

## ANTECEDENT FACTORS OF DYNAMIC COMPETITOR MARKETING CAPABILITY

### ปัจจัยนำของศักยภาพทางการตลาดด้านคู่แข่งชั้นเชิงพลวัตร

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#### Abstract

In today's knowledge age, the ability to information analysis into insight in response to market, customer, and competitor movements is core to sustainability. Organizations use dynamic competitor marketing capability to analyze rival marketing activities for understanding and responding to the strengths, weaknesses, capabilities and strategies of those rivals that lead to the development of a marketing strategy. The purpose of this research is to examine the influence on antecedent factors of dynamic competitor marketing capability. Data was collected from 133 furniture businesses in Thailand by questionnaire mail survey. This paper used to form prediction equations was ordinary least squared (OLS) regression analysis. The results reveal that market-driving vision, strategic flexibility, marketing knowledge, and competitive intention have significant positive influence on dynamic competitor marketing capability. Moreover, conclusion and directions for future research are discussed in the last section of this paper.

**Keywords:** Dynamic competitor marketing capability, Market-driving vision, Strategic flexibility, Marketing knowledge, Competitive intention, Environmental complexity

#### บทคัดย่อ

ในยุคแห่งความรู้ในปัจจุบัน ความสามารถในการวิเคราะห์ข้อมูลเชิงลึกเพื่อตอบสนองต่อตลาด ลูกค้าและการเคลื่อนไหวของคู่แข่งเป็นหัวใจหลักในการพัฒนาอย่างยั่งยืน องค์กรใช้ศักยภาพทางการตลาดด้านคู่แข่งชั้นเชิงพลวัตรเพื่อวิเคราะห์กิจกรรมทางการตลาดของคู่แข่งชั้นเชิง สำหรับทำความเข้าใจและตอบสนองต่อจุดแข็ง จุดอ่อน และกลยุทธ์ของคู่แข่งเหล่านั้นนำไปสู่การพัฒนากลยุทธ์การตลาด การวิจัยนี้มีวัตถุประสงค์เพื่อศึกษาอิทธิพลของปัจจัยนำที่มีต่อศักยภาพทางการตลาดด้านคู่แข่งชั้นเชิงพลวัตร โดยรวบรวมข้อมูลจากธุรกิจเฟอร์นิเจอร์ 133 แห่งในประเทศไทยโดยใช้แบบสอบถาม บทความนี้ใช้สมการในการพยากรณ์คือการใช้การถดถอยแบบวิธีกำลังสองน้อยที่สุด ผลการวิจัยพบว่าวิสัยทัศน์ในการขับเคลื่อนตลาด ความยืดหยุ่นเชิงกลยุทธ์ ความรู้ทางการตลาด และการให้ความสำคัญกับการแข่งขันมีอิทธิพลต่อศักยภาพทางการตลาดด้านคู่แข่งชั้นเชิงพลวัตร นอกจากนี้ข้อสรุปและแนวทางในการวิจัยในอนาคตจะกล่าวถึงในส่วนท้ายของบทความนี้

**คำสำคัญ:** ศักยภาพทางการตลาดด้านคู่แข่งชั้นเชิงพลวัตร วิสัยทัศน์ในการขับเคลื่อนตลาด ความยืดหยุ่นเชิงกลยุทธ์ ความรู้ทางการตลาด การให้ความสำคัญกับการแข่งขัน สภาพแวดล้อมที่ซับซ้อน

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## Introduction

In recent decades, the business environment has changed quickly and the competition has become more intensive (Smirnova, Naudé, Henneberg, Mouzas, and Kouchtch, 2011). Every organization has to work within a framework of certain environmental forces and there is a continuous interaction between the organization and its environment. For any company to survive and prosper, an organization must be able to assess, be aware of competition, strive to respond continuously to opportunities and threats posed by competitors, and manage with change in the internal and external environment (Brown, Dev and Zhou, 2003; Kleinschmidt, de Brentani, and Salomo, 2007). Firm applies competitor marketing capabilities to understand the needs of customers, the competitors, to create different types of products related to the competition, and to create a marketing plan to achieve customer satisfaction, evaluation in making business, financial decisions, and strategic success of organizations (Akenbor and Okoye, 2011; Malinic, Jovanovic, and Jankovic, 2012).

Competitor marketing capability provides relevant information, timely which reduces processing time of managers, leading to more effective decision-making in operations (Baines and Langfield-Smith, 2003). As aforementioned, firms need information designed to make it possible to enable individual to stand out from the competition and can enhance the competitive advantage of firms. This research, dynamic competitor marketing capability refers to the approaches of marketing strategy which lead firms to survive better than rivals. These involve assessing their competitors, and setting goals and strategies to meet all existing and potential competitors (Lamb, Robert and Boyden, 1984). However, there are relatively little is known about the antecedent factors of dynamic competitor marketing capability. Therefore, understanding what determines dynamic competitor marketing capability is of interest to firms in order to increase firm performance. Therefore, the purpose of this study is to contribute to this gap in the literature.

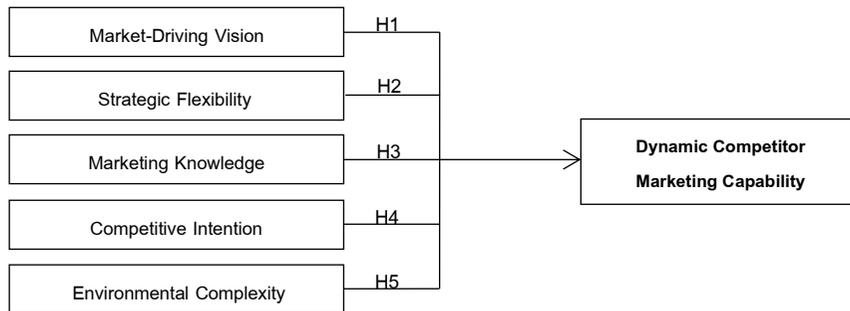
Prior research suggested that a good management strategies fit can also lead to best practices for greater firm success. The one key of firm performance is management strategy appropriate to the environment. The contingency theory in strategy literature holds that an appropriateness of strategies is contingent on competitive settings of businesses. It is based on both internal and external factors that are significant for firm performance (Anderson and Lanen, 1999). The best way to organize depends on the nature of the environment to which the organization relates (Scott, 2005). Therefore, the contingency theory may be explained by several variables in the model with respect to the environment, strategy, situation, technology and the systems of the firm (Delaney and Guilding, 2011). This research expects that the accomplishment of dynamic competitor marketing capability instituted by a firm will vary depending on internal factors (market-driving vision, strategic flexibility, marketing knowledge, competitive intention), and external factors (environmental complexity). Consistent with Baines's and Langfield-Smith's (2003) work, they examine the relationships between the changing competitive environments, as antecedents to competitor accounting. The results indicate that an increasingly internal and external environment has resulted in an increased focus on differentiation strategies. These antecedents act as drivers or obstacles of competitor marketing capability, resulting in some organizations being more competitor-oriented than others.

The key objective to investigate the impacts of the antecedents (market-driving vision, strategic flexibility, marketing knowledge, competitive intention, and environmental complexity) on dynamic competitor marketing capability in furniture businesses in Thailand. The remainder of this study presents relevant literature reviews, provides significant research hypotheses development, discusses the research methods used to test

the hypotheses, indicates the results and reasonable discussions of the study, and concludes by discussing contributions for theory and management and providing directions for future research.

## Literature Review

This research presents antecedent factors that will help to enhance dynamic competitor marketing capability of firms, leading to marketing performance. According to theory of contingency, suggests that organizations with superior performance are a result of the proper alignment of external contexts in accordance with organizational characteristics (Lawrence and Lorsch, 1967; Duncan, 1972). From the literature review, the antecedent factors of dynamic competitor marketing capability include market-driving vision, strategic flexibility, marketing knowledge, competitive intention, and environmental complexity. The conceptual model presents the antecedent factors of dynamic competitor marketing capability as shown in Figure 1.



**Figure 1:** Conceptual Model of Antecedent Factors of Dynamic Competitor Marketing Capability

### Dynamic Competitor Marketing Capability

The concept of dynamic competitor marketing capability is integrated with that of competitor orientation and competitor accounting (Cadez and Guilding, 2008; Narver and Slater, 1994). Because both concepts were designed to assist the strategist to understand how to analyze information about competitors, it is useful in the strategy development process and to predict the future strategic behavior of the competitors. Competitor orientation posits firms that closely analyze and monitor major competitors' strategic intents and tactical moves (Noble, Sinha, and Kumar, 2002). Similarly, competitor accounting comprises the analysis of information from accounting relating to competitors (Cadez and Guilding, 2008; Heinen and Hoffjan, 2005). Thus, dynamic competitor marketing capability is a key component of this research and it refers to an ability of a firm to continuously improve its processes to analyze rival marketing activities or assessment information from the marketplace for understanding and responding to the strengths, weaknesses, capabilities and strategies of those rivals that lead to the development of a marketing strategy (Im and Workman, 2004; Narver and Slater, 1990). It is the set of managerial decisions and actions that determine the long-term performance of a business.

### Market-Driving Vision

Vision is important to the organizational operation, because it is the starting points of an organization's administration, and it affects firm success. Therefore, market-driving vision refers to the perspective of firm that emphasizes on encouraging changes in the behavior of customers and competitors as well as marketing structure in general (Ghauri, Tarnovskaya, and Elg 2008). Furthermore, the vision provides

support, strategy, planning, and design appropriate for action. Especially, strong vision as a fundamental value creates credibility for the stakeholders to achieving objectives and goals (Bonn and Fisher, 2011). Thus, the research hypothesis is as follows:

**H1:** Market-driving vision has a positive influence on dynamic competitor marketing capability.

#### **Strategic Flexibility**

Flexibility is an organizational ability that enables firms to respond to the variations and uncertainties of environmental change (Martínez-Sánchez, Vela-Jiménez, Pérez, and de-Luis-Carnicer, 2009). Shimizu and Hitt (2004) stated that strategic flexibility quickly responds to a highly uncertain and changing environments. Therefore, strategic flexibility refers to the firm emphasizes in variety of managerial competences and the speed of control competences to respond to both the external and internal environmental changes to changing market situations. Moreover, strategic marketing flexibility focus involves cooperation for the firm's capability to integrate operations effectively and to deploy internal and external resources by searching for ways to create value, and a competitive advantage in an unstable environment (Li, Su, and Liu, 2010). Thus, the research hypothesis is as follows:

**H2:** Strategic flexibility has a positive influence on dynamic competitor marketing capability.

#### **Marketing Knowledge**

According to Kim and Atuahene-Gima (2010) marketing knowledge refers to the ability of the firm involving the acquisition, learning, and diversified knowledge from outside and within the firm; and, improving the skills, expertise, and experiences in order to generate new marketing activities, and create superior customer value which lead to competitive advantage. Thus, marketing knowledge refers to the accumulated marketing experience from the past through the present and specialization about customers, competitors, and the marketplace. Therefore, firms utilize marketing knowledge to awareness customer needs, create new products and services, generate customer values, improve processes, competitors analysis, and design marketing strategies better than their competitors who are less experienced (Chini 2004; Haas and Hansen 2005). Thus, the research hypothesis is as follows:

**H3:** Marketing knowledge has a positive influence on dynamic competitor marketing capability.

#### **Competitive Intention**

In a strategic perspective, a competitive strategy is one of the factors that have a major influence on goal achievement. To develop an effective competitive strategy is a challenging task for a business operating in intense competition, rapid changes in customers' demands, and undifferentiated service/product offerings (Nandan, 2005). Therefore, competitive intention refers to the company commitment to assess on rivalry strategy, techniques, procedures, forecasting, and potent capabilities to be able to predict a competitor's probable future actions. The goal of competitive intention is to provide the strategy with the means needed to achieve that result. Voss and Voss (2000) found that a competitor focus lead to increased expenses associated with implementing the activities that produce improved sales and marketing results. Thus, the research hypothesis is as follows:

**H4:** Competitive intention has a positive influence on dynamic competitor marketing capability.

#### **Environmental Complexity**

In an uncertain situation the firm has a high risk in business and the accuracy of the market forecast is low; thus, the firm will invent a new managerial concept focusing on flexibility (Claycomb, Droge, and Germain, 2005) and interactivity as a learning environmental tool which enables the firm to respond to a changing environment rapidly and efficiently (Lainema and Nurmi, 2006). Environmental complexity refers to the level of variation in business conditions that has ambiguity, instability of external have affected strategic decision-making. Premree and Ussahawanitchakit (2012) suggest that the firm needs to learn about environmental complexity to understand, improve or develop business operations to competitive potential. Thus, the research hypothesis is as follows:

**H5:** Environmental complexity has a positive influence on dynamic competitor marketing capability.

## **Research Methodology**

### **Sample Selection and Data Collection Procedure**

A mail survey procedure via questionnaire was implemented by using marketing executives as the key informants because they have taken the highest responsibilities of marketing functions and other related activities in an organization, such as marketing directors or marketing managers. The questionnaire was developed from existing literatures of marketing. The population is furniture businesses in Thailand from Thailand Furniture Industry Association. A sample size calculation method suggested by Yamane (1973) is used to calculate the number of sufficient members of a sample for this research. In this research, the allowable error can be calculated at five percent ( $e = .05$ ), while 495 is the number of members in the population. After calculation, a sample size of 222 is sufficient for data analysis. However, it is difficult to receive 100 percent of response rate from a mailed data collection method. For questionnaires that are mailed as a survey method, 20 percent of response rate is normally acceptable, and is satisfactory for subsequent analysis (Aaker, Kumar, & Day, 2001). Thus, 1,110 questionnaires are required ( $222 \times (100/20)$ ) to receive 222 sample size. However, given that the total population is only 495, the whole population was selected for receiving mailed questionnaires for hypothesis testing.

These businesses are important because the furniture industry in Thailand has an important place in the economic system, and the industrial base of the country, due to export value, job creation, the use of local raw materials, and mostly 90 % are Thai entrepreneurs, the furniture industry in Thailand represents highly competitive industries. With respect to Kasikorn Research, Thailand is the in ASEAN of furniture manufacturers, with the total value in export of more 12.5 billion U.S. dollars in 2015, an increase of 10 % over the previous year, and expects revenue of 13.5 billion U.S. dollars this year, and the furniture of Thailand can export to the ASEAN market, especially to CLMV (Cambodia, Laos, Myanmar, and Vietnam), resulting in a 5-10 % increase in furniture demand (Kasikorn Research Center, 2015). Therefore, the Thai furniture businesses have played a significant role in helping to increase and expand the Thai economy in terms of economic growth and stability.

Thus, 495 mailed questionnaires are appropriate for a distributed mail survey. This is a widely-used method for large-scale data collection in strategic marketing and organizational research.

The advantage of a questionnaire mailing is that a representative sample can be collected from the chosen

population in a variety of locations at low cost (Pongpearchan and Ussahawanitchakit, 2011). The questionnaire provided not only a notification letter explaining the objective of this research, but was also together with a cover letter explaining the importance of the study, which promised strict confidentiality of responses, and postage to return the envelope questionnaire. Moreover, a follow-up technique was also utilized for a high response rate. At the first stage, the questionnaire was answered and sent to the researcher within the first two weeks after the first mailing. After two weeks, to increase the response rate, a follow-up postcard was sent to confirm for those who had not yet replied, to remind them to complete the questionnaire and to request them to cooperate in answering it. For the convenience of a follow-up mailing, each questionnaire was assigned a coded number at the left corner on the back of the fifth page. Four weeks after the preliminary mailing, a follow-up telephone call was conducted for those individuals who had not returned the surveys (Lamberti and Noci, 2010). With regard to the questionnaire mailing, 27 surveys were undeliverable because some firm had moved to unknown locations. Deducting the undeliverable from the original 495 mailed, the valid mailing was 468 surveys, from which 139 responses were received. Due to six found incomplete and with response errors, they were deducted from further analysis. As a result, completed questionnaires are 133. The effective response rate was approximately 28.41% which is considered acceptable for the response rate for a mail survey because it is greater than 20% (Aaker, et al., 2001). Thus, these usable questionnaires are empirically utilized to measure validation of the research instrument and analyze data for the research results.

Likewise, this study verified potential and non-response bias by centering on a comparison of the first and the second wave data, such as firm experience and firm employee as recommended by Armstrong and Overton (1977). Our final samples of the study are 133 furniture industry businesses in Thailand. Accordingly, the first and the second wave data is 67 and 66 respectively. There were no statistically significant differences between first and second groups at a 95% confidence level as firm experience ( $t = -.32, p > 0.05$ ) and firm employee ( $t = -1.30, p > 0.05$ ). According to this regard, neither procedure explicitly showed significant differences.

### **Variable Measurement**

To measure each construct in the conceptual model, all variables are anchored by five-point Likert scale (1 = strongly disagree to 5 = strongly agree), excluding control variables. In addition, all constructs are developed for measuring from definition of each construct and examine the relationship from theoretical framework and prior literature reviews.

### **Dependent Variable**

Dynamic competitor marketing capability is the ending dependent variable in this research has been developed by applying the concept of competitor orientation and competitor accounting, which focus on development of marketing techniques. This construct is measured via competitive database development, competitor potentiality analysis orientation, competitor positioning evaluation capability, competitive movement monitoring competency, and competitor performance appraisal concentration. Two items, competitive database development and competitor potentiality analysis orientation, are derived from competitor orientation which is essential information that supports organizations to attain sustainable competitive advantage despite recent global issues (Narver and Slater, 1994). Three items; competitor positioning evaluation capability, competitive movement monitoring competency, and competitor performance appraisal concentration are derived from competitor accounting with marketing support for strategic decisions to achieve competitive advantages and

enhance organizational performance in the changing business environment (Cadez and Guilding, 2008). So, this construct is developed as a new scale from the definition and literature review which includes a five-item scale.

### **Independent Variables**

Firstly, market-driving vision is measured by the firm's intention to operate policy that is focused on the market leader, developing the marketing innovativeness, application modern technology, and commitment to development. The measurement of the four-item scale was developed, based on its definition and relevant literature reviews (Chuwiruch and Jhundra-indra, 2016). Secondly, strategic flexibility is measured by the level of ability of a firm's adaptation rapid to the situation, encourages the exchange of information, coordination with other personnel, and resource integration in an organization. This construct is developed as an adopted scale from the definition and literature review, inclusive of four items (Caron and Pratoon, 2014). Thirdly, marketing knowledge is measured by the level of the firm's marketing knowledge management, developing knowledge management market, using past experience for operations, and encourage continuous education and learning. The measurement of the four-item scale was developed, based on its definition and relevant literature reviews (Siriyota, Jhundra-indra and Muenthaisong, 2014). Fourthly, competitive intention is measured by the level of ability of a firm's analysis of the marketing environment, predicting the competitive situation, and committed to the development of knowledge of the competition. This construct is developed from the definition and literature review, including a four-item scale (Pansuppawatt and Ussahawanitchakit, 2011). Finally, environmental complexity is measured by the degree of a firm's ability to create new strategy, process improvement to match the needs of customers and the competition, combine personnel and technology, and understand managerial with unpredictable and rapid changes to the firm's surroundings. The measurement of the four-item scale was developed, based on its definition and relevant literature reviews (Kittikunchotiwut, Ussahawanitchakit, and Pratoon, 2013).

### **Control Variables**

To test the control variables of this study, firm size (FS) was measured by the operating capital of the firm, and firm age (FA) was measured by the number of years that a firm operates in business.

### **Reliability and Validity**

The results of measure reliability and validity show in table 1.

**Table 1:** Result of Measure Validation

<b>Variables</b>	<b>Factor Loadings</b>	<b>Average Variance Extracted</b>	<b>Cronbach's Alpha</b>
<b>Market-Driving Vision (MDV)</b>	.749-.896	.644	.876
<b>Strategic Flexibility (SFL)</b>	.656-.787	.504	.778
<b>Marketing Knowledge (MKN)</b>	.729-.891	.657	.884
<b>Competitive Intention (CIN)</b>	.732-.821	.594	.851
<b>Environmental Complexity (ECO)</b>	.715-.877	.645	.852
<b>Dynamic Competitor Marketing Capability (DCMC)</b>	.626-.846	.599	.873

Table 1 show results of measure validation. In addition, confirmatory factor analysis (CFA) enables us to test how well the measured variables represent the constructs and assess construct convergent and

discriminant validity. The constructs have construct reliability ranging of factor loading 0.626 - 0.896, which exceed 0.4 for good reliability and validity (Ertz, Karakas and Sarigöllü, 2016). Moreover, the findings reveal that both variance extracted estimates for each pair of constructs were greater than their squared correlations, in support of their discriminant validity (Hair, Babin, and Anderson, 2010). Moreover, the reliability of all variable is accepted because Cronbach's alpha for all variables are shown between 0.778 - 0.884, which exceeds 0.70, to indicate high reliability (Hair et al., 2010). The ordinary least squares regression (OLS) is used to test all hypotheses following the conceptual framework. It is appropriate technique for examining the hypothesized relationships (Hair et al., 2010). In order to avoid error in the result of regression analysis, the underlying assumption is employed to verify factors such as linearity, normality, multicollinearity, and heteroscedasticity (Osborne and Waters, 2001). Moreover, the statistical equations for the research model is

$$\text{Equation DCMC} = \alpha + \beta_1\text{MDV} + \beta_2\text{SFL} + \beta_3\text{MKN} + \beta_4\text{CIN} + \beta_5\text{ECO} + \beta_6\text{FA} + \beta_7\text{FS} + \varepsilon$$

## Results and Discussion

Table 2 shows descriptive statistics and correlation matrix for all variables.

**Table 2:** Descriptive Statistics and Correlation Matrix

Variable	MDV	SFL	MKN	CIN	ECO	DCMC	FA	FS
Mean	3.675	3.633	4.145	3.797	3.778	4.103	.834	.293
SD	.565	.628	.531	.577	.609	.622	.367	.454
MDV	1							
SFL	.593**	1						
MKN	.692**	.705**	1					
CIN	.718**	.660**	.662**	1				
ECO	.440**	.536**	.574**	.476**	1			
DCMC	.527**	.428**	.595**	.551**	.481**	1		
FA	-.038	-.045	-.167	.203*	.168	-.125	1	
FS	-.271**	.063	-.215**	.385**	-.089	-.251**	.274**	1

\*\* p<0.01, \* p<0.05, a Beta coefficients with standard errors in parenthesis

Correlation coefficients of variables are ranging from 0.440 - 0.718. With respect to potential problems relating to multicollinearity, variance inflation factors (VIF) were used to test the intercorrelations among independent variable. In this study, the VIFs range from 1.041 - 1.293, well below the cut-off value of 10 (Hair et al., 2010), meaning that the independent variables are not correlated with each other. Hence, there are no substantial multicollinearity problems encountered in this study.

To investigate the effects of antecedent factors on dynamic competitor marketing capability, the results of OLS regression analysis of the research relationships are presented in Table 3.

**Table 3:** Results of OLS Regression Analysis

Independent Variables	Dependent Variable
	DCMC
Market-Driving Vision (MDV)	.583** (.069)
Strategic Flexibility (SFL)	.239** (.073)
Marketing Knowledge (MKN)	.241** (.068)
Competitive Intention (CIN)	.252** (.075)
Environmental Complexity (ECO)	.098 (.086)
Firm Age (FA)	.041 (.181)
Firm Size (FS)	.132* (.167)
Adjusted R <sup>2</sup>	.430

\*\* p<0.01, \* p<0.05, a Beta coefficients with standard errors in parenthesis

Firstly, the results demonstrate that market-driving vision has a significant and positive effect on dynamic competitor marketing capability ( $\beta = .583$ ,  $p < .01$ ). It is congruent with Avison, Eardley, and Powell. (1998) who found that with respect to predicting future events to customer needs and competitive situations, the information is then adopted to guide marketing strategy. Whereas creating new market vision is considered in a large change occurring in a worldwide environment such as in the business environment, it is a source of information that creates signals in the industry such as a focusing on scanning competitors, the market, the customers and the stakeholders to assess competitive situations on how to extend the market (Xu, Kaye and Duan, 2003). **Therefore, H1 is supported.**

Secondly, the results suggest that strategic flexibility has a significantly and positive effect on dynamic competitor marketing capability ( $\beta = .239$ ,  $p < .01$ ). It is consistent with the work of Hitt, Keats and DeMarie (1998) who found that strategic flexibility enables the firm to modify its resource base and capacities to respond to dynamic changes in the environment that has valuable capability for acting in the face of environmental changes and marketing competition. Also, flexibility helps organizational learning and has the ability to respond well to market demands and changes in the competitive environment (Santos-Vijande, Lopez-Sanchez, and Trespalacios, 2012). **Therefore, H2 is supported.**

Thirdly, the results reveal that marketing knowledge has a significant and positive effect on dynamic competitor marketing capability ( $\beta = .241$ ,  $p < .01$ ). In addition, empirical research agreed that marketing knowledge is acquired by an organization in the process of marketing its products and/or services to customers, and can be about consumers, competition, and marketing-mix strategies (Roth, Jayachandran, Dakhli, and Colton, 2009). Firms utilize marketing knowledge for awareness of customer need, create new products and services, generate customer values, improve processes, and design marketing strategies better than their competitors who are less experienced. **Therefore, H3 is supported.**

Fourthly, the results point out that competitive intention has a significant and positive effect on dynamic competitor marketing capability ( $\beta = .252$ ,  $p < .01$ ). Previous research indicated that the focus on competitors and the willingness to outperform them requires being innovative and introducing new products and services to the market before the competitors (Matsuno, Mentzer, and Özsoy, 2002). Furthermore,

competitor-oriented firms are enthusiastic about accumulating market knowledge to be proactive and stay ahead of the competitors (Im and Workman, 2004). **Therefore, H4 is supported.**

Lastly, the results reveal that environmental complexity does not have an influence on dynamic competitor marketing capability ( $\beta = .098, p > .05$ ). However, environmental uncertainty affects lean operations and lean procuring practices. The effects of environmental complexity on environmental complexity changes the level of information and predictability of external actions, which in turn, affect operational marketing activities (Cannella, Park, and Lee, 2008). According to Lee (2010), the characteristic of the environment is very volatile, including the uncertainty in market demand; and, it cannot predict the direction and strategies of competitors that have difficulty in developing strategy marketing to success. **Therefore, H5 is not supported.**

## Conclusions

Dynamic competitor marketing capability becomes a valuable marketing strategic tool in helping firms obtain opportunities in doing businesses and anticipate competitors' actions and reactions to the development of new ideas and strategies as well as the strategic evaluation of the strengths and weaknesses of current and potential competitors for a focal brand in its markets. Hence, the objective of this study is to examine the relationships between antecedent factors and dynamic competitor marketing capability of furniture businesses in Thailand. Antecedents of dynamic competitor marketing capability, including market-driving vision, strategic flexibility, marketing knowledge, competitive intention and environmental complexity. In this study, 133 furniture businesses in Thailand are the samples of the study. The empirical results found that market-driving vision, strategic flexibility, marketing knowledge, and competitive intention has a positive effect on dynamic competitor marketing capability.

The results also indicate the antecedents of dynamic competitor marketing capability, including market-driving vision, strategic flexibility, marketing knowledge, and competitive intention that are important factors for the use of dynamic competitor marketing capability in the firms. Especially, market-driving vision was found to be an important factor to which marketing directors or marketing managers should pay more attention, as a first priority. A market-driving vision is the standard and critical element of a company's marketing strategy for achieving objectives and goals (Özmen and Sümer, 2011). Most established companies develop organizational market-driving vision statements, which serve as foundational guides in the establishment of company objectives.

### Contributions and Directions for Future Research

#### Theoretical Contributions and Directions for Future Research

This study is an attempt to provide a clearer understanding of antecedent factors of dynamic competitor marketing capability. It provides unique theoretical contribution expanding on previous knowledge and literature of dynamic competitor marketing capability. Firstly, this research advances the literature by categorizing many antecedents (including market-driving vision, strategic flexibility, marketing knowledge, competitive intention, and environmental complexity) and develops a model to test the relationships. The relationships between antecedent factors and the dynamic competitor marketing capability have been empirically examined in terms of the quantitative testing by collecting the data from a sample of furniture businesses in Thailand. The results reveal that market-driving vision, strategic flexibility, marketing knowledge, and competitive intention have a critical determinant of dynamic competitor marketing capability. Thus, further

research could choose other industries to compare the results of this conceptual model that give outcome similar or different to this research to make for more credibility, and to verify the generalizability of the results.

Secondly, the relationships in the conceptual model is explained by contingency theory, and thus expanding one's knowledge of the role of these theories in marketing capability literature. Thus, this research support contingency theory that competitor marketing capability may be a reliable source of guidance for decision making and resource configuration. Therefore, the firm's resources and capabilities gain a sustainable competitive advantage that gives an increase in superior performance by differentiating new products from their competitors.

### **Managerial Contributions**

The knowledge and literature of dynamic competitor marketing capability research can help corporate management and marketers put more emphasis on the analyze information about competitors that can change, develop, and monitor major competitors' strategic intents and tactical moves to include new marketing ideas in response to management under the changing environment. The company then develops marketing strategic and tactical plans for objectives of business. It should help marketers within the marketing department to know what decisions and tasks best align with the mission of the company. This study provides evidence that is useful guidelines for executives encourage staff to learn and train new techniques and new procedures, emphasizes on the development of management system, and focus on applying new techniques and new methods in operation always.

Factors that make the organization have dynamic competitor marketing capability consist market-driving vision, strategic flexibility, marketing knowledge, and competitive intention, which can be done as follows. Firstly, the firm's intention to operate a policy that is focuses on the market leader, creating and developing marketing innovation, applying modern technology, and commitment to development. Secondly, firms can increase effectiveness by focusing on the rapid adaptation to the situation, exchange of information, coordination with other personnel, and resource integration in an organization. Thirdly, the firm will invent a new managerial concept focusing on the marketing knowledge management, system development, using past experience for operations, and encouraging continuous learning. Finally, the firm's analysis of the marketing environment, examining and predicting the competitive situation, and committing to the development of knowledge of the competition.

Executives of firms can implement and should understand dynamic competitor marketing capability in order to fulfill customer needs, requirements and expectations, product innovativeness, competitiveness, and marketing performance in doing marketing operations, activities and practices within highly and rapidly competitive markets and environments.

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