

# Proactive Product Strategy and Marketing Profitability: An Empirical Investigation of Furniture and Decorative Product Businesses in Thailand

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## Abstract

Proactive product strategy has been accepted as one of the key capabilities of marketing profitability. The purpose of this research was to investigate the relationships among the dimensions of the proactive product strategy and marketing profitability. The population and sample were the furniture and decorative product businesses in Thailand, totaling 156 firms. The period of data collection was June to August 2016. The regression analysis indicated that the dimensions of proactive product strategy consist of new product development implementation, radical product innovation emphasis, original product design focus, and excellent product identity capability have a significant positive influence on marketing advantage. Moreover, marketing advantage has a strong and positive effect on marketing profitability. Finally, this research generates suggestions for marketing executive utilized proactive product strategy to manage the marketing business strategy, and to be the effective guidelines on the marketing operation of furniture and decorative product businesses in Thailand as well as the recommendation for further research in the future.

**Keywords:** Proactive Product Strategy, Marketing Advantage, Marketing Profitability

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## 1. Introduction

Recently, businesses are facing with a rapidly change environment and have shorter product life cycles. The growth of globalization and the technological advancement lead to firms' competition in broader markets - from the domestic level to the global level. Moreover, the increasing of customer demands and the number of competitors in the broader market leads to businesses difficult to satisfy target customer needs. Meanwhile, there are new competitors entering in the market from many channels such as online, store and private labels result in a rising price war and product diversity (Kotler and Keller, 2012). In addition, the importance of both internal and external factors encouraged to make superior products differentiate in the market. These cause businesses tend to make investment in aggressive product and sales promotions to dominate the target market's consumption to meet customer needs. Since, product is a key important to generate revenue for the organization the organization is trying to offer product and service that can meet the needs and expectations of customers, both today and in the future through proactive product. Consequencely, businesses achieve marketing advantage and marketing profitability in the long-term. Therefore, many businesses make effort deliver outstanding product value to exceed expectation of customers and enhance competitiveness in the marketplace (Naver, Slater and MacLachlan, 2004).

Proactive product strategy (PPS) refers to the process to create distinguishing product value by seeking new opportunities and new offering different from the competitors by focusing on development, improvement, innovative of goods and services to satisfy anticipation for future needs of customers (Blois, 1985; Lumpkin and Dess, 2001; Shankar, 2006; Ottosson and Kindstrom, 2016). The concept of PPS holds the operational approach, it enables to enhance long-term profitability (Dekimpe and Hanssens, 1999). In addition, several researchers have attempted to develop an alternative of creating proactive product based on marketing practice (Atuahene-Gima, Slater, and Olson, 2005; Kumar and Noble, 2016). Likewise, the proactive product strategy can be implemented to create and develop new products in diverse ways, to offer new product and stimulating the emerging needs of customers in the market. Significantly, the marketing implementation of the proactive product strategy is interesting. Moreover, businesses that focus on a proactive product strategy, in addition to their marketing profitability. Consistent with Merrilees et al. (2011) suggested that the initial outcomes of applying marketing capabilities relate to direct customer effects, in terms of selling more units to existing customers, repeat purchases or gaining new customers as a result, market share increased. This research has synthesized the prior research and develop a comprehensive definition of proactive product strategy. Therefore, there are five dimensions applied in a conceptual framework for examining the PPS (Blois, 1985; Shankar, 2006; Ottosson and Kindstrom, 2016). There are five dimensions of PPS as follows (1) new product development implementation, (2) radical product innovation emphasis, (3) original product design focus, (4) unique product value orientation, and (5) excellent product identity capability.

The furniture and decorative product businesses in Thailand are selected the study with proactive product strategy. This business is suitable because furniture and decorative product businesses have

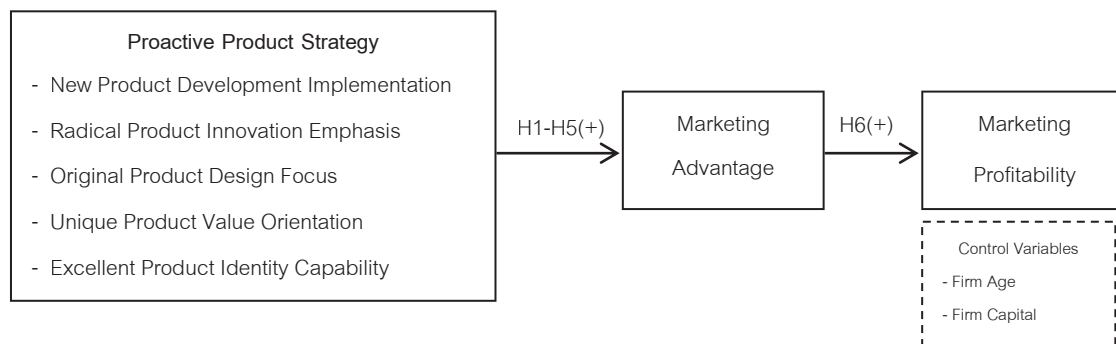
designed and created product comfortable with lifestyle of the customer (Maraprukwan, and Suksa-nguwn-Mann, 2016). Moreover, the products have identity characteristic and outstanding of each target group leads to response customer needs to exceed expectation (Atuahene-Gima, Slater and Olson, 2005). Hence, the furniture and decorative product businesses are focused on that implemented to satisfy customer need and interactive strategy is not enough to make the business achieve. The firm must be operational to develop and value creation of offerings, deliver superior value propositions to all groups of stakeholders, and seek new ways of doing business to achieve the best position in the present and future marketplace, in order to gain a competitive advantage, and increase firm performance. For the reason as above, this research is interesting to examine the effect of the PPS on marketing profitability. The key research question of this research is, “how does proactive product strategy have an influence on marketing profitability?” The purpose of this research is to examine the effects of proactive product strategy on marketing profitability.

The rest of this article is organized as follows. First, we present the conceptual framework and research hypotheses. Then, we describe the methodology and data analyses, followed by the presentation and discussion of our findings. We conclude with a discussion of the managerial implications, and, taking into account the research’s limitations, we offer some recommendations for future research.

## 2. Literature review and hypotheses development

The proactive product strategy is a key variable that is important to marketing profitability. Figure 1 shows the relationships between the proactive product strategy and marketing profitability.

Figure 1: Conceptual model of proactive product strategy and marketing profitability



### 2.1 Proactive Product Strategy (PPS)

Proactive product strategy (PPS) is the firm's ability leading to the evolution of the industry by influencing the process of creating distinguishes offering value in the market or industry; the idea is to focus on new products in anticipation of the future. Behaviors, market demands, market structures, and trends influence demand and first-movers in a competitive market (Ottosson & Kindstrom, 2016). Atuahene-Gima, Slater, and Olson, 2005 suggest that discovering and satisfying the latent needs of customers through observation of customers' behavior, discover a new market opportunity; while, working closely with leading

users, undertaking market experiments discovers future needs, and cannibalizing sales of existing products. Moreover, the proactive product strategy is a key to satisfy customer anticipate on present and future (Li, Qian, & Qian (2014). Similarly, it can enable firms to build competitive advantage, marketing success and superior marketing performance (Lamore, Berkowitz, & Farrington, 2013). Therefore, proactive product strategy is an important instrument to lead the firms to gain marketing opportunity, advantages over other competitors and to attain marketing operational achievement and lead to marketing profitability. In summary, literature review indicates five dimensions of the proactive product strategy comprising new product development implementation, radical product innovation emphasis, original product design focus, unique product value orientation, and excellent product identity capability (Ottosson & Kindstrom, 2016).

#### 2.1.1 New Product Development Implementation (NPD)

New product development implementation is a key marketing operations of a firm for improvement and offering to meet the current and future market demands. Therefore, the integration of marketing in new product development is an important contributor to new product development performance which is an important role in marketing practice excellence, dynamic market responsiveness, outstanding marketing innovation, customer acceptance, marketing advantage, and marketing profitability (Luo, Wong, & Chou, 2015). In this research, new product development implementation refers to operational procedure of the organization to create, concept and guidelines to improve goods and service through research and development, technology application system to deliver goods and service continuously to the marketplace on time and satisfy customer needs.

Several researchers support the positive relationship between the new product development and market responsiveness, customer loyalty, competitor barrier, competitive advantage, to exchange and enhance performance (Li, Qian, & Qian, 2014). The process of new product development is ability of the firms about the marketing activities and process of conceiving and creating a new product and the outcomes of that process in order to achieve the firm's objective in new product development (Schoenherr, Griffith, & Chandra, 2014). Also, new product development implementation is significant in obtaining a firms' competitive advantage (Zemlickiene & Maditinos, 2012). Especially, new product development implementation is likely to show a positive relationship with marketing advantage. Therefore, the hypothesis is provided as follows:

**Hypothesis1: New product development implementation has a positive influence on marketing advantage.**

#### 2.1.2 Radical Product Innovation Emphasis (RPI)

Radical product innovation emphasis is very important in business. Moreover, in the view of proactive product strategy which requires the creation of new products, new market, and develop new products from those of the competitors in order to accomplish a superior competition advantage (Wongtianchai & Ussahawanitchakit, 2014). RPI is the second dimension of proactive product strategy. It is related to new ideas, new method or device or operation which is the process of introducing new product, production is relatively new to the industry, to be developed and marketed by firm. The radical product innovation is the business effort within a corporate setting invent a design for a radically new product or and

seeking support to develop further and commercialize the revolutionary product. Thus, radical product innovation emphasis refers to the operation of the organization to focus on the features analysis of goods and services available in the market, by research and development, creating to innovate a systematic way, to offer distinctive of goods and services, exclusive, and unique, to the market pioneer. The radical product innovation makes a strong advantage over other business competitors, it leads to marketing advantage and superior organizational performance (Slater, Mohr, & Sengupta, 2014). In particular, RPI is likely to show a positive relationship with marketing advantage. Therefore, the hypothesis is provided as follows:

**Hypothesis 2: Radical product innovation emphasis has a positive influence on marketing advantage.**

#### 2.1.3 Original Product Design Focus (OPD)

The importance of product design has increased in recent years because customers' decision-making factors have changed from product price to product design, it builds on the customer perspective, and develop with three product design attributes: aesthetics, features, and physical for response to customer need in the market (Moon, Park, & Kim, 2015). Original product design focus refers to the operation of an organization focused on the ability to integrate knowledge, creating, research, techniques, methods, technology applications, to design prototypes of products and services to exotic the firms of first-mover, to enhance the presentation format of a variety of goods and service in order to satisfy customers' latent and future needs (Landwehr & Herrmann, 2015). This research studies related ability of a firm to operate activities to support of the firms for integration of knowledge, skill, idea, techniques, methods to build prototypes of product characteristics that are both aesthetics and usefulness function, such as physical product, and as the combination of the elements of functionality, aesthetics, and meaning resulting from product characteristics, aesthetics are comprised of sensory cues that influence the product's appearance, such as shapes, colors, and materials (Kumar & Noble, 2016).

The review of research in the past, Lee (2014) found that the furniture firms which focus on creating product design continually, it leads to product development to meet customers' demand, enhance their purchase intention, and improve performance and market competitiveness. Griffith and Rubera (2014) indicate that product design innovation has a positive effect on change in market share strengthens, it shows that the organization has potential rivals, resulting in increased customer acquisition. Hence, it shows the potential of surpassing the competition, competitors must make enhance efforts to build competitive advantage via value added of products, outstanding product design, using of superior resources and difficult to imitate and substitute. Especially, the original product design focus is likely to show a positive relationship with marketing advantage. Therefore, the hypothesis is provided as follows:

**Hypothesis 3: Original product design focus usefulness focus has a positive influence on marketing advantage.**

#### 2.1.4 Unique Product Value Orientation (UPV)

Unique product value is an important strategy of the organization because it concentrates on excellent creating, diverse functionality, exclusive offer and delivering superior value to the firm's customers

and other stakeholders that respond to the expressed, latent, and future needs better than the competitors (Jumpapang, Ussahawanitchakit, & Jhundra-indra, 2013). Unique product value orientation refers to ability of the firm focused on promoting activities excellent creating, special features, diverse functionality high quality, and exclusive offer and superior delivering of goods and services respond to specific customer needs, high expectations and high satisfaction, to the expressed, latent, and future needs better than the competitors. In this research, it is a study about ability of firms to create goods and service on features distinctive and generate most benefit functions to the highest satisfaction of customers. Keller, (1998) indicated that differentiate the various products and build the most benefit of their products or services in customer's attitude in overall aspects and the customer perceived product or service quality.

The previous research, a perceived unique product value exerts an indirect impact on product unique purchase intention. When the firm can create benefit of product in customer mind, firm will receive the benefits by increasing competitive advantages (Mizik & Jacobson, 2008). Keller, (1998) indicated that differentiate the various products is to build the most benefit of their products or services in customer's attitude in overall aspects and the customer perceived product or service quality (Yoo & Donthu, 2001). Reid, Luxton and Mavondo (2005) stated that benefit of product is the most important reason for the customer to select firm's product and services. Thus, the unique product value orientation is positively influenced with marketing advantage. Therefore, the hypothesis is provided as follows:

**Hypothesis 4: Unique product value orientation has a positive influence on marketing advantage.**

#### 2.1.5 Excellent Product Identity Capability (EPI)

The last dimension of proactive product strategy is excellent product identity capability that is important to the success of the organization through the unique features of exotic product can meet the individual needs and latent needs of the customer. They are established reputation and competitive advantage of the organization (Upshaw, 1995). Hence, excellent product identity capability refers to the ability of the organization to commit for activities to create a unique image and development of innovative, branding outstanding, service and offer that specifically to determine the singularity goods and service beyond the expectations of customers continuously.

Several research indicates that the importance of excellent awareness is regarding firm success and its outcomes, such as Dawson et al. (2005) demonstrate that product identity have been created superior furniture design by defining unique product characteristics to meet the diverse needs of diversity of the target market, leads to market acceptance and builds a reputation for excellence. Ritchie and Dale (2000) suggested that excellent business is an important factor to build a firm's performance, best practices, superiority of product and firm sustainability. Because this leads to a competitive advantage and can also prevent imitators from rival competitors, resulting in the visitors taking the market more difficult. Hence, this research stats, ability of firm to create unique products with different style, high quality, feature, degree of decoration and attractive. Thus, the hypotheses are proposed as follows:

**Hypothesis 5: Excellent product identity capability has a positive influence on marketing advantage.**

## **2.2 Proactive product strategy, its consequences, and marketing profitability**

### **2.2.1 Marketing Advantage (MKA)**

Marketing advantage has intense competition in which the rivals often modify their product offerings, pricing, distribution strategies, and, promotional campaigns that regularly affect the firm's changing strategies (Weber, 1997). The firm emphasizes three main components that are the extent and attribution of product quality, corporate image, and the ability to cooperate in marketing activities, all of which reflect the superior skills and resources of the marketing advantage. Thus, the marketing advantage refers to the superior performance of the firms to create or marketing offering development superior to competitors in terms of quality, a variety of alternatives, modernity, uniqueness, pricing, and reputation of firm, and leading to recognition in the market (Wei & Wang, 2011).

Prior research, unique marketing offers differ from competitors in the marketplace, it leads to enable to enhance creating customer satisfaction as well (Yeniyurt et al., 2005). Therefore, Similarly, the viewpoint of marketing advantage is that strong customer satisfaction shows a high level of loyalty, higher market shares, marketing advantage, and profitability (Wei & Wang, 2011). In particular, firm survival is likely to show a positive relationship with sustainable firm success. Therefore, the hypothesis is provided as follows:

**Hypothesis 6: Marketing advantage has a positive influence on marketing profitability.**

### **2.1.2 Marketing Profitability (MKP)**

Marketing profitability refers to an outcome of the firms to achieve marketing goals via customer behaviors, to customer purchase outcomes; and increasing unit of sales, sales growth rate, reputation, market share and as achieving success in marketing management uncertainty (O'Sullivan & Abela, 2007). From a normative perspective, marketing performance assessment includes marketing resources and capabilities as sources of advantage (Morgan et al., 2002).

Prior research, Merrilees et al. (2011) suggested that the initial outcomes of applying marketing capabilities relate to direct customer effects, in terms of selling more units to existing customers, repeat purchases or gaining new customers as a result, market share increased. Furthermore, the marketing literature, there are three dimensions of marketing performance comprised of effectiveness or the extent to which organizational goals and objectives are achieved, efficiency or the relationship between performance outcomes and the inputs required to achieve the outcomes, and adaptations is the ability of the organization to responding environmental changes (Walker & Ruekert, 1987).

## **3. Research Methods**

### **3.1 Sample Selection and Data Collection Procedure**

The population and sample are the furniture and decorative product businesses in Thailand, totaling 738 firms from the database of the Thai Furniture Industry Club (TFIC), the Federation of Thai (Thai Furniture Industry Club: website) was accessed on March 16, 2016. The data were collected by a mail survey, and

questionnaires were sent directly to marketing managers and marketing directors of the firms who are key informants. The units of analysis were firms. Twenty-eight questionnaires were undeliverable because some of these firms had moved to changed addresses. Finally, only 156 mailings were completed usable for further analysis. The response rate was 21.34 %. The response rate for a mail survey, without an appropriate follow-up procedure, if greater than 20 %, is considered acceptable Aaker, Kumar, and Day (2001).

Testing of non-response bias of all 156 received questionnaires was divided into two groups. These results provide evidence that there were no statistically significant differences between the two groups at a 95% confidence level. Moreover, it can be surely mentioned that Non-response bias is not a problem (Armstrong & Overton, 1977).

### 3.2 Variable measurements

For all on developed constructions were drawn from the literature review; moreover, the greater models were tested by multi-item scales. The measuring of dependent variables, independent variables, mediating variables, and control variables is used Five-point Likert scale to explain as follows:

#### 3.2.1 Dependent variables

Marketing profitability (MKP) is measured by using a four-item scale adapted from Merrilees, Rundle-Thiele, and Lye (2011). It is measured by firm achieve marketing goals via customer behaviors, to customer purchase outcomes; and increasing unit of sales, sales growth rate, reputation, market share and as achieving success in marketing management uncertainty.

#### 3.2.2 Independent variables

Total independent variables in this research using a four-item scale and develop as a new scale about its definition in detail as bellows:

New product development implementation (NPD) is measured by firm's ability to create, concept and guidelines to improve goods and service, research and development, technology application system to deliver goods and service continuously to the marketplace on time and satisfy customer needs.

Radical product innovation emphasis (RPI) is measured by firm's ability of focusing on the features analysis of goods and services available in the market, research and development, creating innovate a systematic way, to offer innovative goods and services, novel, and unique, to the market pioneer.

Original product design focus (OPD) is measured by firm's ability to integrate knowledge, creating, research, techniques, methods, technology applications, to design prototypes of products and services to exotic to first-mover, to enhance the presentation format of a variety of goods and service order to satisfy customer latent and future needs.

Unique product value orientation (UPV) is measured by firm's ability to create value, quality of products or services includes the specific feature outstanding and products and services in customer's attitude in overall aspects including the customer perceived product or service quality.

Excellent product identity capability (EIP) is measured by firm's ability to firm's activities by creating a unique image and development of innovative, branding outstanding, service and offer products and

services that specifically to determine the singularity goods and service beyond the expectations of customers continuously.

### 3.2.3 Mediating variables

Marketing advantage (MKA) is measured by the firm's ability to create or marketing offering development superior to competitors in terms of quality, variety alternative, modernity, uniqueness, pricing, and reputation of firm, and leading to recognition in the market.

### 3.2.4 Control variables

The control variables are firm age and firm capital. Firm age was represented by a dummy variable, including 0 (less than or equal to 15 years) and 1 (equal or more than 15 years). Firm capital is measured by the operational capital. Firm size is represented by dummy variable 0 (operational capital of 10,000,000 Baht or less) and 1 (operational capital equal or more than 10,000,000 Baht).

## 3.3 Reliability and validity

In this research, the pre-test use the first 30 returned questionnaires. The construct validity of this research is showing the convergent validity. Table 1 the factor loading is between 0.454 to 0.970. The values are greater than the cut-off score of 0.40 which indicates acceptable construct validity. The result of Cronbach alpha coefficients was between 0.720 to 0.952, which is more than the acceptable cut-off scores 0.70 (Hair et al., 2010).

**Table 1:** Details of validation of each dimension of proactive product strategy, marketing advantage and marketing profitability

Variables	Factor Loadings	Cronbach's Alpha
New Product Development implementation (NPD)	0.454-0.865	0.866
Radical Product Innovation Emphasis (RPI)	0.806-0.896	0.877
Original Product Design Focus (OPD)	0.719-0.855	0.720
Unique Product Value Orientation (UPV)	0.825-0.955	0.762
Excellence Product Identity Capability (EPI)	0.804-0.901	0.912
Marketing Advantage (MKA)	0.776-0.893	0.847
Marketing Profitability (MKP)	0.905-0.970	0.952

### 3.3.2 The Ordinary least squares regression analysis

This research uses the Ordinary Least Squares (OLS) regression analysis to examine the hypothesized relationships among the proactive product strategy, marketing advantage, and marketing profitability. Moreover, testing the hypothesized relationships the researcher presents in regression equations as following:

$$\text{Equation 1: } \text{MKA} = \alpha_1 + \beta_1 \text{NPD} + \beta_2 \text{RPI} + \beta_3 \text{OPD} + \beta_4 \text{UPV} + \beta_5 \text{EPI} + \beta_6 \text{FA} + \beta_7 \text{FC} + \varepsilon_1$$

$$\text{Equation 2: } \text{MKP} = \alpha_2 + \beta_8 \text{MKA} + \beta_9 \text{FA} + \beta_{10} \text{FC} + \varepsilon_2$$

#### 4. Results and discussion

All variables of the correlation in the conceptual framework are between 0.227 to 0.678,  $p < 0.01$ .

The VIFs has maximum values is 2.162, the VIF value was lower than the cut-off 10 as recommended from Hair et al. (2010), this meaning that the independent variables are not correlated with each other. Accordingly, the results of correlation between the same level of variables indicate that all concerned bivariate correlation values do not exceed 0.8. Thus a multicollinearity problem was not found in this research.

**Table 2:** Descriptive statistics and correlation matrix of each dimension of proactive product strategy, marketing advantage, and marketing profitability

Variable	NPD	RPI	OPD	UPV	EPI	MKA	MKP
Mean	4.24	4.30	4.35	4.46	4.48	4.11	4.21
S.D.	.57	.54	.50	.48	.47	.61	.72
NPD	1						
RPI	.606**	1					
OPD	.583**	.580**	1				
UPV	.339**	.503**	.433**	1			
EPI	.390**	.502**	.500**	.678**	1		
MKA	.481**	.390**	.405**	.277**	.379**	1	
MKP	.365**	.464**	.505**	.496**	.570**	.638**	1

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

Table 3 hypotheses 1 to 6 demonstrates that the effects of each dimension of proactive product strategy, marketing advantage, and marketing profitability. The results of OLS regression analysis present that the first dimension, new product development implementation for hypothesis 1 is significantly related to marketing advantage ( $\beta_1 = 0.264$ ,  $p < 0.01$ ). The result is consistent with Liu, Chen, and Tsai (2005) who state that the firm has continuously improved the new product development that can be built advantage to have a novelty beyond product in all markets and led to business performance, it comprises of profit value, sales goal, and business opportunities. Lamore, Berkowitz, and Farrington (2013) found that new product development results from the implementation proactive market orientation strategy of the enterprise, enabling organizations to achieve a distinctive increase and be recognized by the market more quickly. The recent research found that a new product development enhances marketing opportunities and competitive advantage (Lee, Tseng, and Chu, 2016). Therefore, Hypothesis 1 is supported.

**Table 3:** Results of regression analysis for the effects of each dimension of proactive product strategy, marketing advantage and marketing profitability

Independent Variables		Dependent Variables	
		MKA	MKP
		Equation 1	Equation 2
New Product Development Implementation (NPD)	H1	.264*** (.094)	
Radical Product Innovation Emphasis (RPI)	H2	.016 (.094)	
Original Product Design Focus (OPD)	H3	.223** (.095)	
Unique Product Value Orientation (UPV)	H4	.012 (.096)	
Excellent Product Identity Capability (EPI)	H5	.170* (.098)	
Marketing Advantage (MKA)	H6		.660*** (.062)
Firm Age (FA)		-.347** (.144)	.348*** (.125)
Firm Capital (FC)		.017 (.145)	.029 (.123)
Adjusted R <sup>2</sup>		.306	.422
Maximum VIF		2.162	1.043

\*p &lt; 0.10, \*\*p &lt; 0.05, \*\*\*p &lt; 0.01

The second dimension is radical product innovation emphasis. It shows non-significant on marketing advantage ( $\beta_2 = 0.016, p > 0.10$ ). Consistent with the notion of Maes and Sels (2014) indicated that the radical product innovation on SMEs' is failing to invest and it has not effected to market responsiveness. Moreover, the firm has radical product innovation with the introduction of new or enhance product by competitors and may lead the firm to miss out on advantage associated with technological leadership and first-mover advantage (Dibrell, Davis, and Craig, 2008). While, the results indicated that the radical product innovation emphasis is focused on the modernization product and applies technology to produce, the characteristics of furniture businesses in Thailand are SME enterprise for the most part, the most product are a mass product to the domestic market, and superior product is exported to foreign markets. According to the reviews of the president of the Thai furniture industry club commented that furniture market of Thailand is not focused on innovative products, but is focused on creativity in novelty product design and production mass (Thai furniture industry club). **Thus, Hypothesis 2 is not supported.**

The third dimension is an original product design focus. It is significantly and positively related to marketing advantage ( $\beta_3 = 0.223, p < 0.05$ ). There are also Zang et al. (2011) who indicate that is created with the product design has a significant impact on firm's competitive advantage and suggest that product design

strategies appropriate to meet the future customer needs. Lee (2014) indicated that the furniture firms which focus on product design that can continually create to lead to product development to meet customers' demand, enhance their purchase intention, and improve performance and market competitiveness. **Thus, Hypothesis 3 is supported.**

The fourth dimension the finding demonstrates that unique product value orientation, it shows non-significant to marketing advantage ( $\beta_4 = 0.012, p > 0.10$ ). The results demonstrated that businesses with a focus on creating value products has not increased their marketing advantage, it is difficult to success. This is consistently that with Costa, Cool, and Dierickx (2013), who indicated that the firms' focus on the unique resources to produce unique product do not necessarily increase firms' profit and achieve a sustainable competitive advantage does not necessarily lead to high profitability. **Thus, Hypothesis 4 is not supported.**

Finally, the research reveals that excellent product identity capability is significantly and positively associated with the marketing advantage ( $\beta_5 = 0.170, p < 0.10$ ). Previous research showed that excellent product identity capability is important to achieve business goals, and leading to competitive advantage. Similarity, Ritchie and Dale (2000) suggested that business excellence is an important factor to build a firm's performance, product identity, better practices, and sustainability firm performance. Therefore, the excellent product identity helps firms achieve business goals and increases firm performance (Jankalova, 2012). **Therefore, hypothesis 5 is supported.**

Next, the results of regression analysis for marketing advantage and marketing profitability finding stated that marketing advantage is significantly and positively related to marketing profitability ( $\beta_6 = 0.660, p < 0.01$ ). It is confirmed that marketing advantage of firm success affects on marketing profitability on business management. Moreover, it is an intended behavior related to repurchase intention in the future. According to Wei and Wang (2011), it was found that competitive marketing advantage has a positive effect on a firm's marketing profitability. Tu, Lin, and Hsu (2013) indicated that marketing advantage led to enhance long-term profitability. **Thus, Hypothesis 6 is supported.**

The control variables is firm age ( $\beta_7 = -0.347, p < 0.05$ ) that has negative significant with marketing advantage. It can be interpreted that control variable which consists the younger firms in the market must focus on satisfying customers and creating an advantage over competitors older than acquisitions to gain customer acceptance is easier. (Sookaneknun & Ussahawanitchakit, 2012). While, older firms do not have to focus on marketing advantage. Because the context of furniture businesses in Thailand are mainly are original equipment manufacturer for large firms. They do not focus on marketing advantage which is consistent with Maraprukwan and Suksa-nguwn-manoon, (2016) suggested that Furniture Thailand should focus on building brand, quality, and outstanding design in the furniture industry. From the above reasons, it can be interpreted as neglecting large firms of furniture business with a focus on marketing advantage. Whereas, firm age ( $\beta_8 = 0.384, p < 0.01$ ) that has a significant and positive relationship with marketing profitability. Consistent with Perkmann and Walsh (2007) and Lusch and Vargo (2006), who explains that a firm with a higher level of experience is allowed providers' operations to achieve competitive advantage and profitability in the long run.

In addition to, firm capital ( $\beta_7 = 0.017$ ,  $p > 0.10$ ) has non-significant relationship with marketing advantage. In the same direction firm capital ( $\beta_{10} = 0.029$ ,  $p > 0.10$ ) has non-significant relationship with marketing profitability. Therefore, the relationship among the marketing advantage and marketing profitability is not influenced by firm capital.

## 5. Conclusion

The purpose of this research is to examine the effects of proactive product strategy on marketing profitability. The results of the OLS regression analysis showed that the dimensions of proactive product strategy (PPS) consist of new product development, implementation, original product design focus, and the excellent product identity capability have positively impacts marketing advantage. Moreover, marketing advantage has a strong and positive effect on marketing profitability. This research suggested that the construction is developed as a new scale construction. It helps to clarify and understand the proactive product strategy from proposing five newly-dominant. Besides, marketing executives should support outstanding of dimensions of the proactive product strategy in concluding new product development implementation, original product design focus, and excellent product identity capability which leads to marketing profitability. In the context of furniture and decorative product businesses do not only depend on proactive product strategy only, but marketing executives also realized marketing factor changing concerning with product life cycle of a rapidly changing industry. Furthermore, researchers consider re-investigation of other businesses to compare the findings and gains for greater generalizability in future research. In addition, should select data to collect for another population of reliable results, by considering respecting in-depth interview with marketing executive, and should apply other method of different measurements such as focus groups or in-depth interview with new scale to confirm validity of variables and all relative show in the conceptual model in this research.

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