

Technological Opportunism and Responsive and Proactive Market Orientation: Synergistic or Antagonistic Effects

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EXTENDED ABSTRACT

Every product might be considered a combination of technology and the market. Accordingly, both technological and market aspects require parallel attention if a product innovation is to succeed. Technological opportunism represents a sense-and-respond capability with respect to new technologies and it has been found to account for differences in adoption of radical technologies among firms (Srinivasan, Lilien, and Rangaswamy 2002). Among marketing capabilities, market orientation has been posited as one of the most crucial performance-related constructs (Hult and Ketchen 2001). Market orientation and technological opportunism together represent an important aspect of a firm's strategic orientation, namely, its external orientation (Voss and Voss, 2000). They reflect a firm's business philosophy and guide its attempts to create competitive advantage and achieve superior performance (Song, Droge, Hanvanich, and Calantone 2005). Voola, Casimir, Carlson, and Agnihotri (2012) claim that complementarity exists between technological opportunism and market orientation.

Research Question

In the wake of the stream of research in organizational sensing and response capabilities, this study is to investigate the roles of responsive and proactive market orientation on the performance impacts of technological opportunism. Drawing on the dynamic capabilities theory (Teece, Pisano, and Shuen 1997), a conceptual framework is proposed that mainly outlines the relationships between technological

opportunism, responsive and proactive market orientation, and firm performance, along with the moderating effects of responsive and proactive market orientation, technological turbulence, and competitive hostility on the technological opportunism-firm performance link. The dynamic capabilities approach posits that the key to success in rapidly changing environments is constant surveillance of markets and technologies and a willingness to adopt best practices. Such dynamic capabilities are important for firms that want to develop successful new products because they enable the firms to draw on different areas of technology and meet the needs of various markets (Eisenhardt and Martin 2000). The rationale for moderation stems mainly from the normative logic that the strategy-context fit should exert a positive impact on performance (Venkatraman and Prescott 1990). We contend that the exploration of a firm's technological opportunism depends on the business setting, defined in terms of both organizational and environmental characteristics. Accordingly, we incorporate technological opportunism and both forms of market orientation into the same model in that they represent outside-in capabilities and may result in better outcomes by allowing the firm to sense and respond to external environments.

Method and Data

The data in use are from a questionnaire survey of manufacturing firms across a variety of industries in Taiwan, which include chemicals, computers, electronics, and mechanical

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equipment, etc. We received 100 completed questionnaires, of which 92 (10.2%) are usable. The proposed hypotheses are tested using moderated regression analysis.

Summary of Findings

As predicted, technological opportunism has a positive effect on firm performance. Nevertheless, proactive market orientation fails to impose a positive impact on firm performance. As for moderating effects, the positive moderation of proactive market orientation on the technological opportunism-performance link is supported. As hypothesized, Responsive market orientation weakens the positive relationship of technological opportunism with firm performance. Consistent with our expectation, the relationship between technological opportunism and firm performance is strengthened by technological turbulence.

There are two potential reasons for the unexpected result that proactive market orientation does not directly influence the performance of the firm. One is that proactive market orientation may not work as a stand-alone dynamic capability. Proactive market orientation contributes to the creation of superior competitive value only in conjunction with other complementary resources, such as entrepreneurship, innovativeness, and organizational learning. The other reason is that, given both technological and market aspects exist in the interdisciplinary nature of any product, technological

opportunism, as opposed to proactive market orientation, seems more influential for explaining a firm's competitive advantage.

Key Contribution

A key contribution of the study is to reconcile the seemingly conflicting findings of Chen and Lien (2013) with respect to the negative moderation of marketing orientation on the technological opportunism-firm performance relationship by distinguishing between proactive and responsive market orientation. Slightly different from Chen and Lien's (2013), our findings imply that, given the presence of technological opportunism, both responsive and proactive market orientation moderates the technological opportunism-firm performance relationship. Proactive orientation enjoys a synergistic effect with technological opportunism. Combining externally based capabilities—technological opportunism and proactive market orientation—indeed generate complementarity, leading to positive synergy. However, an antagonistic interaction effect exists between technological opportunism and responsive market orientation. In a strategic sense, being responsively market oriented may restrain technologically opportunistic firms from gaining true insights in their pursuit of product innovation and superior performance.

References are available on request.

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