, C. (1996). Ambidextrous Organizations: Managing Evolutionary and Revolutionary Change. *California Management Review*, Vol. 38, No. 4, pp. 8-29.
- Urban, G. L., & von Hippel, E. (1988). Lead User Analyses for the Development of New Industrial Products. *Management Science*, Vol. 34, No. 5, pp. 569-582.
- van Raaij, E. M., & Stoelhorst, J. W. (2008). The Implementation of a Market Orientation: A Review and Integration of the Contributions to Date. *European Journal of Marketing*, Vol. 42, No. 11/12, pp. 1265-1293.
- Varadarajan, P. R. (1992). Marketing's Contribution to Strategy: The View from a Different Looking Glass. *Journal of the Academy of Marketing Science*, Vol. 20, No. 4, pp. 335-343.

- Varadarajan, P. R., & Clark, T. (1994). Delineating the Scope of Corporate, Business, and Marketing Strategy. *Journal of Business Research*, Vol. 31, No. 2/3, pp. 93-105.
- Varadarajan, P. R., & Jayachandran, S. (1999). Marketing Strategy: An Assessment of the State of the Field and Outlook. *Journal of the Academy of Marketing Science*, Vol. 27, No. 2, pp. 120-143.
- Varadarajan, R. (2010). Strategic Marketing and Marketing Strategy: Domain, Definition, Fundamental Issues and Foundational Premises. *Journal of the Academy of Marketing Science*, Vol. 38, No. 2, pp. 119-140.
- Varadarajan, R. (2019). Theoretical Underpinnings of Research in Strategic Marketing: A Commentary. *Journal of the Academy of Marketing Science*, Vol. 47, No. 1, pp. 30-36.
- Varadarajan, R., Yadav, M. S., & Shankar, V. (2007). First-Mover Advantage in an Internet-Enabled Market Environment: Conceptual Framework and Propositions. *Journal of the Academy of Marketing Science*, Vol. 36, pp. 293-308.
- Verhoef, P. C., Reinartz, W. J., & Krafft, M. (2010). Customer Engagement as a New Perspective in Customer Management. *Journal of Service Research*, Vol. 13, No. 3, pp. 247-252.
- von Hippel, E. (1986). Lead Users: A Source of Novel Product Concepts. *Management Science*, Vol. 32, No. 7, pp. 791-805.
- Wang, Y., Zeng, D., Di Benedetto, A., & Song, M. (2013). Environmental Determinants of Responsive and Proactive Market Orientations. *Journal of Business & Industrial Marketing*, Vol. 28, No. 7, pp. 565-576.
- Wind, Y., & Robertson, T. S. (1983). Marketing Strategy: New Directions for Theory and Research. *Journal of Marketing*, Vol. 47, No. 2, pp. 12-25.
- Winer, R. S. (2001). A Framework for Customer Relationship Management. *California Management Review*, Vol. 43, No. 4, pp. 89-105.
- Yin, R. K. (2018). *Case Study Research and Applications: Design and Methods, 6th ed.* Thousand Oaks, CA: Sage.
- Zhang, J., & Duan, Y. (2010). The Impact of Different Types of Market Orientation on Product Innovation Performance: Evidence from Chinese Manufacturers. *Management Decision*, Vol. 48, No. 6, pp. 849-867.
- Zott, C., & Amit, R. (2008). The Fit between Product Market Strategy and Business Model: Implications for Firm Performance. *Strategic Management Journal*, Vol. 29, No. 1, pp. 1-26.

*Part II:*

# Papers



# Papers

The papers associated with this thesis have been removed for copyright reasons. For more details about these see:

<http://urn.kb.se/resolve?urn=urn:nbn:se:liu:diva-168467>

## **FACULTY OF SCIENCE AND ENGINEERING**

Linköping Studies in Science and Technology, Dissertations No. 2096, 2020  
Department of Management and Engineering

Linköping University  
SE-581 83 Linköping, Sweden

[www.liu.se](http://www.liu.se)