NEW DIRECTIONS FOR COMPETITIVENESS: A HOLISTIC VALUE CREATION TOWARD SUSTAINABILITY AND SUCCESS

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Somdee Hongphisanvivat (somdee@tu.ac.th)
Department of Marketing
Faculty of Commerce & Accountancy
Thammasat University, Bangkok 1200, Thailand
Phone: (662) 696-5794, (081) 683-6719

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Abstract

The increasingly dynamic and turbulent environment calls for new perspectives of competitiveness. Most previous studies suggest to build competitive advantage using the micro perspective through customer and competitor orientation. This paper purposes to employ the holistic perspective through multiple value creations to gain sustainable outcomes. The paper explores several critical issues: 1) what are the key dimensions leading to superiority and business success, 2) which concepts or theories are relevant, 3) which research methods are essential, and 4) how to implement the new alternative. The study will use multiple research methods focusing on qualitative approaches to obtain widen and deepen information from business and academic persons much experiencing in the marketing areas. Then an appropriate model will be developed and important propositions are presented. Finally, managerial implications are discussed and future research is recommended.

Key words: New Approaches for Competitiveness, Holistic Value Creation, Sustainable Development, Business Success

1. Introduction

Competitiveness or competitive advantages referred to the ability to do things better than competitors is the heart of business success (Porter 1980). In particular, delivering certain customer value better than the others results in superior performance as Nike's premium quality athletic shoes using overseas cheap labor has produced an amazing rate of 46.9 per cent in its average annual return to the shareholders in the decade between 1986 and 1996 (Ma 1999).

Creating such unique competitive advantages are not sufficient for sustainable development. According to the new economy, there is a growing number of consumers looking for more than quality products at a low price. In addition, they increasingly desire innovative products that express their unique, personal identity and prefer convenience, good services, as well as engaging experiences in all aspects of their lives. (Myers, Gore and

Liu 2008; Pine and Gilmore 1999; Topalian 2003).

Meanwhile, the highly dynamic environments due to the acceleration of globalization and modern communication technology has resulted in business and society evolution. The dimensions of competition need to be changed as many competitive aspects become irrelevant when offering little potential for unique differentiation and inexorable erosion in profitability. This calls for the development of new management philosophies and mechanism toward value creation as it has been increasingly prominent in sustainable advantages (Dasgupta and Sanyal 2009; Mele 2007; Slywotzky and Hoban 2007).

Starting with the market-based view, a market orientation has long been recognized as important to achieve superior organizational performance through effectively creating superior value for its present and future target customers (Kirca et al. 2005). Nevertheless, successful implementation of market orientation depends on building organizational competencies (Subramanian and Stranddholm 2009) and cost-efficient alternatives for better responding to customer needs when dealing with the dynamics (Grunert et al. 2005).

The second consideration is the resource-based view which has shifted the emphasis on strategic resources since the early 1990s. Among them, human resources management and development plays a critical role to create sustainable advantages and success (Barney 1991; Pfeffer 1995).

The latest one is the emergent view which focuses on making the organization become more responsive to rapid environment changes by searching for a new way of value creation through interconnected innovation and strategic collaboration that assist in avoiding destructive competition, saving costs, improving profits and providing the most benefits to the most people (Dasguphta and Debashish Sanyal 2009; Slywotzky and Hoban 2007).

The above different views address for a holistic perspective to value creation as a more promising approach to sustain advantages and superior performance. In addition, organizations successfully overtime needs to build an advantage system where various types of competitiveness complement and enhance each other. Moreover, general managers have to strive for a healthy balance among different forms of advantages well suited to the dynamic changes (Ma 1999).

Evidentially, the development of multiple advantages to sustain superior performance and how to balance them remain under research. This study addresses those issues to enlighten the necessity to employ holistic perspective and to shed greater insight on the new direction of building a sustainable competitiveness under the following areas: 1) what are the key dimensions leading to superiority and business success; 2) which concepts or theories are relevant; 3) which research methods are essential; and 4) how to implement the new alternative through a proposed model and related propositions.

Finally, future research and recommendations are suggested.

2. Key Dimensions to Superiority and Business Success

Intensive reviewed literatures indicate sources of advantages and their sustainability varies among industries, strategic resources, and process. However, there are three prominent principles exploring the key drivers of superiority and sustainability. They are the market-based view (a focus on market orientation), the resource-based view (an emphasis on strategic resource orientation) and the emergent view (a highlight of interconnected orientation). This study combines them to obtain a holistic view for superior value creation to sustainable advantages which finally result in superior performance or business success.

2.1 Market-Based View

2.1a Market orientation toward superior value creation

Market orientation focusing on customer orientation and competitive orientation has related to business success (Fritz 1996). It is regarded as a major prerequisite for ability to create superior customer value, which in turn becomes a major determinant of competitive advantage (Grunet et al. 2005). However, this concept is more suitably used for quality concern and managing market at the maturity stage. Importantly, its' implementation will be effective when the organization has learned about the market

signal, cost-benefit, opportunity and environment changes (Peters 1996).

Shifting in world population structure and demographic characteristics, especially the shift to one-person family unit, result in significant changes in consumer value, shopping patterns, and consumer lifestyles. For instance, in Britain and much of the developed countries, prosperity has prompted increased demands for choice and freedom including safe and comfortable (Mintel 2006; Myers, Gore, and Liu 2008). This suggests to invest in new information technologies to better implement market orientation by generating market intelligence of consumer and competitor trends, in particular the unexpected environmental changes, and disseminating that intelligence across departments for better coordinated efforts to create superior customer value (Narver and Slater 1990; Kumar et al. 1998).

In addition, the basis for competitiveness has changed dramatically over the past few decades from the need for value for money and innovation in 1970s to quality and reliability of product and service including time to market in 1980s, toward customer focus and satisfaction in 1990s through value creation in 2000s (Prahalad and Ramaswamy 2004). Therefore, differentiation strategies are increasingly greater pervasive and a powerful means of obtaining competitive advantages. For instance, adaptation in shopping places and environments become more prominence as a point of differentiation (Drummond and O'Neill 2007). This implies that firms creating superior value focusing on unique or real differentiation

instead of cost leadership play safe to price-war competition and obtain market power in form of monopoly rent or ability to set higher price to gain higher profit (Hingley, Sodano, and Lindgreen 2008; Porter 1985).

Following the differentiation premise, the food industry has been remarkably successful in the past due to enable to satisfy customer demand for increased choice, lower prices and better quality (Cannon 1992). Such success remains continued as those differentiate strategies are adopted and improved corresponding to the profoundly change in the nature of client base and more competitive challenges over the next decade. For instance, a focus on high quality product with an enhanced consumer value (Pike and Melewar 2006); using pop-up retail strategy to serve consumers seeking diverse experiences (Kim et al. 2010); building the niche retail brands and offering service edges to better serve consumers taking a more varied approach to shop (Mintel 2006); managing shopping spaces into dynamic and creative places with distinguishing local characteristics (Myers, Gore and Liu 2008).

The above suggestions indicate a clear need to shift orientation towards a more demand-driven approach to enhance market competitiveness for being sustainable in the long-run. Therefore, the following proposition is stated:

P1: The greater utilization of market orientation for developing niche markets, offering unique products differentiating in consumer value creation and providing unique

service edges, the more sustainable competitive advantages and business success.

2.1b Customer-driven superior value creation

To continuously develop new sources of advantages through superior value creation, getting close to the customers by normal market and competitor research processes is insufficient. It is more crucial to acquire the voice of customer by letting designers and development team “face to face” with diverse types of target groups and potential consumers (Lee-Mortiner 1994) in order to develop valuable experiences for them (Vargo and Lusch 2004). This approach is termed as “co-creation value” which becomes the fundamental to any product’s success and gain future advantages (Phahalad and Ramaswamy 2004). As it has proven to be powerful for increasing the customized products suitable to the variety of individual tastes in terms of quality, reliability, feature, performance, and/or service improvement. It also enhances the business opportunities of supporting products through the whole life cycle or the customer’s internal value chain (Slywotzky and Wise 2003).

Moreover, when it is difficult to differentiate products of increasingly similar appearance and performance, especially in the mature markets, the design of customer experiences should reflect an organization’s corporate identity. One powerful manifestation of corporate identity is the personal-organization relationships. The other relevant trend is to offer customers to try products or get a “taste” of services

before committing themselves. It is, thus, critical to develop any contacts and inter-connectivity among customers, employees, and company executives to create favorable corporate identity as an intangible asset to facilitate the achievement of corporate goals and ensure profitability over the long-run (Topalian 2003).

Although customer-driven approach appears to take more time and expenses but worth creating unique value to satisfy the users' demand. This allows the producers to increase selling price to cover costs which results in profits and superior performance (Lee-Mortiner 1994). Therefore, the stated proposition will be as follows:

P2: The greater customer-driven in new value of product development, the better customization to suite the individual taste, the more sustainable competitive advantages and business success.

2.1c World class-driven superior value creation

There are increasing number of companies gaining experiences in new product development through adopting a world class approach in order to offer better value of new product launched than competitors and delight the target markets (Shen, Tan and Xie 2000; Whiteley and Hessan 1996). Since customers are likely to retain a relationship with the company best knowing their individual needs and continually offering top-quality goods and services (Peppers and Rogers 1995). Therefore, successful utilizing this approach will result in many benefits, i.e. ability to offer more competitive products at the

international quality acceptance, better utilize major advances in technology and material, get easier entrance into new markets, and potentially reduce more manufacturing costs, which, in turn, increase competitive advantages and superior performance (Fonson 1999; Lee-Mortimer 1994). This leads to the following proposition:

P3: The greater ability to appropriately implement the world class approach, the better superior value creation, the more sustainable competitive advantages and business success.

2.1d Competitive position toward superior value creation

There can be several advantages to be the market pioneer when it gains reputation through high-quality products with effective marketing strategies and build strong relationship with customers ahead it competitors. Especially in case that switching costs and set-up costs of changing to another brand are high and it is the routinely purchase which the initial supplier's product is still be seen as the original for adoption, the pioneer will hold a better competitive position to sustain its advantage (Kerin et al. 1992; Porter 1980) In addition, the market pioneer will continue gaining advantages if it can develop strategic adaptability to exploit new markets and the emerged opportunities, in particular in the area of social complexity and causal ambiguity (Andersen 2007).

In the similar vein, small companies can follow the sound strategies employed by market pioneer or leadership but should concentrate on niche differentiate marketing well suited to

its strengths and weaknesses. It should create the uniqueness through specialization and better service edges focusing on high profitable market niche. Another alternative is to offer faster responsiveness, high reliability and superior services focusing on high potential market niche. Meanwhile, it has to acquire and/or ally with some critical sources of advantages, for instance, low cost relevant information, knowledge-based capabilities, modern technology and other types of competing capabilities. This will foster the companies to continually creating distinguish advantages and maintain its unique niche position in the new challenging world (Cannon 1992; Fonson 1999; Mintel 2006; Yoh and Gaskill 1999).

An example case is W.A. Baxter & Sons Ltd. in Scotland known internationally for its "family of fine foods" is able to driven forward itself from the humble beginnings in 1868. The company has set its own way of organizational learning from history to consistent with the current situation and future perspective. Then defined the core value of business, continued creating new products to fulfil a consumer demand ahead of its competitors based on its ability to apply, and worked in partnership with customers to added value they really desire. Meanwhile developing its own label and promotion emphasizing the family values behind the brand. Finally, working closely together with its retailers to develop more appealing new products through a mutual benefit for expanding

the markets and scopes of its business (Lee-Mortimer 1995).

Further, dealing with the dynamics, firms have to consider the need for changing to a better competitive position to enlarge the strategic capabilities of differentiation and/or cost leadership. This in another alternative to enhance sustainability in forms of building, protecting, upgrading and leveraging of competitive advantages (Yonggui and Lo 2002). For example, GE can sustain its superior performance by shifting the competitive position from domestic production oriented to globally oriented services and high technology. Since creating added value services tend to be the most sustainable differential advantage (de Chernatony and McDonald 1998) while high technology is mainly a critical tool of productivity improvement to achieve total quality excellence and benchmarking which is now recognized as a key world-wide competitiveness and leads to superior outcomes (Zairi and Youssef 1998). Therefore, the following proposition is stated:

P4: The better building an appropriate competitive position, the greater superior customer value creation, the more sustainable advantages and business success.

2.2 Resource-Based View

2.2a Strategic resource orientation toward superior value creation

Several studies reveals that market orientation has less direct influence on superior performance in contrast to strategic resources, especially employee orientation generating the most significant impact on firm

operation (Fritz 1996; Pitt et el.1996). Although the potential value creation can be developed from various strategic resources such as new technology, new channel, and so on, the main emphasis has been on internal resources such as human, organizational, and physical resources (Andersen 2007). These resources create capabilities in terms of market management, product, and innovation in addition to constitute the main source of sustainable advantages as far as they are heterogeneously distributed and imperfectly mobile (Barney 1991). When firms can acquire competent resources especially skill and talent employees imperfectly imitated, they will obtain superior performance (Foil 2001). Moreover, continuous development of the company's capabilities to meet the high performance, firms will gain an advantage in time which makes competitors get difficulties to catch up the imitation. However, utilized strategic resources will generate above-market profitability when they are consistent with adopting the most appropriate market strategy (Andersen 2007; Pehrsson 2000). Therefore, it is stated that

P5 : The more utilized strategic resources imperfectly mobile and imitated, the greater superior value creation, the more sustainable advantages and business success.

2.2b Employee-driven innovation toward superior value creation

Innovation is critical to long-term value creation for gaining sustainable advantages and can be achieved through an imperative internalized by employees because effective organization tends to compete on the knowledge

and resource innovation able to create differentiate advantages and cost-efficiency (Dobni 2008).

Since the early 1990s, the internal strategic resources have become prominent as the main source of sustainable advantages. Among them, human resources management and development are key driver to create superior performance and sustainability through the policies that promote continuous learning, team work, participation and flexibility (Barney 1991, 1994; Dee Saa-Perez and Garcia-Falcon 2002). Such policies will be successful when the organization focuses on the details fostering an innovation climate at the operational level. Managers need to develop innovative traits by encouraging all employees to learn, think, adapt, and change through market-based knowledge, relevant business clusters, and organizational processes toward value creation. This allows them to acting as a critical source of innovation which in turn leads to sustain advantage (Dobni 2008). For instance, the ready-prepared fresh produce in form of new varieties and new formats (pre-prepared, mixed salads, stir-fry packs, etc.) can be sold in supermarket with a tremendous growth due to the demand for greater convenience and the emerged value driven opportunities (Fearne and Hughes 1999).

Further, firms need to take adaptability into the new pattern of management innovation for long term sustainability. As interconnected innovation becomes the latest module which differentiates from the two traditional ones: the structural innovation

(e.g. diversification through decentralization) and the operation innovation (divisionalization and management accounting) (Dasgupta and Sanyai 2009). The newest module occurs due to the progress of technological breakthroughs shaping today's interconnection around the globe. Firms can connect seamlessly to any computer anywhere in the world and free access to information (Friedman 2006), global manufacturing virtual network (Shi and Gregory 2005) and global logistics and supply chain networks (Kirby 2001). Such technology revolution allows small firms to compete globally and get advantages of economies of scale in manufacturing and distribution without possessing a large factory or investment. At the same time, it will make more difficulties to remain the formal barriers to unique resources for sustainable advantages as a war of ideas will become the most future business battles of innovation. Therefore, firms have to focus on generating superior ideas to enhance creativity and new product development capabilities to maintain superior outcomes (Dasgupta and Sanyal 2009). Therefore, it is stated that

P6: The more development of innovative climates corresponding to the organizational process and interconnected innovation, the greater superior value creation, the more sustainable competitive advantages and business success.

2.2c Employee-driven networking toward superior value creation

Being successful in today's interconnected world depends on the ability of networking. Networks provide firms access to knowledge

resources, technologies and markets. Firms will learn more by encouraging its employees to build collaborative links with external partners (Singh 2005). Among them, interpersonal networks are critical to management because they will create the better team works and spirits with fueling the coordination efforts as the key mechanism of ensuring quality and achieving superior performance (Fonson 1999). It also give rise to innovation (Dhanraj and Parkhe 2006) and enhances competencies to create greater superior value of products and services for sustainable advantages (Pillai 2006). Since working, learning and innovation complement each other in modern organizations. When their internal networking is developed through knowledge creation and transferred processes for value creation, this yields great benefits and becomes the most critical source of lasting competitive advantages (Seufert, Krogh and Bach 1999). Therefore, the following proposition is stated:

P7: The more interpersonal networks, the greater teamwork spirits and ability to create superior value of products and services, the more the sustainable competitive advantages and business success.

2.3 The Emergent View

2.3a Interconnected collaboration toward superior value creation

The emergent view addresses the necessity to make interconnected collaboration for obtaining faster flexibility and adaptability regarding the unanticipated environment changes (Dasgupta and Sanyal 2009). While the increasing globalization offers density of

connections, it also amplifies instability in providing advantages (Elsenhadt 2002). For instance, the well-known companies like Disney, Motorola, Ford, Sony, and Hewlett-Packard perennially successful are now finding it hard to deliver consistently superior returns. This is mainly due to the active inertia, i.e., firms fail to change their ways of working despite sensing the environmental changes.

The classic case is Firestone Company. Despite taking a fast response to invest nearly a billion dollars in radial product to serve the demand change from ply types to radial types since early 1970s, Firestone was still ineffective because of getting stuck with its old ways of working. Further, CEO failed to gauge the declining trend and recognize the two new comers: Toyota and Honda entering the US market by combining the conflicting paradigms of low cost and high quality known as “Lean Manufacturing” in early 1990s (Womack and Jones 1991). Similarly, Mattel was unable to visualize the new tastes of its customer group due to the influence of modern telecommunication technology. Consequently, its share in the fashion dolls market decreased by 20 percent from 2001 to 2004 (Day and Schoemaker 2006).

This implies that stand-alone strategies become inappropriate when the firm’s success depends on collective health of its business system and the emerged opportunities of interconnection. As such, to sustain strategic advantage in future, firms need to extend the scope of collaboration or networking from inter-unit level to inter-organization

levels (Dasgupta and Sanyal 2009) in order to broaden strategic capabilities of superior value creation and continuously increasing the potential differentiation. As Toyota increases it's success through highly interconnected knowledge-sharing network. On the other hand, Proctor and Gamble (P&G) uses a "Connect-and-Develop" model by licensing or acquiring products from other firms to market under its strong brand. These interconnected strategic premises have been termed as "Open business model" in which R&D and product development ability go beyond the firm boundaries. This model solves the problems in rising development costs and shorter product life cycle through the combination of leveraged costs and time savings with enhanced revenues in order to confer powerful advantages (Chesbrough 2007).

Therefore, successful organizations have to learn continuously and posses a greater adaptability to rapid environmental changes through a variety of strategic priorities obtained from intensive cooperation with inside firm's members and outside its business partners. This can lead to superior performance if it is well managed (Ashmos and Duchon 2000). Hence collaboration and trust in network partners is the key to success in future. The following proposition is stated:

P9: The greater ability to exploit interconnected networking opportunities, the greater superior value creation, the more sustainable competitive advantages and business success.

2.3b Strategic collaboration toward matter value creation

In today's modern economies, much of the competition becomes more destructive than constructive implying that there is little value creation to customers or little potential for competitive differentiation. This results in wasting costs, time, and resources available for innovation, and importantly reducing profitability of the entire industry. Consequently, it is called for strategic collaboration in regard to work together on the same things with an emphasis on key shared activities within an industry's value chain (Slywotzky and Hoban 2007). This is the fundamental change from the former cooperation focusing on complementary efforts of doing different things to create added value (Brandenburger and Nalebuff 1997).

The new approach to collaboration allows all players to place an emphasis on their innovation efforts in the areas providing real impact on the consumer decision and all of them gain mutual benefits in forms of reducing redundant investments in solving common problems, spreading risk, enhancing economies of scales, asset efficiency, labor productivity, customer satisfaction and so on. Many collaborations has been established despite the existence of some psychological barrier. For instance, the collaboration between GM and Toyota in automotive industry, Hewlett-Packard (HP) and Canon in the printer business, and Sony and Samsung in the consumer electronics world. This new alternative encourage all players to have a more balanced view by refocusing competition on the areas that really matter and shifting resources to

constructive competition that finally ensures a healthy company, a vibrant industry, and a stream of innovations to create truly value for customers (Slywotzky and Hoban 2007). Since to be the real winner in the high turbulent world, not only sound vision and strategy but process orientation to a new adaptive way of cost-efficient value creation which are vital to ensure quality management and sustainable competitiveness (Fonson 1999). The following proposition is stated:

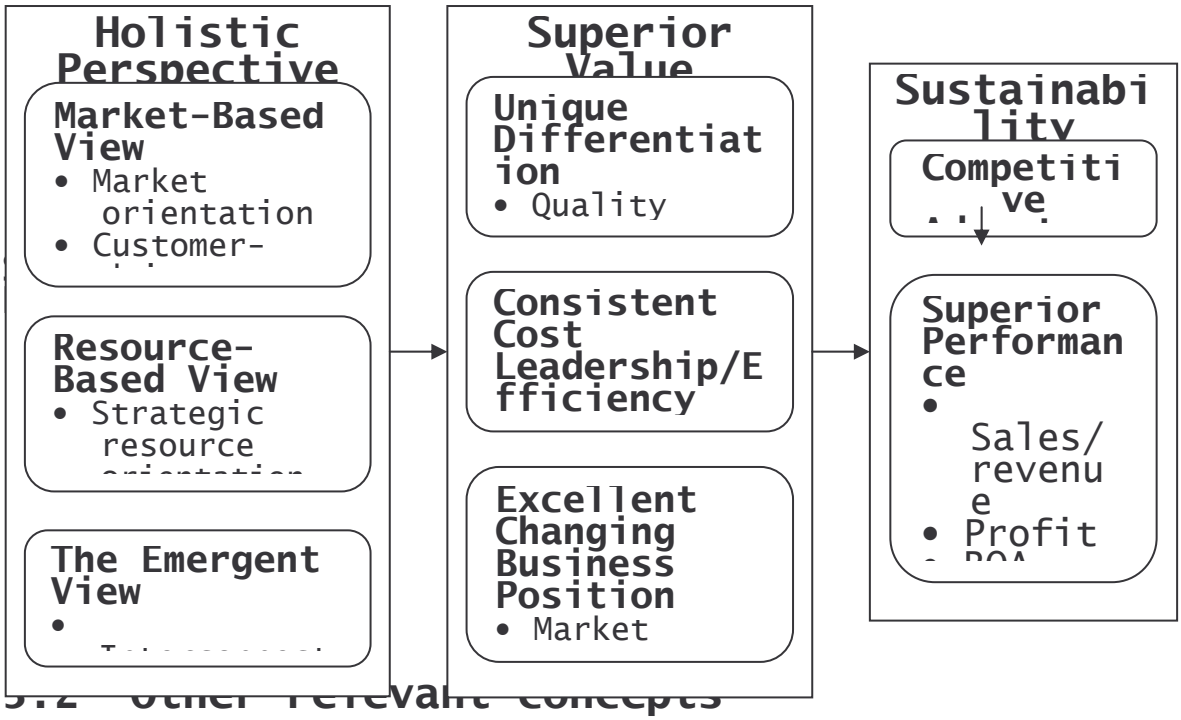
P9: The more collaborations on truly strategic activities, the more opportunities for differentiation and generating real value for customers, the greater sustain competitive advantages and business success.

3. Conceptual Framework and Relevant Concepts

3.1 The proposed framework

The above review of key dimensions to superiority and business success including the stated propositions leads to a proposed conceptual framework as shown in Figure 1. This framework explores the relationship among holistic perspective, superior value creation and sustainability. The holistic perspective employs three basic principles focusing on market-based view, resource-based view and the emergent view to create superior value in terms of unique differentiation, consistent cost leadership/efficiency and excellent changing business position. This will result in sustainable competitive advantages which finally generate superior performance or business success.

Figure 1: Conceptual framework of holistic perspective toward sustainability



3.2 Other relevant concepts

To deeper understanding this conceptual framework and increase its applicability, other relevant concepts/principles also need to be taken into account. A brief of the following four concepts are explored:

3.2a Total quality management (TQM)

TQM focuses on the continuously improvement of quality through the whole business system of an organization and seeks to provide products and services satisfying customers with the consistent and dependable quality at low cost (Dayton 2003). Such massive and incremental improvement in productivity is needed to sustain the long-term strategic advantages and profitability leading to business success. This approach appears to be more suitable for larger organizations as it centers on the interfaces between processes in order to better delight the target customers with a

consistency, reliability and responsiveness over time. It, thus, requires greater formal knowledge, time, experience, investment, control and clear measurement for a successful implementation (Van de Ven 2001). The TQM concept supports the market-based view in particular, how to implement customer focus and demand driven orientation successfully.

3.2b Relationship and experience marketing

The high value and demand driven with a greater experiencing life style among new generations suggests firms to concentrate on the use of relational approach coincidentally with experiencing-based marketing in order to build connectivity and cooperation among customers, suppliers, and/or partnership in addition to get quick feedback and responsiveness. All these activities are key factors influencing customers decisions and loyalty which tend to have a greater impact on long-run competitiveness and business success (Wood and Moreau 2006). Moreover, being closer to the customers is crucial to gain insight truly customer needs and preferences. It also provides real picture of the business position including strength, weakness and opportunity for gaining more efficiency and effectiveness of implementing marketing strategy (McKenna 1991; Peppers and Rogers 1995). The relationship and experience marketing support the market-based view (a focus on consumer relationship and experience) and resource-based view (a focus on employee relationship and experience) which both of them

become prominent to sustainable long-tem success.

3.2c Economic theory

This theory states that the economic stability will occur when there is an equilibrium between demand and supply under the perfect market competition. It also stresses on how business should develop to reach the economies of scale, scope and minimize transaction costs (Ruginaa 1998). Applying its principle to the high trend of globalization which constitutes a similar phenomenon of perfect market competition, firms have to be good in allocating value creation among stakeholders in order to hold a balance of powers and increase stability in exploiting opportunities. It is pointed out that not only customer or demand driven including social concern (demand side) but also employees, suppliers, and partners (supply side) plays a critical role to build sustainable advantages and business success. As such, holistic approach has to take the stability in operations and outcomes into consideration in order to create sustainability. This theory supports the emergent view and resource-based view why firms have to develop strategic resources and collaborations in the dynamic economy.

3.2d Sufficiency Economy

Sufficient Economy is a philosophy that guides the livelihood and behavior of people at all levels from the family, the community, and the country to use a middle way for sustainable development (Wong Cha-um 2001). It is a

holistic concept of moderation focusing on a balanced activities and mutual benefits through morality, integrity and honest, fairness or reasonableness, good relationship with all stakeholders, well risk management, and self-immunity in keeping with the national economic development and globalization. Following this philosophy, the conflict of interests tends to decrease due to the major concern of social well-being and gradual quality of life. Therefore, it is possible to drive the company and all the involving groups into a healthy community and sustainability (Piboolsravut 2004). This principle is more applicable to the emergent view when multiple collaborations are essential for a promising sustainable performance and success.

4. Research Methodology

This study is attempt to develop propositions on holistic value creation toward sustainability and summarize them to a conceptual framework. The aim of the work is thus theory building together with practicality. Therefore, the multiple-qualitative approach is suitable (Carson and Caviello 1996; Gummesson 2002). Once an empirically based conceptual framework has been established, it can guide future quantitative research.

4.1 First study: in-depth interviews

The project has been started from intensive desk research, expert opinion and review, as well as academic opinion and review to find out the meaning, importance, theory/concept, and application of the holistic approach to

value creation between a domain orientation (customer value) and other important orientations (employee value, shareholder value and social value) to gain superiority and sustainability of business success under the riskier environments. Then a telephone in-depth interviews with 30 executives with the MBA degree and more than 10-year working experiences in various industries in Thailand is conducted with a 26 usable response.

The results support that customer focus and demand driven orientation to superior value creation are really critical to the long term business success. Most of them agree that building unique differentiation provides more favorable outcomes than consistent cost leadership/efficiency but the former takes time, efforts and requires a lot of investments while the latter makes more difficulties to achieve. The findings also indicate that respondents working in large organizations such as Kasikorn Thai and Johnson & Johnson Corporation more realize to apply the market orientation based on customer driven to their business than to those in small companies likely employing low price strategy on the expense of lower profits due to unable to maintain or improve their efficient operations.

After getting more explanations about the holistic perspective, more than 70 per cent of respondents agree to use multiple orientations as they are crucial for enhancing advantages and sustainable superior performance. Achieving such outcomes, firms need to develop unique customer value in conjunction with

other stakeholders' values, especially those dominating the high potential for building strategic capabilities.

Despite value creation tends to vary among corporate visions, types of industry, and the evoke environments, most respondents play much attention to create customer value (accounting for 31.0 % of the total value creation) followed by employee value, shareholder value and social value representing 24.4%, 22.6%, and 22.0% respectively. However, each firm has no need to build all value components at once, in particular social value. It should be taken into account after firm's operation has been stable and able to generate enough profits. The most importance is to recognize which components are key drivers of sustainable advantages and business success, then develop and continually improve them over time with respect to the environment changes.

Further, most respondents suggest to utilize multiple concepts especially total quality management (TOM), relationship marketing and experience marketing, and sufficiency economy. Since successful implementation of holistic value creation demands the continuously improving quality of the whole business system fit the truly consumer needs and preferences by building a good relationship with and offering impressed experiences to customers and all other stakeholders. This leads to create domain of competitive advantages but it is insufficient to superior performance and sustainability. Under high competition and rapid environmental changes, firm need to develop more sources of

advantages through various (both inside and outside) collaborations, especially the constructive ones in conjunction with appropriately allocating value creation among stakeholders to exploit the emerged opportunities quickly and efficiently. Crucially, all these premises have to be implemented fairly, honestly and by high commitment from top executives to avoid conflict of interests as well as enhance greater harmonization that fostering the company to gain continued advantages and achieve long-term success.

At the same time, successful implementation of holistic value creation requires relevant information which should be collected by multiple qualitative rather than quantitative techniques. Most respondents agree to use the four qualitative alternatives composed of behavioral based approach (focus group, in-depth interviews), knowledge-based approach (brain storming, seminar/conference) experience-based approach (expert opinion, case study) and relationship-based approach (individual connectivity, network/collaboration). Nevertheless, the integrative approach between knowledge-based and behavioral based is chosen most because of ability to get more reliable data through a time-cost saving mode. Case study is also very interesting if it is a real and update one. Finally, the study explores the appropriate measurement of business success and sustainability. Most respondents advise to use both qualitative and quantitative measures. They all agree to employ

satisfaction, happiness, and attitudes toward the company as the key-based assessing the customer value, employee value, and social value. Meanwhile, dividend payment or ROE, sales/revenue growth and profit should be the major-based measurement of shareholder value.

In conclusion, this study provides a major contribution to develop the proposed conceptual framework of holistic perspective essential for unique value creation to generate sustainable competitive advantages and business success. It also broaden the ideas of employing multiple concepts and research methods crucial for effective implementation of the holistic approach. Nevertheless, there is no clear support whether the holistic value creation will lead to business success. Therefore, further study is conducted using a case method to examine a success public company in order to give more insights on how to appropriately apply the holistic perspective and which concepts and strategies are more promising to generate superior performance and sustainability in the highly intensified competition at the global level.

4.2 Second study: case method

To illustrate how the proposed model of holistic value creation leads to more or less superiority and sustainability, the following intensive qualitative research is conducted. First of all, examine the overall characteristics of a specific industry using a sample of retail trade industry. It is appropriate to select this industry as a setting for this research due to many reasons:

1) it has a large impact on the overall well-being of Thai economy and the world; 2) it is composed of value chain involving a lots of players using different concepts, principles, and strategic focus; 3) there are more responses to the environment changes by adopting various strategic orientations including market orientation, employee orientation, and social concern in addition to focus on shareholder value; and 4) there are more details available including financial performance of large companies listed in the stock exchange of Thailand (SET) which allow to make a thorough and deeper analysis to provide a more precise findings and suggestions. Second, select a case study from the retail trade companies listed in the SET, that is, CP All as it is the most successful company in Thailand retail trade applying a holistic approach. Finally, collect the CP All' s report and compare with the retail trade industry during 2004-2009. The relevant data are given in Table 1

Table 1 : Financial data of CP All and the industry as a whole

Financial	CP All	Industry
ROA (2004-2009,	5.89	- 6.79
ROE (2004-2009,	19.39	-19.14
ROI (2004-2009,	15.53	-10.43
Sales growth	12.28	35.02
Net profit margin	0.44	-85.09
Net profit growth	31.79	233.70

CP All has bought the license for the 7-Eleven trademark from the Southland Corporation, USA in 1988 to operate convenience store in Thailand. The business is incorporated in 1989 and franchises to other retailers over the territories of the country. It's major goal is to be the leadership and build the largest networks of retail trade in the country. In 2009, the company has established 5,270 stores with the total sales of 112,377 million baht (68.7% of total sales of retail trade SET Sector). Among 5,270 stores, 49 per cent are located in Bangkok and surroundings whereas the rest are in provincial areas. The stores belong to the company (53 % of the total stores) are almost the same proportion of those owned by outsiders, i.e. franchisees (40 %) and sub-license agents (7%). CP All's core services are divided into two categories of grocery products. One is food and beverages accounting for 72.3 per cent of its business. The other is non-food items excluding the calling card representing 27.7 per cent. The company serves about 6.1 million shoppers daily in 2009 increasing by 10.9 per cent from 2008.

Moreover, the company has expanded its investment into several related businesses to strengthen the operation of convenience stores. All of them are critical forces to competitive success. For instance, frozen food and bakery production and distribution, online payment alliances, information design and network. It also diversifies to other potential businesses, such as, 7-catalog

order, book and journal store and health and beauty store. Table 1 indicates the company's superior performance and sustainability reflecting its effective strategies consistent with corporate vision and well suited to the changing trends of retailing trade pattern in Thailand. Thus, it is interesting in which approach the company employs and how it executes. Following the proposed conceptual framework in Figure 1, the analysis is explored as follows:

4.2a Holistic Perspective

The company's philosophy (Through our happy employees, we desire to see smile from our customers) and vision (We serve convenience to all communities) indicate that it plays attention to the dual orientations between demand driven approach focusing on "convenience" and employee orientation by building core value of making working people feel happy in order to better serve customers. Even the "convenience" focus seems similar to other modern retail stores, it is the core attribute to generate advantages as obvious trend in Thailand's modern grocery indicating that there is greater consumer preference to convenience as well as food safety. Meanwhile the emphasis on making employee be happy through share learning, team work, and competency enhancement is another cornerstone to create superior advantages since job satisfaction has a significant relationship with consumer satisfaction and profit chain (Heskett et al. 1994; Ruyter and Bloemer 1999).

This emphasis also corresponds to the findings from in-depth interviews with senior

executives advising that public company has to create employee value (expected benefits over cost of working) prior or parallel to customer value since CEO of a large corporation takes a critical role like a commander in chief to drive the company success and sustainability. Moreover, the company's annual study about customer and employee relationship indicates that customers rate good services from employee as the most importance to satisfy them, and evidentially competent human resources are the key success factor of retailing business.

In addition to the dual orientations as the domain of competitive advantages, CP All has a major concern of the emergent view. It has started business with the global partnership using a "Connect-and-Develop" model by licensing strategy to quickly gain advance technology, new knowledge, and global image critical to superior management of the new retail trade pattern in Thailand. Also, getting license of well-know global trademark becomes a greater source of advantages as it is an intangible asset not easily to be imitated in today's turbulent environments. This makes the company enjoy creating superior market values and performance (Battor, Zairi and Francis 2008). Further, the long-term good relationship with the USA licensor for more than 20 years assists CP All to continue keeping pace to the globalize trend and rapid environment changes in addition to the assistance of global standard or best practice in training and technical development crucial for sustainable its superior performance. These advantages have been applied to the

company's alliances and local partnerships resulting in stronger cooperation and connectivity. Success in bridging global and local competencies enables the company to continually build key strategic processes "hard to imitate" and retain core capabilities to rapidly provide superior value to customers.

Besides customers, employees and partners, the company has built the good relationship with suppliers, producers, investors, society and communities. Interestingly, it attempts to provide the fairly balanced value attainment for them in order to satisfy all stakeholders. The underlying this effort is due to the highly volatile environments and competitive pressures fostering to apply the holistic orientated perspective for quick and efficient responsiveness. While customer focus and employee driven are the domain of competitive advantages, the other key players are crucial to support and amplify advantages driving to corporate sustainability and superior performance.

4.2b Superior Value Creation

- ***Differentiation focus***

CP All concentrates on using differentiation strategies rather than cost leadership to create superior value creation. Regarding its missions (To create customer engagement with quality product and service assortment by harmony management and to enhance good relations with society and community), the focus of differentiation is based on quality, innovation and relationship. First, the company sets up the quality standard of its products and services above average to best

practice. Second, it offers product assortments and features that are fresh, flexible, and creative (currently it has more than 2,000 items) which are well suited to various customer groups in conjunction with widening the prospective target markets. Third, it continually searches for and develops new potential products through a close cooperation with producers, supplier, and merchandisers by using the deep information from annual market research, industry insights, and expert opinions to ensure the uniqueness in terms of better quality, reliability, faster (Right-First-Time-Quality or First Best Only), and in particular fit the customer demand. Fourth, it provides superior customer services by using annual study of customer relationship and employee relationship as a database to develop and improve service edges including a designed process to build a good relationship between customer and store as well as employee and the company. The focus is on building human resource competency through learning process (Plan Do Check Action), best practice, sharing experience, and innovative team-work development. Fifth, it has put more efforts through advance technology to develop better value chains in distribution networks and provide superior delivery to increase customer satisfaction. Finally, it places more emphasis on sales promotions varied upon situations and locations to stimulate sales, repeated purchases and maintain loyalty.

- ***Efficient operation focus***

The sound product and service strategies require effective management at operational

level (Rau 2005). Accordingly, CP All play more attention on efficiency and effectiveness than cost leadership. For more than 10 years of its operation, the company has expanded annually 450 new stores to all provinces and more than 50 per cents of districts to access the most potential customers. It has a strong policy of excellent logistic base through a close cooperation with more than 1,000 producers and suppliers for achieving the best delivery regarding speedy on-time and efficiency. Meanwhile, more distribution centers at the good locations has been developed to enhance the better service delivery in relation to time and cost saving, faster responsiveness and greater customer satisfaction. Coincidentally, the company has invested in the essential information technology to improve its efficiency in store services and operations. For instance, POS and store controller and warehouse management system assist in inventory turnover, purchasing, and database management. Whereas the utilized Digital Picking and Radio Frequency Identification (RFID) assist in faster product arrangement and follow-up the delivery correctly. Moreover, a Product Liability Committee is set up in cooperation through manufacturers and suppliers to investigate the whole process of productions to upgrade the quality assurance and increase product safety. Many stores are also renovated to be more convenient, hygienic, and energy as well as environment saving. Crucially, the company has established a Customer Care Office to enhance its ability to advise, take care of and solve all client

problems systematically and immediately over 24 hours since the quality of the relationship with the customers is the prominent measure of success (Peppers and Rogers 1995). Therefore, all these efforts are linked and executed efficiently to gain more advantages and superior outcomes.

- ***Competitive position focus***

Building a leadership in the retail trade business, CP All has concentrated on customer focus by adopting a comprehensive and practical approach to create capabilities of its key business processes to consistently offer superior value fit to the real needs of consumers and satisfy them ahead of competitors. In parallel, employee driven is developed through building the organization culture of harmonization, learning reality, creativity and innovativeness (Pioneer/First Hand Only) as well as enhancing good relationship with critical stakeholders including society and community.

Meanwhile, the company plays much attention to the emergent view. It has been well aware of customer needs, continually monitoring competitive forces including political power and adapting its strategies well suited to the emerged opportunity of healthy eating trends and changing preferences of Thai people toward modern retail formats as the following examples:

(1) Shifting the company's focus business from convenience outlet to full convenience food store aligning with offering products quality, tasty, fresh

and various popular menus in relation to value for money;

(2) Continually introducing new food products, for instance, ready to eat item (RTE) to provide advantage of hygiene and convenience including competitive pricing (a range of 30-50 baht) compared with prepared food at the traditional booths;

(3) Replacing low-margin non-food with high-margin food items to enhance gross margin and boost traffic, for instance, RTE products generating gross margin of 35% compared to the company gross margin of 27%;

(4) More aggressive and effective sales promotions including introduction of private brand to stimulate sales, maintain loyalty and widen target groups;

(5) Keeping up the expansion pace of 490 stores in 2010-2013 with an average growth of 9% through a focus on franchising strategy and mutual benefits;

(6) Placing more emphasis on standard control of food safety by inviting experts from public and private sectors to train the selected manufacturers and store workers;

(7) Enlarging alliances with high potential businesses to provide more advantages of services and conveniences to facilitate daily-life activities, for instance, on-line payment in addition to payment through ATM located at more than 4,300 stores;

(8) Collecting essential and deeper information across store-clusters to

better find different needs and behaviors varied to various locations which are used to improve new product selection and development as well as store management in order to efficiently serve different segments at different shopping traffics and events with a focus on greater convenience, better service, faster response, more time saving, and always getting quality, new and fresh products.

All these strong drives enable the company to continuously gain several advantages to being the pioneer and leadership in the market.

4.2c Sustainability and superior performance

Successful implementation of holistic value creation makes CP All enable to maintain its leadership in retailing trade industry in Thailand with a continued high growth rate of revenue and profit. According to the 2004-2009 financial report in Table 1, its ROE of 19.39 %, ROI of 15.53% and net profit margin of 0.44 are above the industry average exhibiting -19.14%, -10.43% and -85.09% respectively. Further SET research analyst indicates that this superiority is expected to continue as shown in Table 2, in 2010-2012, CP All's ROE will be 39.6%-47.8% far higher than the average. These evidences confirm that applying holistic orientation properly enables the company to optimize the development of value creation which finally leads to sustainable advantages and long-run business success.

Table 2 : CP All's profitability during Results of CP All performance Even retailing trade in Thailand

Performance	2008	2009	2010E	2011E	2012E
Revenue growth	12.2	(9.4)	20.3	17.3	15.5
EBITDA growth	(241.4	217.2	35.9	27.5	19.4
Gross margin	24.0	26.4	26.8	27.3	27.5
Operating	(1.3)	1.3	1.9	2.3	2.5
EBITDA margin	1.1	3.8	4.3	4.7	4.8
Net margin (%)	2.7	4.4	4.7	4.8	4.9
EPS growth (%)	124.9	50.9	27.9	20.0	17.7
Dividend yield	171.8	228.6	542.9	342.9	400.0
ROE (%)	19.7	26.6	39.6	50.2	47.8

5. Conclusions and Recommendations

5.1 Key dimensions and conceptual framework

This study has addressed for a new direction of competitiveness focusing on holistic perspective toward value creation as a more promising approach to build competitiveness and sustainability in a highly turbulent environments. The proposed conceptual framework indicates that applying the holistic perspective, the company should employ three basic principles focusing on market-based view, resource-based view and the emergent view. The market-based view comprises the four key dimensions: market orientation, customer-driven, world class-driven and competitive position whereas the key components of resource-based view are strategic resource orientation, employee-driven innovation and networking. Meanwhile the emergent view elaborates the two key elements: interconnected collaboration and strategic collaboration. Accordingly, several propositions are stated in the similar

direction, i.e. the more the company can apply all the key dimensions suitably and coincidentally, the greater superior value creation in terms of unique differentiation, consistent cost leadership/efficiency and excellent changing business position, the more sustainable advantages and business success.

Based on the findings from the in-depth interviews with 26 senior executives, more than 70 per cent of them support the need to apply the holistic approach but the emphasis has to be on customer focus and demand driven orientation to superior value creation as they are really crucial to the long term business success. Achieving such outcome, firms need to develop unique customer value accounting for the largest proportion in conjunction with other stakeholders' values. In additions, it has to recognize which components of value creation are key drivers to business success and sustainability in order to develop them consistent with the rapid environmental changes.

5.2 Other relevant concepts and appropriate research methods

The implementation along holistic perspective is not easy as the company has to transform the key business processes into "hard to imitate" strategic capabilities and manages them to consistently provide superior value in the eyes of customers.

The findings from the in-depth interviews suggest to employ various concepts, in particular total quality management (TQM), relationship and experience marketing and

sufficiency economy to deeper understanding the proposed framework and increase its applicability.

In the similar vein, there is a need to use more qualitative than quantitative research to collect relevant information for better applying holistic value creation. However, an integrative approach between knowledge-based approach (brain storming, seminar/conference) and behavioral approach (in-depth interview) is most advised. Finally, all respondents agree to employ both qualitative and quantitative measures to assess the impact of value creation on sustainability and business success. The former key-based measurement should be satisfaction, happiness and attitudes toward the company whereas the latter assessment should be focused on dividend payment or ROE, sales/revenue growth and profit.

5.3 Empirical illustration of a real case study

The findings from the case study of CP All, the success public company in Thailand retail trade industry highly support the stated propositions and provides more insights on how holistic value creation is applied.

Following the emergent view, CP All has started its strategic capabilities through global partnership by purchasing license of 7-Eleven trademark from the USA in 1988. Then continuously develop core capabilities into its business process based on dual orientations of customer focus and employee driven in regard to high cooperation and good relationship with all stakeholders using

advance technology, knowledge and comprehensive information through the organization learning, innovative focus, largest store networks, excellent logistics and technical assistance for best practice. This dynamic strategic capabilities enable the company to consistently create superior value regarding unique differentiation of more than 2,000 products and services as a focus on “convenience”, speedy on-time delivery, greater efficiency and quickly response to the rapid environmental changes. CP All’s performance (ROE, ROI and net profit margin) has been outperformed the industry during 2004-2009 and it will be far higher than the average in 2010-2012 mainly due to the shift of it’s focus business from convenience outlet to convenience food store aligning with offering new food items generating high margin and sales volume including alliances enlargement of high potential businesses. All these evidences confirm that applying holistic orientation properly enables the company to optimize the development of value creation which resulting in sustainable advantages and long-run business success.

5.4 Managerial implication and future research

Evidences and research findings indicate that holistic value creation is worth applying either in small or large organizations. The major forces driving to its successful implementation do not depend on the size or investment but on high commitment, efforts and coordination among stakeholders and alliances essential for developing sound strategic

capabilities in the business process. Such process is critical to deliver superior value continually to the customers consistent with their real needs and better than competitors. It is, thus, suggested firms to pursue at least four strategic capabilities to achieve superiority and sustainability: 1) set up clear vision and plan; 2) develop core competencies able to provide superior value creation satisfying customers including key stakeholders and hard to imitate; 3) develop harmonized, learning and innovative organization to ensure the continuity of advantages and superior outcomes; and 4) develop crucial market intelligence and controlling system able to make sound anticipation of market trends, fast feedback and improvement as well as quick response to the environmental changes.

Future research should extend the scope of this study to other five aspects: 1) conduct more case studies to explore the impact of various key dimensions on sustainable advantages and superior performance; 2) operationize the conceptual framework in order to obtain a proper model with testable hypotheses; 3) add social view to the holistic perspective and explore how it creates superior value and sustainability; and 4) examine what is the optimum mix of holistic value creation generating the most feasible advantages and sustainability across industries and situations; and 5) develop sound theoretical foundation and measurement of holistic value creation to widen its application and contribution.

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