

ปัจจัยเชิงสาเหตุของกลยุทธ์ผลิตภัณฑ์เชิงรุก: การตรวจสอบเชิงประจักษ์ของธุรกิจ  
เฟอร์นิเจอร์และผลิตภัณฑ์ของตกแต่งในประเทศไทย  
Prior Proactive Product Strategy: An Experimental  
Investigation of Furniture and Decorative Product  
Businesses in Thailand

สุรรัตน์ เมืองโคตร\* ประทานพร จันทรอินทร์ และสุทธนา บุญเหลือ

คณะกรรมการบัญชีและการจัดการ มหาวิทยาลัยมหาสารคาม

Sureerat Muaengkhot Prathanporn Jhundra-indra and Sutana Boonlua

Maharakham Business School, Maharakham University

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## บทคัดย่อ

กลยุทธ์การตลาดเชิงรุกเป็นเครื่องมือทางการตลาดที่สำคัญที่จะนำไปสู่การบรรลุเป้าหมายการดำเนินงานธุรกิจได้อย่างมีประสิทธิภาพ งานวิจัยครั้งนี้มีวัตถุประสงค์เพื่อตรวจสอบผลกระทบของปัจจัยเชิงสาเหตุที่มีต่อกลยุทธ์ผลิตภัณฑ์เชิงรุก โดยใช้แบบสอบถามเป็นเครื่องมือในการเก็บรวบรวมข้อมูลจากผู้บริหารฝ่ายการตลาดจำนวน 156 คน ของธุรกิจเฟอร์นิเจอร์และของตกแต่งบ้านในประเทศไทย โดยจัดเก็บข้อมูลตั้งแต่วันที่ 1 มิถุนายน ถึง 31 สิงหาคม พ.ศ. 2559 ผลการวิจัยพบว่า ปัจจัยเชิงสาเหตุสามปัจจัย ได้แก่ วิสัยทัศน์การตลาดเชิงรุก การมุ่งเน้นนวัตกรรมการตลาด และการปฏิบัติงานทางการตลาดที่สอดคล้องกับสภาพแวดล้อม ส่งผลกระทบในเชิงบวกต่อกลยุทธ์ผลิตภัณฑ์เชิงรุก ดังนั้นผู้บริหารฝ่ายการตลาดควรให้ความสำคัญที่จะส่งเสริมให้กิจการมีปัจจัยเชิงสาเหตุทั้งสามด้านนี้เกิดขึ้นในธุรกิจ

**คำสำคัญ:** กลยุทธ์ผลิตภัณฑ์เชิงรุก วิสัยทัศน์การตลาดเชิงรุก คุณค่าของประสบการณ์ทางการตลาด การมุ่งเน้นนวัตกรรมการตลาด การปฏิบัติงานทางการตลาดที่สอดคล้องกับสภาพแวดล้อม

## Abstract

Proactive product strategy is important for businesses, acting like a key marketing tool in order to achieve the effective business performance. The main objective of this research was to investigate the impacts of Prior proactive production strategy. Questionnaires were used to collect the data from 156 marketing executives of furniture and decorative businesses in Thailand from, June 1 – August 31, 2016. The results revealed that

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\* ผู้ประสานงานหลัก (Corresponding Author)  
e-mail: sureerat.muang@gmail.com

transformational marketing vision, marketing innovation orientation, and environmental marketing practice were positively affected on proactive product strategy. Consequently, marketing executive should enhance three Prior in their businesses.

**Keywords:** Proactive Product Strategy, Transformational Marketing Vision, Marketing Experience Value, Marketing Innovation Orientation, Environmental Marketing Practice

## Introduction

Currently, the businesses are facing with a rapidly changing environment, and the competitive market is more intense (Meira et al., 2010) The growth of globalization and the technological advancement lead to firms competition in broader markets from the domestic level to the global level. Moreover, the increasing of customer demands and number of competitors in the broader market brings difficulties to businesses to satisfy target customer needs. Meanwhile, there are new competitors entering in the market from many channels such as online, store, and private labels resulting in arising price war and product diversity (Kotler & Keller, 2009). In such conditions, firms must quickly adjust their strategies to snatch advantage of these emerging opportunities. Moreover, firms must support operational factors that produce proactive product strategies. Wherewith, proactive product features are important product strategies to satisfy the different customer needs for present and future. Proactive product strategy was supported executives to operate relevant marketing strategy as well as it will be able to support efficiently on term planning, problem solving, decision-making, and management marketing performance. (Atuahene-Gima, Slater, & Olson, 2005)

The effectiveness of proactive product strategies depend on the support of internal factors and the ability to adapt the external factors. Therefore, businesses must focus on the business environment in both internal and external factors, that affect to the proactive product strategy. Sauser, Reilly & Shenhar, (2009) indicated that firms having the capability to adapt themselves regarding the environmental change in terms of consistency and balance. It will understand the phenomena of the organization's flexibility under the context of environmental factor leading the firm to adapt business strategy to fit the environmental change, and the success of the superior performance. Therefore, the organization must pay more attention to encourage the activities within the organization contributing to effectively increase of proactive product strategy. Moreover, the key to aggressive marketing strategies

is to study the strengths and weaknesses of competitors carefully to find out opportunities to deal with the outside competitors. On the other hand, the firm needs to know where the strengths which does not affect. The executives who would like to employ the proactive marketing strategies should have broader marketing vision and a person with marketing experience. The executives should deal with a risky by making decision through focusing on new marketing and technical innovations to adapt your marketing activities that suit the current situation. Businesses must carefully assess their own potential and their competitors to increase market share. From that point of view, it leads to four important internal factors which are transformational marketing vision, marketing experience value, marketing innovation orientation, and environmentmarketing practice (Lumpkin & Dess, 2001; Naidoo, 2010; Lee, 2010; Syers & Ussahawanitchakit, 2012; Zhao, Libaers & Song, 2015)

The external factors increase operational efficiency with proactive product strategy, especially, the advancement of current technology. It leads to continuously improve of the procedure and product development to the market. Businesses that focus on the application of modern technology in the manufacture and development of new products, should makes their products to satisfy customer needs more than their competitors. Shaffer, Chastagner & Umesh, (2016) indicated that the firms adapt to keep pace with technology changes intensity will create opportunities to develop innovative products design. Consequently, technology change intensity is an important external factor that will lead to the optimization of the proactive product strategy of the businesses.

According to the literatures review, the antecedent factors of proactive product strategy consists of transformational marketing vision, marketing experience value, marketing innovation orientation, environmentmarketing practice, technology change intensity which can be describe as follow. Firstly, transformational marketing vision, it helps in leading the firm to achieve its goals. Hence, the leaders are an important team that leads an organization to firm strategy, dynamic marketing strategy, and firm success (Ozmen & Sumer, 2011) Transformation and vision are helpful in leading the firm to achieve its goals. Hence, the leaders are an important team that leads an organization to firm strategy, dynamic marketing strategy, and firm success. (Collins & Porras, 1991) Secondly, marketing experience creates value because it contributes to a firm's capability to select the best things among building usefulness and quality of the product on market opportunities. (Kuckertz & Wagner, 2009) Roberts & McEvily, (2005) marketing experience value that to know how to create a competitive advantage. The marketing experience value positively relationship among excellence product and service. (Phoka & Ussahawanitchakit, 2011) If firms gain more

experience, they can absorb the cultural differences, improve processes and products, and understand new knowledge easier than competitors. Thirdly, marketing innovation orientation is producing to rapidly generate innovations, and adopted a different approach in design innovation responding characteristics in innovation type, market goals, appeals, and features. (Hsu, 2011) Chen (2015) who suggests that the firms must generate market intelligence pertaining to the current and future needs of customers and apply it to formulate product strategies, such as generate product value and new product development projects. Fourthly, environmental marketing practice is knowledge of the firms on the actors and forces that influence firm ability to develop and maintain successful transactions and relationships with its target customers or market. (Lee, 2010) Haddad & Algadeer, (2004) suggest that the environmental marketing practice helps the firm responds individual customer need in future to offer various new product. Finally, technology change intensity is the degree of advancement of the technological environment that can make a firm's existing technology become quickly obsolete. Consistent with Hsu (2006) reveal that firms which focus on technology innovation positively influence new product development and project performance. Moreover, scholars assert that information technology has the high capability of collecting customer information, leading to the leverage of business capability and the new-product development team, and integrates new knowledge to increase new-product development performance. (Racela & Thoumrungroje, 2010) Therefore, the firm must have a wider scope of knowledge to understand and to handle the technological changes that always happen frequently.

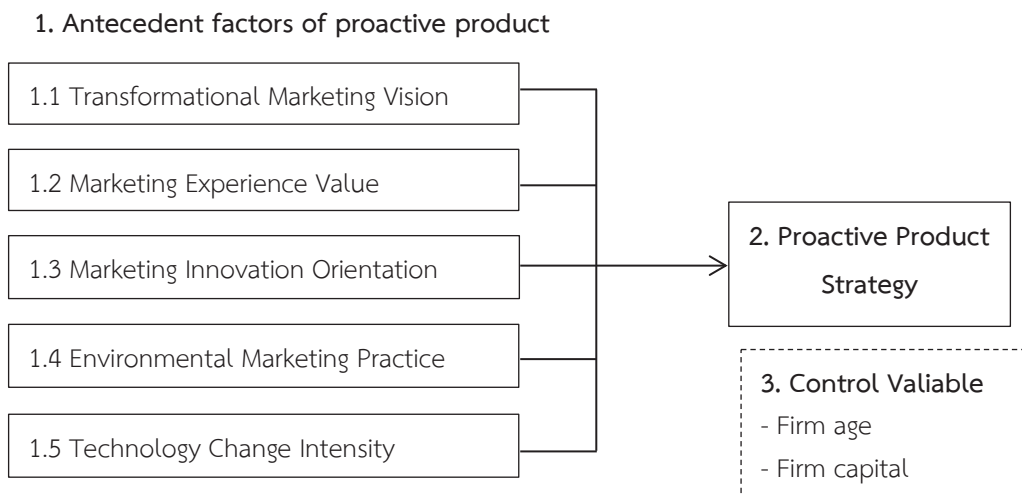
From a review of literatures, there are several researches that are likely to emphasize either operational product project, and investigate the relationship between product strategy and consequence (Naver, Slater & MacLachlan, 2004; Hazrul & Pandit, 2016). On the other hand, there is also less study about causal factor contributing proactive product strategy found from the literatures review. The purpose of this research was, therefore, to fill in this gap. Thus, the research question was "How do antecedent factors that affect proactive product strategy?" The selected furniture and decorative product firms in Thailand were sample in this study.

## Objective

The main purpose of this research was to examine the relationships between the antecedent factors comprising transformational marketing vision, marketing experience value, marketing innovation orientation, environmental marketing practice, and technology change intensity that affect the proactive product strategy.

## Conceptual Framework

The research model of this research demonstrated that antecedent factors were an importance of proactive product strategy as illustrated in Figure 1. This research investigated five antecedent factors and proactive product strategy. Antecedents consist of transformational marketing vision, marketing experience value, marketing innovation orientation, environmental marketing practice, and technology change intensity. These constructs and linkages were drawn as illustrated in Figure 1. The contingency theory is defined as there is no one best way to design the systems and organization to make decisions. (Fiedler, 1967) This theory could be applied with any theories and situations to make the best decision making in a currently high competitive era.



**Figure 1** Conceptual Framework

There are internal and external factors affecting organizational operations. Previous research shows that organizations were evaluated in terms of effective performances. However, the effectiveness was evaluated unevenly due to the organizational styles, which may be effective in some situations but may not be efficient in others. Moreover, the contingency theory is the most popular theoretical frameworks in marketing management research such as marketing strategy, product strategy, operational performance, and firm performance. Lawrence & Lorsch (1967) stated that both the external and internal factors have an effect on the organization's practices and determine which is upon the manager's behavior based on the need to respond those factors. The external factors that affect the firm performance are those such as competition, environmental uncertainty, technological changes, society, and economic conditions. On the other hand, internal factors, contain an organization's culture, vision, climate, technology, and policy, are environmental factors. (Sausser, Reilly & Shenhar, 2009) The businesses, therefore, have created and improved the suitable marketing management for changing situations. They have also chosen how to practice appropriately in order to grow and survive. In addition, businesses must seek for market opportunities by offering modern products that meets the needs and expectations of customers. It also has a unique superior feature to their competitors in order to increase market share, marketing advantage, and marketing profitability in the long term.

#### 1. Antecedent factors of proactive product strategy

1.1 Transformational Marketing Vision (TMV) refers to the potential goals assigned to lead firms to achieve in predicting marketing opportunities to develop and introduce products, or a novel and valuable marketing that will become a future marketing trend affecting the formulation of strategy and marketing activity operations of the organization. Transformational marketing vision relates to market driving perspective. It is involved with looking forward to create competitive advantage by inducing changes in market structure and the behavior of external stakeholders. (Charpavang & Ussahawanitchakit, 2010) It conforms to a concept of proactive product that is an inside-out perspective. Firms having proactive products will achieve motivating customer latent needs and wants. Moreover, Lumpkin & Dess (2001) indicated that the transformational marketing vision is potential goals assigned to lead firms to achieve in predicting marketing opportunities to develop and introduce products or marketing which is novel, valuable, and will become a future marketing trend affecting the formulation of strategy and marketing activity operations of the organization. Thus, transformational marketing vision will support the adoption of proactive product strategy. The transformational vision is more important than other leadership characteristics. It will

help create the innovation of an organization and generate excellent product to customer acceptance in the long term. It also conforms to a concept of proactive product that is an inside-out perspective. Furthermore, transformational vision plays an important role in supporting the development of creativity of employees and it also includes a contribution to the innovation of employees through creating newness product design and product innovation (Gumusluoglu & Ilsev, 2009; Soliman, 2011). Therefore, the hypothesis is provided as follows:

Hypothesis 1: Transformational Marketing vision has a positive influence on proactive product strategy.

1.2 Marketing Experience Value (MEV) refers to the accumulated marketing knowledge of executives in long run that can be applied to the operation of the marketing organization to achieve maximum efficiency. Regarding prior research, marketing experience is positive among the relationship customer learning focus, service excellence, and professional service practice. Zhao, Libaers, & Song (2015) suggested that the marketing management team which has marketing experience more than nine years can support to design new products, create outstanding product, and have a positive relationship with the product market and financial performance. Pocheptsova, Labroo & Dhar (2010) indicated that the marketers who have been marketing experience value are able to create a special and unique product of firm and make customers feel conformable on the special product for them. Kuckertz & Wagner (2009) stated that marketing experience creates value, because it contributes to a firm's capability in selecting the best things among building up usefulness and quality of the new product in marketplace. Furthermore, Green (2013) indicated that the firm has accumulated marketing experience and can be adapted for utilizing in the quality of marketing management relating the new product development constantly. When firms gain more experience, they can absorb the cultural differences, improve processes and products, and can understand new knowledge easier than competitors. Therefore, the hypothesis is provided as follows:

Hypothesis 2: Marketing Experience Value has a positive influence on proactive product strategy.

1.3 Marketing Innovation Orientation (MIO) refers to a firm's ability to create new concepts, processes, methods, and application of modern technology to help support marketing operation of the firm, and develop innovative product to meet the expectations of the future needs of the market (Naidoo, 2010) Hsu, (2011) indicated that marketing innovation orientation is the production of innovation generation adopting a different approach

in design innovation responding characteristics in innovation type, market goals, appeals, and features. Chen, (2015) suggested that the firms must generate customer information online system focusing on the current and future needs of customers, and apply it to formulate product strategies, such as generate product value and new product development projects. Moreover, prior research indicated that innovation strategy of the firm emphasizing on marketing innovation orientation encouraged product innovation under the modern production unique and value creation. (Goedhuys and Veugelers, 2012) Therefore, the research relationships are hypothesized as follows.

Hypothesis 3: Marketing Innovation Orientation has a positive influence on proactive product strategy.

1.4 Environmental Marketing Practice (EMP) refers to firms' learning and analyzing the surrounding and marketing situation changes including rules and regulations, customers, and competitors to improve the guidelines and procedures of marketing activities to be proper and consistent with the conditions of marketing competition, which is unable to forecast the future phenomena or the results of decisions that influence on the capabilities of firm response to exact markets and to create outstanding products and services, and achieve marketing goals. (Lee, 2010; Syers & Ussahawanitchakit, 2012) It is a set of uncontrollable forces with both direct and indirect effects on the organization. Prior research has shown many factors of environmental characteristics influencing on the firms. Moreover, marketing environment has two main effects on the form of micro environments (external environments) via political and legal, regulatory, economic, competitive, physical, social and cultural, demographic and, technological, customer, competitors, and marketing intermediaries. They are forces that directly or indirectly influence on determining the marketing strategy of the businesses. (Dibb, Russell & Simkin, 1997) Lee (2010) illustrated that different environmental segments have an inequality on product innovation through the direct positive influences on the individual marketing strategic. In addition, micro environment (internal environment) includes the vision of the organization, market integration, organizational culture, customer market, competitors, public, financial resources, machines, research and development, human resources which is most important to understand for supporting strategic businesses through learning and analysis. Therefore, the relationships of this research are hypothesized as follows.

Hypothesis 4: Environmental marketing practice has a positive influence on proactive product strategy.

1.5 Technology Change Intensity (TCI) refers to the firm awareness about a rapid and continuous growth of marketing tools and also the development of marketing technique



that affects a changing marketing strategy, as well as marketing operations in order to adopt a process of operation and strategy to fit the technological environment change. (Jumpapang, Ussahawanitchakit & Jhundra-indra, 2013) The prior research, asserted that rapid technological advancement; together with globalization, have strong effects on the performance of businesses in not only manufacturing industries, but also service industries. (Froehle et al., 2000) The advance technology environment that rapidly and continuously grow negatively affected the existing products in market by making those outdated. Thus, an organization is required to quickly create and/or develop new marketing strategies which launch new products and distinguish services in the marketplace to increase their competitiveness and growth. This is consistent with Chiu et al. (2006) who revealed that firm focusing on technology innovation which positively influences on new product development and project performance. Thus, the firm uses technological flexibility to modify, and rapidly serve in response to the needs of customers. For instance, the firm focuses on technology to describe the property of the products in the website of the company, and to facilitate communication in the organization. The firms adapt to keep pace with technology changes intensity will create opportunities to develop innovative product. Therefore, the hypotheses are posited as follows:

Hypothesis 5: Technology change intensity has a positive influence on proactive product strategy.

## 2. Proactive Product Strategy

Proactive product strategy in this focus refers to the procedure of offering the new goods and service with innovation, adaptation, improvement, and contribution a new alternative in the market, that satisfy anticipation future demands, affect a first-mover in a competitive market, increase market opportunities, and enhance potential of an organization for competitive advantage. (Ottosson & Kindstrom, 2016) The executives believe that proactive product strategy is an important factor leading to achieve business goals. Blocker et al. (2011) expressed that proactive product strategy can enable firms to build competitive advantage, marketing success, and superior marketing performance. It is consistent with Atuahene-Gima, Slater & Olson (2005) who suggested that discovering and satisfying the latent needs of customers through the observation of customers' behavior in context to uncover new market opportunities, while working closely with leader users, undertaking market experiments to discover future needs, and cannibalizing sales of existing products. The proactive product strategy is a key tool to satisfy customer anticipation on present and future. (Li, Qian & Qian, 2014) Similarly, it can enable firms to build competitive advantage, marketing success, and superior marketing performance.

3. Control Variables. There were two control variables as follow:

3.1 Firm Age refers to number of years a firm has been in operation. According to Leiblein, Reuer & Dalsace (2002) firm age may influence on the firm's performance; older firms benefit from accumulating experience. Akkermans & Van Helden (2002) indicated that older business have a better performance than younger one. In this research, firm age was measured by number of operational years of a firm.

3.2 Firm Capital is measured by capital or assets invented in the operation of an organization. According to Leiblein, Reuer & Dalsace (2002) the large firms may also have greater market power or positional advantage comparing than those smaller rivals, and large firms often have the superior finance. Additionally, the bigger firms are likely to have the higher level of proactively operation and also the greater base of human, technical, and financial resources. In this research, firm capital was measured by the amount of money a firm of money a firm for operating to their business (Phokha and Ussahawanitchakit, 2011).

## Research Methodology

The population and sample were 738 furniture and decorative product businesses in Thailand retrieved from database of the Thai Furniture Industry Club (TFIC), the Federation of Thai The antecedent of proactive product strategy is considered as furniture and decorative product businesses have designed and create product comfortable with lifestyle of customers. (Maraprukwan & Suksa-nguwn-manoon, 2016) Moreover, the products have a unique and outstanding characteristic of each target group leading to the response the customer needs to exceed expectation. (Roper et al., 2016) The data were collected by a mail survey. The questionnaires were sent directly to marketing managers and marketing directors who were a key informant of the firms. The units of analysis used were firms. Finally, 156 mailings were completed and they were used for further analysis. The response rate was 21.34 percent. While, the testing of non-response bias based on the non-response of questionnaire showed that there was no significant difference between the responses from the group of samples who rapidly filled out and sent questionnaire back and the group of those who slowly filled out and sent the questionnaire back. This could be said that there was no bias from the responses of questionnaire. (Armstrong & Overton, 1977) Overall of the research constructions were synthesized and interpreted from the literature review. The greater models were tested by multi-item scales. The dependent variables, independent variables, mediating variables, and control variables were measured by using five-point likert scale as explained in follows:

Proactive product strategy (PPS) was measured through operational marketing of new product development implementation, radical product innovation emphasis, original product design focus, unique product value orientation, and excellent product identity capability advantage. (Shankar, 2006; Ottosson & Kindstrom, 2016)

Transformational marketing vision is clearly measured through the organization's perspective that focuses on leaderships changing in the market, determination of marketing operation direction that responds to customer, and stakeholder needs, administration that perceives external situations for forecasting future marketing operational direction. According to Meesuptong & Ussahawanitchakit (2014) marketing policy guidelines focus on future marketing goals, the analysis of the customers demand in a systematic way, and application of new technologies in the market continues which will help them achieve their marketing. Marketing experience value was measured through a firm's marketing knowledge quality and specialization associated with customers, competitors, and the market in which a firm can accumulate their experience and turn it into a capability and superior performance. In addition, the ability of leaders who manage the marketing of organization with a variety of aspects such as a great marketing experience which allow the management of marketing success, knowledge management arising from the work market in past systematically which allows the most effective marketing, and interation of past experience to guide the operation of the market, and to supports employee to be able to promote marketing in the past. (Panya & Ussahawanitchakit, 2016)

Marketing innovation orientation was measured through the firms' focus on creating new products and services that are more distinctive than others for a stronger competitive advantage and better firm performance. For instance, the firm focuses on improving innovative marketing, the principles and ideas used in the marketing system that helps achieve a competitive advantage, and supported modern technology application and technique methods in the marketing operation. (Hsu, 2011)

Environment marketing practice was measured by the business environments that affect a firm's marketing operation, competitive advantage, and performance. Furthermore, marketing activity such as the operation of the market is consistent with the competitive situation for analyzing the understanding the diverse customer, and supporting the modern techniques of marketing operational. (Waranantakul & Ussahawanitchakit, 2012)

Technology change intensity was measured through a firm's perception about the rapid and continuous change or the development of technology that affects a change of marketing strategy and marketing operations to fit the technological environment change.

It was similar to the firm that focus on technology in terms of the application of technology and the operation under the situation of continuously changing technology. Regarding the variety of technology, firms could highly adapt the high technology in operation and analyze the advantage and disadvantage of using technology systematically and concretely for the highest benefit of firms. (Atuahene-Gima & Murray, 2004) This research determined the firm's age which was measured by the number of years that firms has operated business. While, firm's capital was measured by the amount of operating capital. The reliability of the measurements were evaluated by Cronbach Alpha coefficients. The result of the Cronbach Alpha coefficients were 0.839-0.965 which was higher than standard score of 0.70. (Hair et al., 2010) Factor analysis was employed to test the validity of data in the questionnaires. All items were measure in each construct which was extracted to be one principal component. Factor loading of each construct presented a value which was higher than 0.4. All factor loadings were 0.784-0.973 which was greater than the cut-off 0.40 indicated in the acceptable construct validity. (Hair et al., 2010) Table 1 showed that result of measurement validation.

**Table 1** Results of Measure Validation

Items	Factor Loadings	CornbachAlpha
Transformational Marketing Vision (TMV)	0.800-0.906	0.882
Marketing Experience Value (MEV)	0.879-0.952	0.936
Marketing Innovation Orientation (MIO)	0.784-.0911	0.863
Environmental Marketing Practice (EMP)	0.832-0.900	0.890
Technology Change Intensity (TCI)	0.928-0.973	0.965
Proactive Product Strategy (PPS)	0.793-0.817	0.839

This research employed the ordinary least squares (OLS) regression analysis for examining the hypothesized relationship provided in prior sessions. In order to understand the relationship, the equation was provided as follows.

$$\text{Equation: PPS} = \alpha_1 + \beta_1 \text{ TMV} + \beta_2 \text{ MEV} + \beta_3 \text{ MIO} + \beta_4 \text{ EMP} + \beta_5 \text{ TCI} + \beta_6 \text{ FA} + \beta_7 \text{ FC} + \varepsilon_1$$

## Results

Table 2, indicated the results of all variables which were analyzed through descriptive statistics and correlation matrix. Thus, all variables of the correlation in the conceptual framework were between 0.537 to 0.723,  $p < 0.01$ . The VIFs had the maximum values of 2.579, while the VIF value was lower than the cutoff 10 as recommended form Hair et al. (2010) Thus a multicollinearity problem was not found in this research.

**Table 2** Descriptive Statistics and Correlation Matrix

Variable	TMV	MEV	MIO	EMP	TCI	PS
Mean	4.24	4.33	4.32	4.34	4.35	4.36
S.D.	.57	.60	.55	.53	.60	.40
TMV	1					
MEV	.627**	1				
MIO	.642**	.679**	1			
EMP	.537**	.662**	.627**	1		
TCI	.667**	.652**	.632**	.577**	1	
PPS	.622**	.654**	.633**	.723**	.579**	1

\*\* $p < 0.10$  \*\* $p < 0.05$ , \*\*\* $p < 0.01$

The results in table 3 showed the hypotheses 1 to 5 testing which presented that the causal factors have affected proactive product strategy. The results in table 3 suggested that transformational marketing vision had a positive effect on proactive product strategy ( $\beta_1 = 0.089$ ,  $p < 0.01$ ). The also result showed that transformational marketing vision expanded and upgraded the goals of followers, provided the confidence to perform the superior expectations set forth in the agreement, encouraged employee created unique product value, and distinguished product. Testa & Sipe (2012) found that the management must instill confidence among their followers, and must create an environment in the organization where employees are free to create new ideas to develop new product and new marketing offering to the marketplace. Therefore, **hypothesis 1 is supported**.

**Table 3** Results of Regression Analysis for the Effects of Antecedent Factors and Proactive Product Strategy

Independent Variables	Dependent Variables
	PPS
	Equation1
Transformational marketing vision (TMV)	.089***
H1	(.029)
Marketing experience value (MEV)	.015
H2	(.032)
Marketing innovation orientation (MIO)	.061**
H3	(.032)
Environmental marketing practice (EMP)	.165***
H4	(.029)
Technology change intensity (TCI)	.002
H5	(.030)
Firm Age (FA)	.084**
	(.042)
Firm Size (FS)	.026
	(.041)
Adjusted R <sup>2</sup>	.619
Maximum VIF	2.579

\*p < 0.10, \*\*p < 0.05, \*\*\*p < 0.01

In contrast, marketing experience value had no effect on proactive product strategy ( $\beta_2 = 0.051$ ,  $p > 0.10$ ). The possible explanation was the role of marketing experience value was not strong enough to support the proactive product strategy. These results were similar to Roos & Gustafsson (2011) who suggested that future prediction of marketing activities must consider time, contexts, the attitudes, and subjective norms of customers. Therefore, **hypothesis 2 is not supported**. Marketing innovation orientation had a positive effect on proactive product strategy ( $\beta_3 = 0.061$ ,  $p < 0.05$ ). These findings suggested that firms with marketing innovation orientation tend to achieve new product development, radical product innovation emphasis, and unique product value orientation. This was similar to

previous research stated that new product development projects in high-tech firms showed that the responsive and proactive market orientations had a positive influences on incremental innovation performance and radical innovation performance, respectively (Ngo & O'Cass, 2012) Thus, **hypothesis 3 is supported.**

Nearby, environmental marketing practice had a positive effect on proactive product strategy ( $\beta_4 = 0.165$ ,  $p < 0.01$ ). Ashill & Jobber, (2014) suggested that both instability of change and environmental complexity were associated with marketing decision-maker uncertainty, with the former having the larger effect on managerial marketing practice. **Therefore, hypothesis 4 is supported.** Whereas, technology change intensity had no effect on proactive product strategy ( $\beta_5 = 0.002$ ,  $p > 0.10$ ). It might be possible that the firm may insufficiently allocated budgets for the investment on technological availability which was applied to the operation. Thus, proactive product strategy in terms of technology change intensity was consistent with Ren & Dewan (2015) who suggested that the companies which focused on technology applications to produce new products will contribute to the risk of higher costs and lower performance. **Therefore, hypothesis 5 is not supported.**

## Discussions

This research intended to provide a clearer understanding of the relationship between antecedent factors (consist of transformational marketing vision, marketing experience value, marketing innovation orientation, environmental marketing practice, and technology change intensity) and proactive product strategy. It also expanded the existing knowledge and literature of the key causal factors leading to proactive product strategy, and to provides empirical investigation. Furthermore, this research also provided important implications regarding the causal factors leading to the encouragement of proactive product strategy. Moreover, the contingency theory focuses on the ability of a firm to fit between the contexts of business environment and an organization's structure. Thus, the firm can allocate its resources according to the business environment. In external environmental change, a firm cannot accurately predict the future situation. The best strategy depends on appropriately decision-making. The contingency theory will support proactive product strategy point of view as view as knowledge applied to creative marketing strategies to suit the situations. The firms' ability to manage the resources cause the most usefulness and it has a competitive advantage throughout, increasing speedy response to external environment, immediately and effective. Furthermore, Grotsch, Blome & Schleper (2013) provide evidence for the positive effect of a

key decision maker's rational cognitive style on the proactive management of supplier insolvency risks. These findings further underline the general criticality of a decision maker's capacity to process and organise information under uncertain circumstances, where information is not or is only partially available and tasks become complex. (Simons, 1990; Hensman & Sadler-Smith, 2011) The results of this research confirm the concept of contingency theory is appropriately perspective and provide flexibility for the firms. However, the best alternative in some situation does not guarantee success in other situations.

The marketing executive should emphasize the three key causal factors including the transformational marketing vision, marketing innovation orientation, and environmental marketing practice for the support of proactive product strategy. Thus, the marketing executive should also emphasize on determining the marketing policy which focuses on future marketing goals. Besides, they should realize the importance of three factors which were especially found to be an important factor requiring high attention as the first priority since it was a key factor helping the organization achieve the proactive product strategy. Marketing executives must commit to develop the product strategies to comply with the changing competitive situation, proactively and reactively. The marketing executive needs to focus on the analysis of marketing environmental, customer demand, and competitor, and to seek for modern techniques and methods to offer the products to market. These will lead to a competitive advantage and marketing profitability. Thus, firm executives will have three factors that will help support the cause of proactive product strategy. For the future research in the context of furniture and decorative product businesses, they do not only depend on proactive product strategy. Nonetheless, marketing executives should emphasize on both internal and external factors of antecedent like changing of product life cycle fastly. Thus, in future research, contemplate re-investigation of other business group should be conducted to compare the outcomes and improvements for superior generalizability. Furthermore, marketing experience value and technology change intensity in this research were not supported. Therefore, future research should have hypothesis on the re-investigation in order to obtain beneficial results. This research expanded the understanding the causal factors of proactive product. The results confirmed that the contingency theory led to adapt the strategy operation in accordance with the context of current business environment.



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## Authors

**Mrs. Sureerat Muaengkhot**

Maharakham Business School

Maharakham University, Thailand.

Khamriang Sub-district, Kantarawichai District, Maharakham 44150

e-mail: sureerat.muang@gmail.com

**Dr.Pratanporn Jhundra-indra**

Maharakham Business School

Maharakham University, Thailand.

Khamriang Sub-district, Kantarawichai District, Maharakham 44150

e-mail: pratanporn.j@acc.ac.th

**Dr.Suttana Boonlua**

Maharakham Business School

Maharakham University, Thailand.

Khamriang Sub-district, Kantarawichai District, Maharakham 44150

e-mail: sthanyakhan@gmail.com