

Improving Export Marketing Performance: A Conceptual Model of Adaptation Marketing Strategy

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Abstract

This article aims at proposing a conceptual model of dynamic responsive-proactive superiority to bridge the gap between adaptation marketing strategy and export marketing performance. The literature reviews were undertaken to arrange novelty model on dynamic responsive-proactive superiority, this proposed conceptual model is expected to improve export marketing performance vis-a-vis adaptation marketing strategy that is to date, and it is still under research particularly in developing countries. The dynamic responsive-proactive is also strengthened by innovation capability.

Keywords: export marketing performance; adaptation marketing strategy; responsive-proactive superiority; innovation.

1. Introduction

Firm's export marketing performance relies heavily on a variety of things including the firm strategy used. Particularly for export activities, a firm must adopt a marketing strategy called adaptation marketing strategy. It is called adaptation because when a product will go into a country, it must adapt itself in order to fit the circumstances of the consumers in the country of destination and is able to meet the standards required by the country. Adaptation here means the adaptation from the aspects of the marketing mix the product concerned so that it is necessary to have the adaptations of product, price, and distribution. To run adaptation activities effectively, a firm should have an ability in the form of special advantages that must be owned by its product so as to penetrate export markets. In addition to competitive advantage, a firm must have another major advantage which is able to adjust and move to follow the situation or referred to as dynamic superior. Dynamic superior is not just the ability to adjust but must respond or have a quick and pro-active response to the development and market demand which are likely to change. The tendency of market changes requires a dynamic superior in order to win the competition.

However, in various circumstances, there are many obstacles so that firm's marketing performance has not increased or run as expected. It is reflected in some of the research conducted initially. There are significant pros and cons to the research results on the effects of marketing adaptation on export marketing performance. The area of adaptation marketing strategy is a domain that still requires enormous in-depth studies to be examined in conjunction with improved marketing performance. Based on the results of the previous research, it turns out that there are the differences in the research results that discussed the effect of adaptation marketing strategy on firm's marketing performance.

There were the research gaps from some research stating that adaptation marketing strategy has positive significant effect on firm's marketing performance (Lages et al., 2008, Lages and Montgomery, 2004, Leonidou et al., 2002). On the other hand,

there were also the results of the research conducted by Albaum and Tse (2001), Vrontis et al. (2009), and Zaiem and Zghidi (2011) which state that the adaptation marketing strategy in exports does not have a positive influence on the improvement of firm's marketing performance. The pros and cons happened because export marketing performance measured various indicators including sales, market growth, market share, profitability, Return, export goal attainment, and perceived satisfaction according to the studies carried out by various international marketing experts in the last twenty years (Julian and O'Cass, 2004). The various studies varied greatly causing the research findings with the topic of export marketing performance related to marketing adaptation is essentially difficult to compare, so they obstruct the consensus of the research development on the topic. It is hard to generalize conclusions on the antecedents and determinants in export marketing performance because the measures used in measuring the performance of marketing exports reflect the uniqueness of each country. This explains why there are pros and cons about the results of the research including the influence of marketing adaptation to export marketing performance (O'Cass and Craig, 2003, Julian and O'Cass, 2004).

Since export has become the most popular mechanism in the strategy of internationalization and globalization to achieve competitive advantage. Export strategy is the key to improving the competitiveness of firm's marketing. Effective implementation of strategy should be made into a careful planning, and it will be a key determinant of firm's performance operating in international market. Yet there is only little knowledge on the nature and power of the driver of the effective implementation of export marketing strategy. The research conducted by Morgan et al (2012) noted the importance of dynamic capability. The results showed that the effective implementation of well-planned export marketing strategy contribute to export market, financial performance, and the ability to firm's export marketing (Morgan et al., 2012). The study supports that marketing adaptation has a significant effect on the performance of firm's export marketing when accompanied with good planning and implementing dy-

dynamic superior in the marketing mix.

The study conducted by Leonidou et al (2002) found that marketing adaptation has no significant effect on export marketing performance since the adaptation requires high cost. Just in case of a critical situation, adaptation must be performed. The researcher also revealed the finding that marketing adaptation has a significant effect only on sales growth but not significant on market share and profitability. For safety, a company usually prefer the approach to standardization strategy to adaptation.

Tantong et al (2010) found in their study that most marketing adaptation studies were conducted in the United States and only very few which was conducted in Asia. Yet the spirit of collectivity and power distance are highly different between the US and Asia. Tantong et al (2010) found that the adaptation of marketing mix is only significant in the aspects of product design adaptation to export marketing performance, but the adaptations made on brand name and quality does not significantly influence export marketing performance. It shows that the different cultures on the United States and Asia markets cause the insignificant differences in the results.

Based on their research gaps (research gap) above, this literature study was conducted. In solving the gap problems, a novelty concept was proposed to bridge the gap. In addition, the gap of the research results above opens an opportunity for the presence of a new variable in the form of a novelty concept which is expected to deliver maximum results to the improved firm's marketing performance.

2. Proposition Development and Theoretical Model

This study builds a basic theoretical models developed on the basis of intensive literature review. The theoretical model proposed in this study is presented in the figure below:

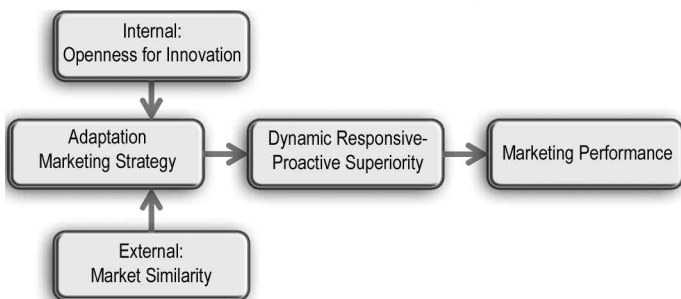


Figure 1. The theoretical model proposed

The figure above shows the combination of the concepts that describes the process of establishing Responsive-Proactive Dynamic superior with the potential in improving export marketing performance. The explanation of the model development shown on the figure is explained in the literature review.

2.1. Research Objective

The objective of this study was to address the existing gaps by proposing a theoretical model using the novelty concept of "Responsive-Proactive Dynamic Superior".

It is expected to be applied and developed in adaptation marketing strategy to create a competitive advantage which leads to increased firms' marketing performance.

2.2. Literature Review

2.2.1. Advantage (Superior performance)

How to create advantage and maintain a competitive advantage? This topic was discussed by Ambrosini and Collier (2009), Teece et al (1997), and Wang and Ahmed (2007). In its

development in the past few decades, competitive advantage theory has evolved in four phases: 1. an initial period, 2. exogenous theory, 3. endogenous theory and 4. Dynamic capability theory. This evolutionary process moves from a focus on the mapping of firm's external and internal static aspects to the focus of external environment. The other development is the focus on firm's internal aspects toward the dynamic mapping related to the firm's environment, both external and internal.

Advantage or, in other words, superior performance emerges from a competitive advantage (Barney, 1991; Durand and Vaara, 2009). In the theories of competitive strategy include: organization's industrial perspective, market perspective, resource-based view perspective, and dynamic capability perspective. Superior advantage occurs because of the reasons which are always associated with the concept of competitive advantage (Sigalas and Economou, 2013). This proposition is the foundation of the sources of competitive or superior advantage widely accepted in the field of strategic management (Newbert, 2007).

Nevertheless, the discussion of competitive advantage is important because it always experiences ambiguity in its semantic content due to many definitions of competitive advantage in the field of strategic management literature. Each definition has a different meaning. A clear and precised definition is difficult to explain / understand or elusive in nature.

Because it is elusive, the operation of the definition of competitive advantage creates serious problems in strategic management. For example, due to the inability to formulate and measure the operation of a competitive advantage, it is then simply defined as a measurement of company performance.

Most defines competitive advantage as a superior advantage although they give the meaning as a concept that has something different or is distinct with the others (Barney, 1991). However, its use can be described alternately or interchangeably so that actually their uses are identical.

The companies that perform global marketing adaptation strategy increase the leverage of their superior or competitive advantage. The adaptation strategy undertaken to expand their market share will increase and strengthen their competitiveness advantages. When corporations expand into global markets with their exports, by performing global-local strategy by making adjustments (adaptation), they would improve their corporate performance through their superior advantage (Albaum and Tse, 2001).

2.2.2. Dynamic Superiority

The dynamic superior theories put forward by Teece et al (1997) indicate that a firm has the capability to integrate, construct and rebuild both internally and externally to be able to rapidly adapt to changes in the firm. Dynamic superior is the main source for firm's sustainable advantage.

The capability is dynamic because a firm always regenerates itself and its ability to respond to changes in the environment and markets where the firm is located. Capability is defined as firm's ability to renew itself and its capabilities to integrate, construct, and build its capabilities and resources in response to changes in the environment where the firm is located.

The structure consists of three dimensions; first, it is all about management process and organizational, namely, the customary to address various issues, the learning model to the various situations encountered, and how to implement the model applied. Its aspects are: 1. coordination and integration, organizational learning ability, resource transformation and reconstruction; 2. positioning. A firm's strategic position depends on the organizational process, the specific assets of tangible and intangible assets, complement assets, financial assets, reputation / goodwill assets, built system asset, and owned market share assets; 3. The ability to develop onself when firm develops its capabilities and functions.

Eisenhardt and Martin (2000) suggest that firm responds or

even creates market change through integration process, assembling, acquiring and expending its resources. Thus, dynamic capability is a strategic organizational routinuity which suggests a firm as a stock of knowledge. Dynamic capability is an attribute of knowledge. When a firm continually strives knowledge orientation in its activities, the firm is actually building a dynamic capability.

Original ability is different from ordinary ability because dynamic capability is the ability to achieve competitive advantage. It suggests that companies have to be very clever (ambidextrous). Dynamic capability requires an ability to feel and be sensitive to what is happening in the market, seizing opportunities, and reconfiguring its resources. In other words, dynamic capability is a transformation mechanism to respond to changes. Wang and Ahmed (2007) explore the dynamic evolution of hierarchy capabilities and the importance of dynamic ability.

Dynamic capability is a process of value creation which results in competitive advantage, transient or temporary situation, opposition or resistance, and failure. Briefly, dynamic capability cannot be static or unchanging, but it must change along with internal and external environmental changes. Dynamic environment is a major breakthrough in the theory of firm development. Dynamic capability, which is different from traditional ones, is dynamic, complex, pioneering, and competent. It is dynamic as firm has the ability to update and address the changes in the external of a firm. Dynamic capability is complex because of the characteristic ability to adapt to the environment. Dynamic capability is pioneering since it focuses on innovation and development, which is the ability to change a firm. Dynamic is considered as capability or ability as it is required to build, integrate, and reconfigure firm resources to adapt to changes in the environment (Eisenhardt and Martin, 2000, Ambrosini and Collier, 2009).

Developed concept of dynamic core competences is a systematic meta-learning widely implemented by all parts within a firm. Meta learning is the ability to learn independently, continuously, systematically, complexly and dynamically. It indicates the realization from implicit knowledge to explicit knowledge.

Wang et al (2013) suggest in their study that dynamic capability is shaped by the capabilities of hierarchy, organizational learning, strategic integration and dual process that will determine the advantage in competition.

2.2.3. Responsiveness-Proactiveness

Responsive market orientation refers to the understanding that is responsive to customer needs. In addition, proactive market refers to the understanding and latent needs of customers. Both responsive and proactive orientations should be the basis of firm innovation. The focus on the exploration on customer understanding must be based the exploration, knowledge, and experience possessed by a company. Responsive and proactive market orientation is associated with market turbulence, technological turbulence, and intensity in competition. The change in consumer preferences and competition intensity increase the importance of data base and market intelligent. The effect of technological change is also influenced by the changes in consumer preferences. Therefore, it requires responsive and proactive market orientation. Bodlaj (2010), Voola and O'Cass (2010), Blocker and Myers (2011), and Wang et al (2013) found that technological turbulence is negatively associated with responsive market orientation, and proactive market orientation is negatively associated with market turbulence, technological turbulence, and competition intensity. These findings support the previous research of Tsai et al (2008) which is consistent with the idea that a rapidly or unexpectedly changing environment inhibits managers to adopt responsive and proactive market orientations. Among the environmental factors that have the effect on market orientation, it is competition intensity in the market exceeding technological turbulence and other environ-

mental factors. The other thing as the findings in the research on responsive/ proactive market is the importance of considering the factors of top management (top managers), inter-departmental dynamics, and organizational systems.

The other environmental factors out the control of the managers also become the major determinants of market orientation (Bodlaj, 2010) (Voola and O'Cass 2010, Wang et al., 2013). On the other hand, Narver et al (2004) emphasize that responsive and proactive market orientations promote firm competitive advantage. Responsive market orientation emphasizes the consideration for present needs and potential customers, and proactive market orientation emphasizes the considerations for anticipating environmental changes and customer's future preferences. Managers get the insights on how to improve their firm performance using the approach of responsive and proactive market orientations. Both are the two dimensions with different categories, not only in responding to customers but also in the processes and mechanisms. Different antecedents were found between responsive and proactive market orientations, including the supporting factors. Market and technological turbulences tend to be responded to by companies to adopt responsive market orientation. In other hand, competition intensity is likely adopted by companies which are proactive market-oriented. The explanation is that, in high-turbulence environment, it is necessary to provide additional information to provide the insights that can help managers evaluate different aspects of technology that will be obtained or used. This means that managers can avoid market information search in a turbulent environment, with the assumption that the information may be outdated in the environment because of the uncertainty of market changes. The paradigms and ways of thinking above are totally wrong. Additional market information also plays an important role in decision making.

Business strategy influences two key marketing capabilities: Responsive Marketing Orientation and Proactive Marketing Orientation, which in turn influences performance. This discovery supports the idea. The argument and findings contribute to the implementation of strategy and the theory of Business Process Re-engineering, in particular market orientation. It empirically shows that RMO and PMO fully capture the benefits of competitive strategy and acts as a fundamental mechanism for transmitting the benefits of competitive strategy for performance. Therefore, this study contributes to the needs identified to work in the area by S. and Vorhies (2012) who found that organizing marketing activities in successful ways to allow the implementation of business strategy is a difficult challenge to be faced by managers, but the researcher knows little on how marketing activities should be organized to enable the implementation of business strategy.

3. Novelty Proposition

This study put forward the proposition to fill the gap between adaptation marketing strategy and marketing performance which is responsive-proactive dynamic superior.

The operational definition of Responsive-proactive Dynamic superiority is an advantage to do original ability to regenerate and to respond to changes in the export market responsively and proactively. Original capability is the extra ordinary ability to achieve a competitive advantage by integrating, constructing, and building capabilities and resources reinforced with innovations in response to changes in the environment where the company is located. The environmental change can be in the form of firm's internal or external. Here is the conceptual mapping that forms the proposed novelty (Figure 2).

The Resource Base View theory put forward by Barney (1991) was to understand the sources of sustained competitive advantage of a firm. Strategic resources actually exist in all firm functions. Strategic resources spread across a firm and tend to

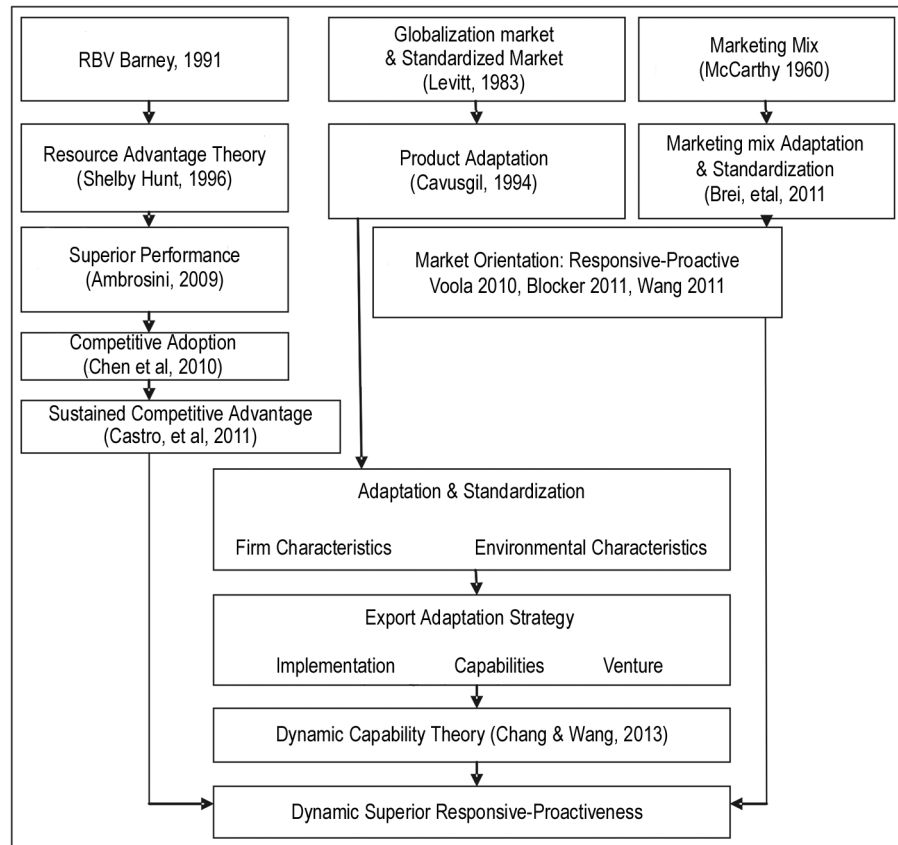


Figure 2.
The conceptual mapping that forms the proposed novelty

be stable over time. There are four indicators as the source of sustained competitive advantage of a firm: 1. Value, 2. Rareness, 3. Imitability, 4. Substitutability. Hunt (1996) argues that the foundations of the comparative competition theory as a contrast of the perfect competition theory. They argue that the micro and macro conditions of the comparative competition theory are better than the neo-classical theory of perfect markets. Hunt (1996) analyzed the sources of comparative competitiveness including the factors related to market orientation. Ambrosini (2009) investigated concerning superior performance; his study had investigated six most commonly used types of knowledge in relation with their position to the dynamics of knowledge. We then developed the existing literatures to investigate knowledge by considering how to configure so that it brought different conceptualization from the discipline and practical tool for managers when considering their own firm. Firm's typical identification for each configuration has two uses knowledge and practical application. Having access to this kind of understanding will allow managers to determine the type of knowledge that is prevalent in their firm, and it enables them to better understand the knowledge and identify how it is possible to get competitive advantage. In addition, it also has prescriptive ability since it shows managers what kind of knowledge they need to operate the strategy for their firm's future. In this case, it is important for companies to understand where the greatest opportunities to develop competitive advantage lies and which areas although, with their own knowledge base, it will not develop the knowledge based on real advantage. In developing knowledge-based view, an organization can identify which opportunities are most sustainable and is the best way to use the other resources held to support them. Management agenda, therefore, becomes the implementation to set the balance between improving the creation and transferring the knowledge in an organization and protecting the loss of knowledge out of the organization. We assume that the balancing act is very dependent on the knowledge characteristic in an organization and the knowledge that a strategy should be very sensitive to the contextual factors and strategic choices that characterize certain organization. We suggest that this fine

appreciation of knowledge characteristic will not only allow us to explore the relationship between the dynamics of firm's knowledge level and organizational performance, but it will operationalize the empirical framework to begin dismantling some of the important differences.

3.1. Competitive Advantage Concept

Since the discipline of strategic management for many years has been lacking a clear and conclusive definition of competitive advantage, its operational definition is obscure as well. We believe that, the tautology issue of research propositions which employs the construct of competitive advantage along with the dependent variable issue in strategic management empirical research is the outcome of the poor, ambiguous, and unclear operational definitions of competitive advantage. The "Interchangeability Problem of Competitive Advantage Propositions" derives from the murky operational definition of competitive advantage in terms of superior performance due to the absence of a qualified construct which could capture its latent manifestations. The "Dependent Variable Problem in Strategic Management Empirical Research", on the other hand, originates from the need to sidestep the competitive advantage construct due to the absence of a qualified variable which could measure it. Both problems and their subsequent fallacies seem to be rooted in the literature's inability to provide a comprehensible and clear definition of competitive advantage that can lead in turn to a robust operational definition which could make its effective measurement possible.

We contend that in order for the construct of competitive advantage to be able to resolve the aforementioned problems and fallacies, it must satisfy the two criteria below:

- (1) Criterion 1: The construct of competitive advantage must be conceptually robust, by incorporating all the latent characteristics and particulars of the competitive advantage concept.
- (2) Criterion 2: The construct of competitive advantage must be completely separated from performance, by not incorporating any latent characteristics of the performance concept.

In connection with the above two criteria, the writer had identified in the literature a statement that may prove promising in the future conceptualization process of competitive advantage, i.e. derive a conceptually robust stipulative definition that can support a comprehensive operational definition that could in turn lead to a valid and reliable measure of competitive advantage. In particular, Barney (1991) states that firms obtain sustained competitive advantages through responding to environmental opportunities, while neutralizing external threats. Competitive advantage is 'the degree to which a firm has exploited opportunities, neutralized threats and reduced costs'. We should mention that Barney does not include 'the reduction of cost' component in his 1991 article. Most likely, reduction of cost as a latent expression of competitive advantage, as part of his effort to develop the items used to measure competitive advantage construct under resource-based view. But since the construct of competitive advantage is operationalized squarely for the resource-based view, there is an imperative need to operationalize competitive advantage, regardless of its underlying matters.

3.2. Adaptation Marketing Strategy

Multinational companies, in their aim to expand their global presence, market share, increase profitability, and overcome problems related to saturation of existing markets, continually seek for opportunities and growth (Vrontis et al., 2009).

Within the field of international marketing, when a company decides to begin marketing products abroad, a fundamental strategic decision is whether to use a standardised marketing mix (product, price, place, promotion, people, physical evidence, process management etc) and a single marketing strategy in all countries, or whether to adjust the marketing mix and strategies to fit the unique dimensions of each potentially unique local market.

However, literature quoting practical evidence suggests that companies make contingency choices, which relate to key determinants in each circumstance. (Vrontis et al., 2009).

Chung (2007) argued that the basis of standardization in marketing is the comparison of a firm's domestic and international marketing operations. He further suggested that the factors related to the standardization level in foreign market should be identified. He has also highlighted the importance of interaction versus standardization method which helps to identify the influencing factors in selecting the standardization strategy (Ryans, J., et al., 2003). They state that in the past, dissimilarities among nations led multinational companies to view and design their planning country-by-country i.e. as a local marketing problem. However, this situation has changed, and the experiences of a growing number of multinational companies suggest that there are potential gains to be made by standardising their marketing practices.

In addition to this, Chung (2007) argues that culture has no main effect on product, price, place and process. Instead, the main effect is on promotional efforts, meaning that firms should use an adapted promotional approach when entering a different cultural environment. Supporters of global standardisation intimate that consumers live in a globalized world in which nation-states are not the major determinants of marketing activities; and in which consumer tastes and cultures are homogenised and satisfied through the provision of standardised global products created by global corporations. Levitt (1983) asserted that well-managed companies moved from an emphasis on customising items to offering globally standardised products that were advanced, functional, reliable and low in price. Multinational companies that concentrate on special consumer preferences become confused and unable to see individual characters. Global companies will achieve long term success by concentrating on what everyone wants rather than worrying about the details of what everyone thinks they might like.

Papavassiliou and Stathakopoulos suggested four main reasons that make Levitt's thesis appealing. First, it allows multinational companies to maintain a consistent image and brand identity on a global basis. Second, it minimises confusion among buyers that travel. Third, it allows the multinational company to develop a single tactical approach. Fourth, it enables the company to take advantage of economies of scale in production and to have the experience from learning curve effects.

The use of global standardization, on a tactical level, is of paramount importance as, according to Levitt (1983), the globalisation of markets is at hand. He argues that global corporations operating with resolute constancy, at low relative cost, can treat the entire world as a single entity and sell the same things in the same way everywhere. With the emergence and growth of these new global entities, old-fashioned international adaptive corporations that adjust products and practices in every market around the world, are nearing their nadir. Besides, it is stated that standardised global marketing is analogous to mass marketing (undifferentiated target marketing) in a single country and involves the creation of the same marketing mix for a broad mass market of potential buyers. The simplification and conceptualisation of standardisation is opposed by supporters of the international adaptation approach, who react directly to argue polemic of the argument.

The global-marketing theory that once sent scores of executives scrambling to reconfigure marketing strategies now has many feeling duped. Not only are cultural and other differences very much on standardization approach, but marketing products in the same way everywhere can scare off customers. Criticizing the extreme schools of thought on adaptation and standardization, they are rejected by various authors who highlight the difficulty in applying them in practice and stress the importance and necessity of both adaptation and standardization to be used simultaneously (Vrontis et al., 2009).

When companies try to apply international market, the companies export and involve directly in local and global marketing environment in market or foreign activities. On the other hand, the huge costs involved in adaptation and the benefits of standardisation, may not allow adaptation to be used extensively (Vrontis, 2005). Viswanathan and Dickson (2007) concentrate on three factors to examine standardisation / adaptation behaviour: homogeneity of customer response to the marketing mix, transferability of competitive advantage and similarities in the degree of economic freedom. They note that even in countries with similar cultures (e.g. across the European Union) there are differences in customer needs and wants. Furthermore, they argue that standardisation will be successful when the homogeneity of customer response and the degree of similarity in economic freedom is high and competitive advantages are easily transferable.

The goals of reducing costs and market complexity lead companies to consider standardisation, while customer orientation may sway them toward product adaptation (Vrontis et al., 2009). He further argues that decisions on international marketing tactics depend upon a number of determinants. These determinants are grouped into "reasons" and "factors". Reasons are those behavioural aspects "pulling" multinationals' tactical behaviour towards one or the other side of the continuum, while factors are those determinants affecting the behaviour and its relative importance. It is further noted that the expanded marketing mix of seven "Ps" is appropriate to also relate to companies that belong to the service sector and/or have strong service elements.

The previous research has found that it is irrational for businesses to attempt complete homogenisation of the marketing mix, except under clearly defined sets of circumstances and certain product categories. Yet, it is also true that the global market is becoming increasingly homogenised – to a degree in fact – that multinational companies can market their products and services in the same way all over the world by using

identical strategies with concomitant lower costs and the benefits of higher margins which equate to increased profitability.

Multinational companies can and do simultaneously focus their attention and resources on aspects of the business that require global standardisation and upon aspects that demand local responsiveness. When and where possible and needful processes should be standardised, however, operation in local markets may also necessitate local flexibility. Multinational companies must strive to find and maintain an equitable balance. This is not a straightforward task, especially when faced with the shifting sands of environmental, competitive and market forces. Any company operating internationally does not, and in fact should not, make a one-time choice between absolute standardisation or adaptation.

Multinational companies, operating in several countries using diverse entry methods, must integrate marketing tactics. Managers and executives should focus attention on aspects of the business that require global standardisation and aspects that demand local responsiveness. The driving forces in either scenario are the needs and wants of target markets and organisational resources. Multinational companies and for that matter, potentially international firms of all types have to strike a balance; and management attention must continually be directed to the underlying dynamics of served global markets.

3.3. The Effect of Marketing Adaptation Strategy on Marketing Performance

The export performance of firms has been studied widely, and the literature reports correlates of export performance that are both internal and external to firms. The factors include marketing strategy, organizational structure, managerial experience, and/or resource availability (Barney, 1991) (Morgan et al., 2004) (Barney, 1991; Katsikeas et al, 2000). External variables such as industry competitiveness, business environment, or product characteristics are also linked to export performance (Cavusgil and Zou, 1994, Leonidou et al., 2002, Calantone et al., 2006). In addition, international business managers are interested in any differences among countries to reduce fatal mistakes. Despite the practical demands, little is known about cross-cultural differences in a firm's export performance. These studies stated three things. First, how to develop a model of the antecedents to and outcomes from adapting, or modifying, products for export markets, and test it using structural equation modeling (SEM).

It is the model of firm's product adaptation strategy as a mediator between the internal and external factors and export performance. Second, Calantone et al. (2006) seek to discover cross-national similarities and differences by conducting a multinational study on export performance. Finally, Calantone et al. (2006) investigate a relatively untapped internal firm characteristic, export dependence, in an effort to understand its link with export performance through product adaptation strategy. Borrowing from the resource-based view (RBV) of firms (Barney, 1991), the conceptual framework posits that a firm's internal and external characteristics influence product adaptation strategy and, hence, export performance (Barney, 1991). As internal characteristics, the researcher adopted export dependence and openness to innovation, which are expected to facilitate product adaptation strategy. As an external characteristic of the firm, industry product adaptation practice influences a firm's product adaptation strategy positively (Albaum and Tse, 2001).

This external characteristic will have a direct negative effect on a firm's export performance, but a positive influence on a firm's product adaptation strategy due to peer pressure. The framework also infirms a key market characteristic, market similarity as another external characteristic. It is expected to influence export performance directly and indirectly through the product adaptation strategy of both the firm and the industry. Finally, product adaptation strategy is viewed as a factor that

directly influences export performance, mediating the effects of industry, market, and internal firm variables (Barney, 1991). This research framework is generally supported by previous research in the literature (Cavusgil and Zou, 1994, Cavusgil et al., 2003, Devinney et al., 2010).

3.4. Export Performance

Export performance, a widely studied construct, refers to the outcomes of a firm's export activities (Morgan et al., 2004, Leonidou et al., 2002, Morgan et al., 2003)(Morgan et al., 2003) although conceptual and operational definitions vary in the literature. Factors that influence export performance are both internal characteristics including product and firm characteristics and external characteristics such as industry and market characteristics (Cavusgil and Zou, 1994, Leonidou et al., 2002, Morgan et al., 2003).

Adopting the arguments by the RBV (Barney,1991), this study confirms product adaptation strategy as a firm strategy associated with product characteristic, export dependence and openness to innovation as a firm's internal characteristics, and industry adaptation and market similarity as external characteristics.

3.5. Product Adaptation Strategy

The researcher defines product adaptation strategy as a firm's consistent and planned activities to meet local consumers preferences and values (Cavusgil and Zou, 1994). This strategy is primarily determined by characteristics of the firm and external business environments (Cavusgil and Zou, 1994, Leonidou et al., 2002). Some researchers report that a firm's international product adaptation strategy leads to sales growth but not market share or profits (Leonidou et al., 2002). Nevertheless, most multinationals believe that their strategy facilitates not only sales growth but also return on investment and profitability (Zou and Cavusgil, 2002). The researcher used the firm's product adaptation strategy as a marketing strategy that influences export performance positively (Cavusgil and Zou, 1994; Leonidou et al., 2002; Zou and Cavusgil, 2002). Resource View Based theory supports this view by claiming that a firm's strategy driven by a firm's internal and external characteristics helps performance better in the market (Barney, 1991).

3.6. Openness to Innovation

As another internal characteristic of the firm that influences product adaptation strategy, openness to innovation refers to the extent to which a firm encourages innovation in marketing activities (e.g., an organization's openness to new ideas). According to the literature, innovation is a critical factor in export performance of firms (Cavusgil et al., 2003, Morgan et al., 2003). If firms are open to innovative ideas, they are likely to perform well in exporting. Furthermore, the researcher postulates that openness to innovation positively influences product adaptation strategy. As a firm alters its organizational practices to seek new ideas, the likely result is an environment that fosters more frequent and higher levels of product adaptation (Calantone et al., 1994; Leonidou et al., 2002). Thus, openness to innovation, as a source of innovative ideas, can be a valuable firm resource that facilitates aggressive product adaptation strategy (Barney,1991). Cambra-Fierro et al. (2011) conducted a study of how innovation became an intervening variable in improving the performance of marketing of marketing orientation, the result is a significant effect in improving innovation performance marketing. The study was made on industrial property in Spain. Lecerf (2012) reveals the same thing that innovation significant influence in improving the performance of marketing in small and medium enterprises in France in the process of the internationalization program such as through export marketing program.

3.7. Market Similarity

Market characteristics are another major antecedent of product adaptation strategy. They include cultural, political, legal, and economic similarities, and the degree of difference in consumer values and lifestyles between the home and foreign markets (Cavusgil et al., 2003). Market similarity in this study refers to the extent to which an export market is similar to the home market. Markets across countries reflect unique features, and these differences play a key role in adapting products to a local market (Cavusgil and Zou, 1994). Therefore, market similarity is a major influence on product adaptation strategy, both of individual firms and an industry, as adjusting a firm's internal strategy according to its external business environments helps perform well in the markets. If the export market is similar to the home market, firms may have advantages in communicating with local consumers and governments. Therefore, they are likely to enjoy other advantages, such as lower costs for marketing research, negotiations, and adaptation to local regulations. With such advantages, a firm may be able to outperform others in the market. The export literature, however, seems to provide contradictory findings. That is, environmental factors such as cultural differences and trade barriers inhibit export performance in some studies (Cavusgil and Zou, 1994; Leonidou et al., 2002) but do not significantly correlate with export performance in others. The researcher believes that market similarity, which measures similarity in business environment, will have both a significant direct influence and an indirect effect through product adaptation strategy on a firm's export performance (Leonidou et al., 2002).

4. Contribution

The concept of the research on the effects of marketing adaptation strategy on export marketing performance will contribute to the novelty of the research topic because, as stated by Tantong et al. (2010); Aryanto et al (2018) the study with the relevant topic is rarely conducted in Asia. The searches in the publications in various international journals are still very rare especially in Indonesia. The proposal of the novelty that the authors proposed in this paper will contribute to strengthen the future empirical research results after we apply on the field, particularly in relation to the export of Indonesian products abroad. The contribution in the field of the application in industry and business is that Indonesian companies that will conduct their export activities can be more successful with the strategy and concept of responsive-proactive dynamic innovation superiority.

5. Conclusion

The article proposing the concept of responsive-proactive dynamic superior that can be used to bridge firm's adaptation marketing strategy and marketing performance is expected to contribute to the world of marketing as well as to fill the gaps found in some research about adaptation marketing strategy. Innovation strengthening is one of the main things to provide advantage. The literature limitation in this study could be developed further by other research in this domain with further deepening of dynamic superiority.

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