Journal of Business Research 69 (2016) 5671–5681

Contents lists available at ScienceDirect

Journal of Business Research

Marketing innovation: A consequence of competitiveness

Suraksha Gupta [a,*], Naresh K. Malhotra [b], Michael Czinkota [c], Pantea Foroudi [d]

[a] Kent Business School, University of Kent, Kent, United Kingdom
[b] Georgia Institute of Technology, United States
[c] Georgetown University, United States
[d] The Business School, Middlesex University London, United Kingdom

ARTICLE INFO

Article history:
Received 5 January 2015
Received in revised form 1 September 2015
Accepted 1 February 2016
Available online 11 May 2016

Keywords:
Brands
Competitiveness
Distribution
Innovation
Internationalisation

ABSTRACT

This research uses complexity theory to probe the relationship between competiveness and innovation in the marketing practises of large manufacturing firms that offer their branded products in a foreign market by engaging a network of local small- and medium-sized enterprises (SMEs) as resellers of their brand. A deductive, quantitative research approach was employed and data were collected over a nine-month period from resellers of international IT firms in India using a questionnaire. A structural equation modelling technique and fuzzy-set qualitative comparative analysis (fsQCA) were employed on a sample of 649 respondents to find answers to the questions raised. This research indicates that a successful business relationship between a brand and its resellers can enable both parties to compete in a competitive market. This study finds that innovativeness in the marketing initiatives of the brand can be a function of the contributions made by the brand to its competitiveness. Nevertheless, the findings are also subject to some limitations and provide direction for future research on the topic.

1. Introduction

Various studies recommend that managers aiming to venture into the challenging field of internationalisation should create a competitive edge that helps them to demonstrate the superior abilities of their firm (Barney, Wright, & Ketchen, 2001; Porter, 2011; Samli, Wirth, & Wills, 1994). But, fear of the unknown deters managers from stepping out of their home country and benefiting from internationalisation because growth markets tend to be very complex as they foster competition (Knight, 1995; Thai & Chong, 2013). A business-to-business model of distribution allows managers of international firms to successfully deal with entry barriers and enter smoothly into a foreign market and effectively address the complexity of a place that offers high potential of growth to their businesses (Yan, 2012).

A distributor simultaneously facilitates the entry of multiple firms with competing products into the market and engages micro level small and medium firms in the local market for selling (Chen, 2003). Since distributors offer multiple similar and competing products to resellers, markets being served through resellers become very competitive for international brands. Competition in a market encourages competing firms to demonstrate their ability to innovatively serve customers (Freeman, Edwards, & Schroder, 2006). Lack of in-depth native knowledge in such markets is a major shortcoming for firms aiming to internationalise because it decreases their capability to innovate their marketing related business practises by predicting the business environment and trends in the consumption patterns of the foreign market (Bell, 1995; Johanson & Vahlne, 2009). Distributors and resellers have an important role to play in the successful penetration of a foreign market showing that an international firm develops its capability to innovatively market its products through reseller networks that needs to be understood.

The resource advantage theory recognises the creation of a competitive edge as a function of marketing and identifies the role of branding in creating the capability of a firm to demonstrate its superior abilities (Hunt & Morgan, 1995, 1996; Srivastava, Fahey, & Christensen, 2001). Simultaneously, the industrial practises of industrial brands particularly in the IT and telecom sector indicate that the managers of strong brands can compete in foreign markets based on their brand leadership and brand relationships in the local market. It has also been noticed and reported in the literature of local firms by studies like Gupta and Malhotra (2013) that a brand that contributes to the competitiveness of the reseller is able to compete at the local level using innovative marketing initiatives. These observations of various researchers indicate that the relationship between an international brand and its resellers in foreign markets becomes very important for brands in a market that poses strong competition (Anderson & Weitz, 1992).

This study examines the relationship between competiveness and innovation in the marketing practises of large manufacturing firms that offer their branded products in different countries through a network of local small- and medium-sized enterprises (SMEs) as

* Corresponding author.
E-mail addresses: S.Gupta@kent.ac.uk (S. Gupta), Naresh.Malhotra@scheller.gatech.edu (N.K. Malhotra), czinkotm@georgetown.edu (M. Czinkota), P.foroudi@mdx.ac.uk (P. Foroudi).

http://dx.doi.org/10.1016/j.jbusres.2016.02.042

resellers of their brand. It builds on both the resource-based view and complexity theory to understand what features of the brand and the reseller enable them to adopt innovative marketing practises in an international setting.

We aim to bridge the gap in the existing marketing literature by reviewing current academic knowledge surrounding competitiveness and marketing innovation. Thus, the study addresses the following research question: What configurations of brand and the reseller enable the adoption of innovative marketing practises by two firms in an international setting? This study addresses the research question by first developing a suitable theoretical framework which is then used to investigate the question by means of empirical data.

This study addresses this question in four phases. The first phase underpins the arguments about competitiveness and marketing innovation with the current academic knowledge about theory of competitive advantage and resource-advantage theory. The second phase explores the concept and assumptions using expert insights. During the third phase, this study conducts a field survey to collect data from resellers of international brands and use structure equation modelling (SEM) and fuzzy set qualitative comparative analysis (fsQCA) (Ragin, 2006, 2008). fsQCA has received increased attention as it gives an opportunity to the researchers to gain a deeper and richer perspective on the data, particularly when applied together with complexity theory (Leischnig & Kasper-Brauer, 2015; Mikalef, Pateli, Batenburg, & Wetering, 2015; Ordanini, Parasuraman, & Rubera, 2013; Woodside, 2014; Wu, Yeh, & Woodside, 2014). The fourth phase leads to interpret the results in order to make recommendations and consider future avenues for the research. This research contributes to the literature on business-to-business and international marketing. Finally, the study advances the current understanding about the interdependence of brand and reseller firms for developing their competitiveness and adopting innovative approaches to marketing.

2. Literature review and hypothesis development

2.1. Competitiveness of brand and reseller firms

Brands that are able to push the market and create a pull to make selling easier are able to attract resellers (Keller, 2010; Srivastava et al., 2001). Simultaneously, those resellers who are able to efficiently support the brand in penetrating a market and creating a pull for the brand are able to catch the attention of brand managers (Parment, 2008). While the creation of push and pull in a competitive market benefits both brand and reseller firms, it requires them to innovatively cooperate with each other (Gupta & Malhotra, 2013). According to the literature, when resellers benefit from the promotional activities performed by a brand, the indigenous knowledge and home-grown relationships of resellers play an important role in building the competency and capability of brand managers to innovatively juggle with the different barriers and shortcomings of the growth markets (Cavusgil & Cavusgil, 2012; Gupta & Malhotra, 2013).

Juggling performed for altering and rearranging the actions of the brand based on its standardised policies and the requirement of a local market can result in the discovery of an innovative marketing idea that is very context specific and facilitates the smooth functioning of the brand in an agile situation (Colder, 2000). Such actions in a competitive market when viewed from the standpoint of resource advantage theory lead to the expectation that the success of juggling depends upon the resources required and the appropriation of incentives anticipated from the innovative marketing idea (Achrol & Etzel, 2003; Hunt & Morgan, 1996).

Brand and reseller firms commit to an innovative marketing idea after they have identified the contribution it makes to their competitiveness as an incentive to become innovative in their marketing practises (Sood & Tellis, 2005). The triple helix model of innovation reflects the complexities that drive an innovation and a national system of innovation explains the formal and informal linkages between the actors who collaborate for mobility, penetration and smooth flow of knowledge with the resources to implement an innovation (Basant, 2002).

These frameworks have been used by marketing researchers to explain marketing innovation as the emergence of a new idea, that is, a breakthrough or radical innovation, or an incremental modification of an existing concept for improvisation, that is, an incremental innovation (Lin & Chen, 2007). Breakthrough innovations argued by Lin and Chen (2007) include the introduction of a new product or a business model, and incremental innovations instead have been identified by authors as creating extra value through initiatives, such as launching a better version of the product or the extension of a market or creating new alliances. These studies, when evaluated for development of a competitive advantage, highlight factors that are central for managers of a firm to consider before identifying initiatives that are innovative in nature (Hunt & Morgan, 1995). However, they have neglected the limitations of firms operating in an industrial setting to adopt innovative marketing practises and not recognised the importance of the contributions made by partner firms to the competitiveness required for identifying innovative marketing practises.

While previous literature suggests that marketing innovation is a consequence of competitiveness, the context of the study highlights the importance of its relationship with competitiveness as an indicator or an outcome. To understand the relationships, this research employed complexity theory (Pappas, Kourouthanassis, Giannakos, & Chrissikopoulos, 2015; Woodside, 2014). This paper sets out to develop a more predictive model, as well as a more comprehensive model for the configuration of marketing innovation as a consequence of competitiveness (Fig. 1).

The competitiveness of a firm in a market reflects its capability to capture the market using innovative marketing ideas through its business relationships (Webster, 1988). The capability of a partner in a business relationship to successfully address opportunities depends upon its own ability to contribute to the competitiveness of the partnership (Day, 1994; Ernst, 2000). According to Anderson (1995) a brand–reseller relationship builds the competitiveness of both parties based on a mutual understanding about each other's competency to actualise resources and their market sensing and value creation capabilities. The findings of a study conducted by Sharma and Sheth (1997) reveal that the desire for companies to become competitive pushes them to shift their transaction oriented philosophy to relational oriented values. Sharma and Sheth (1997) anticipated that the power of buyers in a

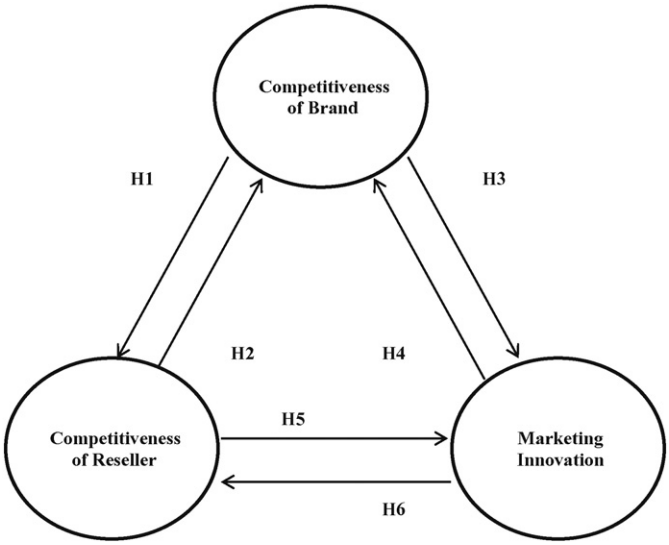

Fig. 1. The research conceptual model.

competitive market can reduce the number of suppliers in the market, and the buyer's decision to make investments in branded products of the supplier link to the suppliers' innovativeness in providing support to its resellers.

Despite various interpretations and understandings, the literature that discusses competitive advantage theory of competition from resource based advantages available to a firm indicates that innovativeness in the approach used to market a product is vital for the competitiveness of both buyer and seller firms (Hunt & Morgan, 1995, 1996; Ren, Xie, & Krabbendam, 2010). The exchange of resources by two firms can develop each other's capability to innovatively address business opportunities for mutual benefits (Hunt & Morgan, 1996; Yu, Cadeaux, & Song, 2012). While the current industrial marketing literature reports that a brand-owning firm and a reseller firm each contribute to the business of the other in various formats (Glynn, Motion, & Brodie, 2007), it does not explain how the contribution that one makes builds the competitiveness of the other and helps them to identify and implement an innovative marketing idea. Therefore, configurations may include combinations of competitiveness of the brand and the competitiveness of the reseller, leading to the following hypotheses.

H1. The competitiveness of a reseller in a growth market depends upon the intent of the brand-owning firm to use its resources to support the business of the reseller.

H2. The competitiveness of a brand in a growth market depends upon the intent of its resellers to use their resources to support the business of the firm owning the brand.

2.2. Competitiveness and marketing innovation

Technology and information facilitate marketing innovation in competitive markets (Freeman, 1995; Sood & Tellis, 2009). According to Rodríguez-Pose and Crescenzi (2008), improvisation, modification, augmentation or transformation of existing channels of trade through the use of technology can reduce transaction costs. Innovative marketing without the use of technology in a trading setup instead requires resource based advantages for initiating exchange of knowledge and information about opportunities available in the marketplace (Grewal, Iyer, & Levy, 2004; Grimes, 1995; Hunt & Morgan, 1996). The exchange of field notes between buyer and seller firms can facilitate the exploration of unpredicted occasions and the identification of novel ideas to address fortuitous opportunities (Levitt, 1960).

The concept of innovation has been understood differently by researchers from different domains of business and management (Carneiro, 2000; Hunt & Morgan, 1995). Economists consider marketing innovation from the product and process perspective and marketing researchers conceptualise innovation from a commercialisation viewpoint (Cohen & Levinthal, 1989; Freeman, 1995; Sood & Tellis, 2009). Unanimously the study describes innovation as a tool that enables managers to efficiently use their resources for developing a competitive advantage (Hunt & Morgan, 1995; Knight & Cavusgil, 2004).

The success of an innovative marketing idea depends upon its ability to work homogeneously and harmoniously within a local ecosystem (Hunt & Morgan, 1996; Hurley & Hult, 1998). The scope, utility and long-term objectives of an innovative marketing ideas influence the value that all the partners in the delivery chain seek to create (Roy, Sivakumar, & Wilkinson, 2004). The idea of marketing innovation in an international setting integrates theories of marketing, distribution and sales (Gupta & Malhotra, 2013; Jones, Suoranta, & Rowley, 2013; Kim, Cavusgil, & Calantone, 2006).

Although Ballantyne and Aitken (2007) and Gandolfo and Padelletti (1999) report the benefits of innovation, they are unable to identify the conditions under which a brand, distributor and reseller network come together to create an innovative marketing idea in an international setting. Levitt (1960) argues that in addition to innovations in products and production processes, there are also innovations in the marketing and unlike product innovations, most marketing innovations have been unsolicited, unplanned, and accidental, and have originated from outside the central core of the industries in which they have ultimately prospered. According to Slater and Narver (1995), the most likely way in which some businesses improve their marketing initiatives is by developing new services or reformulating existing ones, creating new distribution channels and discovering new approaches for management. These kinds of marketing innovations represent ways in which companies can develop new ways of marketing themselves to potential or existing customers. On the other hand, Lin, Chen, and Chiu (2010) relate marketing innovation to market research, price-setting strategy, market segmentation, advertising promotions, retailing channels, and marketing information systems.

2.3. Competiveness of resellers and marketing innovation

Reseller firms that sell branded products are very small micro level entrepreneurial firms (Gabrielsson & Manek Kirpalani, 2004; Gupta & Malhotra, 2013). Such firms find it challenging to compete in a growth market due to their weak financial capability and limitations related to the availability of resources required for business expansion (Luo & Tung, 2007). Resellers prefer to sell branded products based on the assumption that product demand generation activities of the manufacturer due to brand leadership will make selling easier and inexpensive for them (Ballantyne & Aitken, 2007; Parment, 2008). The strength of a brand to attract customers is considered as brand value by the reseller because it allows them to utilise their resources elsewhere (Lindgreen, Palmer, Vanhamme, & Wouters, 2006). Hence, resellers like to take up the responsibility of fulfilling the demand generated by selling products of the brand that hold a leadership position in the marketplace, while the manufacturers of branded products focus on building the capability of resellers with their resources and support (Anderson, Day, & Rangan, 2012; Beverland, 2001; Öberg & Shih, 2014).

Brands play a role in providing strategic direction through the use of high-tech processes or advanced training programmes that will be likely to contribute to the strength of the local resellers to think innovatively when they encounter business opportunities (O'Donnell & Blumentritt, 1999). Resellers appreciate the brand's support in various forms such as skills-based training, marketing investments, and industry know-how (Achrol & Kotler, 1999).

The identification of sales opportunities available in a competitive market by the reseller and utilisation of the brand's resources for ensuring the successful supply of the products of the brand requires an innovative approach to marketing by the reseller (Hunt & Morgan, 1996). The establishment of the credibility of an innovative firm positions the reseller in a competitive position in the marketplace and encourages competing brands to seek an association with the reseller (Webster, 1992). Having the capability to serve a larger customer base builds the competitiveness of the reseller and increases the attention that the reseller receives from brands offering competing or complementary products (Hunt & Morgan, 1995; Kumar, Stern, & Achrol, 1992). While it is known that associating with brands is beneficial for resellers, how brands enable their resellers to innovatively address unplanned opportunities based on their native knowledge and local relationships using new methods and ideas to deliver its products is not known. Therefore,

H3. The higher the competitiveness of a brand, the higher will be the brand's capability to adopt innovative marketing initiatives in a competitive marketplace.

H4. The higher the capability of a brand to adopt innovative marketing initiatives, the higher will be its competitiveness in a competitive marketplace.

2.4. Competiveness of brands and marketing innovation

In markets with high potential for growth, the profit margins in distributing a product are low (Debo, Toktay, & Van Wassenhove, 2005). Therefore, distributors simultaneously provide their services to multiple suppliers and support many brands (Rosenbröijer, 2001). As a result, brands operating in growth markets through distributors face competition in capturing the reseller's share of revenue (Holm, Kumar, & Rohde, 2012). Suppliers aiming to establish their brands in a competitive market bypass distributors and associate with those resellers who fulfil their requirement of local native knowledge (Doherty, 1999). Additionally, local support received from the reseller allows the brand to compete strongly by efficiently utilising its market budget (Eagle, Kitchen, Rose, & Moyle, 2003).

Brands also benefit from resellers' support based on their capabilities such as product management and the provision of real-time market information for innovative implementation of local marketing initiatives (Day, 1994). Innovative brand support makes reseller firms competent to independently select, serve and manage customers on behalf of the brand and become active participants in the efficient management of markets for the brand (Sharma & Sheth, 1997). Therefore, it becomes vital for brands to orient their activities towards the requirements of resellers for driving their competiveness in a market (Wagner, Fillis, & Johansson, 2005). Hence, the reputation of being a supportive brand encourages various resellers to seek an association with that brand, thereafter creating competition between resellers (Beverland & Lockshin, 2003; Pulles, Veldman, & Schiele, 2014; Yi, Dubinsky, & Lim, 2013). Simultaneously, the reputation of being a brand that provides innovative support attracts competing resellers to bring the opportunities they hold to the brand and improve the business of the brand (Doyle, 1992).

H5. The higher the competitiveness of a reseller, the higher the brand's capability to adopt innovative marketing practises in a competitive marketplace.

H6. The higher the capability of a brand to adopt innovative marketing initiatives, the higher the competitiveness of its resellers in a competitive marketplace.

3. Method

This study examines the relationship between competiveness and innovation in the marketing practises of large manufacturing firms that offer their branded products in a foreign market by working with a network of resellers of their brand. To develop a scale for measuring marketing innovation, specifically for the context of the current research, this study conducted an empirical study using complexity theory, as analysed by Woodside (2014). The measures identified by us consisted of items available and missing in the existing literature about marketing innovation. After identification, this study employed a structural equation modelling technique and fuzzy-set qualitative comparative analysis (fsQCA) and formally tested these through hypothesis testing using data collected from 649 respondents.

3.1. Data collection

Marketing innovation in a brand–reseller setting has been defined as a process that allows the capture of unpredicted opportunities available in the marketplace by the brand and reseller using their mutual competencies and competitiveness in a flexible manner (Chen, 2003; Gupta & Malhotra, 2013). Since India provides enormous unplanned and unpredicted business opportunities to established brands and micro level reseller firms selling branded products, this study identified it as a market where we conduct this research. According to Luo and Tung (2007) the current market conditions in India are cultivating domestic entrepreneurial talent and making entrepreneurs ready to cooperate and compete with large firms for mutual benefits. In addition, India is an 'emerging innovation giant', partly due to its government's massive efforts to promote the country's innovative capacities and leap-frog into a knowledge-based society (Bruche, 2009). Due to the relatively underdeveloped nature of this area of research, identifying a specific industry for investigation was important. Therefore, this study chose the electronics and information technology industry as the research-sampling frame for four reasons. First, the electronics and information technology related requirements of the Indian market are being served by strong established brands. Second, this industry mainly consists of micro level entrepreneurial firms that fulfil the needs of customers with products produced by technologically advanced research based organisations that have successfully applied concepts of brand management to communicate strongly in remote markets on behalf of their firm. Third, while micro level firms look for branded products, suppliers offering branded products are able to use native knowledge, the infrastructure and capabilities of reseller firms to penetrate competitive markets. Fourth, the support received from the supplier offering the branded products contributes to the business of the micro level entrepreneurial firm by providing stability through product demand generation support. A sample of 650 resellers participated in the study over a six-month period. The data were collected from Delhi, Rajasthan and Gujarat which are technology friendly states.

3.2. Measures

The questionnaire which was used contained measures based on recognised scales from previous research. The measures of competitiveness of resellers and competitiveness of brands consisted of five dimensions each. Brand competitiveness was indicated by native knowledge (CBNK) (Huggins, 2003; Simmie, 2003; Windrum & Tomlinson, 1999), local infrastructure (CBLI) (Timmor, Rabino, & Zif, 2009), local relationship (CBLR) (Simmie, 2004), local support (CBLS) (Gabrielsson, 2005), and local capabilities (CBLC) (Lester, 2005). The competitiveness of the reseller was signposted by brand leadership (CRBL) (Beverland, 2001), brand value (CRBV) (Steenkamp, Rajeev Batra, & Alden, 2003; Trunfio, Petruzzellis, & Nigro, 2006), marketing support (CRMS) (Jin & Moon, 2006; Trunfio et al., 2006), product demand (CRPD) (Ballantyne & Aitken, 2007; Parment, 2008), and capability enhancement (CRCE) (Bartlett & Ghoshal, 2000; Ernst & Kim, 2002). The indicators of competitiveness were obtained from existing scales and they were reviewed using anecdotes that explained the context. The items for the marketing innovation measure were developed by the authors based on the measures used by previous researchers as approach to market (MIAM) (Luo & Tung, 2007), channel of communication (MICC) (Di Gregorio, Musteen, & Thomas, 2009; Guerrieri & Meliciani, 2005; Trunfio et al., 2006), product delivery (MIPDV) (Guerrieri & Meliciani, 2005; Singh, Garg, & Deshmukh, 2008), and service delivery (MISD) (Gandolfo & Padelletti, 1999; Kask, 2011). The items finally employed to conduct the investigation are described in Table 1. Based on the recommendations of Singh, Howell, and Rhoads (1990), all items were measured using a seven-point Likert scale (1 = strongly disagree, 7 = strongly agree).

3.3. Construct validity

The preliminary measures were subjected to a series of factor and reliability analyzes as preliminary tests of their performance within the entire sample. A two-step approach was taken using the Anderson and Gerbing (1988) and Foroudi, Melewar, and Gupta (2014) two-stage procedure. First, an exploratory factor analysis was ran for each set of constructs and attained the theoretically expected factor solutions. In this stage, competitiveness of reseller and competiveness of brand consisted of one item and an initial exploratory factor analysis

Table 1
Study constructs and scale items.

Main constructs	Measure	Authors
Competitiveness of brand (CB)	Native knowledge (CBNK)	Huggins (2003), Simmie (2003), Windrum and Tomlinson (1999)
	Local infrastructure (CBLI)	Timmor et al. (2009)
	Local relationship (CBLR)	Simmie (2004)
	Local support (CBLS)	Gabrielsson (2005)
	Local capabilities (CBLC)	Lester (2005)
Competitiveness of reseller (CR)	Brand leadership (CRBL)	Beverland (2001)
	Brand value (CRBV)	Steenkamp et al. (2003), Trunfio et al. (2006)
	Marketing support (CRMS)	Jin and Moon (2006), Trunfio et al. (2006)
	Product demand (CRPD)	Parment (2008), Ballantyne and Aitken (2007)
	Capability enhancement (CRCE)	Bartlett and Ghoshal (2000), Ernst and Kim (2002)
Marketing innovation (MKTIN)	Approach to market (MIAM)	Luo and Tung (2007)
	Channel of communication (MICC)	Di Gregorio et al. (2009), Guerrieri and Meliciani (2005), Trunfio et al. (2006)
	Product delivery (MIPDV)	Guerrieri and Meliciani (2005), Singh et al. (2008)
	Service delivery (MISD)	Gandolfo and Padelletti (1999), Kask (2011)

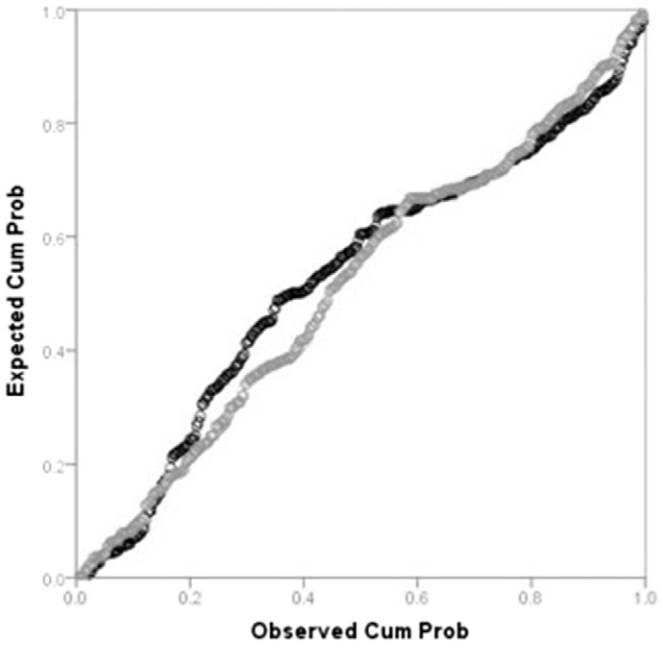

Fig. 2. Normal P–P plot of regression standardised residual.

(EFA) showed that native knowledge (CBNK) was excluded for multiple loadings on two factors, and the total correlation was less than 0.50 (Foroudi et al., 2014; Hair, Black, Babin, & Anderson, 2010). KMO's measure of sampling adequacy is 0.895 and greater than 0.6, this suggests that the relationship between items is statistically significant and is suitable for EFA to provide a parsimonious set of factors (Tabachnick & Fidell, 2007). Following Hair et al.'s (2010) recommendations, Bartlett's test of sphericity indicates that the correlation among the measurement items is higher than 0.3 and hence suitable for EFA. Furthermore, the null hypothesis that the variables are uncorrelated in the population was rejected pointing to the appropriateness of the data for EFA.

Second, the confirmatory factor analysis (CFA) was conducted to allow a stricter assessment of construct uni-dimensionality; the examination of each subset of items was internally consistent and validated the constructs on the basis of the measurement models (Gerbing & Anderson, 1988; Hair et al., 2010). The within-construct validity (convergent and discriminant) and reliability (Cronbach's α and composite reliability) were measured and results were satisfactory (Table 2).

The construct-level reliability, also called "composite reliability", ensured that items assigned to the same constructs revealed a higher relationship with each other. The appropriateness of the measurement model involves examining the statistical significance of each factor loading and calculation of the composite reliability. Composite reliability or construct reliability measures the internal consistency of the indicators, depicting the extent to which they indicate the common latent construct. The composite reliability was recommended to be greater than 0.7 (Foroudi et al., 2014; Hair et al., 2010). Cronbach's alpha and composite reliability were computed to examine the construct level reliability.

Sufficient external consistency was achieved by using full measurement models and modification indices (in AMOS) to recognise multiple loading items. In this study, the squared multiple correlation (SMC) was employed to measure the construct reliability and is referred to as an item reliability coefficient. SMC is the correlation between a single indicator variable and the construct it measures. The SMC for an observed variable is the square of the indicator's standardised loading. Based on

Table 2
Exploratory and confirmatory factor analyses.

Construct	Sub-constructs	Cronbach's alpha	CFA loading	Mean	STD	AVE	Construct rel.
Competitiveness of brand		0.914				0.739	0.918
	Local infrastructure		.755	5.3615	1.46560		
	Local relationship		.901	5.6200	1.44927		
	Local support		.898	5.5123	1.46789		
	Local capabilities		.876	5.2923	1.48462		
Competitiveness of reseller		0.967				0.871	0. 823
	Brand leadership		.941	5.0523	1.62900		
	Brand value		.936	5.0246	1.63437		
	Marketing support		.911	4.9892	1.62934		
	Product demand		.930	4.9662	1.63233		
	Capability enhancement		.947	5.0708	1.59870		
Marketing innovation		0.963				0.845	0.956
	Approach to market		.895	5.5692	1.45470		
	Channel of communication		.933	5.6508	1.50588		
	Product delivery		.914	5.6369	1.49592		
	Service delivery		.934	5.6862	1.48437		

Table 3
Sufficient configurations for the constructs' conditions.

	Coverage		Consistency
	Raw coverage	Unique	
Model for crce * crpd * crms * crbv * crbl	0.341058	0.341058	0.992857
Model for cbli * cblr * cbls * cblc	0.383277	0.383277	0.982786
Marketing innovation miam * micc * mipdv * misd	0.390562	0.390562	0.982045

Table 5
Goodness-of-fit indices of model modification.

	Model fit indicators									
	Chi-square/X^2	Df	RMSEA	GFI	NFI	CFI	AGFI	IFI	TLI	RFI
Data set 1	114.508	62	.051	.947	.976	.989	.922	.989	.986	.970
Data set 2	215.722	62	.067	.908	.959	.971	.865	.971	.963	.949

X^2 — Chi-square; Df — degree of freedom; RMSEA — root mean square error of approximation; GFI — goodness-of-fit index; NFI — normed fit index; CFI — comparative fit index; AGFI — adjusted goodness-of-fit index; TLI — Tucker–Lewis index; and Relative Fit Index.

the measurement analysis, the squared multiple correlations between the construct and its measuring manifest items (i.e., factor loading) were above the minimum threshold criteria of 0.509. An SMC of 0.5 is roughly equivalent to a standardised load of 0.7 (Holmes-Smith, Coote, & Cunningham, 2006).

Convergent validity which refers to the homogeneity of the constructs was assessed in this study to understand which indicators of a certain construct 'converge' or share a high proportion of variance in common. Convergent validity related to the internal consistent validity was measured by testing whether the factor loading of items in their respective constructs is large (equal to or greater than 0.5) and statistically significant (Hair et al., 2010). Furthermore, the average variance extracted (AVE) for each construct ranged from 0.739 to 0.845 (Table 2). The good rule of thumb is that an AVE of 0.5 or higher indicates adequate convergent validity.

In addition to test the validity of the data, discriminant validity was also employed. Discriminant validity refers to the extent to which measures diverge from other operationalisations whereby the construct is truly distinct from other constructs (Hair et al., 2010; Peter & Churchill, 1986; Steenkamp & van Trijp, 1991); it is the complementary concept to convergent validity. Table 2 shows that the results of average variance extracted should be greater than the squared correlation estimates (Hair et al., 2010). An alternative test for discriminant validity is to compute the average variance extracted (AVE) for each construct and compare it with the square correlation between them. Note that the AVE was larger than any squared correlation of the latent variables (LV) within the context of that factor, which supports discriminant validity (Fornell & Larcker, 1981). Additional evidence for discriminant validity is that estimated correlations among factors were less than the recommended value of 0.92 (Kline, 2005). Therefore, the adapted measurement model appears to exhibit discriminant validity and does not feature any cross-loading among measured variables. In the case of discriminant validity, the estimated correlations were statistically significant ($p < 0.05$) (Foroudi et al., 2014; Hair et al., 2010).

Cronbach's alpha of all measures was higher than 0.914 (>0.70) demonstrating adequate internal consistency and is highly suitable for most research purposes (Bagozzi & Yi, 1988; De Vaus, 2002; Hair et al., 2010; Nunnally, 1978). Additionally, composite reliability was examined, which measures the internal consistency of the indicators, depicting the extent to which they indicate the common latent construct. The composite reliability of all measures exceeded 0.82, which was greater than 0.7, suggesting a satisfactory level of reliability (Bagozzi & Yi, 1988; Hair et al., 2010). Therefore, composite reliability (rho) may be the better coefficient because it is based on a congeneric assumption (Raykov, 1998).

Scholars (Gigerenzer & Brighton, 2009; Woodside, 2013, 2014; Wu et al., 2014) stated that researchers should not report the fit validity findings only, they should also report predictive validity results from tests of models with holdout samples (Woodside, 2013, p. 466). Based on their recommendations, this study split the sample into two subsamples randomly to test the predictive accuracy of the other.

In addition, multiple regressions were examined by cross-validation, the data was divided into two sets of data. Appendix A illustrates the results from employing two of the research variables and their relations to test the randomly developed subsamples (325 and 324) from the total data set and the average across both data sets achieved a higher predictive accuracy. In addition, through visual inspection of the Fig. 2, the distribution of values in this study shows that all the variables were clustered around the straight line, therefore, observation of the sample does not require any adjustment through a transformation process. Furthermore, the normal probability plot (P–P plot of the regression standardised residual), employed to assess multivariate normality, was also noted to be normal (see Fig. 2).

In addition, qualitative comparative analysis (QCA) was employed in this study as a technique to evaluate both set-theoretic and correlation between the constructs. Scholars engaged in the qualitative study of macro social phenomena use this method. Use of QCA method emphasises upon asymmetric associations by reporting the sufficient conditions to cause an outcome condition (Gunawan & Huarng, 2015; Woodside-Oriakhi, Lucas, & Beasley, 2011). In addition, QCA as

Table 4
Marketing innovation and competitiveness of reseller segments.

			Marketing innovation (5 groups)				
			1–129	130–259	260–389	390–519	520–649
Competitiveness of reseller	Strongly disagree	Count	1	2	3	7	2
		% within CRBL	12.5%	50.0%	75.0%	87.5%	33.3%
	Disagree	Count	1	3	2	2	2
		% within CRBL	25.0%	50.0%	50.0%	25.0%	28.6%
	Somewhat disagree	Count	1	3	3	5	3
		% within CRBL	10.0%	37.5%	30.0%	55.6%	50.0%
	Neutral	Count	5	14	11	10	3
		% within CRBL	31.3%	53.8%	40.7%	50.0%	30.0%
	Somewhat agree	Count	6	15	8	5	10
		% within CRBL	14.3%	39.5%	23.5%	20.8%	35.7%
	Agree	Count	4	12	9	8	7
		% within CRBL	15.4%	41.4%	36.0%	33.3%	19.4%
	Strongly agree	Count	13	7	10	16	15
		% within CRBL	56.5%	36.8%	38.5%	43.2%	40.5%

Table 6
Descriptive statistics and correlation matrix for the items.

	CRBL	CRBV	CRMS	CRPD	CRCE	CBLI	CBLR	CBLS	CBLC	MIAM	MICC	MIPDV	MISD
Brand leadership (CRBL)	1												
Brand value (CRBV)	.888**	1											
Marketing support (CRMS)	.825**	.812**											
Product demand (CRPD)	.868**	.840**	.831**	1									
Capability enhancement (CRCE)	.884**	.878**	.854**	.872**	1								
Local infrastructure (CBLI)	.283**	.246**	.284**	.264**	.286**	1							
Local relationship (CBLR)	.218**	.196**	.200**	.207**	.215**	.697**	1						
Local support (CBLS)	.174**	.158**	.160**	.164**	.162**	.620**	.852**	1					
Local capabilities (CBLC)	.151**	.137**	.137**	.134**	.153**	.599**	.777**	.817**	1				
Approach to market (MIAM)	.114**	.052	.102**	.122**	.115**	.344**	.383**	.399**	.389**	1			
Channel of communication (MICC)	.154**	.108**	.158**	.190**	.170**	.386**	.438**	.418**	.393**	.844**	1		
Product delivery (MIPDV)	.192**	.125**	.161**	.198**	.178**	.371**	.424**	.442**	.405**	.823**	.881**	1	
Service delivery (MISD)	.153**	.088*	.139**	.175**	.155**	.374**	.434**	.425**	.403**	.826**	.933**	.898**	1

** Correlation is significant at the 0.01 level (Pearson's correlation sig. (2-tailed)).

comparative methods combines the strength of both quantitative and qualitative methods while transcending their limits. In this study, in addition to SEM, the QCA method was also employed as a set-theoretic method (Ragin, 2006, 2008) for discovering causal configurations from a set of empirical cases. In order to clarify and better understand the research constructs, Pappas et al. (2015) recommend a configural analysis of factors as more appropriate than an examination of individual causal factors. The coverage and consistency were measured in the QCA method using fsQCA software to examine how well the alternative configurative models explain the constructs rather than count on correlations and multiple regressions (symmetric data analysis methods). Table 3 indicates that the empirical significance of a configural solution as the overall consistency score 0.98 represents the acceptance consistency level (Ragin, 2006). The results from the coverage illustrated the proportion of cases which are combined in the path that leads to high outcome scores.

Contrarian analysis was used to deepen understanding of the relationship cases to combine marketing innovation and the competitiveness of reseller segments (Woodside, 2014; Wu et al., 2014). Contrarian case analysis was conducted by creating quintiles on all variables and by cross-tabulations using the quintiles. The majority of cases received positive assessments about the impact of the competitiveness of reseller and marketing innovation (Table 4).

Following that step, the structural model fit was tested through goodness-of-fit indices for both data sets for a randomly created subsample from the total data set (Table 5) before examining the total data set. The critical validation question from previous scholars (Gigerenzer & Brighton, 2009; Wu et al., 2014) was whether or not a model can predict the outcome condition (a dependent variable) in supplementary samples, and holdout samples which are separate data sets used to examine the fit of data to theory. "Achieving a good fit to observations does not necessarily mean we have found a good model, and choosing the model with the best fit is likely to result in poor predictions" (Wu et al., 2014, p. 1667). Accordingly, the favourable fit values provide a satisfactory fit to the data (Df — degree of freedom, 62; RMSEA — root mean square error of approximation,.063; GFI — goodness-of-fit index, .949; NFI — normed fit index, .978; CFI — comparative fit index, .984; AGFI — adjusted goodness-of-fit index, .925; IFI — incremental fit index, .984; RFI — relative fit index,.972; and TLI — Tucker–Lewis index, 0.98) and thus indicate the uni-dimensionality of the measures (Anderson & Gerbing, 1988; Foroudi et al., 2014).

Table 7
Company age and marketing innovation cross-tabulation.

Company age (years)	Approach to market	Channel of communication	Service delivery	Product delivery
1 to 6	6%	7%	7.60%	7%
7 to 12	9%	11%	11%	11%
13 to 18	15%	17%	18%	17%
19 to 24	5%	5%	5%	5%

This research applied correlation matrix at the 0.01 significance level (2-tailed) to determine the linearity and multi-collinearity of the constructs; and found that all independent variables positively correlated to the dependent variables (Table 6). The bivariate correlation matrix was computed using Pearson's correlation. To address multi-collinearity, this paper followed established procedures to mean centre related variables prior to generating proposed interaction terms to assess the hypotheses (West, Aiken, & Krull, 1996) (Table 6). To compare the relationship between company age and marketing innovation, cross-tabulation was tested (Table 7). By applying cross-tabulation, this study found that companies that are between 13 and 18 years old are more innovative than young companies. The noticed relationship between company age and innovation can be attributed to understand the knowledge and experience which can be negatively correlated (Potosky, 2007; Tu, Shih, & Tsai, 2008). When companies are new to the market and their level of market knowledge is low and their vision is broad, they look at the market in new and different ways.

It was intended in this research to create a more predictive model, in addition to a more comprehensive model for the configurations of relationships between the research questions. Table 5 illustrates the results from employing hierarchical linear regression analysed for two random samples from the total data set. To address multi-collinearity, this paper followed established procedures to mean centre related variables prior to generating proposed interaction terms to assess the hypotheses (West et al., 1996). As can be seen in Table 8, the results were supportive of H1 and H2. The findings indicated that there are relationships between the competitiveness of the brand and the competitiveness of the reseller in both models which were tested (H1: CB- > CR) (a: $\gamma = .282$, t-value = 3.965; b: $\gamma = .411$, t-value = 3.644) and between the competitiveness of the reseller and the competitiveness of the brand (H2: CR → CB) (a: $\gamma = .122$, t-value = 2.989; b: $\gamma = .078$, t-value = 2.681). In the hypothesised model the effect of 'competitiveness of brand (CB) on marketing innovation (MKTIN)' (H3: CB → MKTIN) (a: $\gamma = .617$, t-value = 9.020; b: $\gamma = .245$, t-value = 6.543) did reach significance. Hypothesis 4, which explains the relationship between marketing innovation and competitiveness of brand, was found to be significant in the hypothesised direction (a: $\gamma = .437$, t-value = 9.021; b: $\gamma = .655$, t-value = 6.539). Using the estimated model from the second set of data to predict the scores of the first set of data leads to the same conclusion. The hypothesised relationship between marketing innovation and competitiveness of reseller was found to be significant (a: $\gamma = .163$, t-value = 2.717; b: $\gamma = .203$, t-value = 3.078) and Hypothesis 6 was accepted. Examining for predictive validity indicates that the only non-significant relationship was between the impact of competitiveness of reseller (CR) on marketing innovation (MKTIN) (H5: CR → MKTIN) (a: $\gamma = .033$, t-value = .673, $p = .501 > 0.05$; b: $\gamma = .073$, t-value = 1.604, $p = .109 > 0.05$). The structural equation is illustrated in Table 8. The operational model is illustrated in Fig. 3.

Table 8
Structural equation model results from both data sets and total data set.

Hypothesised relationships		Data set 1 (n = 325)					Data set 2 (n = 324)					Total data set (n = 649)				
		Estimate	S.E	C.R	p	Hypothesis	Estimate	S.E	C.R	p	Hypothesis	Estimate	S.E	C.R	p	Hypothesis
H1	Competitiveness of brand → competitiveness of reseller	.282	.071	3.965	***	Supported	.411	.113	3.644	***	Supported	.327	.060	5.414	***	Supported
H2	Competitiveness of reseller → competitiveness of brand	.122	.041	2.989	.003	Supported	.078	.029	2.681	.007	Supported	.098	.025	3.910	***	Supported
H3	Competitiveness of brand → marketing innovation	.617	.068	9.020	***	Supported	.245	.037	6.543	***	Supported	.632	.056	11.318	***	Supported
H4	Marketing innovation → competitiveness of brand	.437	.048	9.021	***	Supported	.655	.100	6.539	***	Supported	.352	.031	11.323	***	Supported
H5	Competitiveness of reseller → marketing innovation	.033	.048	.673	.501	Not-supported	.073	.046	1.604	.109	Not-supported	.056	.033	1.705	.088	Not-supported
H6	Marketing innovation → competitiveness of reseller	.163	.060	2.717	.007	Supported	.203	.066	3.078	.002	Supported	.187	.044	4.222	***	Supported

**p < 0.01, *p < 0.05.

4. Discussion, implications and limitations

This study examines the relationship between competiveness and innovation in the marketing practises of firms that offer their products in foreign markets through local small- and medium-sized enterprises (SMEs) as resellers of their brand. Therefore, this paper emphasises the factors that drive competitiveness through collaboration with other actors functioning in the ecosystem of the market. In addition, the results are in line with those of authors such as Srivastava et al. (2001) and Barney et al. (2001) in the consistent use of a resource-based view for building competitiveness. The current study embeds the arguments into the theory of comparative advantage perspective adopted by research studies such as that of Inemek and Matthyssens (2013) to explain how organisational learning, sharing of knowledge, investment benefits and mechanism manoeuvrability expand the scope of activities performed by buyer and seller firms to identify opportunities of marketing innovation. They have considered the impact of the buyer's assistance on supplier abilities to form cooperative ties in the social or governance context and participate in product development. This study extends the understanding developed by many previous authors about innovativeness in marketing as a mutual capability of both buyer and supplier. The finding of this study has various implications for buyer firms from a mature market and seller firms in a growth market. The results suggest that collaboration between these two types of firm can help both firms in identifying areas of both radical and incremental marketing innovation.

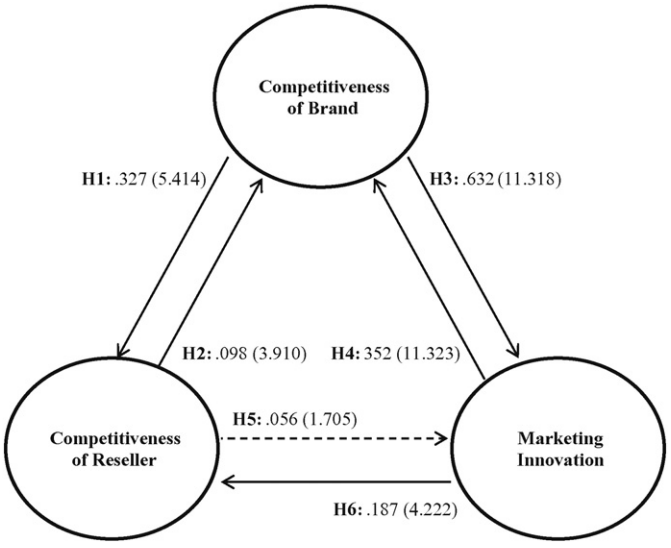

Fig. 3. Validated structural model.

We also shed new light on the current understanding about innovation as a determinant of competitiveness. In addition to current knowledge, this study explains how the competitiveness of a firm can enable its managers to innovate their marketing practises. This paper embeds the buyer–seller relationship into a theory of comparative advantage to highlight that both international buyers and sellers can assist each other in building the competitiveness of the partner firm for mutual benefits from marketing innovation. Second, we justify a marketing innovation approach based on the findings as regards the ability of a firm to use modified methods for getting access to the appropriate target segment for their product in a competitive market and improved communications about the product and the firm behind the product for facilitating comparison between the product and its competitors apart from ensuring the efficient delivery of the product or service for nurturing satisfied customers.

Third, this study recommends the mutual use of resources by the buyer and seller to fill the gaps in their capabilities and to become competent in a competitive market. For this, the results recommend that the managers of the seller firm from a foreign country should treat their buyer firms operating in the growth market as incubated entrepreneurial firms who provide the resources and facilities required by the seller firm to successfully perform important organisational functions such as sales, economies of scale, research, development, stock movement and relationships with their publics. Fourth, this research highlights that the role of the buyer firms in enabling sales enhancement and cost reduction through their participation in planning activities like branding, distribution and opportunity identification in the local market needs to be identified. Therefore, while it makes several other contributions to the industrial marketing and management literature, this study can recommend future research on the ability of the buyer firm to create a value chain and contribute to the productivity forecast; establishing an image that provides assurance related to services, quality and risk in dealing with the seller firm also should be considered by managers.

The limitations of this study are that the data was a limited sample and we have only investigated the influence of competitiveness on innovation. The data is collected only from India and only from electronics and information technology small- and medium-sized enterprises. To increase the generalisability of the findings, future studies could examine the proposed integration in different industry settings or

multi-country settings by examining cross-cultural differences in the relationship between the research constructs, process integration and firm performance that will serve as a catalyst for further research in this area. Also, this research has explored the uni-directional causality between the constructs related to competitiveness and innovation and has not tested the reverse influence of innovation on competitiveness that this paper recommends as an area of enquiry for future research.

5. Conclusions

This study interrogates the construct of marketing innovation as an outcome of the integrated competitiveness of a brand and the competitiveness of its resellers. Given the complex landscape of the competitiveness of brand versus competitiveness of firm owning brands and individual competitiveness of partners in a distribution network and the individual competitiveness of marketing innovation, causality related to the competitiveness of a brand and its resellers for the capability of the brand to innovate its marketing practises was hypothesised.

Regarding its methodology, this research is one of the first studies to examine the configural analysis based on individual-level data and according to scholars (Leischnig & Kasper-Brauer, 2015; Pappas et al., 2015), the application of complexity theory in individual level phenomena may be proven suitable for theory building (Pappas et al., 2015). In addition, this study used structural equation modelling, multiple regression analysis and fsQCA, which has received attention from recent scholars (Gunawan & Huarng, 2015; Leischnig & Kasper-Brauer, 2015; Ordanini et al., 2013; Pappas et al., 2015; Woodside, 2014; Wu et al., 2014) to emphasise interdependencies and interconnected causal structures between the research constructs (Woodside, 2014) by employing complexity theory from a configurational approach. Furthermore, unfortunately, not many studies examine and report on predictive validity, almost all studies test and report only on fit appropriateness (Roberts & Pashler, 2000). This research reported predictive validity as well as fit.

The research findings explained the strength of three of the four relationships tested, with strong support found for the relationships between the competitiveness of brand and the competitiveness of the reseller. More importantly, the current paper explained that innovativeness in the marketing practises of a brand is highly influenced by the competitiveness of its own firm, and significantly, not from the reseller firm.

While this paper has recognised that the availability of brand support will generate higher brand value for resellers and therefore will stimulate higher competition within resellers' markets and motivate them to be flexible in their approach and support brand promotions, simultaneously this study also finds that mutual contributions to competitiveness do not change the capability of the reseller to flexibly address marketing opportunities. Therefore, this research claims that the framework conceptualised was valid as the results indicate the robustness of the concepts for analysing the adoption of innovative marketing practises by brand managers. A main implication lies in the constructed measurement scales, of which one was developed, based on the prior literature to suit the unique requirements of the study setting. In conclusion, this study makes several contributions to theoretical and practitioner understanding, and suggests directions for further research.

References

Achrol, R. S., & Etzel, M. J. (2003). The structure of reseller goals and performance in marketing channels. *Journal of the Academy of Marketing Science, 31*(2), 146–163.

Achrol, R. S., & Kotler, P. (1999). Marketing in the network economy. *Journal of Marketing, 63*(4).

Anderson, E., & Weitz, B. (1992). The use of pledges to build and sustain commitment in distribution channels. *Journal of Marketing Research*, 18–34.

Anderson, E., Day, G. S., & Rangan, V. K. (2012). Strategic channel design. *Sloan management*.

Anderson, J. C. (1995). Relationships in business markets: Exchange episodes, value creation, and their empirical assessment. *Journal of the Academy of Marketing Science*, *23*(4), 346–350.

Appendix A. Multiple regression analysis for two random samples

First Data set (n = 325)
Model summary

Model Summary[c]

R	R Square	Adjusted R Square	Std. Error of the Estimate
.521[a]	.271	.266	4.98250

a. Predictors: (Constant), CRTotal, CBTotal

ANOVA[a]

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	2971.839	2	1485.919	59.855	.000[b]
Residual	7993.749	322	24.825		
Total	10965.588	324			

a. Dependent Variable: MKTTOTAL

b. Predictors: (Constant), CRTotal, CBTotal

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	10.736	1.260		8.521	.000
CRTOTAL	.023	.039	.029	.588	.557
CBTOTAL	.510	.049	.513	10.457	.000

a. Dependent Variable: MKTTOTAL

Second data set (n = 324)
Model summary

Model Summary[c]

R	R Square	Adjusted R Square	Std. Error of the Estimate
.413[a]	.170	.165	4.96036

a. Predictors: (Constant), CRTotal, CBTotal

ANOVA[a]

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	1621.692	2	810.846	32.954	.000[b]
Residual	7898.259	321	24.605		
Total	9519.951	323			

a. Dependent Variable: MKTTOTAL

b. Predictors: (Constant), CRTotal, CBTotal

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	11.031	1.539		7.166	.000
CRTOTAL	.052	.036	.076	1.464	.144
CBTOTAL	.475	.063	.389	7.477	.000

a. Dependent Variable: MKTTOTAL

Anderson, J. C., & Gerbing, D. W. (1988). Structural equation modeling in practice: A review and recommended two-step approach. *Psychological Bulletin*, *103*(3), 411.

Bagozzi, R. P., & Yi, Y. (1988). On the evaluation of structural equation model. *Journal of the Academy of Marketing Science*, *16*(1), 74–94.

Ballantyne, D., & Aitken, R. (2007). Branding in B2B markets: Insights from the service-dominant logic of marketing. *Journal of Business & Industrial Marketing*, *22*(6), 363–371.

Barney, J., Wright, M., & Ketchen, D. J. (2001). The resource-based view of the firm: Ten years after 1991. *Journal of Management*, *27*(6), 625–641.

Bartlett, C. A., & Ghoshal, S. (2000). Going global: Lessons from late movers. *Reading*, *1*, 3.

Basant, R. (2002). Knowledge flows and industrial clusters: An analytical review of literature. (Downloaded from weblink) http://scholarspace.manoa.hawaii.edu/bitstream/handle/10125/3672/ECONwp040.pdf?sequence=1 (on 26th May 2014)

Bell, J. (1995). The internationalization of small computer software firms: A further challenge to "stage" theories. *European Journal of Marketing*, *29*(8), 60–75.

Beverland, M. (2001). Creating value through brands: The ZESPRI kiwi fruit case. *British Food Journal*, *103*(6), 383–399.

Beverland, M., & Lockshin, L. (2003). A longitudinal study of customers' desired value change in business-to-business markets. *Industrial Marketing Management*, *32*(8), 653–666.

Bruche, G. (2009). The emergence of China and India as new competitors in MNCs' innovation networks. *Competition and Change*, *13*(3), 267–288.

Carneiro, A. (2000). How does knowledge management influence innovation and competitiveness? *Journal of Knowledge Management*, *4*(2), 87–98.

Cavusgil, S. T., & Cavusgil, E. (2012). Reflections on international marketing: Destructive regeneration and multinational firms. *Journal of the Academy of Marketing Science*, *40*(2), 202–217.

Chen, T. J. (2003). Network resources for internationalization: The case of Taiwan's electronics firms. *Journal of Management Studies*, *40*(5), 1107–1130.

Cohen, W. M., & Levinthal, D. A. (1989). Innovation and learning: The two faces of R&D. *The Economic Journal*, 569–596.

Colder, P. N. (2000). Insights from senior executives about innovation in international markets. *Journal of Product Innovation Management*, *17*(5), 326–340.

Day, G. S. (1994). The capabilities of market-driven organizations. *Journal of Marketing*, *58*(4).

De Vaus, D. (2002). *Surveys in social research*. London: Routledge.

Debo, L. G., Toktay, L. B., & Van Wassenhove, L. N. (2005). Market segmentation and product technology selection for remanufacturable products. *Management Science*, *51*(8), 1193–1205.

Di Gregorio, D., Musteen, M., & Thomas, D. E. (2009). Offshore outsourcing as a source of international competitiveness for SMEs. *Journal of International Business Studies*, *40*(6), 969–988.

Doherty, A. M. (1999). Explaining international retailers' market entry mode strategy: Internalization theory, agency theory and the importance of information asymmetry. *International Review of Retail Distribution & Consumer Research*, *9*(4), 379–402.

Doyle, P. (1992). Building successful brands: The strategic options. *Journal of Product and Brand Management*, *1*(4), 5–20.

Eagle, L., Kitchen, P. J., Rose, L., & Moyle, B. (2003). Brand equity and brand vulnerability: The impact of gray marketing/parallel importing on brand equity and values. *European Journal of Marketing*, *37*(10), 1332–1349.

Ernst, D. (2000). Inter-organizational knowledge outsourcing: What permits small Taiwanese firms to compete in the computer industry? *Asia Pacific Journal of Management*, *17*(2), 223–255.

Ernst, D., & Kim, L. (2002). Global production networks, knowledge diffusion, and local capability formation. *Research Policy*, *31*(8), 1417–1429.

Fornell, C., & Larcker, D. (1981). Structural equation models with unobservable variables and measurement error. *Journal of Marketing Research*, *18*(1), 39–50.

Foroudi, P., Melewar, T. C., & Gupta, S. (2014). Linking corporate logo, corporate image, and reputation: An examination of consumer perceptions in the financial setting. *Journal of Business Research*, *67*(11), 2269–2281.

Freeman, C. (1995). The 'National System of Innovation' in historical perspective. *Cambridge Journal of Economics*, *19*(1), 5–24.

Freeman, S., Edwards, R., & Schroder, B. (2006). How smaller born-global firms use networks and alliances to overcome constraints to rapid internationalization. *Journal of International Marketing*, *14*(3), 33–63.

Gabrielsson, M. (2005). Branding strategies of born globals. *Journal of International Entrepreneurship*, *3*(3), 199–222.

Gabrielsson, M., & Manek Kirpalani, V. H. (2004). Born globals: How to reach new business space rapidly. *International Business Review*, *13*(5), 555–571.

Gandolfo, A., & Padelletti, F. (1999). From direct to hybrid marketing: A new IBM go-to-market model. *European Journal of Innovation Management*, *2*(3), 109–117.

Gerbing, D. W., & Anderson, J. C. (1988). An updated paradigm for scale development incorporating unidimensionality and its assessment. *Journal of Marketing Research*, 186–192.

Gigerenzer, G., & Brighton, H. (2009). Homo heuristicus: Why biased minds make better inferences. *Topics in Cognitive Science*, *1*(1), 107–143.

Glynn, M. S., Motion, J., & Brodie, R. J. (2007). Sources of brand benefits in manufacturer–reseller B2B relationships. *Journal of Business & Industrial Marketing*, *22*(6), 400–409.

Grewal, D., Iyer, G. R., & Levy, M. (2004). Internet retailing: Enablers, limiters and market consequences. *Journal of Business Research*, *57*(7), 703–713.

Grimes, W. S. (1995). Brand marketing, intrabrand competition, and the multibrand retailer: The antitrust law of vertical restraints. *Antitrust Law Journal*, 83–136.

Guerrieri, P., & Meliciani, V. (2005). Technology and international competitiveness: The interdependence between manufacturing and producer services. *Structural Change and Economic Dynamics*, *16*(4), 489–502.

Gunawan, D. D., & Huarng, K. H. (2015). Viral effects of social network and media on consumers' purchase intention. *Journal of Business Research*, *68*(11), 2237–2241.

Gupta, S., & Malhotra, N. (2013). Marketing innovation: A resource-based view of international and local firms. *Marketing Intelligence & Planning*, *31*(2), 111–126.

Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2010). *Multivariate data analysis: A global perspective* (7th ed.). London: Prentice-Hall.

Holm, M., Kumar, V., & Rohde, C. (2012). Measuring customer profitability in complex environments: An interdisciplinary contingency framework. *Journal of the Academy of Marketing Science*, *40*(3), 387–401.

Holmes-Smith, P., Coote, L., & Cunningham, E. (2006). *Structural equation modeling: From fundamentals to advanced topics*. Melbourne, Australia: SREAMS.

Huggins, R. (2003). Creating a UK competitiveness index: Regional and local benchmarking. *Regional Studies*, *37*(1), 89–96.

Hunt, S. D., & Morgan, R. M. (1995). The comparative advantage theory of competition. *The Journal of Marketing*, 1–15.

Hunt, S. D., & Morgan, R. M. (1996). The resource-advantage theory of competition: Dynamics, path dependencies, and evolutionary dimensions. *The Journal of Marketing*, 107–114.

Hurley, R. F., & Hult, G. T. M. (1998). Innovation, market orientation, and organizational learning: An integration and empirical examination. *Journal of Marketing*, 42–54.

Inemek, A., & Matthyssens, P. (2013). The impact of buyer–supplier relationships on supplier innovativeness: An empirical study in cross-border supply networks. *Industrial Marketing Management*, *42*(4), 580–594.

Jin, B., & Moon, H. C. (2006). The diamond approach to the competitiveness of Korea's apparel industry: Michael Porter and beyond. *Journal of Fashion Marketing and Management*, *10*(2), 195–208.

Johanson, J., & Vahlne, J. E. (2009). The Uppsala internationalization process model revisited: From liability of foreignness to liability of outsidership. *Journal of International Business Studies*, *40*(9), 1411–1431.

Jones, R., Suoranta, M., & Rowley, J. (2013). Strategic network marketing in technology SMEs. *Journal of Marketing Management*, *29*(5–6), 671–697.

Kask, T. (2011). Strategic decisions as drivers of innovation: The case of micro link. *Baltic Journal of Management*, *6*(3), 300–319.

Keller, K. L. (2010). Brand equity management in a multichannel, multimedia retail environment. *Journal of Interactive Marketing*, *24*(2), 58–70.

Kim, D., Cavusgil, S. T., & Calantone, R. J. (2006). Information system innovations and supply chain management: Channel relationships and firm performance. *Journal of the Academy of Marketing Science*, *34*(1), 40–54.

Kline, R. B. (2005). *Principles and practice of structural equation modeling*. NY: Guildwood.

Knight, G. A. (1995). International marketing blunders by American firms in Japan: Some lessons for management. *Journal of International Marketing*, 107–129.

Knight, G. A., & Cavusgil, S. T. (2004). Innovation, organizational capabilities, and the born-global firm. *Journal of International Business Studies*, *35*(2), 124–141.

Kumar, N., Stern, L. W., & Achrol, R. S. (1992). Assessing reseller performance from the perspective of the supplier. *Journal of Marketing Research*, *29*(2).

Leischnig, A., & Kasper-Brauer, K. (2015). Employee adaptive behavior in service enactments. *Journal of Business Research*, *68*(2), 273–280.

Lester, R. (2005). Universities, innovation, and the competitiveness of local economies. *A summary report from the local innovation systems project: Phase I. Massachusetts Institute of Technology, Industrial Performance Center, working paper series*.

Levitt, T. (1960). Marketing myopia. *Harvard Business Review*, *38*(4), 24–47.

Lin, C. Y. Y., & Chen, M. Y. C. (2007). Does innovation lead to performance? An empirical study of SMEs in Taiwan. *Management Research News*, *30*(2), 115–132.

Lin, R. J., Chen, R. H., & Chiu, K. K. S. (2010). Customer relationship management and innovation capability: An empirical study. *Industrial Management & Data Systems*, *110*(1), 111–133.

Lindgreen, A., Palmer, R., Vanhamme, J., & Wouters, J. (2006). A relationship-management assessment tool: Questioning, identifying, and prioritizing critical aspects of customer relationships. *Industrial Marketing Management*, *35*(1), 57–71.

Luo, Y., & Tung, R. L. (2007). International expansion of emerging market enterprises: A springboard perspective. *Journal of International Business Studies*, *38*(4), 481–498.

Mikalef, P., Pateli, A., Batenburg, R. S., & Wetering, R. V. D. (2015). Purchasing alignment under multiple contingencies: A configuration theory approach. *Industrial Management & Data Systems*, *115*(4), 625–645.

Nunnally, J. C. (1978). *Psychometric theory*. NY: McGraw-Hill.

O'Donnell, S., & Blumentritt, T. (1999). The contribution of foreign subsidiaries to host country national competitiveness. *Journal of International Management*, *5*(3), 187–206.

Öberg, C., & Shih, T. T. Y. (2014). Divergent and convergent logic of firms: Barriers and enablers for development and commercialization of innovations. *Industrial Marketing Management*, *43*(3), 419–428.

Ordanini, A., Parasuraman, A., & Rubera, G. (2013). When the recipe is more important than the ingredients a Qualitative Comparative Analysis (QCA) of service innovation configurations. *Journal of Service Research*, *17*(2), 134–149.

Pappas, I. O., Kourouthanassis, P. E., Giannakos, M. N., & Chrissikopoulos, V. (2016). Explaining online shopping behavior with fsQCA: The role of cognitive and affective perceptions. *Journal of Business Research*, *69*(2), 794–803.

Parment, A. (2008). Distribution strategies for volume and premium brands in highly competitive consumer markets. *Journal of Retailing and Consumer Services*, *15*(4), 250–265.

Peter, J. P., & Churchill, G. (1986). Relationships among research design choices and psychometric properties of rating scales: A meta-analysis. *Journal of Marketing Research*, *33*, 1–10.

Porter, M. E. (2011). *Competitive advantage of nations: Creating and sustaining superior performance*. Simon and Schuster.

Potosky, D. (2007). The Internet knowledge (iKnow) measure. *Computers in Human Behavior*, *23*(6), 2760–2777.

Pulles, N. J., Veldman, J., & Schiele, H. (2014). Identifying innovative suppliers in business networks: An empirical study. *Industrial Marketing Management*, *43*(3), 409–418.

Ragin, C. C. (2006). Set relations in social research: Evaluating their consistency and coverage. *Political Analysis*, *14*(3), 291–310.
Ragin, C. C. (2008). *Redesigning social inquiry: Fuzzy sets and beyond*. Chicago: Chicago.
Raykov, T. (1998). Coefficient alpha and composite reliability with interrelated nonhomogeneous items. *Applied Psychological Measurement*, *22*(4), 375–385.
Ren, L., Xie, G., & Krabbendam, K. (2010). Sustainable competitive advantage and marketing innovation within firms, a pragmatic approach for Chinese firms. *Management Research Review*, *33*(1), 79–89.
Roberts, S., & Pashler, H. (2000). How persuasive is a good fit? A comment on theory testing. *Psychological Review*, *107*(2), 358.
Rodríguez-Pose, A., & Crescenzi, R. (2008). Mountains in a flat world: Why proximity still matters for the location of economic activity. *Cambridge Journal of Regions, Economy and Society*, *1*(3), 371–388.
Rosenbröijer, C. J. (2001). Industrial brand management: A distributor's perspective in the UK fine-paper industry. *Journal of Product & Brand Management*, *10*(1), 7–25.
Roy, S., Sivakumar, K., & Wilkinson, I. F. (2004). Innovation generation in supply chain relationships: A conceptual model and research propositions. *Journal of the Academy of Marketing Science*, *32*(1), 61–79.
Samli, A. C., Wirth, G. P., & Wills, J. R., Jr. (1994). High-tech firms must get more out of their international sales efforts: An exploration in developing a competitive edge. *Industrial Marketing Management*, *23*(4), 333–342.
Sharma, A., & Sheth, J. N. (1997). Relationship marketing: An agenda for inquiry. *Industrial Marketing Management*, *26*(2), 87–89.
Simmie, J. (2003). Innovation and urban regions as national and international nodes for the transfer and sharing of knowledge. *Regional Studies*, *37*(6–7), 607–620.
Simmie, J. (2004). Innovation and clustering in the globalised international economy. *Urban Studies*, *41*(5–6), 1095–1112.
Singh, J., Howell, R. D., & Rhoads, G. K. (1990). Adaptive designs for Likert-type data: An approach for implementing marketing surveys. *Journal of Marketing Research*, *27*(3).
Singh, R. K., Garg, S. K., & Deshmukh, S. G. (2008). Strategy development by SMEs for competitiveness: A review. *Benchmarking: An International Journal*, *15*(5), 525–547.
Slater, S. F., & Narver, J. C. (1995). Market orientation and the learning organization. *Journal of Marketing*, 63–74.
Sood, A., & Tellis, G. J. (2005). Technological evolution and radical innovation. *Journal of Marketing*, *69*(3), 152–168.
Sood, A., & Tellis, G. J. (2009). Do innovations really pay off? Total stock market returns to innovation. *Marketing Science*, *28*(3), 442–456.
Srivastava, R. K., Fahey, L., & Christensen, H. K. (2001). The resource-based view and marketing: The role of market-based assets in gaining competitive advantage. *Journal of Management*, *27*(6), 777–802.
Steenkamp, J. B. E. M., & van Trijp, H. C. M. (1991). The use of Lisrel in validating marketing constructs. *International Journal of Research in Marketing*, *8*(4), 283–299.
Steenkamp, J., Rajeev Batra, E. M., & Alden, D. L. (2003). How perceived brand globalness creates brand value. *Journal of International Business Studies*, *34*(1), 53–65.
Tabachnick, B. G., & Fidell, L. S. (2007). *Using multivariate statistics* (5th ed.). Boston: Pearson.
Thai, M. T. T., & Chong, L. C. (2013). Dynamic experimental internationalization: Strategy of SMEs from a transition economy. *Journal of International Entrepreneurship*, *11*(4), 370–399.
Timmor, Y., Rabino, S., & Zif, J. (2009). Defending a domestic position against global entries. *Journal of Global Marketing*, *22*(4), 251–265.
Trunfio, M., Petruzzellis, L., & Nigro, C. (2006). Tour operators and alternative tourism in Italy: Exploiting niche markets to increase international competitiveness. *International Journal of Contemporary Hospitality Management*, *18*(5), 426–438.
Tu, Y. W., Shih, M., & Tsai, C. C. (2008). Eighth graders' web searching strategies and outcomes: The role of task types, web experiences and epistemological beliefs. *Computers & Education*, *51*(3), 1142–1153.
Wagner, B. A., Fillis, I., & Johansson, U. (2005). An exploratory study of SME local sourcing and supplier development in the grocery retail sector. *International Journal of Retail & Distribution Management*, *33*(10), 716–733.
Webster, F. E., Jr. (1988). The rediscovery of the marketing concept. *Business Horizons*, *31*(3), 29–39.
Webster, F. E., Jr. (1992). The changing role of marketing in the corporation. *Journal of Marketing*, *56*(4).
West, S. G., Aiken, L. S., & Krull, J. L. (1996). Experimental personality designs: Analyzing categorical by continuous variable interactions. *Journal of Personality*, *64*(1), 1–48.
Windrum, P., & Tomlinson, M. (1999). Knowledge-intensive services and international competitiveness: A four country comparison. *Technology Analysis & Strategic Management*, *11*(3), 391–408.
Woodside, A. G. (2013). Moving beyond multiple regression analysis to algorithms: Calling for adoption of a paradigm shift from symmetric to asymmetric thinking in data analysis and crafting theory. *Journal of Business Research*, *66*(4), 463–472.
Woodside, A. G. (2014). Embrace perform model: Complexity theory, contrarian case analysis, and multiple realities. *Journal of Business Research*, *67*(12), 2495–2503.
Woodside-Oriakhi, M., Lucas, C., & Beasley, J. E. (2011). Heuristic algorithms for the cardinality constrained efficient frontier. *European Journal of Operational Research*, *213*(3), 538–550.
Wu, P. L., Yeh, S. S., & Woodside, A. G. (2014). Applying complexity theory to deepen service dominant logic: Configural analysis of customer experience-and-outcome assessments of professional services for personal transformations. *Journal of Business Research*, *67*(8), 1647–1670.
Yan, H. D. (2012). Entrepreneurship, competitive strategies, and transforming firms from OEM to OBM in Taiwan. *Journal of Asia-Pacific Business*, *13*(1), 16–36.
Yi, H. T., Dubinsky, A. J., & Lim, C. U. (2013). Manufacturer support for a partially integrated channel in South Korea: Power-dependence vs. marketing effectiveness perspective. *Canadian Journal of Administrative Sciences/Revue Canadienne des Sciences de l'Administration*, *30*(2), 86–100.
Yu, K., Cadeaux, J., & Song, H. (2012). Alternative forms of fit in distribution flexibility strategies. *International Journal of Operations & Production Management*, *32*(10), 1199–1227.