

Marketing excellence strategy and firm survival

Satakoon Kaewmungkoon
PhaprukbarameeUssahawanitchakit
Saranya Raksong
Mahasarakham University, Thailand

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Abstract

Marketing excellence is one of a firm's major objectives. Several researchers put an effort to reveal how a firm is able to obtain superior performance. However, those researchers have paid attention only to becoming a marketing excellence firm. They failed to look forward to see how a marketing excellence firm is able to survive in future position. In contrast, this study proposed the conceptual model of how a marketing excellence strategy linked to a firm survival since it was important for a firm to become both an excellence firm and to be able to survive in the future. This study comprised a conceptualization with 10 proposals based on the resource-based view theory. This study also investigated based on the major actors that connect a marketing excellence strategy to a firm survival as customer appreciation, competitor vibration, and market domination.

Introduction

Currently, several researcher on the excellence firms have continuously existed (Kennedy, 1980; Peters and Waterman, 1982; Saunders and Wong, 1985; Sharma et al., 1990; Berry et al., 1991; Eccles, 1991; Caruana et al., 1995; Spoelstra, 1997; and Smith, 2007) but those researchers focused mainly on the measurement of and the transformation of a firm to obtain an excellence position. It is mostly based on the high performance organization which is identical to those used by Peter and Waterman (Argenti, 1976; Slatter, 1986). However, in reality, an excellence firm is not confidentially safe to be secured in future position as several cases illustrate below:

Enron; it was an energy sector leader that started to dabble in e-commerce and exotic investment areas such as weather futures. Enron, once valued at \$90 billion and the 7th largest company in the United States. On December 2nd, 2001, Enron filed for Chapter 11 bankruptcy.

Polaroid; it was the leader of an amazing niches technology and it was the brand that countless people took daily shots of and created art, diaries, and literature using the magical snapshot taped to the walls or to the street. Polaroid went bankrupt in 2005. Its camera production stopped in 2007 and the film followed in 2009.

Circuit City; it is the electronics retailer which is valued as one's best employees. In 2007, Circuit City fired 3,400 of its highest paid workers and early 2009 all of Circuit City's stores were closed.

Last, Borders; it was a good case of the hard time for firm survival that used to be one of the leading book stores in the United States. Then, Borders failed to release an e-reader in timely fashion that Amazon's Kindle came in 2007, and Barnes and Noble released the Nook in 2009. In the run up to 2011, the company posted five straight years of losses totaling over \$900 million.

All of the above cases are examples which show that an excellence firm may not always exist in the fore coming year(s). Evidentially, there are more cases of an excellence firm that some of them are almost gone or were gone today such as Hummer, Pets.com, DeLorean Motor Company, and so forth. Moreover, each year Fortune 500 has ranked the excellence firm based on total revenue. By comparing the Fortune 500 companies in 1955 to the Fortune 500 in 2014, there are only 61 companies that appear in both lists. In other words, only 12.2% of the Fortune 500 companies in 1955 were still on the list 69 years later in 2014, and almost 88% of the companies from 1955 have either gone bankrupt, merged, or still exist but have fallen from the top Fortune 500 companies. Based on the cases mentioned, it indicates that it is not secured that an existing excellence firm today will appear in the future. In other words, excellence firms are not always survival in business. Therefore, there must be a relationship between an excellence firm--especially marketing excellence firm-- and a firm survival. Conceptually, the linkages between a marketing excellence firm and its survival have not been explored. Hence, our attention has been paid to find out how an excellence firm links to its survival.

Previous research appeared evidently to indicate that the effective communication of a firm's excellence is able to build relationships with and to support the involvement of investors and analysts (Bukh et. al., 2002; Desai, 2000). Because of the unlimited in communication today, the information flows quickly that a firm rarely keep all information as secret, especially the information that affects its stakeholder. Therefore, a firm should learn how to take advantage and to save itself from the worldwide communication to be merely an excellence firm. A large number of studies show that the positive information can signal the stakeholder to react to a firm's action whereas the signal specific constructs may create a compelling need for the firm to foretell its future intentions regarding a wide range of possible actions to target audiences (Calantone & Schatzel, 2000). Evidently, there are studies in the signaling research which shows that an effective communication of corporate strategy can also enhance shareholder satisfaction (Higgins & Bannister, 1992) and build employee morale as well (Burgi & Roos, 2003). Therefore, we assume that the excellence could link the positive relationship with the general research paradigm to determine stable equilibrium signaling positions among actors (Banks & Sobel 1987; Cho & Kreps 1987; Engers 1987, Engers & Fernandez, 1987). Those actors should be investigated as the major stakeholder as customers, competitors, and markets to support a survival.

Also, previous research shows that the objectives of businesses can be divided into two main objectives - financial and marketing objectives (Doyle, 1992). According to Doyle's study, a firm needs to meet the financial and the marketing objective to become an excellence firm. For achieving the marketing objective, a firm has to meet its target market segment and its marketing plan. It is affected by a firm's buyer expectation. Thus, the main task for a firm is to decide its marketing to meet the buyer expectation. On the other hand, the marketing cannot be considered a separate function. It is the whole business seen from the point of view of its final result as the customer's point of view (Drucker, 1982). Specifically, to be as an excellence firm, it would be as marketing excellence as well. Hence, in this study, our research's objective is to propose the conceptual model to represent the linkage between marketing excellence strategy and firm survival through three actors' view as customers', competitors', and markets'. The conceptual model could be used for further research empirically. The result would explore the linkage between marketing excellence strategy and a firm survival. It should encourage an excellence firm to be safe and to survive in future position.

Theoretical support

This research employs the resource-based view theory to explain the relationships between the dimensions and the consequences of the marketing excellence strategy as afore mentioned. The resource-based view (RBV) of the firm refers to a theoretical framework that explains how firms achieve a competitive advantage and sustain it over time (Eisenhardt & Martin, 2000). Based on the fundamental of the RBV theory, it examines strategies capabilities as a pool of internal resources which are strategically important for the creation of competitive advantages (Lorenzoni & Lipparini, 1999; Pringle & Kroll, 1997). The resource-based view of the firm includes two components: resources and capabilities. Resources and capabilities are sources of competitive advantages (Grant, 1991; Eisenhardt & Martin, 2000). The concept of the competitive advantage has been treated extensively in the marketing and management literature. Hamel and Prahalad (1988, 1994) have emphasized the importance of the "competing for future" as a dimension of competitive advantage and the firm must not be concerned only with profitability in present and growth in the medium term, but also with its future position and source of competitive advantage (Hart, 1995). According to this view, the profitability in present, the growth in the medium term, and the source competitive advantage with future position can be implied how the firm will compete both on current and future position so as to become survival firm. In this study, the forms of the competitive advantage include marketing competitiveness and profitability that refer to the current competitive advantage position while firm survival represents the competitive advantage for maintaining in future position of competitive advantage.

Additionally, the resources refer to tangibles and intangibles, such as finance, technology, knowledge, and human resources (Maijoor & Witteloostuijn, 1996). Thus, firm resources include all assets, capabilities, organizational processes, firm attributes, information, knowledge, etc. controlled by a firm that enable the firm to conceive of and implement strategies that improve its efficiency and effectiveness (Daft, 1983). In other words, firm resources are strengths that firms can use to conceive of and implement their strategies (Learned et.al., 1969; Porter, 1981). Based on the RBV theory, it can be implied that the marketing excellence strategies' dimensions can be performed as the firm resources. Meanwhile, the capabilities refer to the dynamic routines acquired by the organization concerning the management capacity to continuously improve the effectiveness of organization (Moingeon et. al., 1998). The dynamic capabilities are the antecedent organizational and strategic routines by which managers alter their resource base—acquire and shed resources, integrate them together,

and recombine them—to generate new value-creating strategies (Grant, 1996; Pisano, 1994). According to the RBV theory, in this study, the manager would create marketing excellence strategy and link the new value of the firm as customer appreciation, competitor vibration, and market domination. Hence, the RBV should be the appropriate theory for explaining the relationship of resources as marketing excellence strategies' dimensions. In this study, these resources connect the consequences of marketing excellence strategies' dimensions as customer appreciation, competitor vibration, and market domination. And last, it would connect to the competitive advantage as mentioned as marketing competitiveness, marketing profitability, and firm survival at the end.

Literature Review and Hypotheses Development

Based on theories supported, our conceptual model is proposed by investigating the consequence of marketing excellence strategy on firm survival through marketing competitiveness and profitability in the view of three actors as the formation as customer appreciation, competitor vibration, and market domination. In this study, all proposals are provided as positive as shown in figure 1.

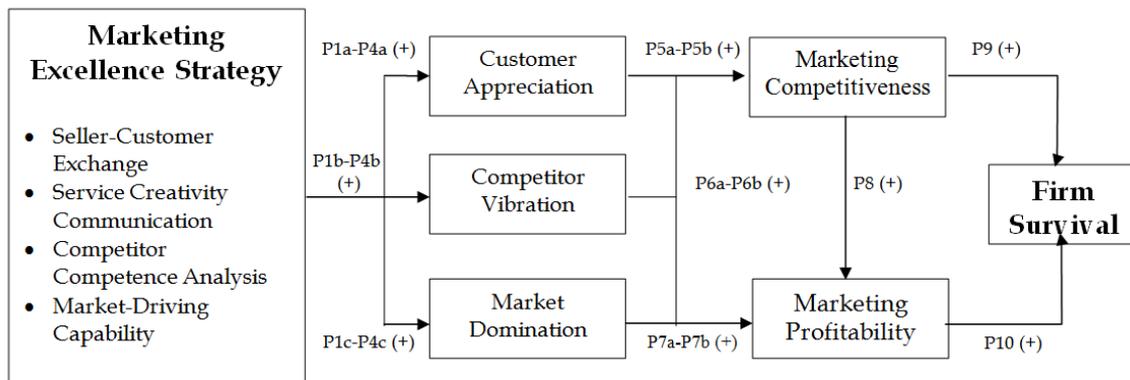


Figure 1: The conceptual model of marketing excellence strategy on firm survival

Marketing excellence strategy

Due to the organizational excellence, it is a commitment to sustain development and growth in order to achieve customer satisfaction, sustainable growth and continuous increase in the profitability of an inclusive and supportive environment. However, the definition of marketing excellence has not stated directly much on literature reviews. Berry et al., (1991) states "marketing excellence" which is a systematic, periodic, objective, and comprehensive examination of an organization's--or organizational unit's--preparedness for services marketing and its current effectiveness along the dimensions of marketing orientation, marketing organization, new customer marketing, existing customer marketing, internal marketing, and service quality. While Peters and Waterman (1982) also state that the characteristics of marketing excellence can be viewed as the bias for marketing actions that includes; the close to customer; the autonomy and entrepreneurship; the productivity through people; the hands-on, value driven; the stick to the knitting; the avoidment too heavy on management structure; and the simultaneous loose-tight properties. Additionally, Smith (2007) classifies marketing excellence into four stages; defining and understanding markets, making strategic choices, delivering value, and monitoring value. Since most definitions of excellence stress the relative superiority of an entity to its comparators, true marketing excellence must encompass superiority in all four stages to a degree that is demonstrably and functionally greater than that of the competition. Thus, marketing excellence strategy can be concluded as a kind of the marketing strategy that a firm puts an effort to encompass superiority in understanding markets, making strategy choice, delivering value, and monitoring value greater than competitors (Ohmae, 1982; 1983; Peter & Waterman, 1982; Saunders & Wong, 1985; Doyle, 1992; Jagersma, 2006; Stuart-Kregor, 2006). To encompass superiority greater than competitors, a firm needs to demonstrate marketing excellence strategy.

Seller-customer exchange

In general, marketing strategy is mostly the concentration of a firm to build a good relationship with customers. Regarding the relationship marketing, it allows buyers and sellers to work together in joints problem solving in which the seller relieves the buyer of the needs to specify many aspects of their purchase

requirement (Palmer & Bijou, 1994). Buyer's and seller's knowledge are built based on the exchange information and create new knowledge and insight, called seller-customer exchange. In this study, seller-customer exchange can be defined as the transformation of the knowledge forward and backward between a firm and a customer. To reach marketing excellence point, a firm should have knowledge beyond competitors. This knowledge is gathered by seller-customer exchange as its dimension. Also, for customer-oriented firms, it emphasizes information use and learning, and uncovers latent customer needs (Atuahenne-Gima, 1995). As the result of sellers and customer exchange their knowledge to each other to help a firm to response their needs correctly and specifically, it would create customer's appreciation in final. Therefore, as much as a firm has seller-customer exchange, it would let a firm to respond the customer's appreciation as we propose on proposal 1a.

Moreover, the signaling of marketing excellence can also deter the entering of competitor in the market segment because buyer-seller relationships play a major role in competitive marketplace (Reinartz & Kumar, 2003). The trait competitiveness relates positively to learning effort (Wang & Netemeyer, 2002). Also, under learning orientation, a firm adopts, adapts, and responses pattern wherein negative feedback information leads to persistence and determination in challenging achievement situations (Dweck, 1986). As result, the more information and/or knowledge beyond competitors that a firm is able to gather, it should be scaring them by signaling of excellence. In other words, seller-customer exchange should positively affect a competitor's vibration that we propose as proposal 1b.

Still, the benefits of signaling information are also tied to the advantages of being a pioneer in the market and the empirical evidence suggests an advantage to being first in a market (Biggadike, 1979). In other words, being pioneer encourages a firm easily to become domination in markets because of the advantage of the first mover. In contrast, even though a firm is not a pioneer in market, seller-customer exchange also supports a firm to become the domination because as much knowledge as a firm learns, it would be able to crate differentiation dominantly. Imaginably, there are many colors ball in a box. If a firm knows or have information what colors of balls in the box, thinking as marketers, a firm would paint other color that is different from those balls to be attracting as the differentiation. Therefore, as much as a firm has on seller-customer exchange, the knowledge is created and encourages a firm to become market domination as our proposal 1c.

Proposal 1: The higher seller-customer exchange is, the more likely that firm will gain greater; (a) customer appreciation, (b) competitor vibration, and (c) market domination.

Service creativity communication

Communication is the means through which stores and disseminates information and increased level of communication makes cross-fertilization of ideas increasingly likely (Leenders et al., 2007). The role of service creativity communication is that communication plays a major role in creation, dissemination, and combination of knowledge and solutions (Hoegl & Gemuenden, 2001; Leenders et al., 2007). Hence, service creativity communication would encourage a firm to become superiority as marketing excellence strategy's dimension. For customer-oriented, a firm efforts its best to respond what a customer's needs as much as possible (Atuahenne-Gima, 1995). Occasionally, the efficiency of service creativity communication supports the responsibility of a firm to earn a customer's knowledge and to solve customer's problem. Finally, a customer gets what (s) he wants, (s) he would feel or show his/her reaction. This reaction is normally representing as positive reaction that it would be implied as appreciation. Therefore, service creativity communication should encourage a firm to appreciate its customers as stated in our proposal 2a.

Additionally, the trait competitiveness relates positively to learning effort (Wang & Niemeyer, 2002). Therefore, the efficiency of service creativity communication should encourage a firm to earn a customer's knowledge beyond its competitor. As a result, a firm is able to respond better on customer need and to provide better solution for customer problems that it creates trust and loyalty. Hence, a firm's competitor should be vibrated when a firm has an efficiency of service creativity communication that we propose as our proposal 2b.

Also, the benefits of signaling information are tied to the advantages of being a pioneer in the market and the empirical evidence suggests an advantage to being first in a market (Biggadike, 1979). Moreover, service creativity communication encourages a firm to have dominated position in market because service creativity communication plays a major role in creation, dissemination, and combination of knowledge and solutions (Hoegl & Gemuenden, 2001) as we have proposed as our proposal 2c.

Proposal 2: The higher service creativity communication is, the more likely that firm will gain greater; (a) customer appreciation, (b) competitor vibration, and (c) market domination.

Competitor competence analysis

The analysis of competitive position strategy is central to strategic marketing. Competitor competence analysis is defined as the analysis of the competitive structures (Hodgkinson et al., 1996). Competitive structure relates to competitive positioning, decision of organization and driving competition, and perceptions of managers and other knowledge actors within particular industries. Competitive competence analysis is also defined as competitor identification because the objective market structure that characterizes industries has pursued an approach to competitor identification (Clark & Montgomery, 1999). Therefore, as much as a firm knows or is able to analyze its competitor competence, a firm would be more superiority position over its competitors. Then, competitor competence analysis should be included as the dimension of marketing excellence strategy.

To identify a competitor, it can be done on the basis of the attributes of customers such as customer attitudes and behaviors (Day et al., 1979). There is also a longstanding and considerable literature on the study of competitive positioning and the structure of markets as viewed from the perspective positioning and the structure of markets as viewed from the perspective of the consumer (Day et al., 1979; Rao&Sabavala, 1981; Srivastava et al., 1981; Weitz, 1985). Therefore, competitor competence analysis should have a direct effect on customer attitudes and behaviors as his/her appreciation as our proposal 3a.

Also, at the fundamental level, firms act on the basis of their market knowledge: their knowledge of customers and competitors (Marinova, 2004). A firm identifies what firms are direct or indirect competitors that a firm may focus on a smaller group of target firms that are likely to respond to particular gambit (Clark & Montgomery, 1999). Therefore, the attractiveness of a firm's marketing excellence should block the competitors to beware of entrance in a market. In other words, competitor competence analysis should have a positively effect on competitor vibration as we propose as our proposal 3b.

Finally, the understanding competitors developing an advantage against them are as basic to strategy in marketing strategy (Clark & Montgomery, 1999) that the competitor identification is also relevant to market attractiveness judgments (Day, 1979; Porter, 1980) and to positioning decisions within markets (O'Donnell et al., 2002). As a result, the competitor identification helps a firm to obtain attractiveness and domination in market because a firm would know how to make it different from its competitors. Hence, we propose that competitor competence analysis should positively affect market domination as our proposal 3c.

Proposal 3: The higher competitor competence analysis is, the more likely that firm will gain greater; (a) customer appreciation, (b) competitor vibration, and (c) market domination.

Market-driving capability

Market-driving capability refers to marketing's contribution to overall firm aptitude to deliver superior customer service relative to the competition and achieve service advantage. It mainly refers to capability in effectively deploying and updating existing resources (Kaleka, 2011). Being market-driving capability in effectively deploying and updating resources, a firm is pertaining to market information acquisition, enabling the firm to learn what customers want and what alternative offers are available in markets (Eisenhardt& Martin, 2000). In other words, market-driving capability relates to market information that enables a firm to learn what customers want and what alternative offers are available in markets. Therefore, a firm that has market-driving capability, it would have been encourage to be in more preposition of excellence than others that market-driving capability should be included as the dimension of marketing excellence strategy. Also, market information acquisition capability involves information on both market components as customers and competitors (Narver&Slater, 1990). The focus of marketing studies has been defined as reflecting customer perception with the customer satisfaction as the authenticating outcome (Mentzeret.al. 2001). Thus, market-driving capability helps a firm to respond and to satisfy its customers efficiently. With the studies, it is implied that market-driving capability affects customer appreciation positively. Hence, the proposal 4a has been proposed.

As mentioned, market information acquisition capability involves information on both market components as customers and competitors (Narver& Slater, 1990). Additionally, the process superior information capability relative to competitors are more likely to develop broader and more accurate knowledge of market structure, enabling them to develop products that fulfill gaps in the market or add features that better match customer requirement (Toften&Rustad, 2005). Therefore, market-driving capability will obstruct a competitor to imitate and/or to follow that it also affects the competitor vibration and the proposal are proposed as proposal 4b.

Additionally, market-driving capability is nurtured by resources that the firms control assets that enable organizational processes to flow (Dierickx & Cool, 1989). They develop knowledge which is particularly important in connection with activities that the knowledge of signals as expression of trust, commitment, or opportunism could lead to greater confidence in future of relationship, allow for early problem detection, and activate corrective mechanisms leading to higher relationship quality (Mehta & Malik, 2006). Therefore, market-driving capability leads to market domination positively and we have proposed as our proposal 4c.

Proposal 4: The higher marketing-driving capability is, the more likely that firm will gain greater (a) customer appreciation, (b) competitor vibration, and (c) market domination.

Customer appreciation, competitor vibration, and market domination

Current marketing decision often influences future company and company marketing activities that a market-response function is the outcome of marketing decision by a change to the marketing variables (Pesaran & Shin, 1998). A change includes customer reactions (Neslin et. al, 2006), competitor reactions (Leeflang & Wittink, 1996), and the initial market actions. As result, a marketing net performance effect of a marketing action has managerial relevance due to dynamic consumer response, competitor response, and market response (Pauwels, 2004). It should be linked from customers', competitors', and the markets' reaction. The effect of customer appreciation, competitor vibration, and market domination on marketing competitiveness and profitability are suggested as our next three proposals.

Satisfaction is effectively an attitude in the full sense of the term embracing affective, cognitive and implicit behavioral elements (Pearce, 2005). The emotional reactions associated with the consumption experience are fundamental for the determination of satisfaction (Zins, 2002). For organization to achieve market performance, it must create a sustainable competitive advantage (Aker, 1989; Porter, 1985). It must create sustainable superior value for its customers (Naver & Slater, 1990). The ability and the motivation to better respond for the customers' appreciation are linked to marketing performance as marketing competitiveness (Varadarajan, 2006). Hence, the positive effects of customer appreciation mainly impact the customer relationship and the efficiency and effectiveness of the marketing process. Literature highlights two main factors which are positively affected by the appreciation of customers, decreased costs (Lovelock & Young, 1979; Xue & Harker, 2002) and increased market shares (Herstatt & Hippel, 1992). Thus, customer appreciation should have positively relationship with marketing competitiveness. Meanwhile, decreasing cost and increasing market share would represent as marketing profitability that we propose on proposal 5.

Proposal 5: The higher customer appreciation is, the more likely that firm will gain greater (a) marketing competitiveness and (b) marketing profitability.

For competitor behavior variables, an effective signal can also lead to competitive market structure (Montoya et al. 2010) because it includes curing competitors who may then be able to react marketing action more quickly (Eliashberg & Rebertson, 1988). The study shows that the marketing performance influences the perceptions of their organization's self-efficacy (Krueger & Dickson, 1994), while the perceptions exist in both organization itself and its competitors. For the competitors, their perception influences marketing performance directly. In this study, the competitor reaction is known as competitor vibration which is defined as a competitor's awareness of a firm's actions. It is a function of its information search and analysis (Varadarajan, 2006). Additionally, industrial organization economics suggests that industry concentration can increase the cost of market entry and thus reduce the number of entrants (Gatignon et. al. 1990). In other words, the cost of new entrant is high when a firm acts against its entrance competitors (Scherer, 1980). So, competitor vibration should have a positive effect on marketing competitiveness. Additionally, a firm's performance which achieves sales, market share, and profit goals relatively to competitors' awareness can shape its responsiveness to changes in the market environment, (Jayachandran & Varadarajan, 2006) a result marketing profitability as well.

Proposal 6: The higher vibration is, the more likely that firm will gain greater (a) marketing competitiveness and (b) marketing profitability.

The character of this imaginable attraction, called market domination, can be defined as market attraction; it is rewarded by the dominance relationship. In this study, market domination could be implied as the dominance of market or the pioneer in the market because a firm put effort to attract customer in its own way. Also, industrial organization economics suggests that marketing competitiveness occurs when industry concentration can increase the cost of market entry and thus reduce the number of entrants (Gatignon et. al, 1990). In other words, when a firm has market domination, it should block the entrant competitors because a competitor is beware to compete; a firm has already taken a pioneer seat as the front line to be dominant. The previous research also shows that in the markets, the second to enter a market can expect to achieve only about

60% of the sales of the pioneering firm (Robinson & Fornell, 1985) because the pioneering firm has the potential ability to position its product in the most profitable segment and to leave less profitable segments to later market entrants (Eliashberg & Roberson, 1988). Hence, a firm which has market domination would have made a linkage of marketing competitiveness and profitability as our proposal 7.

Proposal 7: The higher market domination is, the more likely that firm will gain greater (a) marketing competitiveness and (b) marketing profitability.

Marketing competitiveness and profitability

Under the competitor orientation, a firm would understand the short-term strengths and weaknesses and long-term capabilities and strategies of both the key current and the key potential competitors (Aker, 1988; Porter, 1980, 1985). The marketing competitiveness can be defined as a set of skills, knowledge and technologies enabling a firm to provide specific benefits to the customers and generate competitive advantage (Lynch, 2007). Planning, organizing, and conducting effective marketing activities of organizations in all areas activity involves among the other significant matters, considering the specific issues of identifying and defining the competencies which should be reflected at each marketing activities (Catoiu & Veghes, 2009). Hence, marketing competitiveness should be used to act as the mediator and link to a firm survival. Also, profitability is economic wealth. Marketing profitability is the objective in a market orientation (Felton, 1959; McNamara, 1972). Thus, marketing profitability refers to profits that are perceived as a component of market orientation and it is viewed as a consequence of market orientation (Kohli & Jaworki, 1990). In markets, a firm that enjoys sustained success might emphasize efficiency or develop complacency (Nystrom & Starbuck, 1984) and superior performance may lead to false belief within the competitor's organization of its level of the awareness of the market environment (Deshpande, 1994). In addition to a competitor's awareness of a firm's action, it has a direct effect on market performance (Gatignon et. al., 1990). In other words, a firm's marketing competitiveness should encourage a firm's marketing profitability as stated in the hypothesis in proposal 8.

Proposal 8: The higher marketing competitiveness is, the more likely that firm will gain greater marketing profitability.

Also, as mentioned earlier, a firm creates value by focusing on the customer and competitor orientation. For customer orientation, a firm creates value by increasing benefits to the buyer in relation to the buyer's costs and by decreasing the buyer's costs in relation to the buyer's benefit (Naver & Slater, 1990). The major competencies are the creation of value for the customer, differentiation, against competitors and the expandable and adaptable products, services, brands and activities (Hamel & Prahalad, 1994). Therefore, when a firm has marketing competitiveness, it implies that a firm enables to create value better than its competitor and leads a firm to be much more survival. Then, if a firm has higher marketing competitiveness, it will gain greater firm survival as we have proposed as our proposal 9.

Proposal 9: The higher marketing competitiveness is, the more likely that firm will gain greater firm survival.

Still, the customer and competitor orientation is the market orientation, and the literature suggests that for business, the overriding objective in the market orientation is marketing profitability or economic wealth (Felton, 1959; McNamara, 1972). Additionally, Kohli and Joworski (1990) found that marketing profitability is viewed as a consequence of market orientation. Furthermore, for long-term, the objective of the marketing profitability is firm survival, which means earning revenues is sufficient to cover-run expenses and /or otherwise satisfying all key constituencies in the long run (Kotler & Andreasen, 1991). Hence, marketing profitability should lead a firm survival that proposal 10 can be stated as follow.

Proposal 10: The higher marketing profitability is, the more likely that firm will gain greater firm survival.

Firm Survival

The survival of the business as consequence of financial development is that the firm will benefit from budget allocations as well as market development (Tsoukas, 2010). For long term survival, a business cannot avoid a long-term perspective and prevent its competitors from overcoming whatever buyer-value superiority it has created. A business must consistently discover and implement additional value for its customers, which necessitates a range of appreciate tactics and investments (Naver & Slater, 1990). Therefore, to be survival firm, a firm must receive an impact from how much its marketing competitiveness and profitability will be able to occur. Hence, we have proposed 10 proposals that involve the variables as shows in figure 1.

Contribution

Theoretical contribution

Based on the theory supported, the resource based view theory; we built our model according to the fundamental of the theory aiming at examining strategies as well as capabilities as a pool of internal resources which were strategically important for the creation of competitive advantages as mentioned previously (Lorenzoni&Lipparini, 1999; Pringle & Kroll, 1997). However, the scope of RBV theory in general is still broad. It was used to examine the relationship between resource and capability, and finally gave the consequence as the competitive advantage. With this study, our conceptual model was more specific and narrower it down on the dimensions and the consequences of marketing excellence strategy. Therefore, theoretical contribution from this study was quite specific by narrowing down on resources, capability, and competitive variables as shown in our model.

Managerial contribution

As mentioned earlier, most previous studies investigated how to become an excellent firm. However, in reality, it is important that a firm obtain both superiority and survival in the long run. Therefore, this study would explore how marketing excellence firm links to a firm survival. Further research should provide empirical evidence of the relationship of each variable. Then, a marketing manager would take advantage by concentrating on the actors (as customers, competitor, and/or markets) which encourage a firm to earn marketing competitiveness and profitability, and finally to become a firm survival. The new target objective for a firm should be that a firm comprises both a marketing excellence firm and being able to survive in the future.

Future research

For further research, researchers could apply this research by examining the relationship of each variable empirically. The results of the next research studies might be able to confirm the conceptual model in the future. Additionally, the conceptual model was built based on the view of three actors including customers, competitors, and markets. For future research, it could be expanded to investigate the relationship between marketing excellence strategy and firm survival through the view of other actors. For example, there are studies in the signaling research which shows that an effective communication of corporate strategy can also enhance shareholder satisfaction (Higgins & Bannister, 1992) and build employee morale as well (Burgi&Roos, 2003). Therefore, there might be a relationship of those through other actors' view that should be put as the future research direction. Also, in depth, future research should investigate and indicate which actor is more important among customers, competitors, and markets. The result of this suggested future research would help manager to design which actor needed to be supported for investment. Instead of setting budget for all actors, a marketing manager would be able to save a lot of costs.

Conclusion

In conclusion, this study proposed the conceptual model of how a marketing excellence strategy links to a firm survival. That is, it is more important than to be an excellent firm but unable to survive in the future. This study comprised a conceptualization with 10 proposals based on the resource-based view theory. Additionally, this study also investigated based on the major actors that connect a marketing excellence strategy to a firm survival through customer appreciation, competitor vibration, and market domination. Also, those three variables would link to marketing competitiveness and profitability which were shown in the conceptual model.

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