

Strategic Market-Driving Orientation and Marketing Profitability: An Empirical Investigation of Software Businesses in Thailand

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Abstract

The purpose of this research was to investigate the influence of strategic market-driving orientation consist of entrepreneurial mindset implementation, market-sensing capability, value innovation emphasis, customer education competency and market leader orientation on marketing profitability. The 162 software businesses in Thailand were used as samples of the research. For the statistical analyses, this research used ordinary least square regression to test hypotheses. The findings indicated that entrepreneurial mindset implementation, customer education competency and market leader orientation have significantly positive influence with marketing competitiveness and marketing profitability. However, market-sensing capability and value innovation emphasis have significantly negative influence on marketing competitiveness and marketing profitability. Additionally, marketing competitiveness has a significantly positive influence on marketing profitability. The evidence of this research gives the direction for software businesses in Thailand to enhance marketing profitability. Theoretical and managerial contributions are presented. Also, a conclusion, suggestions, and directions for future research are also suggested.

Keywords: Strategic Market-Driving Orientation, Marketing Competitiveness, Marketing Profitability

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1. Introduction

Marketing is the set of activities for offering value through products and services to the customers for receive benefits to the firm (Kotler, 2003). Firm have to understand what customer needs for creating and offering values to those customers through market orientation (Hawkins & Motherbaugh, 2007, Homburg et al., 2009). Consequently, firm can receive profits from the value creation which customer can perceive (Kotler & Armstrong, 2012). Thus, market orientation is an important factor for create sustainable competitive advantages and superior performance (Dierickx & Cool, 1989; Hunt & Morgan, 1995; Porter, 1996). Normally, firm can create market orientation into two ways: market-driven orientation and market-driving orientation. Market-driven orientation starts from understanding the customer's needs and reacts to those needs by offering products and services which meet the customer's needs in the market (Kumar, Scheer, & Kotler, 2000). Another market orientation concept is market-driving orientation. Rather than understanding the customer's needs and reacts to those needs, market-driving tries to change the compositions of the market such as changing behaviors of customers and competitors, and reshaping the structure of the market for receive benefits from the being as the market pioneer (Jaworski, Kohli, & Sahay, 2000; Schindehutte, Morris, & Kocak, 2008). From those reasons, the concept of strategic market-driving orientation is starting to catch attention from both practitioners and scholars (Harris & Cai, 2002). Nevertheless, there still has been less empirical research of market-driving orientation than market-driven orientation, this challenge for generalizing market-driving orientation concept (Jaworski, Kohli, & Sahay, 2000; Saekoo & Ussahawanitchakit, 2009). Additionally, most of market-driving orientation research examines the relationship of each single construct and lacks of a holistic model which integrates market-driving orientation into one conceptual framework. For the consequences of market-driving orientation, there is no evidence to demonstrate the relationship between dimensions of market-driving orientation and marketing competitiveness which lead to marketing profitability.

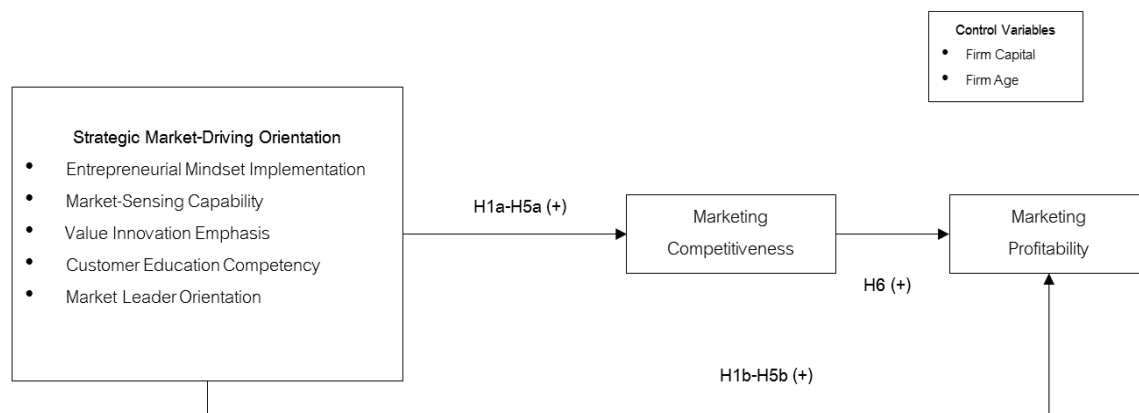
To fulfill these research gaps, the main purpose of this research is to investigate the influence of strategic market-driving orientation on the marketing profitability. This research focuses on software businesses in Thailand as sample because software industry is a part of the high technology industry and software industry is related to fast rate technology changes and made software firms has new opportunity to change market components by adopt occurred technology to conduct new marketing strategy (Ali, Peters, He, & Lettice, 2010; Patibandla & Petersen, 2002; Perks, Kahn, & Zhang, 2010). Moreover, software businesses in Thailand are continually growing as seen in the 4.3% of growth rate in 2016 compared with 2015, and 60 billion baht of market value. The Software Industry Promotion Agency (SIPA) forecasted the growth rate of the software industry in 2017 as increasing to 4.4 % compared to 2016, due to the increasing rate of mobile devices usage such as in smartphones, tablets and wearable devices. Those made for new opportunities for software firms to offer products and services to the customers. Hence, the software business is appropriate as a sample for this research.

The remaining parts of this research are organized as follows. First, the author will designate the relevant literatures which are associated to the strategic market-driving orientation and also develop hypotheses. Second, research methodology comprising the sample selection, data collection procedure, constructs measurement and the equations for test the hypotheses are describe. Third, the author will deliver the result of hypotheses testing and discussion. Finally, the author will summarize the findings besides the theoretical contributions and managerial implications. Future research suggestion also offered in this research.

2. Literature review and hypothesis development

The purpose of this research is to examine the influence of strategic market-driving orientation on marketing profitability. The conceptual model which present the relationship of variables are shown in Figure 1.

Figure 1: Conceptual model of strategic market-driving orientation and marketing profitability



2.1 Strategic market-driving orientation

In this research, strategic market-driving orientation refers as the firm's value activities and capability for driving market by changing compositions of a market such as behaviors of customers competitors and structures of the market from modification the value creation of product, market and industrial level (Berghman, Matthyssens, & Vandenbempt, 2006; Ghauri, Tarnovskaya, & Elg, 2008). The strategic market-driving orientation consist of entrepreneurial mindset implementation, market-sensing capability, value innovation emphasis, customer education competency and market leader orientation which are described as follows:

2.1.1 Entrepreneurial mindset implementation refers to the firm's execution of the progression and decision-making actions when enters the market (Morris, Schindehutte, & Allen, 2005). Entrepreneurial mindset implementation in this research emphasize with the proactiveness and risk-taking (Morris, Schindehutte & LaForge, 2002). Proactiveness is the firm's tendency to aggressively and proactively

participate with a new marketing possibility than competitors (Covin, Slevin, & Heeley, 2001). Risk-taking is the degree of a firm that willing to commit to new marketing possibilities that a firm acquired by allocating the resources for offering of products and services that a firm creates from the marketing possibilities that the firm acquired (Wiklund & Shepherd, 2005; Zahra & Covin, 1995). Prior study indicates that entrepreneurship plays the important roles when a firm conducts market-driving orientation (Schindehutte, Morris, & Kokac, 2008). In addition, entrepreneurial mindset implementation can lead a firm to attain competitive advantage and higher firm performance (Ireland et. al, 2003; Li, Huang, & Tsai, 2009; Wiklund & Shepherd, 2005). Likewise, entrepreneurship make a firm obtain higher customer values (Nasution, Mavondo, Mataanda, & Ndubisi, 2011). Therefore, the hypotheses are proposed as follows:

Hypothesis 1: Entrepreneurial mindset implementation will positively relate to a) marketing competitiveness and b) marketing profitability.

2.1.2 Market-sensing capability refers to a firm cognizant about market environments such as trends and events, which firm can continually understand and react to that trends and events in the markets and customers (Cohen & Levinthal, 1990; Day, 1994). Firms that conduct strategic market-driving orientation is necessarily to have market-sensing capability. The market-sensing capability appeal customers, develops appropriate relationships, and impedes competitors by creating unequal information about markets and leading to marketing outcomes (Lankinen, Rökman, & Tuominen, 2008). From the empirical evidence, Hills and Sarin (2003) found that market-sensing capability, customer preference behavior and competitive sensitivity can drive markets by creating changes in the high-tech industries market from the firm's technology advantages. This is consistent with the study of Wongtianchai and Ussahawanitchakit (2014) suggested the forward market-sensing is one of the dimension of market-driving strategy which influences marketing changes in management and marketing performance. Likewise, Sajjaviriya and Ussahawanitchakit (2015) adopt the forward market-sensing as a dimension of market-driving strategy orientation which has positive influence to product excellence, customer education, market moving success and competitive influence effectiveness which leads to marketing performance. In addition, Chimngamsert and Ussawanitchakit (2013) found the market-sensing capability has a positively influence to the customer response competency which refers as an ability and flexibility of a firm to quickly respond to customer demands within an appropriate time, as well as maintain competitive advantage. Therefore, the hypotheses are proposed as follows:

Hypothesis 2: Market-sensing capability will positively relate to a) marketing competitiveness and b) marketing profitability.

2.1.3 Value innovation emphasis refers to the firm focus on new and higher customer offering in the market and empowering a quantum leap in customer demands and new markets by the firm's integration and reconfiguration of a market (Kim & Mauborgne, 1999). Innovation plays the roles for successful of market-driving strategy (Hills and Sarin, 2003; Kumar, Scheer, & Kotler, 2000; Sajjaviriya & Ussahawanitchakit, 2015). Value innovation leads a firms to develop new methods of competition to create

new value creation by leading firm create better customer satisfaction and lead firms accomplish competitive advantages and higher firm performance (Baden-Fuller & Stopford, 1994). Additionally, value innovation can transporting superior customer value in industrial markets emphasized to create and capture new demand or new market space and successful implementation (Kim & Mauborgne, 1999). Further, value innovation can support the market expansion activities and received higher performance (Lin & Chen, 2007). Therefore, the hypotheses are proposed as follows:

Hypothesis 3: Value innovation emphasis will positively relate to a) marketing competitiveness and b) marketing profitability.

2.1.4 Customer education competency refers to a firm has skill to inform and instruct the customers about the products' information by communicating through multi-communication channels (Burton, 2002). Customer education competency is important for strategic market-driving orientation, because strategic market-driving orientation tries to offer new and radical products or values to the customer by creating new products and services which sometimes customer cannot consume or perceive that radical products which firm offers (Kumar, Scheer, & Kotler, 2000). For the empirical evidence, Lee and O'connor (2003) found the firm's communication strategies included preannouncement and advertising has positive effect with the new product performance included market penetration, market extension to the new market and customer satisfaction. Additionally, customer education can retain customer to participation with firm's product and service rather than competitors (Sutton, Lachowetz, & Clark, 2000; Yin & Yang, 2009). Furthermore, firm needs customer education when introducing new product into the new market (Aarikka-Stenroos & Sandberg, 2012). Therefore, the hypotheses are proposed as follows:

Hypothesis 4: Customer education competency will positively relate to a) marketing competitiveness and b) marketing profitability.

2.1.5 Market leader orientation refers to a firm aim to create activities which facilitate firms to dominate market for convincing customers to participate in a firm's products and service over competitors (Floyd & Lane, 2000; Atuahene-Gima, Li, & De Luca, 2006). A market leader has an ability to drive the market which is the vital objective of strategic market-driving orientation (Kumar, Scheer, & Kotler, 2000). Market leader firm has an opportunity to drive markets as the first-mover by offering of new products, gaining new markets, creating new customer values, and reforming the competition and market behaviors (Charpavang & Ussahawanitchakit, 2010). These gain benefits for the firm from a pioneering market, including the important resources preemption and control, gaining corporate reputation and establishment as the buyer switching costs (Boulding & Christen, 2001; Grimm & Smith, 1997; Lieberman & Montgomery, 1988). This leads firms to attain higher competitive advantage and higher performance. Therefore, the hypotheses are proposed as follows:

Hypothesis 5: Market leader orientation will positively relate to a) marketing competitiveness and b) marketing profitability.

2.2 The relationship between marketing competitiveness and marketing profitability

In this research, the consequences of strategic market-driving orientation include marketing competitiveness and marketing profitability. The details of each constructs are shown as follows.

2.2.1 Marketing competitiveness refers to a firm has an inimitable position compared with its competitors in terms of product quality, novelty, uniqueness, and reputation in a customer's mind (Thipsri & Ussahawanitchakit, 2009). Pervious research indicated that marketing competitiveness leads the firm to attain marketing profitability (Kaewmungkoon, Ussahawanitchakit, & Raksong, 2016; Shang, Yildirim, Tadikamalla, Mittal, & Brown 2009). Therefore, the aforementioned relationships can be hypothesized as follows:

Hypothesis 6: Marketing competitiveness will positively relate to marketing profitability.

2.2.2 Marketing profitability refers to the outcome which is accomplished in the long run it is derived from an organization's perception which reflects customer perception, and purchases in terms of increasing of sales units of current customers, the rate of sales growth, and growing of market share (Kaynak & Kara, 2004; Jaakkola, Möller, Parvinen, Evanschitzky, & Mühlbacher, 2010; Hultman, Katsikeas, & Robson, 2011). Therefore, this research implies that strategic market-driving orientation is positively related to marketing profitability and is becoming a source of competitive advantage to support firms in creating superior performance, both in the short and long-term (Hurley & Hult, 1998; Vázquez, Santos, & Álvarez, 2001).

3. Methodology

3.1 Sample Selection and Data Collection Procedure

For this research, the population and sample are 855 software businesses which registered as member of The Software Industry Promotion Agency (SIPA). Consequently, a suitable sample is 171 firms under the 95% confidentiality rule (Krejcie & Morgan, 1970). Based on earlier research, a 20% response rate for a mail survey, without an appropriate follow-up procedure, is considered sufficient (Aaker, Kumar & Day, 2001). Therefore, a total of 855 firms of software business are an appropriate sample for a distributed mail survey which as the population for efficiency of the research. A mailed survey of questionnaire is used to collect data. The key informants for this study are marketing manager, marketing director. As a result, the questionnaires are directly distributed to 855 marketing executives of software businesses in Thailand. As a result, a total of 167 questionnaires were returned, and 162 were usable. The data collection yielded 172 mails was undelivered caused by changes of address or business closing down. Thus, the effective response rate was approximately 23.72 percent. The rule of thumb for the minimum sample size should exceed five observations for each variable (Hair, Black, Babin, & Anderson, 2010). Therefore, 162 software firms are an acceptable as sample size for multiple regression analysis utilization.

3.2 Test of non-response bias

For generalizing the data from the sample to the population, this research uses a method for testing the non-response bias, from the suggestion of Armstrong and Overton (1977). It compares data from early and late respondent groups on the basis of their arrival dates by using t-test comparison of the firm's demographic information such as the amount of capital and firm age. The results of the t-test show no significant difference between these two groups of respondents, it indicates that these questionnaires no significant difference between early and late received. Thus, it is supposed that non-response bias had no major effect on the results of this research.

3.3 Variable measurement

The measure of development procedures involves multiple items development for measuring each construct in the conceptual model because multiple items increase the validity and reliability of the measures (Churchill, 1979). Each of these variables is measured by a five-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree).

3.3.1 Dependent variable

Marketing profitability is measured by the perception of business on overall outcomes and marketing goal achievement of the firm which accomplished in the long run, derive from customer perception and purchase in term of increasing sales unit of current customer, customer acceptance, rate of sales growth, and growing of the market share. This construct is developed from the definition and literature review; and is adapted from Meesupthong and Ussahawanitchakit (2013), which includes a four-item scale.

3.3.2 Independent variable

This research consists of 5 independent variables which is the core construct of this research, strategic market-driving orientation. The measure of each construct depends on its definition, which is also detailed.

Entrepreneurial mindset implementation is evaluated by the degree of progression, decision-making and actions on seeking for opportunity, acquiring of new marketing technique, method, procedure and allocating resources for the new marketing techniques. This construct is developed as a new scale from the definition and literature, including a five-item scale.

Market-sensing capability is measured by the level of firm on customers' needs analyzing, evaluating competitors and market situation analysis. This construct is developed from Kumar, Scheer and Kotler (2000), including a four-item scale.

Value innovation emphasis is measured by the degree of the firm to accomplish higher customer value in the market by developing variety products into the market, applying modern technology in marketing operation and continuously improving marketing operations. This construct is developed as a new scale from the definition and literature, including a four-item scale.

Customer education competency is measured by the degree of the firm to plan and allocate budget for educating and providing information, knowledge to the customers. This construct is adapted from Bell and Eisingerich (2007), including a four-item scale.

Market leader orientation is evaluated the level of firm emphasizing on being a market leader by gathering knowledge, supporting staffs to be creative for planning marketing strategy and presenting of new products to the market. This construct is developed as a new scale from the definition and literature, including a four-item scale.

3.3.3 Mediating variables

For this research, marketing competitiveness is proposed as the mediating variable which evaluated by firm has creative products that better and differ from competitors, has marketing service that can respond customer demand and create product and service that has more suitable cost than competitors. This construct is adapted from Oliver and Holzinger (2008), including a four-item scale.

3.3.4 Control variables

This research employs firm capital and firm age as the control variables. Firm capital is measured by the amount of money a firm has registered to its business. It is represented by a dummy variable (0 = total assets of the firm that are less than 10,000,000 baht, and 1 = total assets of the firm that are equal to or more than 10,000,000 baht). Firm age is measured by the number of years a firm has been in operation. It is represented by a dummy variable (0= the firm has been in business less than or equal to 10 years, and 1 = firm has been in business more than 10 years).

3.4 Reliability and validity

For examining the internal consistency or reliability of the constructs, Cronbach's alpha is widely used to evaluate the reliability (Hair et al., 2010). Additionally, Nunnally and Bernstein (1994) suggested that Cronbach's alpha coefficients have to be greater than 0.70 and be widely accepted. The findings of Cronbach's alpha coefficients were between 0.748 and 0.928 which exceeds the acceptable cut-off score. It can be concluded that the internal consistency of the entire scale exists in this research. Additionally, to examine the construct validity of the measurement in the questionnaire, this research employs both confirmatory factor analysis (CFA) and exploratory factor analysis (EFA) (Fisher, Maltz, & Jaworski, 1997). In regards to factor analysis, all constructs have factor loading that are greater than 0.40, which rely on the suggestion of Nunnally and Bernstein (1994). The results found that each item of all variables is loaded on a single factor and the range of factor loadings is between 0.652 and 0.921. These values are greater than the cut-off score of 0.4 which indicates acceptable construct validity. Factor loadings and Cronbach alpha coefficients are shown in the table 1.

Table 1: Result of measure validation

Variables	Factor Loadings	Cronbach's Alpha
Entrepreneurial Mindset Implementation (EMI)	.654-.850	.791
Market-Sensing Capability (MSC)	.637-.889	.800
Value Innovation Emphasis (EMI)	.659-.811	.763
Customer Education Competency (CEC)	.691-.863	.817
Market Leader Orientation (MLO)	.652-.841	.748
Marketing Competitiveness (MCN)	.828-.882	.879
Marketing Profitability (MPF)	.850-.921	.928

3.5 Statistical techniques

To test all hypotheses which are included in the conceptual model of this research, the authors conducted Ordinary Least Squares (OLS) regression analysis. The regression analysis is suitable for examining the relationships between the independent and dependent variables in which all variables are categorical and interval data (Hair et al., 2010). Therefore, all proposed hypotheses in this research are transformed into three equations. Each equation follows the hypotheses development described in the previous chapter. The equations are depicted as follows:

$$\text{Equation 1: } MCN = \alpha_1 + \beta_1 EMI + \beta_2 MSC + \beta_3 VIE + \beta_4 CEC + \beta_5 MLO + \beta_6 FCP + \beta_7 FAG + \varepsilon_1$$

$$\text{Equation 2: } MPF = \alpha_2 + \beta_8 EMI + \beta_9 MSC + \beta_{10} VIE + \beta_{11} CEC + \beta_{12} MLO + \beta_{13} FCP + \beta_{14} FAG + \varepsilon_2$$

$$\text{Equation 3: } MPF = \alpha_3 + \beta_{15} MCN + \beta_{16} FCP + \beta_{17} FAG + \varepsilon_3$$

4. Results and discussion

Table 2 is shown descriptive and correlation matrix of all variables. In this research, correlation coefficient was from 0.222-0.783 which was lower than 0.80 and indicated that there is no multicollinearity problem (Hair et al., 2010). Moreover, variance inflation factors (VIF) are used to test for the multicollinearity. The results state that VIF's were from 1.259 to 3.959 which was lower than 10 and indicated that there is no multicollinearity problem (Hair et al., 2010). Table 3 shown the results of OLS regression of the relationship between each dimension of strategic market-driving orientation and its consequences.

Table 2: Descriptive statistics and correlation matrix

Variables	EMI	MSC	VIE	CEC	MLO	MCN	MPF	FCP	FAG
Mean	4.35	4.18	4.22	4.28	4.14	3.966	3.920	-	-
S.D	0.53	0.65	0.61	0.60	0.62	0.701	0.818	-	-
EMI	1								
MSC	.668 ^{***}	1							
VIE	.611 ^{***}	.767 ^{***}	1						
CEC	.600 ^{***}	.759 ^{***}	.714 ^{***}	1					
MLO	.524 ^{***}	.783 ^{***}	.754 ^{***}	.755 ^{***}	1				
MCN	.514 ^{***}	.436 ^{***}	.360 ^{***}	.563 ^{***}	.537 ^{***}	1			
MPF	.385 ^{***}	.336 ^{***}	.222 ^{***}	.477 ^{***}	.473 ^{***}	.738 ^{***}	1		
FCP	-.076	-.060	-.024	-.043	-.041	-.084	-.040	1	
FAG	-.121	-.107	-.145	-.157 ^{**}	-.099	-.197 ^{**}	-.140	.423 ^{***}	1

*** p < 0.01, ** p < 0.05

For hypothesis 1, the result indicate that entrepreneurial mindset implementation (the first dimension) is significantly and positively related to all outcomes: marketing competitiveness ($\beta_1 = 0.391$, $p < 0.01$), and marketing profitability ($\beta_8 = 0.311$, $p < 0.01$). Firm that have high level of entrepreneurship will explore and seek a new marketing possibilities such as conduct strategic marketing processes (Barringer & Bluedon, 1999). According to Li, Huang and Tsai (2009), firm that has high level of entrepreneurial mindset tend to have higher competitive advantage and performance. **Thus, Hypotheses 1a, 1b are supported.**

Secondly, it is found that market-sensing capability (the second dimension) has negative significantly related with marketing competitiveness ($\beta_2 = -0.227$, $p < 0.10$) and marketing profitability ($\beta_9 = -0.227$, $p < 0.10$). For software businesses, it is possible that firm have to allocate firm's resources such as time, money and technology learning for create product and service to response new marketing possibilities and this might affect with firm's marketing competitiveness and marketing profitability. Moreover, software business might meets failure when too late offer new product or service to meet new market possibilities, because of the technology in the software businesses is changing in high rate as a result, when technology changes in high rate, customers' needs might also changing rapidly due the customers' exposure with news and media about technology. Thus, when software firms try to response new marketing possibilities, this possible to meet sales failure because customer already changed their needs or firms offers products too late for response with marketing changes and these might affect to the firm's performance. According to Kumar, Scheer and Kotler (2000), when firm sense with new marketing

possibilities, firm will create new marketing strategy and make the firm allocate marketing resources for marketing activities operations and reducing both firm's advantages and performance. Hence, *Hypotheses 2a and 2b are not supported.*

Surprisingly, the findings suggest that value innovation (the third dimension) has negative significant relationship with marketing competitiveness ($\beta_3 = -0.350$, $p < 0.01$) and marketing profitability ($\beta_{10} = -0.520$, $p < 0.01$). This possible because most of software business in Thailand in this research (63.6%) has average annual income less than 40,000,000 bath, which means that acquiring innovation in software industry that usually short-lived and expensive might affect with firm's performance and made firm cannot operate firm's business activities due to the lack of funds (Saxena, Deodhar, & Ruohonen, 2016). According to Siguaw, Simpson and Enz (2006), argued that product innovation might diminishing firm performance because sometimes firm has to allocate more resources to create new innovations and change employee attitudes and procedures which make for higher cost and decrease firm performance. Moreover, the improvement of technology can reduce the advantages of innovation because competitors might spotlessly duplicate that innovation (Schultz, 1998). *Thus, Hypotheses 3a and 3b are not supported.*

Fourthly, the results indicate that customer education competency (the fourth dimension) is significantly and positively related to all outcomes: marketing competitiveness ($\beta_4 = 0.364$, $p < 0.01$), and marketing profitability ($\beta_{11} = 0.375$, $p < 0.01$). this result consistent with Lee and O'connor (2003) which found firm's communication strategies included preannouncement and advertising has positive effect with the new product performance included market penetration, market extension and customer satisfaction. Likewise, Harris and Cai (2002) found De Beers in China are become a market leader because of the intensively educating about product features with their Chinese customers. *Thus, Hypotheses 4a and 4b are supported.*

Further, the research reveals that market leader orientation is significantly and positively associated with all outcomes: marketing competitiveness ($\beta_5 = 0.487$, $p < 0.01$), and marketing profitability ($\beta_{12} = 0.588$, $p < 0.01$). Firm that uses intensively market activities can gain benefits to the firm by important resources preemption and control, gaining corporate reputation and establishment as the buyer switching costs and lead firms to attain higher competitive advantage and higher performance (Boulding & Christen, 2001; Grimm & Smith, 1997; Lieberman & Montgomery, 1988). *Thus, Hypotheses 5a, 5b, are supported.*

Table 3: Results of hierarchical regression analysis for effects of each dimension of strategic market-driving orientation on its consequences

Independent Variables		Dependents Variables		
		MCN	MPF	MPF
EMI	(H1a-b)	0.391*** (0.083)	0.311*** (0.088)	
MSC	(H2a-b)	-0.227* (0.117)	-0.227** (0.124)	
VIE	(H3a-b)	-0.350** (0.104)	-0.520** (0.110)	
CEC	(H4a-b)	0.364*** (0.102)	0.375*** (0.109)	
MLO	(H5a-b)	0.487*** (0.109)	0.588*** (0.116)	
MCN	(H6)			0.739*** (0.055)
FCP		0.028 (0.154)	0.094 (0.163)	0.055 0.139
FAG		-0.248 (0.132)	-0.203 (0.140)	-0.008 0.120
Adjusted R ²		0.442	0.371	0.536
Maximum VIF		3.959	3.959	1.259

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

Finally, the analyses indicate that the marketing competitiveness is significantly and positively related to marketing profitability ($\beta_{15} = 0.739$, $p < 0.01$). According to prior research, it was found that several firms' effort to reach more marketing profitability by heightened marketing competitiveness such as superior market position, holding customer satisfaction, and offering customer value (Vorhies & Morgan, 2003; Hughes & Morgan, 2007). This consistent with Wei and Wang (2011) found that competitive marketing advantage has a positive influence with firm's financial performance. Similarly, Carbonell and Rodriguez (2006) found marketing competitiveness such as positional advantage has positive influence with new product performance, and financial performance. Additionally, Panya and Ussahawanitchakit (2013) found a positive relationship between marketing advantage and marketing profitability. *Thus, Hypothesis 6 is supported.*

Additionally, the results of control variables indicate that firm age and firm capital are not significantly related to all dimensions of strategic market-driving orientation. It can be interpreted that a

longer period of time in a business and a higher number of capital do not significantly affect the level of marketing competitiveness, and marketing profitability.

5. Contributions

5.1 Theoretical contribution

This research attempts to gain more understanding of the relationships between strategic market-driving orientation and marketing profitability. This research provides unique theoretical contributions on resource advantage theory, the results in this research are confirmed the resource advantage theory support the overall relationships of the variables in this model. The resource advantage theory explains the relationships among each dimension of strategic market-driving orientation and the consequences (marketing competitiveness and marketing profitability). Moreover, this research proposes five new dimensions of strategic market-driving orientation which comprises entrepreneurial mindset implementation, market-sensing capability, value innovation emphasis, customer education competency and market leader orientation. It provides an important theoretical insight which develops from the positive relationships among each dimension of strategic market-driving orientation and outcomes. In addition, this research also expands the previous knowledge and literature of strategic market-driving orientation of software businesses in Thailand.

5.2 Managerial contribution

The research provides useful contributions and implications to executives, top managers, marketing managers, marketing directors for create strategic market-driving orientation into organization. The strategic market-driving orientation made businesses firm attain higher marketing competitiveness and higher marketing profitability from creating new values or modifying marketing components. For the software business in Thailand, the findings of this research suggest the entrepreneurial mindset implementation, customer education competency and market leader orientation are the critical components to made firm attain higher marketing competitiveness and marketing profitability. Thus, marketing executives should pay more attention with these marketing activities when create strategic market-driving orientation for attaining higher sustainable competitive advantages and higher performance.

6. Conclusion

The purpose of this research is to examine the effect of strategic market-driving orientation on marketing profitability in the software business in Thailand. The results indicated that three of five dimensions of strategic market-driving orientation (including entrepreneurial mindset implementation, customer education competency and market leader orientation) have a significant positive relationship with marketing competitiveness and marketing profitability. Further, marketing competitiveness has a positive influence on marketing profitability. The result of this research indicate that strategic market-driving orientation (especially, entrepreneurial mindset implementation, customer education competency and

market leader orientation) can make firm attain higher marketing competitiveness and marketing profitability.

In this research, limitation provided as follows: Firstly, the results of this research analyzed from single population, the software businesses in Thailand, this might insufficiency of generalizability results of this research into other population. Secondly, 172 undelivered mail surveys was approximately 20.12 percent in that it was both out of business and relocation indicated that the addresses in the database of Software Industry Promotion Agency (SIPA) are not update and the absent samples might be a key answer to more support of the hypotheses if the questionnaires returned. Hence, future research should study with other populations that dissimilar both characteristics and type of business for comparing results with this research; and increase both research generalizability and research credibility at the same time.

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