Revisiting the Awareness – Motivation – Capability (AMC) Model of Competitive Dynamics: An Augmented-AMC Framework

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Abstract
Used as a strategic management tool for analyzing the competitive dynamics of an industry, the Awareness – Motivation – Capability (AMC) framework is a widely accepted model to business professionals. In this model, Awareness stands for the perceived notion of existing competitive challenges of any industry, where Motivation and Capability respectively mean confidence and efficiency of the firm to combat those challenges. This study analyzes professionals’ perspectives involving different aspects of the model. Based on the findings, the paper attempts to develop an augmented AMC framework. In so doing, a thorough qualitative research has been conducted involving literature review, focus group discussions, and in-depth interviews with senior business professionals and scholars.

The study findings suggest that Awareness, Motivation and Capability are reactive drivers and hence AMC is a reactive management model where proactive drivers are largely overlooked. In today’s highly competitive global business environment, strategists always prefer to be proactive rather than reactive, since they strive to create Blue Ocean in the industry. The study has identified three proactive drivers – Anticipation, Management Readiness and Capitalization of knowledge – that are expected to enhance the utility of the AMC model and play a significant role for strategy mapping in respect of competitive dynamics. So, the authors suggest, an Augmented-AMC Model can be created. In the proposed Augmented-AMC Model, Anticipation would mean “what’s next” or forecasting – be it in terms of changes in industry structure or happenings around customer preferences and demand. Management readiness is all about the accuracy and speed of response to both anticipated and unanticipated changes. The third driver, knowledge capitalization, would help enabling the firm gain and sustain competitive advantage. When both the drivers are put into a single framework and implement, then firm can take the lead in the industry or in its preferred value segment.

Introduction
Chen, Su, & Tsai, (2007) stated that the Awareness – Motivation – Capability (AMC) Framework is a supporting strategic management Framework for analyzing competitors which has great potentials for strategy mapping. Livengood & Reger (2010) opined that the AMC framework helps companies to understand and comprehend target competitor’s activities and exercise specific action and responses. They also added, the AMC Framework identifies the cognitive aspects and behavioral drivers of competitions which are reactive in nature.

According to the research finding of Schweig, C. D., (2015), the Awareness-Motivation-Capability (AMC) model is being used by business professionals and scholars as strategic management Framework for identifying behavioral drivers of competitive dynamics since 1994. He also has opined that credibility, reliability and validity of the AMC Framework is doubtful though the Framework was empirically tested in a few general strategic management topics. As a result, the AMC Framework still is an under
researched topic in the field of competitive dynamics. Therefore, it requires further evaluation and more in-depth study to support managers in their strategic decisions in today’s volatile and highly competitive markets.

Researchers presumed that Awareness, Motivation and Capability of the model are mostly reactive drivers. Hence AMC is a reactive management tool where proactive drivers are largely overlooked. Today’s market is hyper competitive due to globalizations, continuous innovation, liberalization, acquisition and merger, change of environmental factors and international regulation etcetera where each component of value chain tends to be changed faster than ever. Which is why business faces more complicated challenges for their existence and achieving their visionary goal. As a result, it has become a demand of time to do more research on competitive dynamics focusing on AMC model to add more value and to comply with the future business challenges as well. This feeling has inspired researchers toward further research since reaction is not enough for a firm for its survival and growth in this hyper competitive global business environment since every component of the marker behave unusually at a superfast trend. To take the lead and to face the competition, firms have no alternative of being proactive in this era of advanced technology.

Which is why research objective being to revisit the AMC Framework for its further critical evaluation from its origin to recent findings. This study will try to explore an augmented AMC framework by extensive strategic management literature review focusing on identifying the scope of value addition with existing AMC Model and validate it through qualitative research analysis.

2. Literature review

2.1 Competitive Dynamics

Chen & Miller (2012, p.137), defined competitive dynamics as actions and reactions of an individual firms competing in competitive business environment within an industry to obtain a competitive advantage. Chandler (1962), wrote that a strategy involves combining means and ends by using a company’s resources to gain competitive advantage. A good number of researchers have discussed competition theory proposed a traditional competitive strategy based on a strengths-weaknesses-opportunities-threats (SWOT) analysis which does not account for competitors’ actions (Porter and Millar, 1985; Ohmae, 1999; Hamel, 1998; Drucker, 2007). Albert (1970). An analysis on competitive dynamic that has been emphasized on understanding the series of actions and responses of competitors was conducted by Bain (1950) and Porter (1980, 1985). Later Clemens and Mc Darlan (1986) extended competitive analysis, developing a method called value chain analysis which is also considered as a static one and does not account for the external factors of enterprises. That’s why Barney (1997) mentioned two critical theories regarding strategy: (a) the resource-based theory and (b) the dynamic competitive theory. Hence the AMC model can enable companies to manage the entire competition process and enhance competition (Porter and Millar., 1985 & Ghertman and Guedri., 2012).

Chen & Miller (2012) also added that competitive dynamics includes an action-based focus and behavioral orientation which assemble together with the organizational strategy a set of comprehensible decisions and actions against dynamic competition. In this regard Schweig. C. D., (2015) concluded that competitive dynamics in general contains strategy formulation and implementation. Within a highly competitive market, firms are supposed to act on and respond to competitive actions of rivals in order to remain competitive.

Schweig. C. D., (2015) explored that strategy for competitive dynamics is to analyze and identify target competitors. He also added, the focus of analysis on the identification of most threatening competitors and the degree of competition a company must face for defending the market position which is the real essence of competitive dynamics.

In fine the study can conclude that still the AMC model play a vital role to analyze the competition as well as to formulate the strategy for day to day business operations. However, researchers feel that there is scope of adding value with existing model.

AMC Model of Competitive Dynamics

Awareness – Motivation – Capability (AMC) model was developed based on the expectancy-valence framework (Vroom, 1964) for analyzing competitive dynamics of any industry by Chen & Miller
in 1994. Schweig, C. D., (2015) also stated that the AMC Framework derived from social cognition model developed by Kohler in 1925 and the stimulus-response model (Cameron, McEwan, & Temple, 2015, p. 28). The roots of the AMC perspective are found in the literatures of organizational cognition and action, strategic interdependence, and the resource-based view of the firm (Dutton & Jackson, 1987; Barney, 1991; Porter, 1980). Practically, the AMC model is knowingly or unknowingly followed by each of the player across the firm size. However, being the pioneer researcher Chen & Miller (2012) has proposed an elaborated the AMC model with lots of research potential as follows:

The AMC model itself as well as each of its elements of the AMC model has a vital perceptual component. These components may only have implications for action via the perceptions of managers within attacking and responding companies (Porac et al., 1995). The AMC model has served as a focal point for many researches on managerial perceptions and competition where the perceptions of managers and top management teams regarding the emotional and behavioral significance of specific rivals is central. Chen, et al. (2007) argue that each of the components of the AMC model— awareness, motivation, and capability —contributes to potential tension where all the three factors may enhance perceived tension and thereby increase a firm’s propensity to attack a given rival. Tsai, et al. (2011) also stated that it is important for a focal firm to have “competitive acumen”—an ability to understand its competitor’s perceptions and to see things from its rival’s perspective. Only then it can take proper decisions against competitive action where competitive embodies is shown to be central for understanding a rival’s perceptions that has positive consequences for market-share gain against the rival.

Baum and Korn (1996), indicated that there are three essential factors: organizational change, learning, and behavioral decision-making such awareness of inter-firm relationships, action implications, the motivation to act, and the capability of taking actions are play important role in competitive dynamics. The AMC (Awareness, Motivation and Capability) is an accepted model of competitive dynamics where awareness is for managers’ understanding of existing competitive environment followed by motivation to take on the competition and capability to implement counter strategy.

2.2.1 Drivers of AMC Model (Awareness – Motivation – Capability)

Chen (1996) emphasized among the three driver’s awareness and motivation are firmly related to market relationship, and capability depends largely on strategic or resource endowments. Livengood and Reger (2010) evaluated that competitive actions and responses are determined based on three conditions, the extent of awareness, the level of motivation, and, finally, the capability to combat the competition. He also added that Awareness represents a company’s perception of its rivals and its competitive

Source: Chen & Miller (2012)

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environment; motivation refers to a firm’s encouragement to react and respond to competitive actions of specific rivals; and capability depends on a company’s resources and decision-making endowments to successfully compete with rivals.

Yang. S.S. and Liu. E.Y., (July 2010) defined that awareness as a defender’s recognition of competitive action and the relationship with the attacker. As per multimarket contact theory, the greater the degree of overlap between two firms, the higher competitive interdependence they both could recognize (Gimeno and Woo, 1996). Hence facilitating greater awareness and mutual understanding of each other’s action is required. According to Schweig. C. D., (2015), awareness is to identify the stimulus of competitive moves. Once companies are aware of the stimulus and motivated enough to react to it, they need to analyze whether they are capable of responding to competitive actions based on their resource and capability endowments. Chang. L.W. & Chiu. L.C (2016) state that the first driver, awareness, is the precondition of any competitive behaviors, reactions from a company, or reactions from competitors. Awareness is the perception of a competitor’s actions and recognition of the relationship with the resistance-initiating company. Yang. S.S. and Liu. E.Y., (July 2010) explained in their research finding that motivation is nothing but an intention to react against the action of competitors. The extent of motivation level could be further distinguished by the defender’s commitment to the attacked market (Chen and Miller 1994; Chen et al. 2007). According to AMC model, follower’s motivation can be observed via her escalating commitments to existing markets and the resulted competitive tension. If the follower is highly committed to the internal resources such as current staff capabilities, she would be more motivated to adopt the prospective rationality to differentiate herself (Rahman 1998; Staw 1981; Whyte 1986).

As per Chang. L.W. & Chiu. L.C (2016), the second driver of AMC model is motivation, which is the basis on which companies execute resistive actions. Companies do not act aggressively to avoid losing an advantage in the market if it seems that competitive behavior will not change the company’s existing position. Therefore, the action most likely to motivate resistance from competitors is attacking competitors’ core market. Yang. S.S. and Liu. E.Y., (July 2010), refer Capability as the strength of firm that stimulate itself to fight against competitors. Once determine the type of action, either a differentiating or matching response, eventually it depends on the follower’s capability to carry it out. In this AMC model, the capability to implement the matching response depends on the level of resource similarity between the follower and the leader. Only a high similarity of the resources they have can afford the imitative activities.

According to Chang. L.W. & Chiu. L.C (2016) the third driver of AMC model is capability, which supports the overall resistive power of a company and is related to resource coordination and the decision-making process. Capability determines the action to be taken, such as providing new services or new products in response to a competitor’s price reduction. The capability component of the AMC model is certainly the skill of the firm which is highly required for an effective attack or response, and the ability to understand the resources and capabilities of the focal organization and predict the actions and likely reactions of rivals (Tsai et al., 2011). The awareness-motivation-capability framework implies that competitors will respond to a rival’s action to the extent that they are (1) aware of the action and of the country where the action took place, (2) motivated to respond to the action and to defend or expand their global presence, and (3) capable of deploying resources for responding (Sirmon et al, 2010).

3.0 Methodology
An intensive and pertinent literature review has been conducted covering competitive dynamics focusing on Awareness – Motivation – Capability (AMC) Framework from its origin to recent findings to develop an augmented framework.

To endorse proposed Augmented-AMC Framework, elaborated in-depth interviews were conducted with three strategic group of people who are directly or indirectly involve with business decision making process such as (1) Six senior business professional from different industries having business academic background. (2) Five successful entrepreneurs of Bangladesh from different industries who has experience of more than fifteen-year experience in business with academic background in business and management. (3) Eminent academician from top business school. Two focus group
discussion were carried out consisting eight respondents of each group who has strong academic business background as well as diversified job experience.

4. Findings
4.1 Proposed Augmented-AMC Framework

Extensive literature review has helped researchers work to find out the challenges of the AMC model that it was developed mostly based on reactive drivers. Researchers also have explored that proactive thought is largely overlooked in the model. That’s why the AMC model demands adding value to face challenges of current business atmosphere since firms are trying to create Blue Ocean in their industry. In this regards the study identified three proactive drivers i.e. Anticipation, Management Readiness and Capitalization of Knowledge which are needing to be put together to create competitive advantage. Considering volatile as well as inconsistent competitive business environment study has proposed following framework which has been denoted as Augmented-AMC framework:

![Augmented-AMC Framework of Competitive Dynamics](source)

**Source:** Proposed by Authors

Study observed that the existing AMC Model, can help a firm just to develop competitive strategy, analyzing existing activities of target competitors which are defensive in nature. By which a firm can safeguard its existence for the time being maintaining minimum brand equity as well as marginal bottom line. But there is high possibility to be lost by the shortest possible time due very aggressive and innovative strategic executed by the anticipatory management of competitions. Which why researchers feel the Augmented-AMC Framework to be applied for creating Blue Ocean.

On the other way, effective implementation of the Augmented-AMC Framework will affirm holistic action for achieving high performance, maximum brand equity and fatty bottom line. Study also emphasized that if a firm effectively practice proposed Augmented-AMC Framework the firm has high possibility to achieve market leadership in industry or in the desired value segment. However, researchers think that anticipatory management is always a motivated management where they are always ready to embrace innovative idea and technology to satisfy customer’s new expectation. They think one step ahead and to gain leadership through capitalization of knowledge and skills.

Implication of the Augmented AMC framework on the product lifecycle will be very meaningful, which will shorten the introductory stage due to rapid entrance into a prolonged growth stage with high growth. It will also remain longer time in the mature stage due to continuous value addition in the brand.
In comparison, using only the reactive drivers, the product lifecycle will be shorter with a long introductory stage, short growth and mature stage, and a quick decline. In case of customer lifetime value, competitive strategy mapping depending on the Augmented AMC Framework will increase the total customer base, average Customer Lifetime Value (CLV), customer satisfaction, brand loyalty and profitability. Because the Framework will generate innovative ideas, products and strategies which ensure new customers acquisition, retention of existing customers and win-back lost customers.

It is already detailed that earlier reactive drivers of AMC model and newly developed proactive drivers has been put together in this proposed Augmented-AMC Framework. Study has captured additional AMC denoted as A’M’C’ : Anticipation (A’), Management Readiness (M’) and Capitalization of Knowledge (C’). Since reactive drivers have been discussed earlier section, so only proactive drivers will be discussed below.

4.1.1 Anticipation (A’)

Anticipation is the first proactive driver of our proposed framework. Anticipation would mean “what’s next” or forecasting – be it in terms of changes in industry structure or happenings around customer preferences and demand. Kaddoussi. A. et al. (2011) defined anticipation as the imagination of happening something new which is a general concept used and applied in several fields. A management system that make decisions at present on the basis of what may be happening in the future is called an anticipatory management system. (Ekdam. B., 1999). Morrison. L.J. (2014) stated that anticipation allows to identify new business opportunity not being blindsided by external forces but to turn potential threats into opportunities. They also said that change has become the essence of any strategic management. To survive and prosper in the future, organization will have to relate information about changes in the external world with internal happening. Also added that anticipation demand to manage change in a calm, informed, and systematic manner.

As per Porter’s (1980, 1985) the five forces model augmented framework suggests that firm should analyze what is happening and anticipate what behavioral changes may happen in the industry in regards of new entrants, buyers, substitute products and suppliers in the future and how to combat through managing organizational changes and capitalization of knowledge. On the contrary, AMC model always consider what is happening and its strategic direction to compete. Kim. C, W., and Mauborgne.R., in their book “Blue Ocean Strategy” (2005) mentioned four critical questions to create a new value curve which are as follows:

Augmented framework recommends which is requiring to create, raise, reduce and eliminate in respect of existing as well as upcoming internal and external business atmosphere, where current model does not include futuristic way of thinking.

Management readiness is all about the accuracy and speed of response to both anticipated and existing changes. The third driver, knowledge capitalization, would help enabling the firm gain and sustain competitive advantage.
4.1.2 Management Readiness (M'):

M.C., & Plouffe. T, (2010) defines management readiness as the ability to continuously initiate and respond to change in ways that create advantage, minimize risk, and sustain performance. According to their research finding, management readiness or change readiness starts with the assessment of change awareness, agility, reactions and mechanisms where those factors refers to company’s ability to redefine, engage people in pending changes, appropriately analyze problems, assess risk, and manage the reactions of employees and encourage clear goal alignment across functions, the ability to integrate a change into existing systems, accountability for results, and reward systems that reinforce desired change behaviors respectively.

Waling a. J,(2008) mentioned integrating many researchers’ opinions that organizational readiness for change is often the crux to any change management strategy but if concerned people are not ready for change, they will against market dynamics (Armenakis, Harris, & Mossholder, 1993 and Lewin, 1945; Prochaska et al., 1994; Prochaska, Redding, & Evers, 1997). As per the research finding of Armenakis & Harris(2002) the probable greatest challenge of organizational change lies with the common assumption that employees need to “be made ready” for the change which is imminent within the organization. Conch and French (1948) briefed that creating readiness by reducing resistance to change is one of the basic theoretical aspect for management readiness.

Walinga. J (2008) explored that creating readiness involved with proactive attempts by a change agent to influence the beliefs, attitudes, intentions, and ultimately the behavior of organizational members. Change readiness involves changing individual cognitions is the foundation of Management Readiness (Bandura, 1982; Fishbein & Ajzen, 1975). She also added most change readiness models emphasize the importance of (a) generating an awareness of the need for change and (b) supporting people’s perceived ability to change. Rusly,H.F. et al (2011), specified that management readiness for change in organizations occurs at two distinctive levels: the personal and the organizational. Personal readiness for change encompass motivation, competence and personality attributes on the other hand the prime factors which drive organizational readiness for change include institutional resources, culture, climate, financial resources and technology utilization.

As stated by Weiner, B.J., (2009) that Organizational readiness for change varies as a function of how much organizational member’s value the change and how favorably they appraise three key determinants of implementation knowledge and skill: task demands, resource availability, and situational factors. Readiness can be more or less present at the individual, group, unit, department, or organizational level. Readiness can be theorized, assessed, and studied at any of these levels of analysis.

A simplified flow chart on Management Readiness is appended below compiling different research extracts of prominent researcher’s study.

Source: Explored by authors
4.1.3 Capitalization of Knowledge (C')

Capitalization of Knowledge (CK) may be stated as Knowledge Management (KM)

Dieng, R., et al (2006) stated that the objectives of knowledge management (KM) are to promote knowledge growth, knowledge communication and knowledge preservation in order to facilitate access and reuse of knowledge in the organization. But Prasad and Plaza, (1996) referred that KM or CK indicate knowledge on products, production reengineering, client’s management, marketing strategies, financial results, plans and strategic goals, etc. Grundstein and Barthès, (1996) recognized that in case of knowledge capitalization, it’s the prime requirement to prioritize crucial knowledge to be capitalized which has high influence on the business success. This CM should help to support the integration of resources and know-how in the enterprise and the cooperation by effective communication and active documentation (Durstewitz, 1994).

As noticed by Nonaka, (1991) and Engers.V., et al (1995) the knowledge management chain consists of seven links: listing the existing knowledge, determining the required knowledge, developing new knowledge, allocating new and existing knowledge, applying knowledge, maintaining knowledge, disposing of knowledge. To Karadsheh. L. et al., (2009) Nowadays Knowledge Management (KM) process is playing a very vital role as organizational strategic resource which drive the success or failure. They have developed different phases of CK or KM such as knowledge infrastructure, knowledge combination, knowledge filtering, knowledge repository, knowledge sharing, knowledge application, and finally knowledge performance to capitalize it across the enterprise. Synthesizing, analyzing and scrutinizing of some thoughtful and logical research finding as well as framework, a basic flow chart on Management Readiness is displayed below -

[Diagram of the flow chart]

Source: Compiled by Authors

According to chart Capitalization of Knowledge or Knowledge Management is a continuous process to capture, create, share, apply, evaluate, rethink and recreate on the basis of anticipatory management’s need assessment. Malhotra, Y., (2000) recognized in his famous study that knowledge management has become a key source for organizations to enhance the competitive advantage which is a prime significance for the organization's performance. In addition, KM has become embedded in the policy, strategy and implementation processes of worldwide corporations, governments, and institutions. Dyer, G. and Donough.M.B. (2001) reported that managers must deal with capitalization of knowledge to achieve and maintain competitive advantage. Additionally, KM or CK has got top priority in business, since knowledge considered as the unique competitive component for individuals, firms and nations. Knowledge about competitive, customers, products, processes and past successes and failures are considered as an asset for the organization in the twenty-first century. Furthermore, KM evolves from a distinct responsibility to a strategic component of a business solution.

Findings of In-depth Interview

During the in-depth interview, AMC model and Augmented-AMC Framework were briefed through power point presentation and a hard copy of the presentation were also supplied. Then respondents were interviewed individually regarding pros and cons of existing as well as proposed Augmented-AMC Framework and respective drivers. They were also asked to share their views
regarding the implication of both the framework. Different respondents analyzed the framework from different perspective. Findings of these in-depth interviews are elaborated below:

**Respondent’s opinions on exiting model:**

Almost all respondents opined that Awareness-Motivation-Capability (AMC) model is completely a reactive model since all the drivers indicate reactive strategic direction for a firm. It is the high time to improve the model adding proactive strategic tools. The existing AMC model as a legacy model which is not enough to compete the competition effectively and modern management must have to have some forecasting expertise which may be define as Anticipation.

Many of them have expressed their high concern regarding the exiting model without proactive drivers, which is about to obsolete model for exiting highly volatile competitive business environment. They suggested researchers to revisit the model very carefully and in greater detail. But they highly appreciated the incorporation of proactive drivers in the exiting model.

One of the responded shared that the existing AMC model mostly covers the drives of proposed Augmented-AMC Framework where Anticipation is implied with Awareness where Management Readiness is closer to Capability. The researcher has taken the issue with due concentration to make further clarification and validation with other business professionals, especially some academics. Most of the academics made a clear conclusion that there is no scope to contemplate two drivers as single one. Since Awareness is the foundation of knowing competitor’s past and exiting activities while anticipation is focusing the future business dynamic of the industry and credible time tested competitive strategic direction. They also referred to some renowned books of strategic marketing where anticipation and anticipatory management were properly defined as well as their implications in competitive dynamics.

**Respondent’s opinions on Augmented-AMC Framework and drivers:**

Most of the respondents referred that Augmented-AMC Framework is the appropriate and balanced one where reactive as well as proactive approaches have been put together, no firm can be visionary without simultaneous application of the both. Since the business world is now focusing on proactive approach because only the reactive approach can’t protect a firm for long. They also added that while reactive and proactive approaches work together, then the firm could achieve the visionary business goal attaining sustainable competitive advantage.

Some of them expressed that the market intelligence is basic requirement for a firm which can be referred as awareness and on the basis of market intelligence a firm should anticipate as well as generate new ideas for product and services to combat competition effectively. Some of the respondents also emphasized that the adaptation with the changed management & utilization of integrated knowledge are equally important for implementing anticipated ideas or strategies. Many of them agreed that Anticipatory management always give high importance on managing organizational readiness for change and knowledge management for creating Blue Ocean. Managing organizational readiness for change is the base for individual and team motivation. Some of the respondents shared that anticipatory management is generally a motivated management, hence they always work to create Blue Ocean in the industry. These types of firm could lead in the industry.

Three of the respondents given they’re though that Capability and Management Readiness are similar, but rest of the respondents have expressed different opinion. They expressed that Management Readiness is one step ahead of Capability. They also added that Capitalization of Knowledge and Skills is a vital driver for proactive management, since they spend huge amount of money for research, development and innovation purpose. Most of the respondent agreed that they apply both reactive as well as proactive approach in their business to win the game even in very aggressive competition.

**Implementation in their business**

Mr. Quamrul Hassan is the business head of ACI Salt Limited, Bangladesh, expressed that ACI Salt has become the market leader within six months from launching in Bangladesh and continuing industry leadership securing 40% market share by maintaining a formidable gap with the challenger, through pursuing the proactive strategy, when Anticipation played a vital role followed by the Management Readiness and Capitalization of Knowledge. Mr. Quamrul Hassan concluded that in totality
the proactive approach plays a very vital role to gain market leadership, which requires exploration of newer technology, process and offerings. He has also stated that the reactive approach is substantially important for the day-to-day activities to retain leadership.

Ms. Zakia Zerin, Manager – Consumer, Digital Marketing & e-Commerce, Nestle Bangladesh Limited shared that awareness is the basic of marketing while anticipation is one step ahead. She concluded that it is imperative to focus on anticipation, management preparedness and knowledge management while designing digital marketing campaigns for her bossiness.

Mr. Syed Mohammad Kamal, Country Manager of Master Card of Bangladesh, cited that Being a challenger, Master Card is sometimes reactive and sometimes proactive where strategy differs for segment to segment.

4.3 Focused Group Discussion (FGD)

Two focus group discussions (FGD) were conducted consisting eight respondents in each group. Most of them have real life business experience or job experience with business academic background from reputed business schools. The existing AMC model and the proposed Augmented-AMC model were briefed to them through a power point presentation and hard copies were also been distributed. Constructive as well as very outstanding knowledge sharing sessions were carried by the authors.

The group analyzed both the model critically and gave their valued opinion. All of them agreed that the proposed framework is undoubtedly more functional than existing one. Few of them raised questions regarding the placement of drivers (Right or left) but after some discussion they drawn a conclusion that considering all aspect it is perfect. Referring the opinion of two earlier respondents of in-depth interview, both the groups were asked about whether Anticipation is implied into Awareness. All of them unanimously agreed that Anticipation is not only implied into Awareness rather Anticipation is the advance stage of Awareness. They also agreed that the Management Readiness is one step advanced than the capability. Expected capability derive through management readiness. All of them made a conclusion that the existing AMC model is a reactive in nature where proactive drivers are missing, and the proposed Augmented-AMC Framework is now the complete paradigm to analyze competitive dynamics of an industry. Most of them also advised to work more on the new drivers to add more value in the core business strategic field.

5.0 Discussions and Conclusions

It has been noticed by the authors that AMC model is knowingly or unknowingly being practiced by the business professionals across industry as well as geographical location. There is no way to avoid any of its driver in case of charting any competitive strategic roadmap. The model greatly assists managers for mapping the competitor’s activities as well as plotting reactive action plan against it. Even then the model is not that much popular or familiar to the business community due to less research, seminar, symposium and workshop on the core strategic issue. Still the model is in development stage and debatable in the competitive dynamics research’s arena regarding its credibility, reliability and validity. Since very less number of imperial study are available.

Researchers also explored that AMC model is reactive in nature drivers, where proactive thought is mostly overlooked. The model talks about reactive actions and reactions against competitor’s actions. But modern management is more incline to be proactive to contest dominant unpredictable competitive challenges, otherwise there is every possibility to lose market share and restrict growth rapidly resulting loss of market existence in near future. That’s why, broad objectives of the study is to augment the existing model encompassing proactive thought.

The Study reconnoitered the Augmented-AMC Framework adding three proactive drivers i.e. Anticipation(A’), Management Readiness(M’) and Capitalization of Knowledge(C’) needs to be put together along with existing drivers to create sustainable competitive advantage of the organization which has been valued and significantly accepted by some prominent business professionals, entrepreneurs and scholars of Bangladesh. Most of them reinforced the augmented one on the ground of creating Blue Ocean in the industry as well as achieving leadership for the industry.

Study discovered that proactive drivers such as Anticipation, Management Readiness and Capitalization of knowledge including existing drivers can ensure holistic action against competitions
resulting high performance, maximum brand equity and industry leadership. Whereas competitive strategic road map depending on existing AMC components may safeguard the existence product portfolio with minimum or minimal brand equity as well as profitability.

We know that the framework is totally based on cognitive thought process. So, Anticipation is the key proactive driver of the framework which stimulate management toward perpetual innovation and perpetual marketing by which management can identify new business opportunity and turn potential competitive business treat into opportunities. For example, if any manager thinks about the back ground of any initiative of competitors, he or she must have use anticipatory knowledge to explore and contest it. As per Porter’s (1980, 1985) the five forces model, anticipation help management to predict the probable changes in the industry in regards of new entrants and substitute products as well as bargain power of buyers and suppliers in the future and how to combat through managing organizational changes and capitalization of knowledge. On the contrary, awareness of AMC model always considers what is happening now and its strategic direction to compete.

According to Kim.C, W., and Mauborgne.R., (2005) Blue Ocean Strategy anticipation recommends which is requiring to create, raise, reduce and eliminate considering upcoming internal and external business atmosphere, where current model does not include futuristic way of thinking.

Management readiness is all about the accuracy and speed of response to both anticipated and existing changes indicating proactive attempts to influence the beliefs, attitudes, intentions and ultimately the behavior of organizational members to contest and win in any competitive business atmosphere. Management readiness ensure effective and efficient use of institutional resources, financial resources and technology by improving organizational culture and climate. But it is the first step to improve management capability which is the final component of existing model.

The third driver, knowledge capitalization knowledge refers unique brands proposition, production reengineering, customer relationship management, innovative marketing strategies and effective resource management etc. would help enabling the firm to gain and sustain competitive advantage. Since it’s promote knowledge growth, knowledge communication and knowledge preservation to facilitate access and reuse in the organization. But the unique competitive component is not being noticed in the existing model which is one of the notable limitation.

Study observed that the existing AMC Model, can help a firm just to develop competitive strategy, analyzing existing activities of target competitors which is defensive in nature. By which a firm can safeguard its existence for the time being maintaining minimum brand equity as well as marginal bottom line. But there is high possibility to be lost by the shortest possible time due very aggressive and innovative strategic executed by the anticipatory management of competitions. Which why researchers feel the Augmented-AMC Framework to be applied for creating Blue Ocean.

On the other way, effective implementation of the Augmented-AMC Framework will affirm holistic action for achieving high performance, maximum brand equity and healthy bottom line. Study also emphasized that if a firm effectively practice proposed Augmented-AMC Framework the firm has high possibility to achieve market leadership in industry or in the desired value segment. However, researchers think that anticipatory management is always a motivated management where they are always ready to embrace innovative idea and technology to satisfy customer’s new expectation. They think one step ahead and to gain leadership through capitalization of knowledge and skills

Implication of the Augmented AMC framework on the product lifecycle is highly meaningful, which will shorten the introductory stage due to rapid entrance into a prolonged growth stage with high growth. It will also remain longer time in the mature stage due to continuous value addition in the brand. In comparison, using only the reactive drivers, the product lifecycle will be shorter with a long introductory stage, short growth and mature stage, and a quick decline.

In case of customer lifetime value, competitive strategy mapping depending on the Augmented AMC Framework will increase the total customer base, average Customer Lifetime Value (CLV), customer satisfaction, brand loyalty and profitability. Because the Framework will generate innovative ideas, products and strategies which ensure new customers acquisition, retention of existing customers and win-back lost customers.
Researchers also tried to find out the practical implication of proposed Augmented-AMC Framework through in-depth interview and focused group discussion. It has been observed that all the respondents unanimously confessed about using Augmented-AMC Framework in their business to create Blue Ocean as well as in the industry.

6.0 Limitations and direction for future research

The proposed framework has been developed based on extensive and pertinent literature review as well as brain storming of researchers. Though the framework has been endorsed by few well-known business professionals, business academicians and entrepreneurs having academic business background from renowned business schools, still it’s a theoretical framework. So, it’s require more research works, empirical study, seminar, symposium and workshop to establish it’s a reliable and credible framework as well as make popular to business community.

The AMC model and proposed one is totally based on cognitive thought process. Practical implication of the framework will essentially depend on the manager’s perception and perspective, hence different managers may analyze the drivers in differently. Even it could be varying from industry to industry and different geographic location. So, industry and geography specific research work on the framework is the demand of the day. Researchers also feel that further research needs to be conducted together or separately on anticipation, management readiness and capitalization of knowledge. Separate model can be developed for each of the proactive drivers. There is ample opportunity for the researcher to do more study on different drivers of competitive dynamics and find out the potential of explored reactive and proactive drivers.

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7.0 References


