

# **Are dynamic capabilities really useful in B2B marketing?**

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## **Abstract**

This study is grounded in intersection between so-called dynamic capabilities view (DCV) and business marketing theory, especially IMP research tradition. Specifically, the focus of this study is on so-called dynamic marketing capabilities (DMC) which receive growing attention in academia, but the empirical research on DMC is at early stage. We focus on the link between such capabilities and company innovativeness and we try to identify to what extent this link is universal with regard to different industry settings (i.e. B2C mass market vs. B2B customized market). Our survey based empirical evidence (n=155, PLS-SEM) suggests that applicability of DMC towards product innovations in B2B context is relatively very limited (in comparison with B2C mass market reality). We interpret our research findings through existing knowledge on marketing and successful NPD in B2B companies, especially with regard to IMP approach which treats businesses as network-based phenomena.

## **Keywords**

Dynamic capabilities, marketing, product innovation success, agility, B2B, B2C

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### **Introduction**

The Dynamic Capabilities View or DCV (Eisenhardt and Martin 2000; Teece et al. 1997) has clearly become one of most influential schools in management theory. Being originally perceived as strategic paradigm applicable mainly to big companies operating in diversified and highly volatile industries, DC is nowadays treated rather as universal approach and there is growing evidence that DCV brings increased competitiveness to companies operating in business to business markets (e.g. Kindström et al. 2013; Macher and Mowery 2009), the main interest area of IMP research. Interestingly, dynamic capabilities are not only treated as the leverage of internal business processes, e.g. within internal R&D function, but also as the strategic tool to shape portfolio of external relationship and utilize them (Forkmann et al. 2016; K. Möller et al. 2002; Nordin et al. 2017; Walter et al. 2006), so they play important role in answering “old IMP question” how to manage company within business networks (Hakansson and Ford 2002). However, our knowledge about contingencies of DCV is very fragmented and inconsistent (Drnevich and Kriauciunas 2011; Girod and Whittington 2017;

Schilke 2014), so it is not clear to what extent DCV is really universal. Even intuitively, some environmental and internal attributes may be in a poor fit with implementing basic DCV assumptions into business activities.

The popularization of DCV resulted not in only one way the dynamic capabilities are defined and measured empirically, but actually, DCV motivated academic interest into whole universe of various dynamic capabilities, including those dedicated to such areas as networking, NPD, manufacturing, supply chain or marketing. The focus of this study is on so-called dynamic marketing capabilities (DMC) which receive growing attention in academia, but the empirical research on DMC is at early stage. Specifically, we focus on the link between such capabilities and company innovativeness and we try to identify to what extent this link is universal with regard to different industry settings (i.e. B2C mass market vs. B2B customized market).

In this study we follow DCV in management research (Eisenhardt and Martin 2000; Teece et al. 1997) by assuming that so-called DMC are built on business routines, enabling systematic reconfiguration of marketing resources, so that these new reconfigurations are in a dynamic fit with environment. Specifically, we are focusing on such DMC (Barrales - Molina et al. 2014; Bruni and Verona 2009), which is of a use with regard to new product development (NPD) processes. Similarly to traditional marketing competences, DMC helps in NPD by effective aligning IT with market expectations and stimulating customer needs, but in contrast to traditional marketing competencies, DMC is not focused on existing marketing achievements/resources (e.g. enriching new products with existing brand image and recognisability), but it comprises company actions devoted to building new marketing resources (e.g. new marketing channels, new marketing tools) and utilizing them in company strategy. Additionally, we follow contingency theory (Drazin and Van de Ven 1985) by assuming that utilizing DCV with regard to marketing and NPD, is in a better “fit” with certain organizational and environmental factors.

This study is contributing to marketing theory in 3 ways. Firstly, we conceptualize dynamic marketing capability (DMC) as a distinct dynamic capability and we propose how DMC is linked nomologically with company innovativeness and agility. Secondly, we provide the measurement instrument for DMC and empirical test for our research model. Thirdly, we

provide the evidence that the link between DMC and product innovations is stronger in the presence of some contingencies, specifically with regard to distinction between B2C mass market vs. B2B customized market.

### **Dynamic marketing capabilities**

The idea standing behind distinguishing DMC among other dynamic capabilities is based on the diversity of dynamic capabilities in the literature (i.e. there are many dynamic capabilities instead of one universal DC) and the relative importance of marketing as a main business function. Despite there were some earlier studies on more dynamic and proactive approach to marketing (Narver et al. 2004), the explicit attempts to apply DCV into marketing and conceptualize DMC were made just recently (Barrales - Molina et al. 2014; Bruni and Verona 2009; Day 2011; Fang and Zou 2009). The term DMC was literally used for a first time in a journal publications in 2009 by Bruni and Verona (2009) and Fang and Zou (2009). Since that time, the literature proposed several definitions of DMC, but as concluded by Barrales - Molina et al. (2014) there is no consensus in this area and prior definitions were largely inconsistent with DCV, where they belong. For example, Fang and Zou (2009) defined DMC as *“the responsiveness and efficiency of cross-functional business processes for creating and delivering customer value in response to market changes”* (p. 744). Weerawardena et al. (2015) focused on two types of market-related dynamic capabilities: *market-focused learning*, i.e. firm’s capability to build actionable market knowledge and *marketing capability*, i.e. capacity to build and reconfigure strategic marketing tools. These studies illustrate that with disregard to their theoretical origins in strategy research, DMCs are usually perceived as outcome-related constructs, i.e. through outcomes of their influence of company resources such as, “responsiveness”, “actionable market knowledge” or “reconfigured marketing tools”. This tendency is even more evident, if we compare with how these constructs were measured in empirical research. Although DCV as strategy paradigm is not a monolith (Di Stefano et al. 2014), this approach proposes dynamic capabilities as environment driven processes that enable reconfiguration of company resources. Therefore, the focus of DCV remain on processes themselves not their resource-outcomes. Moreover, conceptualizing and measuring

DCs through their outputs justifies controversies enacted by the whole DCV, which is criticized for tautology.

Morgan (2012) and Barrales - Molina et al. (2014), suggested that in comparison to other DCs, DMC are cross-functional processes (crossing and integrating various departments) and most strongly based on market knowledge, which is used to reconfigure company resources. We agree with this suggestion, but we treat it literally, which means that DMC are cross functional-processes and when it comes to market knowledge - it is just a basis of DMC not its core. Following DCV, we treat resource reconfiguration routines as the cornerstone of DMC. Specifically, we define DMC as *market-dependent and path-dependent processes oriented at reconfiguration of firm's marketing resources*. This definition is broad in scope, because there are various marketing tools and resources, which may lead to competitive advantage (Morgan, 2012).

### **DMC, innovation success, agility and performance**

The empirical research on links between DMC and innovation success is at early stage. Bruni and Verona (2009) associated DMC with capabilities that develop and integrate market knowledge with NPD. Their case study conducted in the pharmaceutical industry shows DMC has positive effect on the whole NPD process, including preclinical and launch stages. In the study by Fang and Zou (2009) aspects of DMC connected with NPD process were not distinguished from other DMC aspects: customer relationship management and supply chain management. Weerawardena et al. (2015) found that two connected but distinct aspects of DMC; actionable market knowledge and reconfiguration of marketing tools, influenced positively on innovations of early internationalizing firms. Specifically, these two factors appeared to have a significant impact on firms' product and process innovations, however these innovations were not perceived through their sales performance but through scope of innovations (from "few" to "many"), and the degree of innovations (from "incremental" to "radical"). Therefore, it can be concluded that, except qualitative study by Bruni and Verona (2009), there is lack of empirical illustration for the link between DMC and product innovation success. However, innovation success, i.e. the extent to which product innovations are effectively commercialized and accepted on the market, is the main criterion for

innovation-based competitive advantage. We also argue that there is clear conceptual link between reconfiguring marketing resources and NPD success, if such reconfigurations are aligned with market changes. NPD is a very complex, expensive and multi-stage process, so it is a strategic matter to anchor this process effectively and to build support for this process within and outside organizations. Internally, such support mean cross-functional integration of people not only from Marketing, but from other people as well, e.g. R&D, Manufacturing, and top management. Externally, NPD success demands media interest, because it boosts new products before their launching. This is what Samsung and Apple do in NPD, similarly to Disney for their Star Wars franchise. The social media make such tactics available also for local entities, even micro-businesses.

We argue that DMC is not only helpful in increasing the likelihood of success of company innovations, but it also helps in shortening the time that is needed for successful innovation. In turn, such speed receives more and more interest in business under “agility” umbrella, especially with regard to operation management (Gligor et al. 2015; Tallon and Pinsonneault 2011). The company agility is relatively new construct that emerged under the influence of volatile business surroundings, so it has the same rationale as the whole DCV. Agility is perceived as a company strategic resource and associated with the firm’s ability to quickly adjust its operations to new market conditions (Gligor et al. 2015). The marketing resource reconfigurations as the core of DMC would logically help in achieving such quick adjustments. DMC would shorten this process, because the company would have available “ready to be used routines in place” that guide the whole company at every stage of innovations. Although, company agility is perceived in the literature as the factor going beyond company boundaries, e.g. demanding some level of integration within supply chain, we argue that DMC works well for such integration, because DMC, by its very nature, leverages market-driven flexibility in focal company operations. In sum, we hypothesize:

*H<sub>1</sub>: The higher level of company’s DMC, the higher likelihood of success of its product innovations.*

*H<sub>2</sub>: The higher level of company’s DMC, the higher likelihood of its operation become agile.*

This research is focused on product innovation success and agility as an outcome of a firm's DMC, however these two factors receive managerial attention due to their potential in building firms' market results. In general, product innovation is well established in the literature as a driver of firm performance (e.g. Han et al., 1998). Although the impact of firm agility on firm performance is less document, this link is quite intuitive, because business environment today becomes more competitive and only most flexible companies may sustain advantage over competitors (Gligor et al. 2015). Thus, we hypothesize:

*H<sub>3</sub>: The higher level of success of company's product innovations, the higher company's performance.*

*H<sub>4</sub>: The higher level of company's agility, the higher company's performance.*

### **B2B vs. B2C as contingencies to DMC**

Companies do not operate in a vacuum, so this study follows contingency theory that postulates finding the "fit" between environmental contingencies and configurations within the company (Drazin and Van de Ven 1985). The issue is that current knowledge on contingencies within DCV is inconsistent on both levels: theoretical and empirical as well. At the same time, except Fang & Zou (2009), which used very different DMC concept, there are no studies focusing directly on contingencies of DMC.

Some DCV works suggested that DCs are well aligned with large, diversified companies that achieve higher returns on DCs through applying them in various markets (Teece 2007; Zollo and Winter 2002), but other studies illustrated that DCs may be effectively applied in relatively small organizations (Mathiassen and Vainio 2007; Woldesenbet et al. 2012).

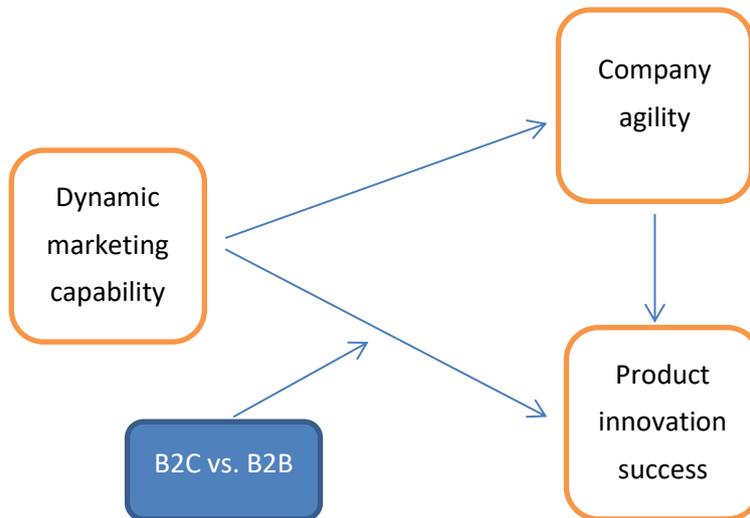
When it comes to environmental factors as contingencies in DCV, prior research was very unidimensional, i.e. focused mainly on the role of environmental dynamism and resulted in inconsistent results. Although in their seminal work Teece et al. (1997) suggested that DCs are useful mainly for companies operating in volatile industries, Eisenhardt & Martin (2000) and many further works claimed that DCs are utilizable in both contexts: volatile markets and moderately dynamic markets. Such contrasting views may be concluded also from empirical studies testing environmental dynamism as contingency to DCs (Drnevich and Kriauciunas 2011; Fainshmidt et al. 2016; Girod and Whittington 2017). Acknowledging these

inconsistencies, this study extends prior research by focusing on different environmental contingency, namely: *Customization norm*. We follow Lampel & Mintzberg (1996) suggestion that “...some industries favour customization and some foster standardization...” (p. 21) and we assume that all industries may be distinguished into two main categories: High customization industry vs. Low customization industry. Although customization is perceived in as something rather positive for competitive advantage (Kotha 1995), when companies adapt their products within their given customer relationships, especially in B2B context, NPD processes take slightly different forms than in case of mass markets (Hoyer et al. 2010). Specifically, in such situations NPD works through collaborative efforts with customers and value co-creation, so it is much more flexible and interactive than in case of standardized products (Hoyer et al. 2010). We argue that in such conditions, DMC is less useful for NPD, because DMC takes forms of routinized, standardized processes, which do not allow for necessary in-depth understanding and cooperating with given customers as it is in co-creative NPD. We argue, that systematic marketing reconfigurations may be in conflict with customization norm. In markets, where customization is a norm, especially in industrial, B2B settings, marketing is to large extent based on building customer trust and good relationship atmosphere (Mitrega and Katrichis 2010) and these are more dependent on partner’s interaction than following market trends. In this study we treat “customization norm” as a proxy distinction between B2B and B2C as different market conditions, because B2B marketing is widely perceived as very different to traditional marketing. Adaptations towards customers, namely customization, is one of crucial characteristics of industrial markets or Business to Business reality (Brennan and Turnbull 1999; Hallen et al. 1991). In sum, we hypothesize:

*H<sub>5</sub>: The influence of DMC on product innovation success will be stronger in case of companies operating in industries with relatively weak customization pressure (B2C), than in case of companies operating in industries with strong customization pressure (B2B).*

The nomological model to be tested in empirical research is presented at figure 1. The moderation effect connected with customization pressure in the industry (B2B vs. B2C) is also marked as an extension to the main model.

Figure 1. The research model with a DMC as focal construct



## Research method

We tested our hypotheses on the cross-sectional survey data based on the sample of 155 companies operating in Poland and we applied structural equation modeling (PLS-SEM) to estimate the hypothesized research model using SmartPLS 3.0 (Hair et al. 2013). While developing measures for our study, we mainly used some existing propositions and we adapted items to the context of our research. Such adaptations were necessary, because as explained above, in our research we used revised conceptualization of DMC more consistent with DCV origins of this construct. Consequently, our *DMC* items referred to resource reconfigurations in the company, not outcomes of these processes, and were adapted from Pavlou and El Sawy (2011) and Protogerou et al. (2012) to the context of marketing resources and tools. *Product innovation success* was measured according to Ritter and Gemünden (2003). We adapted items for *Company agility* from Gligor et al. (2015). The contingencies, namely *Customization norm* were measured by single items. We have also incorporated

measures for several control variables from prior studies to make sure that our hypothesized paths stay significant, while considering some other explanations of outcomes variables. These controls were: *Market Orientation* (Narver, et al. 2004), *CRM technology* (Ernst, et al. 2011), *Technological Dynamism* (Jayachandran et al., 2005), *Price Competition Intensity* (Jayachandran et al., 2005) and *Marketing Budget* (relative to competitors, measured by single item).

To purify the measurement model for our focal constructs and control variables as well, we have conducted Exploratory Factor Analysis (EFA) with Principal Component Analysis as Extraction Method and Varimax Rotation with Kaiser Normalization. The EFA results are presented in table 1. To improve readability all factor loadings lower than 0.3 were hidden. While purifying we basically eliminated all items that did not reach factor loading at the level of 0.6 and these with cross-loading clearly exceeding 0.3. Consequently, we have eliminated IV.6 related originally to “Market Orientation”, VIII3 and VIII6 associated originally with “Company Agility”. We have retained some items breaking standard thresholds, but only if these outliers were marginal and referred to items crucial for construct face validity, e.g. VII16.

After purifying measurement model through EFA, we retained 15 items for our 3 main latent constructs and 13 other items for latent control variables. The final measurement model received empirical support for its validity and reliability, i.e. AVE > 0.5; Cronbach Alpha >0.7; Alpha and Fornell-Larcker discriminant validity criterion (Hair et al. 2013).

Table 1. Rotated Component Matrix							
	Component						
	1	2	3	4	5	6	7
VII8. We implemented training programmes oriented at adjusting employees to market changes	,681						
VII9. In our company we have procedures aimed at transforming contributions of single employees into joint marketing projects	,786						
VIII0. In our company we inform everyone about who is responsible for what with regard to delivering value to customers	,635						
VIII1. In our company we inform every single employee about skills of other employees that may be useful in marketing	,749						
VIII5. We implement on a daily basis newest marketing instruments in our company	,619						
VIII6. Our company makes systematic efforts to replace old competitive advantages with new assets	,574						
VIII7. In our company we make systematic efforts to utilize knowledge from previous marketing projects into new projects	,609						
VIII8. In our company we make systematic efforts to create improved set of marketing capabilities and marketing resources even if it requires some changes in employment structure	,629						
II1. Our company invested in technology enabling gathering and storing customer information on daily basis						,787	
II2. We have implemented technology that allows for systematic communication with every customer						,801	
II3. In comparison to our competitors we have better technology in the area of customer databases						,789	
IV1. We constantly monitor the level of our commitment in relation to customer service				,765			
IV2. Our company strategy is based on understanding our customer needs	,358	,308		,633			
IV3. We systematically monitor level of our customer satisfaction				,639			
IV5. We believe that our company exists mainly to serve our customers				,771			
IV6. Information about customer satisfaction is regularly distributed within our company	,423			,515			
V3. The technological changes take place rapidly in our industry					,846		
V4. The technological changes are very important for companies in our industry					,854		
V5. Many new products in our market is based on radical technological innovations					,773		
V6. The rivalry in our industry is very intensive, even cruel			,888				
V7. There are many aggressive competitors in our market			,922				
V8. There are frequent price wars in our market			,876				
VIII1. Our company is able to early identify market opportunities		,646					
VIII2. Our company is able to early identify market threats		,739					
VIII3. Our company is able to gather necessary customer information without problems		,553					
VIII4. Our company is able to make appropriate decisions to deal with market changes		,762					
VIII5. We are able to deal fast with market threats and opportunities		,752					
VIII6. We are able to change quickly our operation procedures to adjust to market changes	,418	,603					
VIII7. We are able to quickly adjust our products to new customer requirements		,686					
IX.1 The improvements in our products/services appeared to be successful during last 5 years							,807
IX2. Entirely new products/service that we introduced in last 5 years become profitable		,346					,745
IX3. New products/services introduced by us in last 5 years were appreciated on the market		,357					,740

## Research results

We conducted PLS-SEM analysis following procedure described by Hair et al. (2013).

T-statistics were computed by bootstrapping procedure with 5000 bootstrap samples. In table

we present the results of estimation with regard to two models: Main model (Hypotheses 1-5) and Extended model (main + controls). The statistical significant coefficients are marked by asterisk ( $p < 0.05$ ). All hypotheses, except H5 received clear empirical support in our survey.

Table 2. Results of PLS-SEM estimation

Paths	Main model	Extended model
AGILITY -> INNOV. SUCCESS	0.422*	0.349*
DMC-MIX -> AGILITY	0.490*	0.258*
DMC-MIX -> INNOV. SUCCESS	0.283*	0.227*
BUDGET -> AGILITY		0.123
BUDGET -> INNOV. SUCCESS		0.146*
COMPETITIVE -> AGILITY		-0.103
COMPETITIVE -> INNOV. SUCCESS		-0.037
CRM -> AGILITY		0.210*
CRM -> INNOV. SUCCESS		0.001
M. ORIENT. -> AGILITY		0.205*
M. ORIENT. -> INNOV. SUCCESS		0.050
TECH. DYNAM. -> AGILITY		0.140*
TECH. DYNAM. -> INNOV. SUCCESS		0.092
R <sup>2</sup> (AGILITY)	0.226	0.373
R <sup>2</sup> (INNOV. SUCCESS)	0.363	0.370

\* Paths significant statistically at the level of  $p < 0.05$ .

Additionally, hypothesis 5 referring to industry norm related - contingencies was tested using Multi-Group Analysis (MGA) implemented in SmartPLS 3.0 (Ringle et al. 2015). The differences in coefficients for path DMC -> INNOV SUCCESS were found significant in sub-samples according to Customization norm. Specifically, for companies that did not report product customization as a norm ( $n=93$ ) the influence of DMC on product innovation success was significantly stronger ( $b=0.432$ ) than in case of companies that reported product customization ( $n=62$ ;  $b=0.008$ ). Thus, hypothesis 5 connected with contingency received support.

Noteworthy, including several additional factors into analysis (extended model) does not blur the focal impact of dynamic marketing capabilities on product innovation success. Including such aspects as CRM technology, Market orientation and even Marketing budget (relative to competitors) appeared to have only marginal importance, when it comes to explaining product

innovation success of companies in our sample ( $R^2$  increase from 0.363 to 0.370). The extended model plays visibly larger role in explaining Company agility ( $R^2$  increase from 0.226 to 0.373). This is because few control variables are significantly and positively connected with Company agility: CRM technology and Market orientation (both intra-organizational factors) and Technological dynamism perceived in the company environment. Although the influence of Marketing budget on Product innovation success was found significant as well, this influence appeared to be almost two times weaker than the DMC's impact. In sum, DMC in companies was supported in our survey are relatively important predictor of the extent to which these companies may successfully implement their product innovations on the market.

### **Research discussion**

This study extends our understanding of DCV applied to marketing as a business function by providing the conceptualization of dynamic marketing capability (DMC) consistent with theoretical underpinnings of DCV. This study also discusses outcomes of such DMC and provides the survey-based evidence that DMC increases the likelihood that company's product innovations become successful and company becomes agile in its operations. However, this study provides the nuanced answer to the question embedded in the title. DMC seems to be not fully universal leverage of innovation process for all kind of companies. Specifically, this study suggests that DMC plays much stronger role in NPD in companies that operate in mass market settings than in companies functioning in industries, where there is strong pressure of product customization, so generally, DMC seems to be more useful for Business to Consumer reality than for Business to Business market settings.

The limited applicability of DMC in B2B industries is informative not only for DCV as strategy school of thought (this contingency was not tested before), but also for B2B marketing theory, where various paradigms compete for attention of academicians and business practitioners as well. It is widely accepted in B2B marketing literature, especially in IMP research tradition, that industrial markets are to large extent network structures, when no company functions in isolation and main business functions are not performed of the given company are not designed and executed unilaterally but are based on network cognition and

network actions as well (Corsaro et al. 2011; D. Ford et al. 2003; Håkansson and Snehota 2006). There is no reason to argue that marketing as one of business functions in B2B reality functions in totally different way. Actually, alliances between companies in marketing area are commonly seen nowadays as markets become very competitive (Bucklin and Sengupta 1993; Swaminathan and Moorman 2009). Additionally, there is growing evidence that even without formal alliancing, marketing in B2B area is more and more performed in collaboration with customers themselves, because they active participation is crucial for the creation of customer satisfaction eventually (Aarikka-Stenroos and Jaakkola 2012; Payne et al. 2008). In turn, the participation of customers in marketing function is cornerstone of so-called service dominant logic of marketing (Vargo and Lusch 2004), which is seen as strategic approach applicable to various industries and various types of companies, but B2B markets and service markets remain its “natural” application zone. Therefore, we argue that contingencies of DMC utilization (B2B vs. B2C) revealed in our empirical research can be interpreted from the perspective of limited applicability of DCV into B2B marketing in general.

However, it is not that this study suggests that dynamic capabilities cannot be implemented in B2B companies at all. Actually, DCV proved to be not only very influential but also very heterogeneous approach in strategy theory with at least two dominating views on the nature of dynamic capabilities (Di Stefano et al. 2014; Peteraf et al. 2013) and many specific dynamic capabilities that were already discussed and received empirical support for their links with company performance. As they say, “the devil is in the details” and this proverb has some logical connections with our research findings. Specifically, looking at our DMC definition and the measurement model applied in our research, DMC is much more about reconfiguring marketing resources to anticipate market changes than adjusting dynamically to anticipated needs of any given specific customers, e.g. key customers as it is frequently done in Business to Business market settings. Therefore, one may say that DMC we focused on are about aligning focal company with somewhat anonymous market rather than adjusting to “market as networks” – the sensemaking suggested in IMP approach (David Ford and Håkansson 2006; K. K. Möller and Halinen 1999). Indeed, some business routines that are micro-foundations of DMC, e.g. systematic adjusting employees to market changes, may be in conflict in

interactive nature of running a company within B2B context, because in such context it may be sometimes more beneficial to innovate by adjusting towards main direct and indirect contractors within supply chain than trying to become “objectively innovative” through delivering new products exceeding current market trends. Obviously, it is quite clear that many global market players do great businesses through such novelty-driven dynamic approach to marketing, e.g. Samsung, Apple or Huawei, and they orchestrate complex portfolios of business relationships, so that they as a net become novelty-driven. However, this is definitely not approach for everybody, because becoming network orchestrator is a time- and resource-demanding process (Hurmelinna-Laukkanen and Nätti in press; K. Möller and Svahn 2003). Especially with regard to NPD process, majority of companies operating in B2B markets may need to closely cooperate with their key customers and co-create innovations with them (Hoyer et al. 2010) than just offering them new products, even if such new products are well aligned with market tendencies. The literature provides the evidence that for smaller companies increasing competitiveness and becoming more innovative within business relationship and networks is to large extent based on the extent to which they can improve their core competencies and balance power inside “big fish” relationships (Lacoste and Johnsen 2015) and dynamic marketing capabilities as defined in this study may be not too useful for their NPD, especially if they generate vast majority of their profits from some very limited key customer relationships.

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