

Does outsourcing manufacturing enhance or erode firm innovativeness?

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Session 3.9.2 Room: S113

Marketing Strategy

A Theoretical View on Marketing Strategy

Chair: **Pratik Modi**, Portsmouth University / Portsmouth Business School, Institute of Rural Management Anand

Toward a Greater Understanding of the Market Orientation and Internal Market Orientation Relationship

Pratik Modi, Portsmouth University / Portsmouth Business School, Institute of Rural Management Anand

Gurjeet Kaur, University of Jammu

Market orientation's (MO) positive impacts on customer, employee, and performance related outcomes are well documented. However, the mechanism through which MO works to improve employee outcomes (EO) needs further understanding. We argue that MO acts through internal market orientation (IMO) to improve EO, which in turn contributes to performance outcomes. This is contrary to some previous studies, which view IMO as the antecedent of MO. Using data from 370 non-profit organizations, we empirically validate our model and rule out alternative arguments. Our findings show that organizations develop IMO to institutionalize and maximize the benefits of MO. The study reports the complementarity of MO and IMO and discusses important theoretical and practical implications arising from the study.

Keywords: Market Orientation, Internal Market Orientation, Nonprofit Marketing

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Relationship Marketing and TCE: Testing the Power of Alternative Theories in Explaining Business Relationships

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Marco Visentin, University of Bologna

In this study the authors build from two conceptual frameworks of relationships, the one based on an economic perspective, the TCE, and the other one based on a more social approach to relationships, to examine the degree of support for these alternative explanations of both the intention to upgrade the relationship and the establishment of vertical control. Hypotheses are tested using primary data on 200 buyer-seller dyadic relationships. Our results suggest that TCE variables explain more variance of vertical control, while relational variables explain more variance of the intention to upgrade the relationship.

Keywords: Transaction Cost Economics, Relationship Marketing, Intention To Upgrade

The Definitions and Constructs of Consumer Empowerment in Marketing: A Review and a Way Forward

Fernando Angulo, Grant Macewan University

Albena Pergelova, Grant MacEwan University

The focus of this article is to systematically and critically examine the extant consumer empowerment constructs in the marketing literature in order to provide a synthesis and guidelines that can help researchers in the field. To move the field forward, we need a "roadmap" that is broader (instead of narrowly focused on technology or customer participation in NPD) and that is able to integrate different theoretical and disciplinary standpoints on empowerment. The way managers think about power and empowerment will likely determine their companies' strategic, cultural and tactical approach and consumers' reaction to them. Conceptualizing and measuring empowerment in a limited way is doing a disservice to managers.

Keywords: Empowerment, Psychological, Co-Creation

Does Outsourcing Manufacturing Enhance or Erode Firm Innovativeness?

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Many firms are attracted to outsourcing manufacturing because of the cost reductions that can be attained. However, while there is consensus that outsourcing the manufacturing function may help firms in cutting costs, a critical question in the context of manufacturing outsourcing is whether it makes outsourcing firms more or less innovative. Despite decades of research on outsourcing, this debate is yet to be resolved. We aim to provide more insight into the relationship between outsourcing manufacturing and innovation by developing a contingency framework. More specifically, we argue that the effect of outsourcing on innovation depends on demand volatility, R&D intensity, and marketing intensity.

Keywords: Outsourcing, Innovation, Count Model