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ADAPTIVE MARKETING CAPABILITIES AND FIRM INNOVATIVENESS

VOLKAN POLAT
DOCTORAL DISSERTATION
THE DEPARTMENT OF BUSINESS ADMINISTRATION

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ADVISOR

Prof. Dr. Ali Ekber AKGÜN

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2015

DOKTORA TEZİ JÜRİ ONAY SAYFASI

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SUMMARY

A number of studies suggest that having marketing capabilities is an important way to contribute to the theory and practice of strategy and to get commercial success of the products and services marketed by the firm. However, a widening gap can be observed between markets where is the increasing complexity and velocity, and organizations and their marketing departments which have limited capacity to understand and deal with this situation. Therefore, the new thinking about marketing capabilities is getting necessary to close the widening gap between markets and organizations. On the other hand, in today's highly competitive markets, it is hard to find an industry that ignores continuous or periodic innovation and change of direction according to the dynamic character of most markets. In recent studies that paired up adaptability and innovativeness have gained increased scholarly attention as they are both input and output factors in business processes. Thus, the new research agenda should explore the function of adaptive marketing capabilities as they relate to innovativeness and speed-to-market. In this study, we operationalized the adaptive marketing capabilities and tested its impact on firm innovativeness and speed-to-market. Our results confirm that firm adaptive marketing capabilities have significant effect on the development of new products, services, and marketing/management processes. Also, our conclusions demonstrate that a firm's strategic orientations influence its innovativeness and speed-to-market via adaptive marketing capabilities under the effect of market and technology turbulence.

Keywords: marketing capabilities, adaptability, innovativeness

ÖZET

Literatürdeki çalışmalar, pazarlama yeteneklerinin, hem pazarlama stratejilerine hem de ürünlerin ve hizmetlerin pazarlanmasında firmaların başarısına önemli katkısı olduğunu belirtmektedir. Fakat, karmakşılığın ve süratin arttığı günümüz pazarları ile bu durumu anlayıp doğru şekilde cevap verme kapasitesi sınırlı olan firmalar arasında gittikçe büyüyen bir boşluk meydana gelmektedir. Dolayısı ile bu boşluğu kapatmak için pazarlama yeteneklerine yeni yaklaşımların getirilmesi zaruri hale gelmektedir. Diğer yandan, artık inovasyondan kaçabilen ve yönünü pazara göre ayarlamadan yaşamını sürdürebilen firmalar oldukça azdır. Yakın tarihli çalışmalar da bu doğrultuda adaptasyonu ve inovasyonu birlikte incelemektedir. Bu çalışmada pazarlama yetenekleri adaptif bir perspektiften kavramsallaştırılarak, yenilikçilik ve pazara girme hızı üzerindeki etkisi incelenmiştir. Araştırmanın sonuçlarında adaptif pazarlama yeteneklerinin yenilikçilik ve pazara girme hızı üzerinde pozitif etkisi olduğu ve adaptif pazarlama yeteneklerinin stratejik yönelimler ile yenilikçilik ve pazara girme hızı arasındaki ilişkiye aracı etki gösterdiği gözlemlenmiştir.

Anahtar kelimeler: pazarlama yetenekleri, yenilikçilik, adaptasyon yeteneği

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CONTENTS

ABBREVIATIONS

Abbreviations	Descriptions
AMC	Adaptive Marketing Capabilities
ABM	Adaptive Brand Management
SCRM	Social Customer Relationship Management
APM	Adaptive Price Management
MCM	Multi Channel Management
AMOS	Analysis of Moment Structure
SO	Strategic Orientations
MO	Market Orientation
IO	Innovation Orientation
PMO	Proactive Market Orientation
RMO	Reactive Market Orientation

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1. INTRODUCTION

Based on the journey from product and sales orientation to market orientation, taking customers into consideration to find out what they need in the present and future, which require collecting and interpreting the customer information, have become the top priority for firms (Lamore et al., 2013; Setia et al., 2013). Therefore, how to obtain and use this information has occupied the agenda of marketing researchers and theorists (Chen and Popovich, 2003). Some basic characteristics of this issue are problematic such as time constraint, cost, access to the right people at the right place to get the right information and inference efforts.

In the last decade, marketing departments have been trying to obtain information about customers with limited financial means within a limited time. Although these methods are still in use, nowadays, the information load generated via the Internet has reached unbelievable levels (Sagiroglu and Sinanc, 2013). Today, big data is a popular topic. According to recent research, 86% of organizations are either using or planning to use big data (McCafferty, 2015). Marketers are especially using big data to obtain insight about the customer, to improve the supply chain and promotion activities, etc., and these big data is gathered through web mining, crowd sourcing, information search, social media, transactional activities and mobile activities (Agarwal and Dhar, 2014; Cain, 2014; Erevelles et al., 2015).

However, only if the issues brought about by the developments in communication technology are considered as the problem of information overload, it will cause us to just think the inside the box. These developments also include that customers can reach products and services without the constraints of time and space, disseminating messages for or against organizations, and easily comparing products with competiting products. Also from the perspective of firms, it means that it is easier to reach more customers, interactively getting involved in positive and negative developments in online platforms (Cheng and Loi, 2014), or it means being able to canalize involuntary emerging developments or events in terms of their advantage of brands and products (Manchanda et al., 2015; Tirunillai and Tellis, 2014). Therefore, these developments take place in a particular context that leads to

more turbulent and volatile markets and technological environment factors (Erevelles et al., 2008).

Although these current issues being discussed commonly and assumed as a priority by the firms, effective and sufficient use of these issues are in suspense, especially in terms of marketing strategies and practices. According to the resource based view (RBV), market knowledge, either obtained from new technologies or conventional methods, are considered as resources which must be used effectively with the necessary skills. At this point, this matter is also the subject of marketing capabilities.

A growing number of researchers suggest that having marketing capabilities is an important way to contribute to the theory and practice of strategy and to get commercial success of the products and services marketed by the firm (Weerawardena, 2003). Customer needs continuously shift and change in hypercompetitive environments, and in order to create competitive advantage, organizations must sense and respond quicker to changes in customer preferences than their competitors (Roberts and Grover, 2012). Monitoring and responding effectively and quickly to changes in customer needs and focusing on marketing capabilities in organizations lead to sustainable competitive advantage (Koste et al., 2004). However, as mentioned above, a widening gap can be observed between markets where is the increasing complexity and velocity, and organizations and their marketing departments which have limited capacity to understand and deal with this situation. These organizations should update their approaches and use different tools than they used to. Taking into account all of these, the new thinking about marketing capabilities is getting necessary to close the widening gap between markets and organizations.

According to Day (2011), marketing departments face with a deluge of data that leads to trouble to organizations to comprehend and use. Additionally, technology-empowered customers stand on much more different place and there are a lot of sophisticated ways to reach those customers. To survive in the market place as leader and to survive more than other competitors, they must either change their static methods or upgrade their capabilities with adaptive ones (Day, 2011).

It has commonly been advocated that adaptability is the recipe to understand and manage complexity in social-ecological systems (Fabricius and Cundill, 2014). Adaptability indicates to the ability to identify, capitalize and respond to the

emerging market and technology opportunities (Lukas, 1999; Tuominen et al., 2004) by reconfiguring resources and coordinating processes promptly (Akgün et al., 2012) in a way that will create an agreeable response from the environment (Clark, 2000). More recent attention has focused on the adaptability for different business functions such as management (Akgün et al., 2014; Baard et al., 2013; Shoss et al., 2012), supply chain (Fu and Fu, 2015; Mei et al., 2015), and manufacturing (Jin et al., 2013; Liu et al., 2015) etc. However, few writers have been able to draw on any structured research into adaptability in marketing context (Clark, 2000; Day, 2011; Lu et al., 2009; Oktemgil and Greenley, 1997) and majority of the research up to now has been solely theoretical, and not operational as the adaptive marketing capabilities.

On the other hand, in today's highly competitive markets, it is hard to find an industry that ignores continuous or periodic innovation and change of direction according to the dynamic character of most markets (Hurley and Hult, 1998). Organizations that are timely responsive, rapid and flexible on innovation are leaders in the global marketplace (Weerawardena, 2003). In recent studies that paired up adaptability and innovativeness have gained increased scholarly attention as they are both input and output factors in business processes (Akgün et al., 2012; Tuominen et al., 2004).

Because of shorter product life cycles, more complex products, increasing rate of change in markets, and speed of technological development, being innovative is risky and requires new approaches. Recent studies assert that marketing capabilities affect both the innovation and sustained competitive advantage of the firm (Weerawardena, 2003). The main reason for examining adaptability and innovativeness concepts together, as an important output of strategic management and marketing, is that if organizations do not adapt and innovate in the marketplace, they will fail (Tuominen et al., 2004). Thus, the new research agenda should explore the function of adaptive marketing capabilities as they relate to innovativeness and speed-to-market. In view of this gap, the aim of this study are to answer following questions;

1- What are the dimensions of adaptive marketing capabilities constructs?

2- How do adaptive marketing capabilities affect the innovativeness and speed-to-market of a firm?

3- How do strategic orientations (market orientation and innovation orientation) affect adaptive marketing capabilities, and innovativeness and speed-to-market?

4- How do contextual factors, market turbulence and technology turbulence, influence strategic orientations and adaptive marketing capabilities?

Finding of the research will add to the knowledge and understanding of the subject of adaptive marketing capabilities and its application by innovative firms. This study should be significant in the sense that it will:

a) Allow the identification of the concept and framework of adaptive marketing capabilities that takes into account the nature of work and environment of innovative firms;

b) Support and enrich theory and model of marketing capabilities studies;

c) Generate greater awareness among, especially innovative firms, organizations on the importance and effectiveness of adaptive marketing capabilities;

d) Provide useful knowledge on factors that might have an impact and contribute to the adaptive marketing capabilities in innovative firms.

This study is organized into seven chapters. In the first chapter, a brief introduction to the background and objectives of the study are provided. In chapter two, we examined past research and attempted to draw a framework for marketing capabilities, adaptive marketing capabilities and their dimensions, strategic orientations, innovativeness and speed-to-market. A conceptual framework and hypotheses are provided in Chapter Three. Chapter Four presented the research methodology along with an explanation of the sample and data collection procedures, a description of the measurements of each construct, and the analyses of their psychometric properties are also included in this chapter. The results of the hypothesis tests and the assessment of assumptions underlying the analysis methods are presented in Chapter Five. In Chapter Six, the findings of this study are discussed. In Chapter Seven, the contributions, limitations and conclusions of this study are presented.

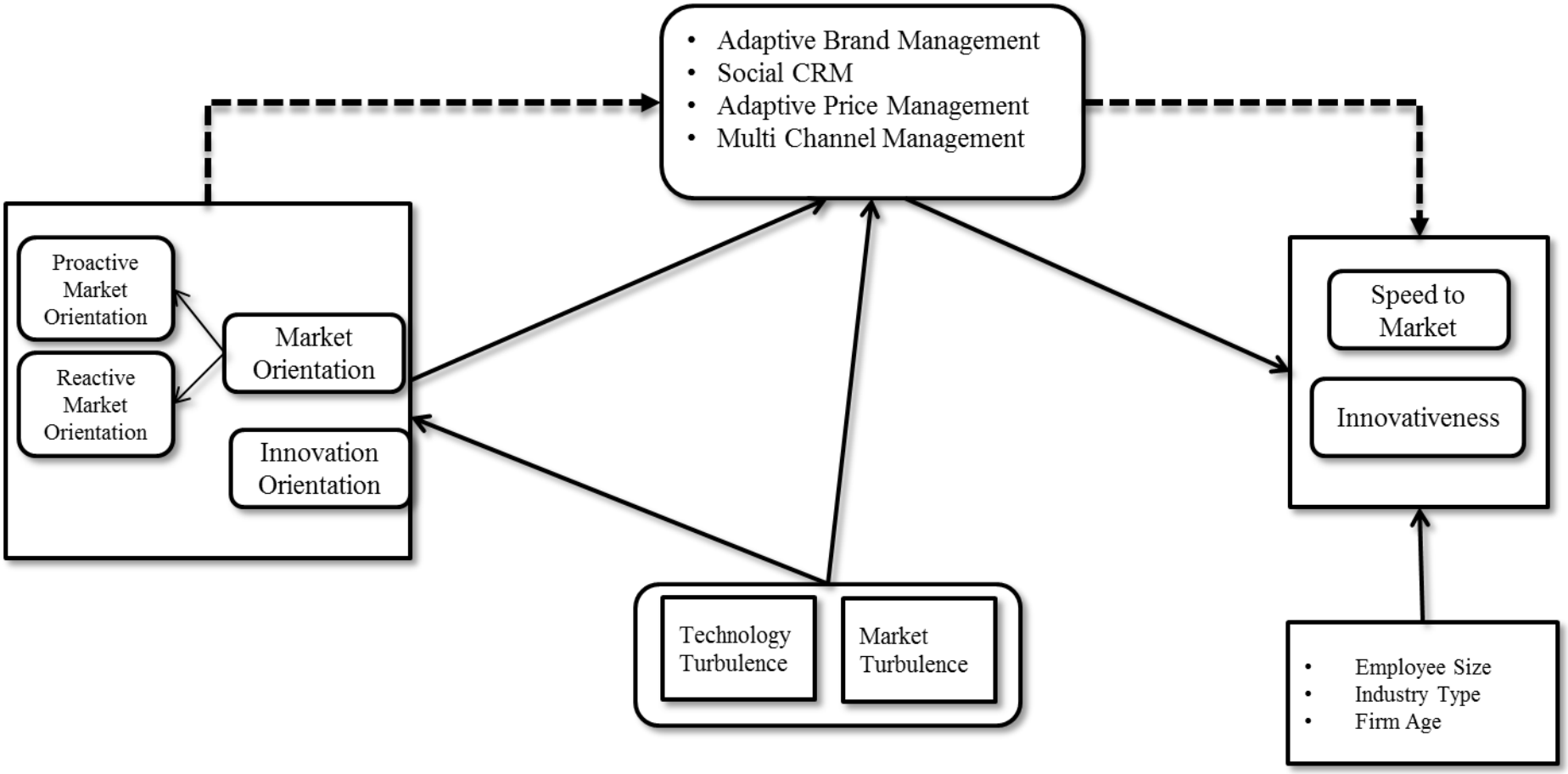

Figure 1.1. The Proposed Conceptual Model

2. LITERATURE REVIEW

2.1. Marketing Capabilities

Organizations build marketing strategies which include business activities and decisions connected to creating and sustaining competitive advantage in the marketplace (Citrin and McCullough, 2000). Because strategies, which focus only on the current state of the organization, would not be long-lasting. Although a firm has been in the market or a leader for long time, that does not mean that it is completely safeguarded against the market threats (Barney, 2001; Powell, 1990). A newly-established or an old player already in the market could become a serious competitor at any time. For example, Nokia had been a leader for many years as in the mobile phone market. It has dominated the market and domination seemed permanent at that time. But shortly after 2007, Apple has changed the course of the market in a short time period by entering the market with iPhone mobile phones. Nokia has lost its dominant position within a short time, because it could not peruse the market facts and develop adequate strategies. Even, some companies which come just below the leaders in the mobile phone market, i.e. Samsung, they have left behind leading companies such as Nokia with the right moves. Therefore, a sustainable competitive approach should guide the creating of marketing strategy activities of a firm.

In order to develop marketing strategies, the organization first attempts to explore and understand what the customer wants, then configures organizational aims, objectives, and activities in order to present the acceptable product, service, or idea better than the competing organizations (Zeithaml and Zeithaml, 1984). To achieve a sustainable competitive advantage, an organization should monitor and respond to changes in customer needs effectively and quickly and focus on marketing capabilities in organizations as a means of competitive advantage. According to Fawcett et al. (1997) the key to sustained competitive success can be summarized on four key principles: (1) understanding the competitive and market environments, (2) selecting suitable strategic objectives, (3) building and focusing the firm’s resources into unique capabilities by the adroit use of business practices and processes, and (4) an ability to inculcate an attitude of continuous learning to

consistently renew and extend strategic capabilities (Fawcett et al, 1997). Consequently, marketing capabilities are likely to be a key influence on the performance of an organization.

After 80's, strategy and performance discussions have been made between, the structure-conduct-performance (SCP) (Porter, 1980), strategic conflict approach (SCA) (Shapiro, 1989), the resource-based-view (RBV) (Conner, 1991; Wernerfelt, 1984b), and dynamic capabilities (DC) (Morgan, 2012; Teece et al., 1997) theories respectively. While SCP focuses on market characteristics and defensible positions against competitive forces, SCA views product market imperfection, entry deterrence, and strategic interaction as the keystone of superior performance. RBV and DC theory differentiate from SCP and SCA by emphasizing efficiency. RBV theory is closely related to firm-specific resources heterogeneity which creates differences in each firm's ability to reveal and implement value-creating strategies for inter-firm performance differences (Barney, 1991; Morgan, 2012). Besides, DC paradigm suggests that firms have tangible and intangible resources, however, their capabilities let them to acquire new resources and transform available resources to valuable market offerings (Morgan, 2012).

Makadok (2001, p. 389) defines a capability as *''a special type of resource – specifically an organizationally embedded nontransferable, firm-specific resource whose purpose is to improve the productivity of the other resources possessed by the firm''*. Although a capability is a special type of resource, it realizes the other resources of the organization (Barney, 2001). These resources may be either tangible or intangible resources. In addition the firm as they can get these resources in-house, they can supply from outside the firm. Therefore, the structure of capabilities is complex and intertwined with each other (Helfat and Peteraf, 2003), and the combination of different skills or resources may be needed to use capabilities.

Capabilities are developed with interactions between individuals, groups, alliances, suppliers, and organizational structures over time (Heimeriks and Duysters, 2007; Johnsen and Ford, 2006). Capabilities at different levels of the organization can demonstrate transitivity. These are embedded skills and knowledge in organizational routines, and occur by applying available knowledge and skills repeatedly at different levels within the firm ranging from individual to the organizational level (Grant, 1996; Leonard-Barton, 1992; Morgan, 2012). So, the interaction of individuals and groups can also affect the ability of different levels.

Today's dynamic competitive environment requires that organizations continually evaluate the alignment of capabilities to market requirements, endeavoring to constantly enhance existing skills and develop new ones (Morgan, 2012). The table (2.1.) below illustrates some of definitions of the marketing capabilities in literature.

Table 2.1. The Some Definitions of Marketing Capability in the Literature

Source	Definitions
(Angulo-Ruiz et al., 2013, p. 383)	*"as the process of combining marketing resources by leveraging relational and intellectual assets to satisfy customers and attain brand equity"*
(Dutta et al., 1999, p. 550)	*"exhibiting superiority in identifying customers' needs and in understanding the factors that influence consumer choice behavior"*
(Weerawardena, 2003, p. 19)	*"integrative processes designed to apply the collective knowledge, skills, and resources of the firm to the market-related needs of the business, enabling the business to add value to its goods and services and meet competitive demands."*
(Trainor et al., 2011, p. 163)	*"the ability to understand customer needs and create long term relationships"*
(Ngo and O'Cass, 2012, p. 865)	*"a firm's interrelated organizational routines for performing marketing activities such as product, pricing, channel management, marketing communica- tions, marketing planning, and marketing implementation"*
(Bruni and Verona, 2009, p. 101)	*"developing, releasing and integrating market knowledge that helps firms evolve"*
(Fang and Zou, 2009, p. 744)	*"cross-functional business processes for creating and delivering customerv alue in responset o market changes"*
(Liu et al., 2013, p. 2)	*"a marketing function that enables an organization to align its resource deployment with its market environment more effectively than its rivals"*
(Morgan et al., 2009a, p. 910)	*"enable the firm to implement new strategies to reflect changing market conditions by combin- ing and transforming available resources in new and different ways"*
(Murray et al., 2010, p. 254)	*"based on market knowledge about customer needs and past experience in forecasting and responding to these needs by using market orientation"*

As technology changes the way marketing departments work, it brings new approaches to marketing strategies (Rust and Espinoza, 2006). Especially after the

evolution of internet and communication technologies, the rules of marketing quietly changed (Khang et al., 2012). New communication tools are being added to traditional tools; such as social media, product placements, event marketing, and viral marketing (Álvarez et al., 2007; Soriano, 2012). For instance, social media sites have become essential for individual and commercial social networking and content sharing. And yet, organizations, which had slogged to gather information about markets, customers, and competitors, can reach to sources easier and even come up against information overload. However, the data that is generated from these sources remains largely unused. Besides all other information sources -traditional or not, these contents can be used to predict real-world outcomes (Asur and Huberman, 2010).

Also, technology empowers customers in their interaction with firms (Chen and Popovich, 2003), and that is most visible with the rise of online platforms (Pires et al., 2006). Customers are highly informed, and they can get information from multiple sources before making decisions. Nowadays, these sources are mostly online. Mobility is widespread and there is no time and place limitation for customers to reach social advices, read user reviews, and compare products before buying (Chen et al., 2011; Cheung and Lee, 2012; Zhu and Zhang, 2010). Acquiring and preserving customer loyalty is much harder, and they can move easily to other products and brands that are most proper for them. Therefore, firms need to build strategies around empowering customers to solve their problems at every stage in the marketing practices (Pires et al., 2006). Collectively, these huge data and volatile market may overburden marketing departments and these situations cause a gap between organizations and the market. The gap cannot be closed and cannot be understood fully with old approaches.

Although capabilities theories are essentials for understanding and closing the gap, today's dominant capability theories, which rely on dynamic capabilities, contrast with ordinary (or "operational") capabilities (Winter, 2003), are not enough to guide firms' efforts to close the gap (Day, 2011). In this context, a major criticism of the dynamic capabilities theory is that it begins with the firm and looks outward from that perspective rather than starting with the market, which is prevented by an inherent inside-out perspective. Therefore, organizations should question their capabilities, whether they have the inside-out perspective or the outside-in perspective and whether the function is fundamentally to exploit available resources

or to explore new possibilities (Day, 2011). Due to these reasons, new adaptive capabilities are needed.

2.2. Adaptive Marketing Capabilities

The strategy literature suggests that a firm's strategy should fit the environment in order to success in the market (e.g. population ecology) (Clark, 2000; Miles et al., 1978). In the context of environmental management perspective, firms shape various elements of the environment to move beyond fitting strategy. Thus, a marketing department's part is to adapt a firm's strategy and marketing mix to environmental conditions (Clark, 2000).

Adaptability which refers to the ability to respond and change within a given state (Lukas, 1999), and organize, recombine, and assign resources to meet the customer needs (Lu et al., 2009) or to create its own environment (Tuominen et al., 2004). Chakravarthy (1982) defined adaptability as a firm's ability to determine and take advantage of emerging market and technology opportunities. Miles et al. (1978) argued that firms develop their adaptive strategies based on their perception of their environments. According to Akgun, Keskin and Byrne (2012), adaptive capability refers to a firm's ability to reconfigure resources and manage processes rapidly in order to develop more successful products.

Adaptive marketing capability (AMC) comes in many forms. Firms transform new ideas into action, modify or develop an existing product features to meet customer needs, besides altering existing products to reach new markets, and/or advancing products rapidly (Lu et al., 2009). AMC mainly can be possible by the evolution of organizational forms (Wang and Ahmed, 2007). AMC lets to organizations to reconfigure them quickly in changing environments rather than merely identify existing demands and then exploit the available resources (Staber and Sydow, 2002). AMC depend on response to product-market opportunities, marketing strategies for responding to these opportunities, and speed of response (Oktemgil and Greenley, 1997). Table 2.2. shows an overview of adaptability in the context of marketing literature.

Table 2.2. The Some Defitinions of Adaptability in the Context of Marketing

Source	Definitions
(Clark, 2000, p. 6)	*"adapting a firm's strategy and marketing mix to environmental conditions in a way which will produce a favourable response from the environment"*
(Tuominen et al., 2004, p. 496)	- *"a firm's ability to identify and capitalize emerging market and technology opportunities, which, in turn, implies changes in a firm's strategic posture "* - *"the degree to which a firm can use a variety of organizational capabilities"*
(Lukas, 1999, p. 147)	*"the ability to respond to market change"*
(Trainor et al., 2011, p. 163)	*"the extent to which a firm can use a variety of organizational capabilities to implement changes in its strategic position"*
(Wang and Ahmed, 2007, p. 37)	*"whether the firm's management systems encourage people to challenge outmoded traditions, practices and sacred cows, allow the firm to respond quickly to changes in the market and evolve rapidly in response to shifts in its business priorities"*
(Vorhies et al., 1999, p. 150)	*"the ability of the firm to respond to changes in its environment"*
(Akgün et al., 2012, p. 171)	*"ability to reconfigure resources and coordinate processes promptly in order to develop more successful products"*

On the other hand, AMC are possible by technological advances and necessity drives advance toward adaptive marketing capabilities (Day, 2011). Until recent years, firms asked customers to find out what they were thinking or demanding about their products and services. Firms have tried to reach a large random sampling of

their customers via telephone survey or mailed questionnaires. After the development of internet, firms started using email and the Web to survey their customers without high phone call or postage costs (Aquino, 2012). Hence, it is clear that the increasing impact of information technology is one of the most important results of technological advancements. Firms may have the ability to be customer oriented and market driven, in addition to traditional methods, by using information technology instruments such as interactive communication and personalization (Borges et al., 2009), as well as collaborating with other associated firms on learning from customers to offer products/services suited to their customers' dynamic needs. Consequently, gathering, storing, and processing information about customers, especially from advances in technology, shape future advances in marketing (Rust and Espinoza, 2006). Efficient use of analytical and knowledge-sharing technologies is vital to locate and implement these new capabilities in a firm.

One of the most distinctive point of DC that is different from AMC is that planning and implementing processes of marketing strategies is a static structure indeed (Day, 2011). Since DC theory reflects the efficient use of available resources, it focuses more on internal efficiency and cost-cutting practices (Winter, 2003; Wong and Tong, 2012). Firms move in the direction of the plans mapped out in the organization so even while they are making market sensing activities (see Figure 2.1.). Therefore, developing new marketing strategies might not be possible by getting out the weak signals in the market.

Function → / Orientation	Exploiting	Exploring
Inside-out	Resource-based view of the firm	Dynamic capabilities
Outside-in	Capabilities of market-driven organizations	Adaptive marketing capabilities

Figure 2.1. Adaptive versus Dynamic Capabilities (Day, 2011)

Additionally, when firms have specialized in some skills, they can be indifferent and myopic against different skills that are more useful. The current skills can be dominant as they are settled by repeating them over and over again (Vorhies and Harker, 2000; Zawislak et al., 2012). So, firms may understand that improving these skills mean more developing and extending these current skills in the same manner (Ngo and O'Cass, 2012). In this case, abstention or suspicion against other alternative methods can occur within the firm. Putting it differently, the success of the present methods will result in the firm being closed to new quests. However, after some time, these methods may become impractical or inefficient. When firms realize that, it can be too late to change or to develop them. Because the decision making processes wade through in a firm, they can already lag behind in the competition. At this point, AMC allow firms to adapt their capabilities, according to the course of the market based on the most appropriate way. To sum up, AMC emphasize that firms should balance between exploration of new possibilities and exploitation of old certainties, and also should have an outside-in perspective rather than inside-out perspective (Day, 2011; Saeed et al., 2015)

Scholars (Blumenthal, 2002; Day, 2011; Dutta et al., 1999, 2003; Morgan, 2012; Vorhies et al., 1999; Vorhies and Morgan, 2005; Weitz and Jap, 1995) argue that marketing capabilities include: market learning, customer relationship management (CRM), brand management, pricing, channel management, communicating, selling, etc. However, in addition to the classification of marketing capabilities, an adaptive approach of capabilities is needed as suggested by Day (2011). In this context, we attempt to operationalize these AMC constructs. Those are; adaptive brand management, social customer relationship management, adaptive pricing management and multi channel management.

2.2.1. Adaptive Brand Management

Brands include all elements of marketing mix and they establish a relationship between customers and firms. A brand, has strong relationships with customers, has the ability to provide discrimination, preference, and prestige. Hence, brand not only differentiates the product from the competitors, it also simplifies the decision-making process and the expectations of customers. Brand provides information to firms about the necessary level of quality to satisfy customers (Keller and Lehmann, 2006).

A brand, associated with a successful product in the right way, supports firms for creating loyal customers (Fournier and Yao, 1997; Fournier, 1998). Brand management primarily aims to have a permanent place in the mind of the customer by differentiating their products. So, brand management not only means achieving the goal of sales, it also helps to build a brand personality and a position to be remembered in the minds of customers (Kotler and Pfoertsch, 2007).

A well-managed brand is a valuable asset for the firm, therefore, the effective management of the brand is an issue that should be considered. Today, well-managed brands are accepted by customers as substantial products, and effective brand management might be an indicator of increased market share (Tsai, 2014). The starting point of the brand management process is the market analysis, and investigating the target groups and operating activities in this direction are the parts of this processes.

Stable and strong brands are need to be powerfully managed in order to attract and retain customers (Aaker, 1996; Day, 2011). Besides, this includes the systems and processes to expand, develop, sustain, and leverage a firm's brand assets (Morgan et al., 2009). Although mainstream consideration is that a stable brand guides firms to navigate and adapt to market changes, increasingly volatile environment leads to unexpected mutations and hard-to-predict transformations for many markets (da Silveira et al., 2013).

With recent developments in communication technologies, brands and customers have started communicating with each other without any restrictions (Wirtz et al., 2013). No matter when and where, outdated one-way communication is transformed to interactive two-way direct communication (McWilliam, 2012). In this fashion, customers have significant influence on creating and updating products, services, business models, and values (Kim and Ko, 2012). Concurrently, brands can gain exposure and strengthen relationships with customers. For instance, social media marketing (SMM) provide essential advantages such as low cost, high communication efficiency of social media which allow firms to engage in timely and direct end-customer contact (Kaplan and Haenlein, 2010; Woodcock et al., 2011). Hence, many firms reduce negative effects of communication effects, and raise brand value by creating a platform to exchange ideas and information among people online (Kim and Ko, 2012).

Forrester, a research and advisory firm in the U.S., published a report on brand management that suggests directions for firms to challenge in the digital age. In this report (2009), Adaptive Brand Marketing (ABM) is defined as responding rapidly customer and brand needs and maximize return on brand equity by featuring an expanded role for costumer intelligence, concentrating on strategic brand platforms, and enabling a federated organization. Organizations should be more powerful and customer-centric. As highlighted by the report, responding what your prospects and customers are saying about your brand need to be much agile, and more real-time-oriented than as it was before.

A number of different brand programs and platforms are rapidly emerging all over the world and that creates a paradox for firms (O'Driscoll, 2008). While organizations are moving away from centralization, they should strengthen local brand management activities and develop strategies for it (Schultz and Hatch, 2006). Mass marketing communication activities are replaced with smaller events and plans (Matanda and Ewing, 2012). Those make organizations able to respond quickly and effectively to opportunities and threats because they can rise and become uncontrollable very fast. Additionally, social awareness of brands increases brand image, reputation, and equity (Chen, 2010). Especially in recession times, customers show more interest to organizations which have social sensitivity (Quelch and Jocz, 2009). So organizations might show their interest and demonstrate about social fact-events or problems in online platforms and add them to their brand programs and strategies (Owyang et al., 2009). However, while brands are being built both by customer and organization in today's world, firms need to watch out to keep the balance between being flexible and protecting brand core principles.

As the determinants of ABM, not only marketing department, all units of a firm must be in the cooperation to protect brand equity. Also notices and messages of customers about the brand should be responded as soon as possible, even in real time via online media technologies (McWilliam, 2012; Wirtz et al., 2013). This notice should not only be perceived as both positive and negative messages from customers (Ha, 2004; Kim et al., 2008). Because, initially a small discussion or statement can emerge and turn to a serious threat on online platforms, and it can spread very fast and become a campaign beyond control. In such a case, firms may slog to compensate such loss of control. In addition, the firm's brand management is required to give importance locality, even conducted on the online platform. As it

contains positive activities for brand, it also allows the firm to intervene more quickly and effectively to adverse situations mentioned above when faced with them. Therefore, this locality and real-time response skills require to be open to the new strategies and approaches as well as the protection of the basic principles and brand equity.

2.2.2. Social Customer Relationship Management (SCRM)

After the development in computer technologies, organizations have started using CRM technologies in order to understand customers, and respond their prospect and present the needs and problems. According to Boulding et al. (2005, p. 157), CRM refers that *"a strategy for the management of the dual creation of value, the intelligent use of data and technology, the acquisition of customer knowledge and the diffusion of this knowledge to the appropriate stakeholders, the development of appropriate (long-term) relationships with specific customers and/or customer groups, and the integration of processes across the many areas of the firm and across the network of firms that collaborate to generate customer value".* However, this communication was continuous one-way communication. Although organizations were collecting and using information about customers, this data could not help organizations to reach out customers in real-time.

Nowadays, CRM demonstrates new extensions with the Web 2.0 and 3.0 technologies (Askool and Nakata, 2011). This means growing and presenting novel opportunities by using social media technologies especially. In this connection, these new social media tools with the interactive and relational properties support CRM's power, and strengthen weak features of CRM in the context of relationship marketing principles (Choudhury and Harrigan, 2014). More and more customers look for not only the affordable prices or best quality, but also value for the spent. Therefore, organizations make more effort to be findable and comparable to take up the challenge in the market through traditional and new media marketing channels, especially social media.

Web 2.0 and Social Media supports a customer-centric management for online communication towards a dialogue among web-users as well as organizations and their target groups. Social Customer Relationship Management is regarded as a new strategic approach (Faase et al., 2011; Lehmkuhl and Jung, 2013). According to a

definition provided by Greenberg (2010, p. 414), SCRM is *"a philosophy and a business strategy, supported by a system and a technology, designed to engage the customer in a collaborative interaction that provides mutually beneficial value in a trusted and transparent business environment".*

Although Social CRM is grounded on traditional CRM concept, it offers social features, practices and skills that includes the communication between customers and organizations as well as customers and their other contacts (Choudhury and Harrigan, 2014; Mohan et al., 2008; Woodcock et al., 2011). Moreover, SCRM considers new implementations, technologies and processes to add value and catalyze exist to ease interaction with customers to have a long-term relationships with enhanced performance (Choudhury and Harrigan, 2014). Therefore, social CRM emphasizes customer engagement with two-way, interactive relationships to integrate them into marketing efforts as co-creator and even product offerings (Rodriguez et al., 2012).

SCRM converts the one-way the relationship between customers and carriers to two-way relationship. Unlike traditional CRM system, it transforms communication into open, continuous and collaborative communication channel, instead of just communicating with customers in specific dates or in certain special events (Baird and Parasnis, 2011). Parties can be sure about that whether message is reached by the other party. Therefore, managers are able to monitoring of the performance of their marketing department and returns to customers. Additionally, customers can follow the result of their transmission and notification messages. This provides a performance control and healthy communication opportunity for both sides (Faase et al., 2011). In such a system, the static relationship becomes a long-term dynamic relationship between the parties (Malthouse et al., 2013). Firms, keep in touch with customers, they can regain them by continuing the communication, even if they have left their firm. Because previous studies have shown that there is the higher probability to win back lost customers who has experienced a brand or a product before. These factors emerge as an advantage for cost reduction and increasing profitability (Woodcock et al., 2011).

Mutual continuous communication provides opportunities for participation of customers for the development of products and services, directly and indirectly. SCRM system can use messages sent deliberately by customers and also track and analyze online customer behavior patterns (Greenberg, 2009; Greenberg, 2010;

Mohan et al., 2008). This may be a low-cost source of information for companies as an alternative of customer surveys or focus group studies at a price (Baird and Parasnis, 2011). This information provides a much greater number of people as sample. Additionaly, SCRM encourages customers to express their true thoughts (Greenberg, 2009; O'Brien, 2011), and reduce manipulation in comparison with traditional research methods. In this case, it provides a more realistic and useful source of information for firms.

Undoubtedly, the sharing of this information is a sine qua non for the efficient use of this information. There are many studies about the importance of information sharing for the innovation and organization performance (Akgün et al., 2007a; Kock et al., 2006; Lamore et al., 2013; Park and Lee, 2013). There is no doubt about that one of the most important and vital sources of shared information is the marketing department (Lamore et al., 2013). Considered the basic function of marketing, the challenge of collecting information are obvious, as mentioned above. However, especially the the availability and efficiency of sharing this information with other departments is just as tough as collecting the information. Altough marketing department gathers this information, how she conveys to other departments and how this information will be used by them, create a question mark. Up-to-dateness and usefulness level of the obtained information may be questionable, because of other departments may need different questions and answers for their operations. Additionally, information losses or sharing wrong information can occur during these processes. At this point, SCRM provides faster and reliable information sharing, obtained by the marketing department, with a broader perspective and as requested by the other departments (Faase et al., 2011). In addition, other departments, without only being limited to the information gathered by the marketing department, they can request information in accordance with their demands and requirements. Consequently, SCRM system enables a transparent and secure environment for mutually flexible and rapid communication development, and obtaining more accurate and useful information for both sides; customers and firm (Faase et al., 2011; Mohan et al., 2008; Woodcock et al., 2011).

2.2.3. Adaptive Price Management

Studies on pricing policies has been done by economists, marketing scientists, and operations researchers from a range of perspectives (Gallego and Ryzin, 1994). Price decision is made on either a cost basis or on a customer perceived quality approach (Pasternack, 1985), and effective management of pricing is a key marketing capability (Dutta et al., 2003). Pricing management provides an opportunity to understand customer and competitor response to a major, sustained adjustment in marketing mix strategy (Ailawadi et al., 2001). Strong pricing capabilities make firms very familiar about price's impact on customer value and about competitors' present and future pricing strategies and actions (Morgan, 2012).

In marketing researches, dynamic models of pricing date back to Robinson and Lakhani (1975) and the following study of Bass and Bultez (1982), Dolan and Jeuland (1981). However, late studies have focused on strategic issues of life cycle pricing based on deterministic models of how firm economics and customer behavior change with time, and tactical, dynamic pricing problems (Gallego and Ryzin, 1994).

Adaptive price management (APM) is also important, because some industries such as customer electronics, seasonal goods and services sellers, fashions, airlines, etc. that are more fragile with time and price combination. Today in some industries, there are hundred of thousands of price points per firm with tailored pricing plans (Day, 2011). In addition, mobile devices are make able to price comparison whenever customers want, and they can create price alarms. Such features decrease physical dependence for the purchasing. Hence, price can be the one of the most important motivators for decision making. In this case, the price competitiveness range is expanding for many firms. For instance, a store located in a shopping center can have a rival firm in China which is an online store. So, the price management is not only vital for online stores, that is also important for firms from many various industries. Because, customers, especially who have enough information about the product and brand, can consider only price points as reference for purchasing decisions. Therefore, firms are required to have an adaptive approach in pricing.

Adaptive price management (APM) can be defined as, by using latest advances in information technology, tracking and analyzing customer behavior, getting precious information about customers' preferences, and plumbing their true willingness-to-pay, additionally to competitors' pricing strategies and actions

(Blattberg and Wisniewski, 1989; Hinz et al., 2011). Such important informations can be used to develop proper pricing strategies and to quickly and effectively implement and communicate pricing changes when necessary (Morgan, 2012).

2.2.4. Multi Channel Management

Compared with the past, it can be observed that the number of distribution channels has increased. New channels have been added to traditional ones, such as online/offline company stores, new dealers, telemarketing agents, and affinity partners (Day, 2011). Different customer touch points and channels are definitely observed in B2B and B2C markets. Alteration of customer research, buying behaviors, segmentation, and merged industries enhance competition, and hence, channels gain importance and power (Musso, 2010; Wakolbinger and Stummer, 2013; Yan, 2011).

The previous studies have focused on the functions and effectiveness of distribution channels. A considerable amount of literature has discussed marketing channels as interdependent groups to make a product or service accessible for use or consumption (Banyte et al., 2011). This approach accompanies the planning, organizing, coordinating, directing and controlling efforts of channel members (Gundlach et al., 2006). To go beyond static marketing mix distribution approach, organizations have a duty to envision new methods for providing customer value or reaching the market through new channels (Day, 2011).

In this context, according to Musso (2010), "innovation in marketing channels becomes a complex, multiorganizational, multidisciplinary activity that requires collaboration and interactions across various entities within the supply chain network, with a substantial portion of the innovation process and resulting outcomes that occur at the buyer-seller interface level". Musso (2010) has also criticized innovation in marketing channels by carring out following three different perspectives:

1. Technological perspective: What are the fronts of technological innovation for the optimization of interactions among companies and with the final demand.

2. Relational perspective: Which innovation fields can be developed on, in regard to vertical relationships between firms in a marketing channel.
3. Structural perspective: What new channel configurations may occur.

Developments and implications of information and communication technologies (ICT) may entail for marketing channels. It has commonly been assumed that multi-channel management is a precondition for developing congruous services and, as a result, multi-channel management is priority for firms to gain and retain customers (Wakolbinger and Stummer, 2013). However recent studies have not sufficiently investigated physical distribution processes and technologies (Gundlach et al., 2006). The rich diversity of retailing forms provide broader alternatives of choosing the product for customers, and the manufacturer can use the most appropriate marketing channel from a wider range of channels of various forms, length, and width (Banyte et al., 2011). Multi channel management has a wide range from independent multiple channels to a fully integrated multi-channel management. Common multiple channel integration acticivies examples are *"store finders in a company's website, in-store terminals in the event of stock-outs, in-store pick-up of products either reserved or purchased online, the return at the physical store of products purchased online, or coupon offerings which can be redeemed in any channel"* (Wakolbinger and Stummer, 2013, p. 114). It is vital to make the right choice of the type of the channel, intermediaries and evaluate all factors of the environment which influence structure of a marketing channel (Banyte et al., 2011). Multiple-channel management let firms to deal with customer need from different segments via specific channels, independently.

2.3. Business Strategies

2.3.1. Market Orientation

Market orientation as an essential component of the classic marketing approach addresses the relationship with customers, and MO is based on listening, understanding of customers, and being in constant contact with them (Jaworski and Kohli, 1993; Kohli and Jaworski, 1990; Slater and Narver, 1994a). Thereby, firms demonstrate products and services to satisfy customers, so that, contribute to improve

their financial performance (Murray et al., 2010). Because of the increased competition for years, firms have been forced to evolve from product-oriented and sales-oriented culture to market-oriented culture. In addition, the balance between being customer oriented and competitor oriented has been discussed within this period (Heiens, 2000), and emphasized that the firm should be primarily customer oriented (Wong and Tong, 2012).

A considerable amount of literature has been published on market orientation (MO). The first serious discussions and analyses of MO emerged during the 1990's have received substantial attention. Kohli and Jaworski (1990) identify MO as organization-wide generation, dissemination, and response to market intelligence pertaining to present and future customer needs, competitor strategic actions, and supplier requirements. Addition the Kohli and Jaworski operative perspective, MO can be understood as an cultural perspective which refers to providing superior values for its customers, overtake competitors and consequently making more profit for a firm by using of cooperation throughout the firm (Narver and Slater, 1990; Wong and Tong, 2012).

According to Hou (2008), MO has been categorized as eight different approaches to the conception which are the decision-making perspective, the market intelligence perspective, the culturally based behavioral perspective, the strategic focus perspective, the customer orientation perspective, the system-based perspective, the market-based organizational-learning perspective and the customer relationship perspective. Narver, Slater, and MacLachlan (2004) sugget an inclusive frame work for MO which broadly covers those approaches above.

Customer focus is one of the most basic components of MO (Blocker et al., 2011). Firms entire its attention center on customers when creating decision-making system. This not only involves the new decisions, it also includes existing routines and processes by the way of reviewing existing systems and updating them continuously (Setia et al., 2013). This also means that designing the organizational management system in this respect, because of only some departments of the organization can not be able to cope with creating superior values to customers on their own (Han et al., 1998). Today, it is obvious that having only a customer-focused marketing department or production department would not be sufficient to overcome the fierce competition environment. Firms that build an understanding of

high-learning culture can develop long-term relationships and success (Keskin, 2006; Slater and Narver, 1995).

However, long-term relationships should not be understood as an exchange which has been selling the same goods and services for many years to customers. Firm's part is that continuously monitoring customer needs and also uncovering the latent ones (Narver et al., 2004; Voola and O'Cass, 2010; Wang et al., 2013). This may be possible with new products and also the modification of existing products (Blocker et al., 2011; Lin and Chen, 2013; Narver et al., 2004). This poses a vital issue for the market in which loyalty to a firm or a brand has been gradually decreasing (Urde et al., 2013).

At this point, for monitoring the current customers, as well as to reach new customers, firms have to obtain sufficient information about them, and it refers that information acquisition (IA) (Kyriakopoulos and Moorman, 2004). An effective IA requires to access accurate and adequate information. But today's highly competitive environment make it difficult to survive with the information collected in a routine manner by just the classical marketing sense (Setia et al., 2013; Trainor et al., 2011). A key aspect of IA is to obtain information which allows to value creation for both firms and customers (Molina-Castillo et al., 2011). Although the only measuring of market situation of current products or current customer satisfaction level may be helpful in the short term, that can drag firms in to a deadlock in the long run (Kwaku Atuahene-Gima et al., 2005; Lin and Chen, 2013; Voola and O'Cass, 2010). In such a case, firm may not be aware of imperceptible changes or it may have lost the opportunity to intervene when it notices this transformation. On the other hand, firm can not respond to sudden and rapid changes in market. Therefore, IA approach should enable firms to gain value creating information.

Another factor of effective information using is the knowledge sharing (Akgün et al., 2007a; Bakker et al., 2006; Musso, 2010). It is likely that many firms abound with useless, unproductive, or outdated information, since it could not be interpreted properly and shared effectively (Khurana et al., 2011). Though marketing department is at the center of the collection of information (Schlegelmilch and Chini, 2003), efficient usage and converting outputs are possible with the participation of other departments (Bhatt, 2001). Because, the same information can signify different meanings in the eyes of different departments. The acquisition and dissemination of information, as a contribution of being market oriented, supports organizational

learning and allows the establishment of a learning culture (Yannopoulos et al., 2012). Thus, customer focused approach spreads to all firm functions, not limited to the marketing department only. In today's competitive market, thoroughly understanding of the market and strategy development is not possible with the marketing department alone. A marketing strategy is strengthened by the participation of the other departments, which have different knowledge and experience, will be more successful and effective. For example, engineering department interpret may consider the collected information from a different angle, and that can lead to new and more valuable outcomes in the process of product development (Calantone et al., 2002; Souder, 1988). Therefore, MO also requires the dissemination of information with other departments, in addition to collecting and making this information useful.

MO has grown in importance in light of recent studies, and academicians and practitioners inspire firms to be market oriented. However, most studies in the field of marketing have only focused on how firms learn about and respond effectively to customers' current, expressed needs (Blocker et al., 2011). There has been little quantitative analysis of nature or effects of proactively understanding customers' latent and future needs (Atuahene-Gima et al., 2005; Narver et al., 2004; Tsai et al., 2008; Voola and O'Cass, 2010). Overall, these studies highlight the need for an investigation of MO separately; while understanding and addressing effectively to customer requests shows an important role in satisfying customers, it is also important that customers demand firms to proactively understand and respond their latent and future needs as part of an ongoing, value-creating, relational process (Blocker et al., 2011). So, MO is addressed in this study as responsive market orientation (RMO) and proactive market orientation (PMO).

Responsive Market Orientation: There is a consensus among marketing scientist about market orientation refers to responding expressed customers' needs and this definition provides a basis for responsive market orientation (Atuahene-Gima et al., 2005). The main point in this approach that customers and firms aware of the market needs and they can explain these each other (Narver et al., 2004). Much of the current literature on MO pays particular attention to RMO, and substantially, these studies argued MO as RMO (intentionally or unintentionally) (Narver et al., 2004; Voola and O'Cass, 2010).

Responsive or market driven approach commonly prompt to firm to follow expressed customer needs and also, reduce their creativity to find out new products and services. Firm adopts their product or services according to customer demands or present new ones to meet expressed needs, instead of create the new ones. Overall, economic opportunity and the necessity of commercializing products motivate the firms to predominantly remain as responsive oriented (Lamore et al., 2013). Therefore, RMO can be understood as searching markets to gain insights about customer needs and producing/developing products or services in this way (Wang et al., 2013).

Proactive Market Orientation: After market orientation has been portrayed in two dimensions as RMO and PMO (Narver et al., 2004; Wang et al., 2013), they address different approaches and processes for understanding and satisfying customer needs. Proactive MO refers that moving firm beyond the current experiments and focusing on expressed customer needs via an exploratory learning behavior implying the investigate for new and varied information and knowledge (Atuahene-Gima et al., 2005). Proactive market orientation is differentiate as prospective market demand driven, involving that the marketing department recognize new product and service opportunities to meet unexpressed customer needs by developing creative solutions using innovation (Lamore et al., 2013).

In contrast to RMO, PMO refers to acting to reveal talent and unidentified customer needs (Narver et al., 2004). This approach inhibit that ignoring or paying insufficient attention to new markets and prospective customers (Voola and O'Cass, 2010) and it support the firm's ability to find out and satisfy latent needs of customers (Wang et al., 2013).

2.3.2. Innovation Orientation

According to Narver et al. (2004, p. 337), being innovation oriented provides firms that "*(1) learning about and tracking customer needs; (2) the development of new products or services that address those needs; and (3) the development and implementation of internal processes that enhance customer need understanding and product development".* As can be seen here, market orientation and innovation orientation complement each other, and they are required to focus on latent and expressed needs of customers (Narver et al., 2004).

Hurley and Hunt (1998) emphasize that innovation orientation is the notion of openness to new ideas, and familiarity to advance new technologies, resources, skills, and administrative systems (Zhou et al., 2005), and it covers the total innovation programs of organizations which guides firms to deal with market (Manu, 1992). Innovation orientation stems from a learning viewpoint, strategic direction, and transfunctional beliefs which can lead firms to focus on developing primary organizational competencies such as resource allocation, technology, employees, operations and markets (Siguaw et al., 2006; Simpson et al., 2006).

2.3.3. Innovativeness

It is likely that opening new ideas and innovation, as part of an organization's culture, is possible with market and learning oriented culture, along with other factors (Hurley and Hult, 1998). This innovative culture encourages and supports novel ideas, thus, new products, techniques or technologies could be possible in a corporate environment (Weerawardena, 2003). According to Hurley and Hult (1998) developing new capabilities lead to competitive superiority and great performance. A possible explanation for this might be that more innovative firms will be more successful in responding to their environment (Hurley and Hult, 1998)

Firm innovativeness is composed of different dimensions such as product innovativeness, innovation in production processes, management and marketing practices. Almost in every industry, only few companies can develop a competitive position and become a leader among competitors. Organizations which have the capability to react against technological and market changes can keep pace with necessary changes (Christensen, 2001). It is likely that the organizations see innovation as a mechanism for creating new knowledge and competitive advantage, in addition to that a user of scarce resources for uncertain outcomes. Innovativeness is the one of the preperformance dimension and reflects a firm's capacity to create or adopt novelties and practice them effectively (Tuominen et al., 2004). In sum, according to Lawson and Samson (2001, p. 384), innovation as a capability is *"the ability to continuously transform knowledge and ideas into new products, processes and systems for the benefit of the firm and its stakeholders"*.

2.3.4. Speed-to-Market

Being first mover into the market is vital to get the position against the competitiors and stay ahead of the game (Keller, 2006). The term speed-to-market has come to be used to refer to the ability of a firm to develop and launch a new product rapidly (Akgün et al., 2007b). It is a widely held view that speed-to-market is a essential competitive weapon of firms and the growing rate of competition, technological advances in the marketplace, and shorter product life cycles stress firms to innovate better and faster.

It is almost certain that, besides some disadvantages, speed-to-market increase competition, allow firms to react quickly against to changing markets and technologies, and increases a firm's profitability (Lynn et al., 2000). Lawson and Samson (2001) point out that today's organisations come up against an further challenge which is the requirement to innovate, not just rarely but habitually, quickly and with a solid success rate. As Smith and Reinertsen (1998) state that the firm can gain more customers, increase its market share, enhances its profit margins, extends its sale life, and obtains a more secure competitive position with speed.

3. CONCEPTUAL DEVELOPMENT

3.1. Strategic Orientations and Adaptive Marketing Capabilities

Strategic orientations are at the heart of understanding of firm's strategic direction to create appropriate actions. Market and innovation orientations are the two important strategic orientations for firms to achieve a long-term success. (Zhou et al., 2005)

Today, being market oriented is essential for firms to understand what is going on in the market and to find out what customers want from firms (Kohli and Jaworski, 1990). Besides, having comprehensive marketing skills is a necessity for the realization of a strategy to riposte market developments (Dutta et al., 1999; Menguc and Auh, 2006). A market-oriented firm will be able to reach the information it needs for the components of marketing capabilities such as the management of brand (Matanda and Ewing, 2012; Merrilees et al., 2011; Morgan, 2012), price (Dutta et al., 2002, 2003), distribution channels (Floreddu and Cabiddu, 2013; Morgan, 2012), CRM (Fang and Zou, 2009; Greenberg, 2009; Jayachandran et al., 2005; Kozlenkova et al., 2014), sales (Grant, 1996; Morgan, 2012), etc.

Market-oriented culture constitutes the basic infrastructure that directs firms to uncover both expressed and latent needs (Atuahene-Gima et al., 2005; Lamore et al., 2013; Lin and Chen, 2013). For instance, although the classic concept of CRM seems mostly as a message transmission from firms to the customer, one of the main functions of the SCRM approach is to uncover to customer needs as well as keep in touch with them (Choudhury and Harrigan, 2014; Sun et al., 2006). Such firms can establish long-term relations with the customers and can integrate the mutual two-way communication system (Lehmkuhl and Jung, 2013). Such a relationship structure also provides the ability to respond quickly to customer requests, and create a focal point to consider that demonstrating products and services to create value for customers. It also allows customers to participate firm processes and thus firm can adapt to the market more easily (Faase et al., 2011).

A market oriented firm has an open-minded understanding of the market and it does not act just according to competitors' moves or customers' notices in the market (Greenley, 1995; Hurley and Hult, 1998; Slater et al., 1995). It continuously monitors itself and brainstorms about existing products and services in addition to customer follow-up (Atuahene-Gima, 1995; Im and Workman Jr, 2004). Questioning itself is a routine for such firms to find-out how to improve their products and add value to them (Deshpandé and Farley, 1998). It also examines customers on how they use firm products and services and get benefit from them. Gained the insights can broaden horizon for the firm and allows it to adapt to market better. This examining is not only about the use of products and services, it also includes how to contribute to the development of other marketing capabilities (Day, 1994; Morgan et al., 2009a), e.g. delivering the products and services to the customers. For example, firms can investigate the effectiveness of the existing channel structure or develop strategies on how to rapidly deliver products and services through new channels, also to reach new potential customers. The physical limits have become indistinct for a range of industries and firms have appeared in a lot of ways to reach customers. Market oriented firm, even if satisfied with the current channel structure, will struggle to develop more effective and powerful channel structure to improve the competitiveness as well as to provide better service to their customers (Langerak, 2001; Siguaw et al., 1998).

The same perspective can be extended in price management activities of the firm. Price is a key element for both the profitability of the firm and customer preference at the point of the competition (Liozu et al., 2014). Firms do not only set a pricing strategy, according to the demands of costumer, the cost of the products, or the pricing strategies of competitors (Ailawadi et al., 2001). Today, pricing strategies have been diversified. Thus, there are many different sources firms should take into consideration during the building of the price management strategy. Firms should know the strategies of the competitors for the pricing, and be able to respond to changes in the market with a fast and accurate pricing strategy (Morgan, 2012). Therefore, it can be only accomplished by the firms which constantly observe, collect and interpret market information correctly (Hinz et al., 2011).

A market oriented culture shares the gained information with other that allows the effective use of information (Calantone et al., 2002). Organization with an effective information sharing system can use its own capabilities more efficiently to

manage the marketing mix (Chen and Popovich, 2003). Such an organization is customer-oriented, and tracks regularly the level of customer satisfaction. It continuously monitors pertinacity and sustainability in which their market strategies (Achrol and Kotler, 2011; Mariussen et al., 2010). For example, market oriented firm acts against the threats that can affect brand value, and also shows flexibility towards new strategies to contribute positively to the brand image (Richards et al., 1998). In this direction, firm responds in real time to customer notices to maintain and strengthen the brand as well as in cooperation with all firm departments.

According to McKee, Varadarajan, and Pride (1989), firms may develop their adaptive capabilities to market shifts by, such as, carrying out marketing scanning, monitoring customers, engaging in product development, building an extensive distribution network, screening and training personal. So, it appears that the firm need to find a way to understand what is happening in market and how it will be evolved (Atuahene-Gima et al., 2005). Additionally, Kumar et al. (2011) state that firm should acquire costumer insights and propound market needs faster than the competitors. Also, this suggests an exploratory learning behavior which involves the search for new and diverse information that let the firm beyond (Baker and Sinkula, 2007; Calantone et al., 2002; Hurley and Hult, 1998; Yannopoulos et al., 2012).

To summarize, the capabilities are consisted of interrelated and hard-to-imitate specific behaviors and routines, and need tangible and intangible resources. A market oriented firm is open to change and has ability to reach sources of information and knowledge by continuesly monitoring market and customers, and sharing them in firm. At this point, adaptability inherently requires knowledge about customers current and talent needs both. Because current customer needs may shed light on future needs, and also talent customer needs provide insight for current customer needs (Kumar et al., 2011). So, to develop adaptive marketing capabilities, firms should be market oriented which is combined of both proactive and reactive market orientation.

H1a: Market Orientation is positively related with SCRM

H1b: Market Orientation is positively related with adaptive brand management

H1c: Market Orientation is positively related with adaptive price management

H1d: Market Orientation is positively related with multi channel management

Besides having market-based knowledge and capabilities, today's dynamic environment require being innovation orientated. IO reflects strategic innovation programs of firms and it provides direction in dealing with markets (Manu, 1992).

Because, even the product-in-itself is not technological, production or post production processes are inevitably in contact with the technology (Capon and Glazer, 1987; Tatikonda and Montoya-Weiss, 2001). Some products require high technology at the production stage, also there are the technological requirements in the marketing of the product, e.g. distribution (Gundlach et al., 2006). Firms have to enter into a quest to find out new channels to reach more customers in addition to traditional channels (Musso, 2010). When this is taken into account that fast and low-cost solution for distribution, they look for more innovative ways (Floreddu and Cabiddu, 2013). Considered the product itself, gradually shortening product life-cycle and the possibility of becoming obsolete in a short period force firms to be innovation oriented.

Being open to the technology and innovation is inevitable in terms of marketing capabilities –especially for being adaptive-, as such in many businesses functions (Ngo and O'Cass, 2012). Today, marketing capabilities require to be innovation oriented to have an adaptive approach. Integrating an innovative perspective to marketing capabilities is one of the most distinctive features of the adaptive approach in comparison with the classic marketing approach (Day, 2011; Dutta et al., 1999; Weerawardena, 2003).

To exemplify, the use of technological advancements is directly related to a firm capability (Lall, 1992) to respond instant customer notifications or developments about the brand (Urde et al., 2013). This is because brand management is no longer limited to just make the effort for classic brand promotion activities (Xiao-qiang, 2012; Xiaotong and Zhang, 2013). Firms must have the ability to immediately step in negative situations about its brand (Haarhoff and Kleyn, 2012; McGriff, 2012; Tsai, 2014), and even should be able to turn an external development into an opportunity for itself. In addition, adaptive brand management strategies do not only include physical events or organizations as a brand promotion activity. These activities can be carried out through online channels, that are possible and

sustainable for a firm with an innovative perspective (Chen and He, 2003; Kim et al., 2008; McGriff, 2012; Wirtz et al., 2013). This is similarly extendable for the SCRM system as an another marketing capability.

Firms are open to innovation and claim to be the leader in this regard, can integrate and use such technological infrastructure, SCRM (Choudhury and Harrigan, 2014). The cost is not an only issue when applying these systems to the firm (Nadeem, 2012). The firm has to embrace such a system and has the shared understanding to implement it successfully with other functions of the firm. Indeed, if there is no embedded innovation culture in the firm, forced or emulatively shifts to the systems, may lead to failure for firms. Moreover, resistance to change or abortive implementation can ingenerate a serious disaster. Consequently, such practices are not only achieved by transferring technology, that also requires that being open to innovation and absorbing it successfully (Baird and Parasnis, 2011; Jayachandran et al., 2005; Lehmkuhl and Jung, 2013).

Besides, a physical store in a small town can be forced to compete with a seller in another continent. Although we have not adressed the use of technology specifically to be more inclusive for wide range industry, the firm has an adaptive price managemenet approach need to use both directly or indirectly enhanced communication and computer technologies which arise from a competition and technology intense environment (Day, 2011).

Therefore, it is not enough that only the being market oriented firm to use its capabilities effectively in the adaptive sense. Effective use of technological advances and communication technologies is a priority for an adaptive marketing intelligence. Because technological knowledge is one of the critical components of prior knowledge (Lichtenthaler, 2009), IO enable firms to acquire and deploy resources and practice them to reflect the needs of market. Siguaw, Simpson, & Enz (2006) holds the view that IO is a knowledge framework as comprised of a learning philosophy, strategic direction, and transfunctional beliefs within a firm, and therefore, IO directs adaptive marketing capabilities actions in the direction of specific innovation-enabling competencies and processes (Lall, 1992).

H2a: Innovation Orientation is positively related with SCRM

H2b: Innovation Orientation is positively related with adaptive brand management
H2c: Innovation Orientation is positively related with adaptive price management
H2d: Innovation Orientation is positively related with multi channel management

3.2. Adaptive Marketing Capabilities and Innovativeness

Marketing and innovation are significant to the success and long-term survival of many firms (Calantone et al., 2002). A firm requires complementary assets or capabilities to successfully commercialize innovations (Teece, 2010). According to Lawson and Samson (2001) outstanding innovation performance would be able with managing the mainstream and newstream together that require integrating all firm capabilities into the innovation process, and one of these capabilities is marketing skills (Su et al., 2008).

Numerous studies demonstrated that a major cause of new product failure is the lack of innovativeness, and success in innovation might be possible with the effective combination of existing resources, skills and competence (Wong and Tong, 2012). However, we have not considered only product innovativeness as an out-put, we have also counted management, marketing, and production/process innovations in innovativeness concept so that offers a more comprehensive framework for firm innovativeness. Innovativeness can be realized by providing an effective combination of the existing resources with the existing capabilities to reveal novel, creative, and value-added outputs. Therefore, firms with strong marketing skills and spreaded understanding of adaptability to the whole firm are able to gain place in the market as an innovator firm with a holistic approach to innovativeness from management to production. Firms which aim to make successful innovations must have a market focus (Erdil et al., 2004), therefore, marketing capability lets them to gain advantage of market opportunities to reflect their innovative skills to their products/processes (Su et al., 2008). Innovation is complicated in that it is address different approaches and processing for meeting and satisfying customer needs. Considered today's turbulent market environment which require greater amount of risk-taking and proactiveness from firms (Avlonitis and Salavou, 2007), adaptive marketing capabilities may make successful innovations possible.

H3a: SCRM is positively related with innovativeness

H3b: Adaptive brand management is positively related with innovativeness
H3c: Adaptive price management is positively related with innovativeness
H3d: Multi channel management is positively related with innovativeness

3.3. Adaptive Marketing Capabilities and Speed-to-Market

Huge and complex technology and market related knowledge are generated in turbulent environments. Conditioning and turning explicit of this knowlodge into firms require adequate capability and practice. Lack or unsufficent capabilities slows down the operations of firm and restrain other operational capabilities to process with necessary speed (Akgün et al., 2006). In this context, firms can obtain speed-to-market by using their adaptive marketing capabilities .

Specifically, interpreting and making market and technology knowledge useful leads to quick product/service development, as a consequence of the transforming these market knowledge to marketing practices with an adaptive approach. Nature of adaptability is linked to being quick and making the most appropriate movement against the development inside and outside. So, there is need to leverage the adaptive understanding of market and technology realities, when firm engages in actions during the projects for developing or upgrading products in a timely fashion. With AMC, firms make more efficient decisions about alternative products and processes, and solve product and process related problems more quickly. AMC helps to reduce and filtering huge data and knowledge and provide optimum marketing practices to prevent time-sink. Therefore, innovator firms may be able to present innovative superior products to the market faster, more often and at a lower cost than competitors by considering maintaining AMC (Lawson and Samson, 2001).

H4a: SCRM is positively related with speed-to-market.
H4b: Adaptive brand management is positively related with speed-to-market.
H4c: Adaptive price management is positively related with speed-to-market.
H4d: Multi channel management is positively related with speed-to-market.

3.4. The Effect of Market Turbulence and Techonology Turbulence on Strategic Orientations and Adaptive Marketing Capabilities

It is believed that main stream changes in business environments are provoked by complexity and turbulence. Market turbulence and technological turbulence are two important sources of uncertainty. While market turbulence can be defined as *"changes in the composition of customers and their preferences"*, technological turbulence encompasses "the amount and unpredictability of change in production or service technologies" (Slater and Narver, 1994b, p. 51).

Since market and technology turbulances cause dramatic shifts in firm environment, marketing departments pay attention to reduce uncertainty and find ways to survive in this turbulanted market (Wang et al., 2013). Market turbulence and technological turbulence make understanding, predicting and responding more difficult (Mason, 2012). Firms have diffuclty in detecting meaningful cause-and-effect relationships in market, because of intense, chaotic or nonsense data or knowledge load. Because of quickly changing market and technology knowledge – customer needs, desires, and technological "know-hows" - (Akgün et al., 2007a), marketing routines, plans and procedures become discordant. Taken together, firms have to adapt their products according to the changes in market to satisfy their customers in a market and technology turbulented environment (Murray et al., 2010).

H5a: Market Turbulence is positively related with market orientation.

H5b: Market Turbulence is positively related with innovation orientation.

H6a: Technology Turbulence is positively related with market orientation.

H6b: Technology Turbulence is positively related with innovation orientation.

H7a: Market Turbulence is positively related with SCRM capability.

H7b: Market Turbulence is positively related with adaptive brand management capability.

H7c: Market Turbulence is positively related with adaptive price management capability.

H7d: Market Turbulence is positively related with multi channel management capability.

H8a: Technology Turbulence is positively related with SCRM capability.

H8b: Technology Turbulence is positively related with adaptive brand management capability.

H8c: Technology Turbulence is positively related with adaptive price management capability.

H8d: Technology Turbulence is positively related with multi channel management capability.

3.5. The Mediation Effect of Adaptive Marketing Capabilities between Strategic Orientations, and Innovativeness and Speed-to-Market

The relationship between firm resources and performance has been studied in depth for many years to answer the question of why vary the performance of firms (Mosakowski, 1998; Wernerfelt, 1984a). Because each firm may have different levels and diversity of resources, thus a homogeneous source structure can not be addressed for each firm. This situation is considered as one of the main reasons for performance differences between firms (Barney, 1991; Conner, 1991).

These differences also emerge in firm market performance as well as in overall performance (Wang and Ahmed, 2007). A resource can be observed more objectively in the market performance to determine whether it is a valuable resource or not (Morgan et al., 2009). A precious resource should add value to the products and services of a firm that offers customer satisfaction.

However, in the literature, there is a large volume of published studies describing how firms obtain these resources (Collis and Montgomery, 1995). The first serious discussions and analyses of resources have been focused on the basic economic concepts as resources such as labor, raw material, and capital (Barney, 1991). In a more broad sense, subsequent studies have examined them as technological knowledge, trained employee, and trade contacts, and those have taken more into account the relationship between resources and performance outcomes (Ngo and O'Cass, 2009). The heterogeneity of resources of firms has been identified as a major factor for the performance differences between firms (Kor et al., 2007; Morgan, et al., 2009).

Besides, it has been demonstrated that there are the missing points to understand the performance differences, and researchers have proposed that the diversity of resources is not the only reason for these performance differences. Debates in the literature stated that one of the main reasons for this difference is the diversity of the capability of a firm, because resources require the capabilities to be converted to the outputs (Makadok, 2001; Morgan et al., 2009; Wang and Ahmed, 2007). So the firms which have different capability types and levels, reveal different performance outcomes (Ngo and O'Cass, 2009). At this point, researchers have investigated the resources how they become outputs in the context of capability theory. Otherwise, there is an ignored gap occurs between resources and performance outcomes (Lu et al., 2009).

More recently attention has focused on the combination of resources and capabilities of how it affects the performance outcomes, and that has been investigated in terms of many different business functions (Lu et al., 2009). It also has been examined in the context of marketing, however the components of capabilities or their relationship with the outputs are not sufficiently clear. Some studies have considered the marketing capabilities from a managerial perspective, some others have identified with the marketing mix activites (Ngo and O'Cass, 2012). In addition, some concepts, e.g. strategic orientations, have been investigated as either capabilities or resources in the literature.

Many studies have examined the relationship between the strategic orientations and the firm outputs in the literature (Kumar et al., 2002; Manu, 1992). Although some have linked them with financial performance, some studies have associated them with innovation, new product, or operational performance (Atuahene-Gima, 1995; Narver et al., 2004;Slater and Narver, 1994a; Tsai et al., 2008). This evidence shows that strategic orientations are important concepts firm performance and outcomes (Zhou and Tse, 2005). However, the direct relationship between strategic orientations and performance outputs has been vigorously challenged in recent years by a number of writers (Han et al., 1998; Morgan et al., 2009a; Ngo and O'Cass, 2012).

Since strategic orientations cover the understanding of customers and competitors, and reflect how gathering, disseminating, and sharing of information in broad strokes (Atuahene-Gima et al., 2005; Narver and Slater, 1990; Slater and Narver, 1994a), that leads the questions on how they are converted to the outputs

(Morgan et al., 2009b; Murray et al., 2010; Trainor et al., 2011; Urde et al., 2013). Considered strategic orientations as a resource so transforming them to outputs require capabilities. These capabilities that are also inherent to the firm and hard-to-copy by competitors as resources (Morgan et al., 2009a). According to Ngo and O'cass (2009), marketing capabilities are more specific and less transferable than resources, and provide the capacity to firms to reach superior performance with these skills.

Furthermore, strategic orientations represent a culture, behavior, and stance, rather than a capability (Avlonitis and Gounaris, 1999). In other words, it is hard to say that a strategic orientation, in isolation, is a capability, and it requires some other factors to add competitive value to the firm (Hou, 2008; Menguc and Auh, 2006; Trainor et al., 2011). Capabilities are embedded and interrelated structures arise from mutual interactions and they are shaped by the routines and processes through administrative decisions (Angulo-Ruiz et al., 2013; Bessant et al., 2012; Morgan, Slotegraaf, et al., 2009; Zawislak et al., 2012). Thus, capabilities are directly related to resource deployment, and strategic orientations provide that.

RBV indicates that firms can have potential value with their resources. However, they need organizational elements to realize this potential. (Morgan et al., 2009b) suggest that MO is connected with firm performance and an MO requires complementary organizational capabilities (Menguc and Auh, 2006; Ngo and O'Cass, 2009). To transform customer requirements into product and service features, firms need to an dynamic process that drives a firm to constantly identify and meet customer needs to gather adequate knowledge (Wong and Tong, 2012). Accordingly, firms need to be market oriented, and associate their resources with their capabilities, if its value to the firm is to be fully realized. Thus, firms can develop marketing capabilities to demonstrate their respond in practice.

H9a: The adaptive marketing capabilities mediate the relationship between market orientation and innovativeness.

H9b: The adaptive marketing capabilities mediate the relationship between market orientation and speed-to-market.

H10a: The adaptive marketing capabilities mediate the relationship between innovation orientation and innovativeness.

H10b: The adaptive marketing capabilities mediate the relationship between innovation orientation and speed-to-market.

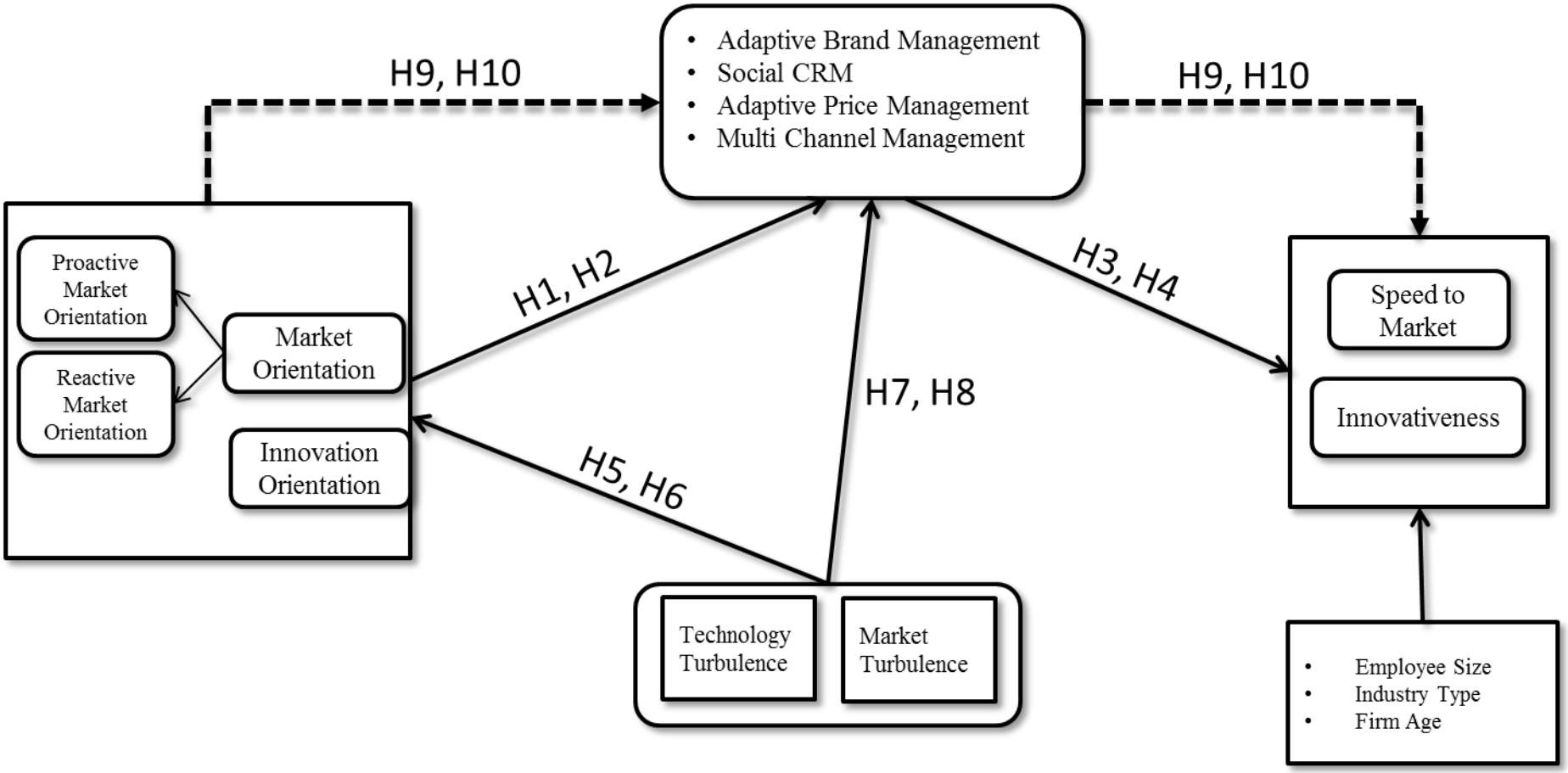

Figure 3.1. The Hypothesized Conceptual Model

4. RESEARCH METHODOLOGY

4.1. Research Design

We performed a questionnaire-based research to test our foundation and framework related hypotheses. Constructs, except innovativeness, were measured using 7-point Likert scales ranging from “strongly disagree” (1) to “strongly agree” (7). Firm size, industry type, and firm age questions, as control variables in the research model, were assessed by ratio scale. Firm age was assessed by asking the number of years since the firm was founded (Gulati and Higgins, 2003) and firm size was indicated by the logarithm of the number of employees (Zhou et al., 2005). The questionnaire is in the Appendix.

Market Orientation: We adapted the constructs regarding reactive market orientation and proactive market orientation from Narver et al. (2004). We asked seven questions for reactive market orientation and eight questions for proactive market orientation.

Innovation Orientation: Narver et al. (2004) operationalized innovation orientation as recognized for being innovation leader, the leading edge of technological innovation, and first to market with new products or services. We thus adapted their constructs to measure innovation orientation by asking three questions.

Adaptive Brand Management: For adaptive brand management, we developed new question items. Although question items for the brand management are in the marketing literature, we are not aware of any study directly assessing the adaptive brand management. Therefore, based on the conceptual study of Day (2011), we asked six questions items to assess the adaptive brand management including to what extent an organization has an adaptive perspective on the brand management.

Social Customer Relationship Management: SCRM were operationalized using an modified scale from Jayachandran et al. (2005), and Choudhury and Harrigan (2014). We asked eight questions which represent an organization-wide system for building long-term relationship with customers, sharing customer information, acquiring, disseminating, and responding to customer information.

Adaptive Price Management: We asked five questions to assess adaptive price management. These constructs are modified from Vorhies and Morgan (2009). They operationalized price management as using pricing skills and systems to respond quickly to market changes, getting knowledge of competitors' pricing tactics, effective pricing of products/services, and monitoring competitors' prices and price changes.

Multi Channel Management: We modified nine questions from Jaworski and Kohli (1993), Green et al. (2012), Vorhies and Morgan (2009), Floreddu and Cabiddu, (2013), which cover coordinating online-offline channels, identifying new business opportunities, strengthening current channels, providing new ways of performing transactions.

Innovativeness: Innovativeness was measured using five items adopted from the work Ngo and O'Cass (2012) using 7-point scales with "much worse than competitors" and "much better than competitors" anchors.

Speed-to-Market: We asked four question items adopted from Akgun and Lynn (2002) to operationalize speed-to-market the ability of a team to develop and launch a new product rapidly. Since we used a multi-firm and multi-industry sample, we tried to control for speed-to-market differences in the nature of projects by using relative speed measures. Speed-to-market was assessed by comparing actual performance to pre-set schedules, firm standards and similar competitive projects.

Environmental Turbulence: Environmental turbulence questions were adapted from Jaworski and Kohli (1993), Moorman and Miner (1997), and Akgün et al. (2007a). Four questions were asked regarding market turbulence and five regarding technology turbulence. Technology turbulence refers to the change associated with new product technologies, and market turbulence indicates the change in the composition of customers and their preferences (Jaworski and Kohli, 1993; Moorman and Miner, 1997).

After developing the new question items in English, three academics from U.S.-based universities, who each have industrial experience of more than 10 years, evaluated the content and meaningfulness of the items to establish face validity. They did not note any difficulty in understanding the items or scales. These new and adopted question items were first translated into Turkish by one person and then retranslated into English by a second person using the parallel-translation method. The two translators then jointly reconciled all differences. The suitability of the

Turkish version of the questionnaires was then pretested by 10 part-time graduate students who are full-time employees working in industry. In addition, five senior managers, randomly selected from a diverse cross-section of firms located in Istanbul, evaluated the content and meaningfulness of the items. Respondents did not demonstrate any difficulty understanding the items or scales. After confirming the questionnaire items, the questionnaires were distributed and collected by the authors, applying the "personally administrated questionnaire" method.

4.1.1. Data Collection

Before data collection, we considered the statistical power level to determine the target sample size for this research. Statistical power refers that the probability of a statistical test will incorrectly fail to reject a null hypothesis and is defined as 1-ß, where ß refers to the risk of making a Type II error (Sawyer and Ball, 1981). Both over-powered and underpowered statistical power level may cause problems therefore choosing an appropriate level of statistical power is important. Cohen (1988) suggested setting power levels at 0.80, meaning studies should be designed such that they have an 80 percent probability of detecting a real effect, or a twenty percent chance of making a Type II error. According to our conceptual model, we calculated as a function of anticipated effect size r=0,40 (a medium level effect), probability level= 0.05, and desired statistical power level= 0,80. Test revealed that target sample size is 200 therefore.

Data were collected as a part of an executive graduate management/marketing program from five different universities in Marmara region where students were requested to disburse and collect data from their respective firms. In addition, students were encouraged to collect more data from outside of their companies if they could by offering them extra credit. While the students were encouraged to seek out and collect data from other companies, the extra credit offered was restricted to class participation and did not substitute for existing and required coursework. Also, completed surveys submitted for extra credit were reviewed for consistency and were discussed with students who submitted them. Finally, experience has shown that students interested in taking on the added work, given the condition that the extra credit did not substitute for required work, did so out of eagerness to help and because of interest in the work being performed.

Executive graduate programs were selected because students mainly work in firms which are organized and managed based on a Western management style, e.g., they operate in accordance with International Standardization Organization (ISO) and European-quality standards, and are affiliated with Western firms. To avoid industry bias, we sampled a variety of industries including; telecommunications, computer and electronics, finances, information services, automotive, chemical manufacturing, food manufacturing, and machinery manufacturing. The targeted respondents were predominately marketing or R&D managers/senior specialist. We selected marketing/R&D executives as respondents because executives perceive things as better than they were due to their involvement and responsibility for project performance. For instance, Phillips and Bagozzi (1986) note that informants tend to provide more valid reports on issues directly related to their work roles. After qualifying the respondents, by following the procedure of Podsakoff et al. (2003), we informed each participant that his or her responses would remain anonymous and would not be linked to him or her individually, nor to his or her companies, or products. In addition, we assured respondents that there were no right and wrong answers and that they should answer questions as honestly and forthrightly as possible.

Of the 285 students asked to participate, 247 of them completed and returned a questionnaire (a 86,6% response rate). Several industries were represented including telecommunications (22,4%), banking–finance (9,7%), automotive (11,8%), computer and electronics (13,5%), manufacturing and machinery (4,6%), chemical (4,6%), construction (5,1%), food (4,6%), service (10,1%), and others (13,5%) in healthcare, energy, petroleum, pharmaceutical etc. The selection of a diverse set of industries improves the generalizability of the research findings to a broader population. Those respondents are expected to serve as "key informants" for others who work in the same organization (Kumar et al., 1993). We believe that those key informants are likely to assess the social interaction, relations among people, organizational knowledge, past experiences, and innovativeness more accurately because of their "bird's-eye view" of the organization. The tables below illustrate the descriptive statistics for respondents. (Table 4.1., 4.2., and 4.3.)

Table 4.1. The Frequencies of Industries in the Study

No	Industry	Percentage
1	Telecommunication	22,4%
2	Electronic/Computer	13,5%
3	Automotive	11,8%
4	Service	10,1%
5	Finance/Banking	9,7%
6	Construction	5,1%
7	Chemical Manufacturing	4,6%
8	Machinery/Metal Manufacturing	4,7%
9	Food	4,6%
10	Other	13,5%

Table 4.2. The Department of Respondents in the Study

No	Industry	Percentage
1	Marketing/Sales	43,8%
2	Engineering/Design	24,1%
3	Finance/Accounting	17%
4	Human Resources	7,6%
5	Production	5,7%
6	Other	1,8%

Table 4.3. The Position of Respondents in the Study

No	Industry	Percentage
1	Senior Staff/Employee	49,4%
2	Department Manager	16,5%
3	Engineer/Technician	12,3%
4	Senior Engineer	3%
5	President/Owner	2,6%
6	Product/Project Manager	2,6%
7	General Manager/CEO	0,4%
8	Other	13,2%

4.1.2. Measure Validity and Reliability

After collecting the data, the measures were subjected to a purification process. The procedures included assessments of item and scale reliability, unidimensionality, and convergent and discriminant validity were used to validate measures (Anderson and Gerbing, 1988; Fornell and Larcker, 1981). First, an exploratory factor analysis (EFA) was performed to assess the dimensionality of our four developed AMC constructs. This analysis consists of using a Maximum Likelihood (ML) with Promax rotation. We have used ML because of *"it allows for the computation of a wide range of indexes of the goodness of fit of the model [and] permits statistical significance testing of factor loadings and correlations among factors and the computation of confidence intervals."* (Fabrigar et al., 1999, p. 277). ML estimator is considered relatively robust to violations of normality assumptions (Diamantopoulos et al., 2000) and it provide more compatible results with SEM when it is also performed with ML method. As rotation method, we used Promax which is an oblique methods allow the factors to correlate. In the social sciences some correlation among factors is generally expected, and "*oblique rotation should theoretically render a more accurate, and perhaps more reproducible, solution"* (Costello and Osborne, 2005, p. 3). We also investigated the Kaiser-Meyer-Olkin (KMO=0,97), and Bartlett's test scores (x^2/df: 6376,07/300, p=,0) which indicate adequate results for EFA (KMO statistic should be above 0,6). Pattern matrix converged in six rotation and the variance of four factor model is 75,37%. Table 4.4. presents EFA scores for AMC variables.

Table 4.4. The Factor Loadings of AMC Variables

		1	2	3	4
SCRM	SCRM8	,887			
	SCRM3	,886			
	SCRM6	,866			
	SCRM7	,861			
	SCRM1	,848			
	SCRM2	,824			
	SCRM5	,803			
	SCRM4	,742			
Adaptive Brand Management	ABM1		,847		
	ABM6		,845		
	ABM5		,772		
	ABM2		,760		
	ABM4		,740		
	ABM3		,701		
Multi Channel Management	MCM8			,867	
	MCM7			,851	
	MCM6			,781	
	MCM9			,760	
	MCM5			,637	
	MCM4			,632	
	MCM3			,532	
Adaptive Price Management	APM3				,950
	APM2				,874
	APM4				,800
	APM1				,653

After performing an exploratory factor analysis, a subsequent confirmatory analysis was conducted to assess the resulting scales as suggested by Anderson and Gerbing (1988). A series of approaches to test these constructs' reliability and validity were used. The initial measurement model was subjected to a confirmatory factor analysis (CFA) to assess convergent and discriminant validity. Discriminant validity concerns the extent to which scores on a measure are not correlated with other conceptually distinct measures, and convergent validity is the degree of agreement between two measures of the same concept (Koste et al., 2004). The validity of the measurement models was evaluated according to the following indicators: The Tucker-Lewis fit index (TLI), the comparative fit index (CFI), the root mean square error of approximation (RMSEA), the chi-square value (x^2) and the degrees of freedom (d.f). CFI is a suggested index of overall model fit (Gerbing and Anderson, 1993) and RMSEA provides information in terms of the discrepancy per degree of freedom for a model, thus indicating the achievement of a better model fit for each estimated coefficient (Hair et al., 2014). An acceptable model fit should have a CFI value greater than or equal to 0.90, a RMSEA value between 0.05 to 0.08.

The fit statistics indicated that a ten-factor model fit the data well (we used second-order factor model for Proactive Market Orientation and Reactive Market Orientation as Market Orientation). The fit indices also provided supportive evidence (RMSEA = .05, TLI = .92, and CFI = .92). After eliminating one question from market orientation construct, the standardized item loadings also supported the convergent validity since each item loads significantly on its respective construct (all loading are larger than .6). Second, internal consistency reliabilities (Cronbach's alpha) were calculated. Reliabilities ranged from .90 for Speed to Market to .96 for Innovativeness, indicating acceptable levels of internal consistency. Also, as a check for discriminant validity, the variance extracted for each construct was greater than the squared latent factor correlations between pairs of constructs. After these tests, it was concluded that the measures are undimensional and have adequate reliability, discriminant validity, and convergent validity.

Further, because data were collected using a single-source method (self-report scales), common-method variance had the potential to introduce spurious relationships among the variables. To examine and mitigate the threat of common-method bias (CMB), two tests were conducted following the recommendations of Lindell and Whitney (2001) and Podsakoff et al. (2003). First, a Harmon's single-

factor test was conducted and it reveals that the 47,6% variance explained by a single factor shows that the common method bias is not a major concern in this study (less than 50% cut-off point). The result is obtained by running unrotated, a single-factor constraint of factor analysis in SPSS. Second, common latent factor (CLF) method was conducted. However, first model did not reveal fit model, and according to results, one question for each SCRM and MCM constructs were deleted. New model showed adequate fit indices with CLF (x^2=2280,6 CMIN/DF=1,6, CFI=,94, TLI=,93, RMSEA=,05) and without CLF (x^2=2461,6, CMIN/DF=1,65, CFI= ,93, TLI= ,92, RMSEA: ,05). Further analysis continued with the new CMB adjusted model. The reliabilities of the multiple-item reflective measures are reported in Table 4.5., along with construct correlations and descriptive statistics for the scales.

Table 4.5. Measurement Statistics and Correlation Matrix

Mean	Std. Deviation			1	2	3	4	5	6	7	8	9	10	11	12	13
5.03	1.50	1	Innovation Orientation	(0.90)												
5.38	0.99	2	Market Orientation	.60**	(0.92)											
5.19	1.32	3	SCRM	.51**	.59**	(0.88)										
5.43	1.17	4	Adaptive Brand Management	.50**	.65**	.73**	(0.85)									
5.36	1.20	5	Adaptive Price Management	.43**	.58**	.62**	.67**	(0.86)								
5.31	1.20	6	Multi Channel Management	.57**	.67**	.77**	.78**	.74**	(0.86)							
5.10	1.35	7	Speed To Market	.57**	.60**	.65**	.62**	.53**	.69**	(0.84)						
5.31	1.36	8	Innovativeness	.55**	.54**	.47**	.58**	.46**	.59**	.60**	(0.91)					
5.58	1.22	9	Technology Turbulence	.42**	.59**	.60**	.62**	.55**	.63**	.54**	.45**	(0.89)				

5.58	1.12	10	Market Turbulence	.34**	.54**	.55**	.59**	.57**	.61**	.56**	.37**	.79**	(0.85)			
		11	Firm Age	.11	.11	.13*	.12*	.17**	.11	.11	.23**	0.12	.07	1		
		12	Industry Type	-.27**	-.23*	-.22**	-.17*	-.13	-.23**	-.21*	-.18**	-.24**	-.23**	-.15*	1	
		13	Firm Size	.26**	.17**	.19**	.25**	.21**	.28**	.31**	.24**	.22**	.24**	.31**	-.36**	1
			CR	0.93	0.94	0.96	0.94	0.92	0.95	0.90	0.96	0.93	0.91			
			AVE	0.82	0.52	0.77	0.73	0.75	0.75	0.70	0.82	0.77	0.72			
			Cronbach's Alpha	0.94	0.94	0.96	0.94	0.92	0.95	0.90	0.96	0.94	0.91			

*p <.1, **p < .05, ***p < .01

Diagonals show the square root of AVEs

5. ANALYSIS AND RESULTS

After observing covariances between theoretical related variables (see Table 5.1.), Structural Equation Model (SEM) was performed using AMOS 20.0 to test our hypotheses (H1, H2, H3, H4, H5, H6, H7, H8).

Table 5.1. Covariances between Constructs

Path	**Std. Value***
Adaptive Brand Management <-> SCRM	,47***
Adaptive Brand Management <-> Adaptive Price Management	,37***
Adaptive Brand Management <-> Multi Channel Management	,53***
SCRM <-> Adaptive Price Management	,31***
SCRM <-> Multi Channel Management	,53***
Adaptive Price Management <-> Multi Channel Management	,49***
Market Orientation <-> Innovation Orientation	,48***
Innovativeness <-> Speed-to-Market	,32***

*p <.1, **p < .05, ***p < .01

We used maximum likelihood (ML) method for the structural equation model (Bentler, 1995). Table 5.2. indicates our supported and unsupported hypotheses.

Hypotheses la-d predict that market orientation will be positively related to adaptive marketing capabilities constructs, which are SCRM, adaptive brand management, adaptive price management, and multi channel management, is

supported. a- There is positive and significant relationship between market orientation and SCRM (β= .24, p < .01). b- There is positive and significant relationship between market orientation and adaptive brand management (β= .35, p < .01). c- There is positive and significant relationship between market orientation and adaptive price management (β= .30, p < .01). d- There is positive and significant relationship between market orientation and multi channel management (β= .31, p < .01).

Hypotheses 2a-d predict that innovation orientation will be positively related to adaptive marketing capabilities constructs, which are SCRM, adaptive brand management, adaptive price management, and multi channel management, is supported. a- There is positive and significant relationship between innovation orientation and SCRM (β= .21, p < .01). b- There is positive and significant relationship between innovation orientation and adaptive brand management (β= .14, p < .05). c- There is positive and significant relationship between innovation orientation and adaptive price management (β= .11, p < .1). d- There is positive and significant relationship between innovation orientation and multi channel management (β= .24, p < .01).

Hypotheses 3a-d predict that adaptive marketing capabilities constructs, which are SCRM, adaptive brand management, adaptive price management, and multi channel management will be positively related to innovativeness, is partially supported. a- There is not significant relationship between SCRM and innovativeness (β= -.07, p > .1). b- There is positive and significant relationship between adaptive brand management and innovativeness (β= .31, p < .01). c- There is not significant relationship between adaptive price management and innovativeness (β= -.01, p > .1). d- There is positive and significant relationship between multi channel management and innovativeness (β= .39, p < .01).

Hypotheses 4a-d predict that adaptive marketing capabilities constructs, which are SCRM, adaptive brand management, adaptive price management, and multi channel management will be positively related to speed-to-market, is partially supported. a- There is positive and significant relationship between SCRM and speed-to-market (β= .26, p < .01). b- There is not significant relationship between adaptive brand management and speed-to-market (β= .12, p > .1). c- There is not significant relationship between adaptive price management and innovativeness (β=

.01, $p > .1$). d- There is positive and significant relationship between multi channel management and innovativeness (β= .37, $p < .01$).

Hypotheses 5a-b predict that market turbulence will be positively related to strategic orientations which are market orientation and innovation orientation, is partially supported. a- There is positive and significant relationship between market turbulence and market orientation (β= .20, $p < .05$). b- There is not significant relationship between market turbulence and innovation orientation (β= .02, $p > .1$).

Hypotheses 6a-b predict that technology turbulence will be positively related to strategic orientations, which are market orientation and innovation orientation, is supported. a- There is positive and significant relationship between technology turbulence and market orientation (β= .44, $p < .01$). b- There is positive and significant relationship between technology turbulence and innovation orientation (β= .41, $p < .01$).

Hypotheses 7a-d predict that market turbulence will be positively related to adaptive marketing capabilities constructs, which are SCRM, adaptive brand management, adaptive price management, and multi channel management, is supported. a- There is positive and significant relationship between market turbulence and SCRM (β= .15, $p < .05$). b- There is positive and significant relationship between market turbulence and adaptive brand management (β= .18 $p < .05$). c- There is positive and significant relationship between market turbulence and adaptive price management (β= .29 $p < .01$). d- There is positive and significant relationship between market turbulence and multi channel management (β= .25 $p < .01$).

Hypotheses 8a-d predict that technology turbulence will be positively related to adaptive marketing capabilities constructs, which are SCRM, adaptive brand management, adaptive price management, and multi channel management, is partially supported. a- There is positive and significant relationship between technology turbulence and SCRM (β= .25, $p < .01$). b- There is positive and significant relationship between technology turbulence and adaptive brand management (β= .21 $p < .01$). c- There is not significant relationship between technology turbulence and adaptive price management (β= .09 $p > .1$). d- There is positive and significant relationship between technology turbulence and multi channel management (β= .14 $p < .1$).

Table 5.2. Hypothesis Testing Results

Hypothesis	Relation	Path	Supported
$\mathbf{H_{1a-d}}$	Market Orientation → Social CRM	,24***	Yes
	Market Orientation → Adaptive Brand Management	,35***	Yes
	Market Orientation → Adaptive Price Management	,30***	Yes
	Market Orientation → Multi Channel Management	,31***	Yes
$\mathbf{H_{2a-d}}$	Innovation Orientation → Social CRM	,21***	Yes
	Innovation Orientation → Adaptive Brand Management	,14**	Yes
	Innovation Orientation → Adaptive Price Management	,11*	Yes
	Innovation Orientation → Multi Channel Management	,24***	Yes
$\mathbf{H_{3a-d}}$	Social CRM → Innovativeness	-,07	No
	Adaptive Brand Management → Innovativeness	,31***	Yes
	Adaptive Price Management → Innovativeness	-,01	No
	Multi Channel Management → Innovativeness	,39***	Yes
$\mathbf{H_{4a-d}}$	SCRM → Speed-to-Market	,26***	Yes
	Adaptive Brand Management → Speed-to-Market	,12	No
	Adaptive Price Management → Speed-to-Market	,01	No
	Multi Channel Management → Speed-to-Market	,37***	Yes
$\mathbf{H_{5a-b}}$	Market Turbulence → Market Orientation	,20**	Yes
	Market Turbulence → Innovation Orientation	,02	No
$\mathbf{H_{6a-b}}$	Technology Turbulence → Market Orientation	,44***	Yes
	Technology Turbulence → Innovation Orientation	,41***	Yes
$\mathbf{H_{7a-d}}$	Market Turbulence → Social CRM	,15**	Yes
	Market Turbulence → Adaptive Brand Management	,18**	Yes
	Market Turbulence → Adaptive Price Management	,29***	Yes
	Market Turbulence → Multi Channel Management	,25***	Yes
$\mathbf{H_{8a-d}}$	Technology Turbulence → Social CRM	,25***	Yes
	Technology Turbulence → Adaptive Brand Management	,21***	Yes
	Technology Turbulence → Adaptive Price Management	,09	No
	Technology Turbulence → Multi Channel Management	,14*	Yes

*p <.1, **p < .05, ***p < .01

Besides, revealed from hypothesis analyze results that adaptive marketing capabilities explain 39% of variance in innovativeness (R^2= ,39), 50% of variance in speed-to-market (R^2= ,50).

Further analysis, mediation influences, H9 and H10, have been tested with a different model. We have transformed ABM, SCRM, APM, and MCM variables to second-order factor as AMC. Mediation model fit indices are as follows: (RMSEA = .06, TLI = .96, and CFI = .97). To assess the statistical significance of the model's estimates, single-step mediator model with a bootstrapping method was used. In this study, bias-corrected bootstrapping results served to evaluate the significance, with all bootstrap results for the indirect effects based on a level of confidence of 95% and 5.000 bootstrap samples as suggested by Hayes (2009). Bootstrapping is more valid and powerful methods for testing mediation effects in comparison to other commonly used techniques (Hayes, 2009). The results of the analysis are presented in Table 5.3. and 5.4.. We used Zhao et al. (2010) typology of mediations to evaluate results. They suggest a different typology than from Baron and Kenny (1986). They define this typology as follows; complementary mediation refers mediated effect and direct effect both exists and point in the same direction. Competitive mediation shows mediated effect and direct effect both exists and point in opposite directions. Indirect-only mediation refers mediated effect exists, but no direct effect. Direct-only nonmediation refers direct effect exists, but no indirect effect. No-effect nonmediation shows neither direct effect, nor indirect effect exists.

Table 5.3. Standardized - Two Tailed Significance (p) - Mediation Effects (Innovativeness)

Innovativeness	Market Orientation	Innovation Orientation
Direct Effects	.39	.000
Indirect Effects (Through AMC)	.000	.000
	Indirect-only Mediation	Complementary Mediation
Fit Measure	Endogenous Construct	
R^2	AMC	.70
	Innovativeness	.45

Table 5.4. Standardized - Two Tailed Significance (p) - Mediation Effects (Speed-to-Market)

Speed-to-Market	Market Orientation	Innovation Orientation
Direct Effects	.24	.03
Indirect Effects (Through AMC)	.000	.000
	Indirect-only Mediation	Complementary Mediation
Fit Measure	Endogenous Construct	
R^2	AMC	.70
	Speed-to-Market	.57

According to results on Table 5.3. and 5.4., there is indirect-only mediation (full mediation by Baron and Kenny approach) between market orientation, and

innovativeness and speed-to-market. Also, there is complementary mediation (partial mediation by Baron and Kenny approach) between innovation orientation, innovativeness and speed-to-market. Hence, adaptive marketing capabilities provide a better relationship between strategic orientations, and innovativeness and speed-to-market. The results in tables also show that strategic orientations explain the 70% of variance (R^2 = .70) in adaptive marketing capabilities. Besides, adaptive marketing capabilities explains 45% of variance (R^2 = .45) in innovativeness, and 57% of variance (R^2 = .57) in speed-to-market.

Post hoc analysis: In addition to analyzing the hypotheses in the study, we also attempted to test other nonhypothesized relationships to investigate that whether any differential effects exist across production and service firms. After dividing the research sample into two subsamples (94 production firms and 143 service firms), a similar multi-group SEM analysis was performed. Two significantly different path across the relationships of interest was revealed. All hypothesized effects are the same for innovativeness, except for speed-to-market, as shown in Table 5.5.. However, the relationship between social CRM and speed-to-market in service firms (β= .35, ρ < .01) is significant; in production firms, the relationship is not significant (β= .15). Second, the relationship between adaptive brand management and speed-to-market in production firms is significant (β= .20, ρ< .1); in service firms, the relationship is not significant (β= .04). Although these linear effects need to be interpreted cautiously with the higher-order interaction present, the direct effects suggest that in service firms social CRM is an important driver of speed-to-market in and of themselves, but this is not the same with respect to production firms. This finding would suggest that production firms can not carry out the information obtained from SCRM to their production instrumentally, but service firms can change their services inherently, according to information from SCRM system. On the other hand, adaptive brand management can contribute to speed-to-market in production firms, but it is not important for service firms. It can be derived from that *"In packaged goods, the product is primary brand. However, with services, the company is primary brand."* (Berry, 2000, p. 128).

Table 5.5. The Results of the Post Hoc Analysis

Independent Variable	Dependent Variable		Dependent Variable	
	Innovativeness		Speed-to-Market	
	Production Firm	Service Firm	Production Firm	Service Firm
SCRM	-.09	-.01	.15	.35***
Adaptive Brand Management	.36**	.26**	.20*	.04
Adaptive Price Management	-.05	.01	-.02	.08
Multi Channel Management	.42**	.36***	.53***	.19*

Production Firm (n = 94).

Service Firm (n = 143).

*p <.1, **p < .05, ***p < .01

6. DISCUSSION & IMPLICATIONS

As mentioned in the literature review, prior studies have noted the importance of strategic orientations for innovativeness (Deshpandé and Farley, 2004; Hurley and Hult, 1998; Menguc and Auh, 2006; Verhees and Meulenberg, 2004). However, this study provides a new understanding of this relationship in a different manner. This research presents a model for researchers and practitioners to understand potential interrelationships among strategic orientations (market orientation and innovation orientation), adaptive marketing capabilities (adaptive brand management, social CRM, adaptive price management, and multi channel management), innovativeness, and speed-to market. Also, this study differs from prior studies and broadens understanding of capabilities theory by examining how marketing capabilities can be enhanced and examined from an adaptive perspective for firms. This study set out with the aim of assessing the importance of adaptive marketing capabilities as a mediator variable between strategic orientations, and innovativeness and speed-to-market. This study indicates that innovation orientation have effect on innovativeness and speed-to-market with complementary mediation effect of adaptive marketing capabilities, but market orientation has indirect-only effect on innovativeness and speed-to-market.

Several insights are revealed from this study. First, strategic orientations were shown to have a significantly positive effect on adaptive marketing capabilities. Strategic orientations explained the considerable amount of variance in AMC (R^2= 0.70). This supported the hypotheses that strategic orientations were positively related to AMC. The findings show that 70 percent of AMC as higher-order factor were influenced by strategic orientations of the firms under the study. These results also have confirmed the findings of Morgan et al. (2009b) which found that building marketing capabilities requires market and innovation knowledge.

Second, the results of this investigation show that adaptive brand management and multi channel management emerged as reliable predictors of innovativeness. These result extends our knowledge of brand management by showing that adaptive brand management can be a valuable source of innovation. Firms can get new ideas from customers who have extensive interest on brand, or engage with firms by participating brand events or sending messages via online or offline channels. So

firms can use these information and develop new strategies to create novel ideas (Füller et al., 2008). It was also shown that a firm investigate the effectiveness of the existing channel structure or develop strategies on how to rapidly deliver products and services through new channels, may offer new products/services, and also may be powerful to take the plunge for implementing innovative decisions on customs and practices of the firm. The hypothesized relationship between multi channel management and speed-to-market can be evaluated similarly. Undoubtedly, being fast to the market with products and services require sophisticated and multi channel structure that allow firms to get the position against the competitiors and stay ahead of the game (Keller, 2006). Because speed-to-market does not only signify the developing products or services rapidly, it also indicates launching them expeditiously (Akgün et al., 2007b).

However, surprisingly, the investigation of adaptive price management and social CRM have shown that there are no significant relationship between innovativeness and them. It may demonstrate that some other constructs can moderate or mediate the relationship to innovativeness. Since price and CRM informations can be raw or unusable data and that need to be interpreted and transformed by other constructs to be useful sources for innovation processes (Marsh and Stock, 2006). It also can be extend to the relationships between adaptive brand management and adaptive price management on speed-to-market construct. These findings were unexpected and suggests that, as can be seen in the post-hoc analysis results, the relationships can be evaluated differently according to industry type since production and service firms likely have different processes and practices, e.g. social CRM and speed-to-market relationship.

Lastly, there is a complimentary mediation between innovation orientation, and innovativeness and speed-to-market. Innovation orientation is positively and directly related to innovativeness and speed-to-market, but with adaptive marketing capabilities as a higher - order factor, these relations becomes stronger. Also, the current study found that there are no direct relations between market orientation, and innovativeness and speed-to-market, but adaptive marketing capabilities as a higher-order construct indirect-only mediates these relations. It was also shown that adaptive marketing capabilities explained the considerable amount of variance, respectively in innovativeness (R^2= 0.45) and speed-to-market (R^2= 0.57). It is revealed that mediation effects of adaptive marketing capabilities with higher-order

factor increased the explanation power of the initial model, innovativeness by 6 per cent; and speed-to-market by 7 per cent.

An initial purpose of this study was to identify how adaptive marketing capabilities enrich superior innovativeness and speed-to-market regarding to innovation orientation and marketing orientation as the two substantial functions. In particular, one of the more significant findings to emerge from this study is that strategic orientations facilitates a firm's adaptive marketing capabilities, which positively effect its innovativeness and speed-to-market, therefore it shows a mediational role of the adaptive marketing capabilities between strategic orientations, and innovativeness and speed-to-market. These findings further support the idea of a firm's marketing capabilities mediate the effect of strategic orientations on firm outputs, innovativeness and speed-to-market in this study. In this investigation, this study offers some theoretical insights. First, on the questions of strategic orientations, especially market orientation which is at the heart of our understanding of superior firm performance in the marketing literature (Jaworski and Kohli, 1993; Menguc and Auh, 2006), little is known and it is ambiguous what "action" factors allow the realization of strategic orientations (Ngo and O'Cass, 2012). Apart from the discussions in the literature, strategic orientations as an important resources can enhance the firm performance, however this potential should not be considered in isolation (Hult and Ketchen Jr, 2001; Menguc and Auh, 2006; Yannopoulos et al., 2012). There is a limited number of research to find out that this performance contribution of strategic orientations can be executed by "action" mechanisms that co-align with them, and the finding of this study agree with the findings of other studies in which strategic orientations are considered as a *"know-what knowledge resources"*(Ngo and O'Cass, 2012, p. 872). Therefore, this combination of findings provides some support for the conceptual premise that combining strategic orientations and adaptive marketing capabilities, as the know-how deployment processes, enables the superior innovativeness performance (products/service, production process, managerial, market, marketing innovations) and speed-to-market.

Second, this study confirms the complementary association adaptive marketing capabilities between each other in enhancing innovativeness and speed-to-market. These results are consistent with recent investigations of capability-based theory and mirror the resource–capability combinations (Menguc and Auh, 2006; Morgan et al.,

2009a; Ngo and O'Cass, 2012; Song et al., 2005). For clarity, surpisingly, there was no evidence tos support the proposition that the some individual adaptive marketing capabilities, social CRM and adaptive price management, are related to innovativeness, and also adaptive brand management and adaptive price management related to speed-to-market. However, this study found that the complementarity between individual AMC, as a higher-order factor, provides significant relationships with innovativeness and speed-to-market, in addition to mediating the relationship between strategic orientations, and innovativeness and speed-to-market. On further examination of the literature, this is arguably the first time that individual capabilities have been used to examine the complementarity between each other as mediator.

6.1. Implications for Practice

One of the most important results of the technological development is growing importance of information technology. Firms can be a customer-focused and market-driven by effective using information technologies. AMC practices are possible with knowledge and technology tools, and this requirement directs firms toward adaptive marketing capabilities (Day, 2011). As a result, technological advances such as communication, data storage, and processing of information would shape the future of marketing (Rust and Espinoza, 2006). Expertise and researches on technology of analysis and information sharing will make available these capabilities to organizations. In recent years, the expansion of social media and its development made internet use personal and frequent, thus adding dimension to the information technology. Individuals can create their own social network and can communicate with brands they either use or they are about to do so. This communication is not bounded by time and space with the inclusion of third parties, and this interaction can either be an opportunity or a threat for organizations.

Since customers become stronger by technological advancements, firms need greater effort, more information and better tools as they shift their position instantly. Older strategies fall short of the ability to reach customers through media, channels and customer relations and they cannot create strategies to satisfy market demands. This situation exceeds the limit of the organizations and further creating a gap between organizations and the market. All these given, a new approach is important

to overcome this gap between markets and organizations (Day, 2011). At this point, firms should have the technological ability and to process the customer data in the future as well as today. Along with the technical ability, firms should be in the mentality to act fast and employ strategies unlike the past. In accordance with this, the adaptation of market strategies and capabilities should be fast and continuous.

6.2. Limitations and Directions for Future Research

This study is subject to the limitations inherent in survey design, particularly the usage of convenient sampling and single informants. Foremost among these is the fact that the study used single sourcing and self-reporting and retrospective reporting. Scholars (e.g. Gupta and Beehr, 1982) have argued that studies employing a single-source methodology can be biased by artificially high intercorrelations produced by overall response tendency. Avolio et al. (1991) noted, however, that simply assuming that single-source data is less valid than multi-source data is overly simplistic. In addition, although the potential effects of response bias should not be underestimated, the kinds of information sought in the present survey tended to be more objective in nature than many surveys used in research in the social sciences.

Second, based on the cross-sectional data used in this study, inferences about causality should be drawn with caution. Future research using longitudinal data may help in evaluating the prescribed order of investment in developing of the relationships among SO, AMC, and innovativeness and speed-to-market.

Third, drawing on RBV and capability theory, this study has placed the emphasis on SO and AMC. Future research might take into account other potential action components such as leadership, organizational learning, etc. and their combination.

Fourth, It is clear that there is need to examine the adaptive marketing capabilities both for individual capabilities and as a whole in terms of conceptualization and testing. These studies will no doubt rise on the previous studies. Although mentioned in many other domains in social sciences or management, the concept of adaptability is new in marketing literature. All these considered, it is meaningful to state that there is a gap to focus both conceptually and empirically with other marketing capabilities that were not investigated in this study.

Not only for academic purposes, also an approach to include practitioners to share experiences would be healthier and it provides inductive outcomes

Finally, this study regarded the cultural aspect of MO. Future research could adopt both cultural and behavioral approaches to MO to fully discover the nature of MO and its potential performance advantage.

6.3. Conclusion

Capabilities are the important part of the organizational performance and developing a marketing capability is one of the core-competencies of the firms. However, how marketing capability theory can be enhanced and then operationalized in the context of adaptability, and its effect on the firm's outcomes, e.g. innovativeness, or firm' performance is missing and should be added to the literature. In this study, we operationalized the adaptive marketing capabilities and tested its impact on firm innovativeness and speed-to-market. Our results confirm that firm adaptive marketing capabilities have significant effect on the development of new products, services, and marketing/management processes. Also, our conclusions demonstrate that a firm's strategic orientations influence its innovativeness and speed-to-market via adaptive marketing capabilities under the effect of market and technology turbulence. This study also addresses recent work by Morgan et al. (2009), who call for further research on other kinds of resources and capabilities that are co-aligned with SO. This research just scratches the surface of this important, but understudied, subject. Future researchers will find the area of adaptive marketing capabilities rich and fruitful for marketing literature.

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VITA

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APPENDIX

Please indicate how much you agree or disagree with each of the following statements. Seven-point scale with 1 (strongly disagree) to 7 (strongly agree) scale anchors.

* denotes the dropping item from the factor analysis.

Proactive Market Orientation

PMO1: We help our customers anticipate developments in their markets.

PMO2: We continuously try to discover additional needs of our customers of which they are unaware.

PMO3: We incorporate solutions to unarticulated customer needs in our new products and services.

PMO4: We brainstorm on how customers use our products and services.

PMO5: We innovate even at the risk of making our own products obsolete.

PMO6: We search for opportunities in areas where customers have a difficult time expressing their needs.

PMO7: We work closely with lead users who try to recognize customer needs months or even years before the majority of the market may recognize them.

PMO8: We extrapolate key trends to gain insight into what users in a current market will need in the future.

Responsive Market Orientation

RMO1: We constantly monitor our level of commitment and orientation to serving customer needs.

RMO2: We freely communicate information about our successful and unsuccessful customer experiences across all business functions. *

RMO3: Our strategy for competitive advantage is based on our understanding of customers' needs.

RMO4: We measure customer satisfaction systematically and frequently.

RMO5: We are more customer focused than our competitors.

RMO6:I believe this business exists primarily to serve customers.

RMO7: Data on customer satisfaction are disseminated at all levels in this business unit on a regular basis.

Innovation Orientation

IO1: Competitors in this market recognize us as innovation leaders.

IO2: We are recognized for being at the leading edge of technological innovation.

IO3: We are first to market with new products or services.

Adaptive Brand Management

ABM1: All departments cooperate to protect and strengthen brand image.

ABM2: Our firm responds current and potential customer evaluations and notifications quickly in real-time.

ABM3: Our firm gives importance to developing local brand management activities and strategies.

ABM4: Our firm responds to threats that are detrimental to its brand image rather quickly compared to its size.

ABM5: Our firm provides flexibility to the adoption of new strategies that contributes brand image along with protecting basic principles and brand value.

ABM6: Our firm is aware of the benefits of being customer oriented and benefits of data collection about customers.

Social CRM

SCRM1: Our CRM system helps us to build long term relationships with customers.

SCRM2: Our CRM system helps us in building dialogue with customers.*

SCRM3: Our CRM system helps us to create value for customers and the firm both in products and services.

SCRM4: The information gathered from the CRM system is shared among all units.

SCRM5: CRM contributes to value creation for all units and all together.

SCRM6: The technology used in CRM enables our firm to respond quickly in real time.

SCRM7: CRM enables our firm to interact and build dialogue and value in a sound, transparent work environment.

SCRM8: Our firm has the capability to process the big data gathered from CRM.

Adaptive Price Management

APM1: Our firm has pricing skills and systems to respond quickly to market changes

APM2: Our firm has the ability to get the knowledge of competitors' pricing tactics

APM3: Our firm has the ability to do an effective job of pricing products/services

APM4: Our firm consistently monitors competitors' prices and price changes

APM5: Our firm uses social networks and online channels to find out the acceptable price.*

Multi Channel Management

MCM1: Our firm has ability to coordinate marketing, distribution and promotion activities in multiple channels (online-offline-traditional)*

MCM2: Our firm effectively manages the multi channel distribution systems.*

MCM3: Our firm gives importance to provide the most suitable source distribution (budget, information, technology, etc.)

MCM4: Our firm conducts frequent research to provide our services and products and to take advantage of new channels.*

MCM5: Our firm frequently revises the channels according to customer needs in order to check if they are compliant.

MCM6: Our firm spends time to find new channels, to develop existing ones and to implement new ideas.

MCM7: Our firm tries to implement new ways to diversify payment systems. (online or offline quotes, POS devices, new payment technologies etc.)

MCM8: Our firm and our channel partners work together in new plans and strategies to serve better to customers.

MCM9: Our firm gives importance to strengthen the distribution channels.

Technology Turbulence

TT1: The technology used in this product was rapidly changing.

TT2: The technology in the industry was changing rapidly.

TT3: A large number of new product ideas have been made possible through technological breakthroughs in the industry.

TT4: Technological changes provided big opportunities in the industry.

Market Turbulence

MT1: Customers' preferences changed quite a bit over time.

MT2: Customers tended to look for new products all the time.

MT3: Our new customers have different expectations about the products than our existing customers.

MT4: The demand for our products and services also comes from non-customers.

Speed-to-Market

STM1: Our product was developed and launched faster than the major competitor for a similar product.

STM2: Our product was completed in less time than what was considered normal and customary for our industry.

STM3: Our product was launched on or ahead of the original schedule developed at initial project go-ahead.

STM4: Top management was pleased with the time it took us from specs to full commercialization.

Innovativeness (7-point scale 1 = "much worse than competitors" and 7 = "much better than competitors")

Please rate your business unit, relative to your major competitors in terms of its innovation capabilities over the past year in the following areas

INV1: Products and service innovations

INV2: Production process innovations

INV3: Managerial innovations

INV4: Market innovations

INV5: Marketing innovation