

DYNAMIC MARKETING CAPABILITIES AND ADAPTABILITY OF HOSPITALITY FIRMS IN RIVERS STATE

ATEKE, Brown Walter

Department of Marketing, Faculty of Management Sciences,
Rivers State University, Port Harcourt, Nigeria

brown.ateke@ust.edu.ng

and

NWULU, Chinyere Stella

Department of Marketing, Faculty of Management Sciences,
Rivers State University, Port Harcourt, Nigeria

eziefulestella@yahoo.com

ABSTRACT

This study examined if the possession and deployment of dynamic marketing capabilities relates to adaptability of hospitality firms in Rivers State. The study adopted an explanatory research design and collected primary data via a cross-sectional survey, using structured questionnaire whose reliability was confirmed through the Cronbach's Alpha test. The population of the study comprised hospitality firms in Rivers State. 20 hospitality firms were surveyed from 4 categories (Food and Beverages; Travel and Tourism; Lodging; and Recreation); 6 respondents from each of the firms served as test units. The total number of test units was therefore 120. However, after sorting and data cleaning, data collected from 98 respondents made the final analysis. The Pearson Product Moment Correlation, served as the test statistics, relying on the Statistical Package for Social Sciences (SPSS) 22.0. The findings are that dynamic marketing capabilities (market opportunity sensing, market opportunity seizing, and resource reconfiguration) strongly relate to adaptability of hospitality firms. The study conclude that dynamic marketing capabilities predict company adaptability or that adaptability of hospitality firms in Rivers State depend on dynamic marketing capabilities in the form of market opportunity sensing, market opportunity seizing, and resource reconfiguration. Hence, the study recommends that

hospitality firms in Rivers State that seek improved adaptability should develop and studiously deploy dynamic marketing capabilities in the form of market opportunity sensing, market opportunity seizing, resource reconfiguration.

Keywords: Company adaptability, dynamic marketing capabilities, market opportunity sensing, market opportunity seizing, resource reconfiguration

INTRODUCTION

The operating environment of firms is growing increasingly complex, and offering both threats and opportunities (Stern, Daryl, & Gregory, 2007). The complexity of the business-scape is orchestrated by increasing amounts of information about the content and structure of the business environment; increasing environmental dynamism and improved firms' information processing capabilities (Stern *et al.*, 2007). In this unendingly evolving operating environment of firms, the surest and most sustainable route to competitiveness may be found in a firm's propinquity and capability to obtain, combine, and deploy resources in ways that augment their marketing environment; and not just the simple possession of idiosyncratic resources (Morgan, Slotegraaf, & Vorhies, 2009). This position presages that dynamic marketing capabilities, when adequately developed and studiously harnessed, will drive continuous organizational learning and knowledge accumulation through ongoing collection of intelligence that facilitate the creation of superior customer value (Ateke & Didia, 2017). It also reiterates the perception that dynamic marketing capabilities orchestrate improved responsiveness to market needs; enable firms to be up-to-date on market requirements; and facilitate the conception and implementation of requisite marketing strategies that confer competitiveness; hence, contribute to strategy (Linjconsin & Jaaji, 2010). Dynamic marketing capabilities have also been associated with organizational renewal and resilience, business model innovation, product innovation and company growth (Cirjevskis, 2019; Alharbi & Wang, 2016; Fang & Zou, 2009; Tece *et al.*, 1997).

Nigeria's economy has witnessed considerable jolts in recent times; from the recession in 2015 to the Covid-19 dictated shuttering of economic activities in the 1st to the 2nd quarter of 2020, and the current recession arising from it. It has indeed, not been so good to businesses. Yet, it is not all firms that experience shattered dreams and truncated ambitions; some kept functioning seamlessly,

and even flourished. The ability to adjust, refocus or redirect marketing programmes, policies and activities smartly, and in reaction to disruptions is thus a prerequisite to business sustenance and growth. Hence, companies require entrenched adaptability and constructive ways of facing the future to escape extinction (Lengnick-Hall, Beck, & Lengnick-Hall, 2011). Businesses fail too often. Harcourt and Ateke (2018) aver that some businesses exit the business-scape as curiously as they made their entrance; while others stride the business-scape for decades (Harcourt & Ateke, 2018). This study contends that the demarcation between the “successes” and the “failures” may not be unconnected to the dynamic marketing capabilities the one possesses and which the other lacks. Therefore, the study opts to examine that association between dynamic marketing capabilities and company adaptability.

LITERATURE REVIEW

Theoretical Foundation

This study is anchored on the dynamic capabilities theory (DCT) (Teece, 2007; Teece, Pisano, & Shuen, 1997; Teece & Pisano, 1994); which is an extension of the resource-based view (Barney, 1991). DCT explains the complexities in firms' superiority and market position in relation to competitors (Teece, 2012) in a plastic and intensely competitive operating milieu. DCT views capabilities as “complex combination of skills and knowledge embedded in organizational routines” (Grant, 1996) that enable a firm to produce a particular outcome; and dynamic capabilities as, idiosyncratic skills, knowledge and resources embedded in individual firm's history (Teece, 2012). The “capacity of firms to purposefully create, extend or modify their resource base” in order to compete effectively (Heftat & Winter, 2011), is what dynamic capabilities represents. The DCT was borne out of the contention that the services a firm's resources could provide are as critical to competitive advantage as the resources themselves (Fainshmidt, 2014); and that resources are but “building blocks for the development of capabilities” (Makadok, 2001) that involve “activities and routines inside the firm” (Winter, 2003).

The DCT is original to strategic management, but finds wide application in marketing and supply chain management (Fainshmidt, 2014) based on its emphasis that dynamic capabilities provides explanation to how firms achieve seemingly antithetical essentials: Stable enough to continually deliver distinctive value and resilient and adaptive enough to the dictates of the operating milieu. The DCT thus provides that surmounting new challenges requires firms and

their employees to learn rapidly; and build and integrate strategic assets within the firm while reconfiguring existing ones. In other words, corporate agility in the form of the capacity to (1) sense and shape opportunities and threats, (2) seize opportunities, and (3) maintain competitiveness through enhancing, combining, protecting, and when necessary, reconfiguring the business enterprise's intangible and tangible assets is the core mandate of a firm (Winter, 2003). This study is anchored on the DCT based on the conviction that learning and adapting company operations to emerging circumstances is the panacea to sustainability; and the underlying argument of DCT that firms can build long-term competitive advantage by using their core competences to modify short-term competitive positions (Helfat & Winter, 2011) and by rapidly learning about environmental shifts and building and integrating new strategic assets while refocusing existing ones.

Conceptual Review

Dynamic marketing capabilities (DMCs)

DMC is an extension of the dynamic capabilities construct for marketing-specific application. DMC is a relatively new concept, and traceable to Bruni and Verona (2009). The concept has however attracted several, but similar definitions from marketing pundits. Bruni and Verona (2009), DMC reflect “human capital, social capital, and the cognition of managers involved in the creation, integration and use of market knowledge and marketing resources in order to match and create market and technological change”. In this view, DMCs are “specifically aimed at developing, releasing and integrating market(ing) knowledge” Kamboj and Rahman (2015) describes DMC as the cogency of interrelated and complementary sets of competences and routines that promote a firm's capacity to engage in elected marketing activities; and respond to disruptive market conditions.

DMC thus represent continually evolving productive skills, knowledge, technology, and sundry resources managers use to build, integrate, and reconfigure the marketing capability base of firms over time (Helfat & Winter, 2011). In essence, all tangible and intangible marketing resources (products, patents, technology, marketing cognition, expertise and relationships), programmed to develop, integrate and release market(ing) knowledge that inform or enhance a firm's innovativeness and resilience (Bruni & Verona, 2009); and generally bestows competitive edge on the firm may be regarded as DMCs. DMCs are thus potent meta-capabilities (Winter, 2003) that provide deeper understanding of environmental conditions; as well as marketing programmes,

practices and policies that promise superior outcomes. In Teece (2007), dynamic (marketing) capabilities is conceived as a higher-order strategic processes that integrate, combine, and generate new technological and marketing resources that shapes the organization's performance.

DMCs are strategic to firms in lieu of their correlations to firms' competitiveness through the capacity to effectively deliver distinctive value to customers; more effectively leverage resources to sense markets and link customer; improve performance in collaborative alliances and acquisitions and profitability (Konwar, Papageorgiadis, Ahammad, Tian, Mcdonald, & Wang, 2017; Krasnikov & Jayachandran, 2008; Morgan *et al.*, 2009). Scholars (Bruni & Verona, 2009; Danneels, 2002; Day, 1994) distinguish between operational marketing capabilities (OMC) and DMC by stating that OMCs enable firms operate optimally by satisfying current customers and exploiting existing products, brands and distribution channels; while DMCs are focused on releasing and integrating market knowledge that help firms evolve. DMC thus consists of several components, including market sensing and customer-linking capabilities (Day, 1994); customer-oriented capabilities and second-order customer competences (Danneels, 2002; Slater & Narver, 1998); opportunity sensing, opportunity seizing and resource reconfiguration (Teece, 2012, 2007). This study adopts Teece (2012, 2007) model of DMC.

Market opportunity sensing

The ability to identify changing market needs and the capacity to alter products, processes, practices or strategies in order to remain relevant in the operating environment is a perennial challenge to firms; and to address this, firms monitor and scan their environments to identify opportunities (Takahashi, Bulgacov, Semprebon, & Giacomini, 2016) that could be explored. Sutcliffe and Obstfeld describes opportunity sensing as a collection of routines that shape how, and what information a firm assimilate, how it interprets the information, and what actions it considers appropriate (Stern, Daryl, & Gregory, 2007). Market opportunity sensing is also the process through which firms acquire, interpret, and act on information about their operating milieu. Thomas, Clark, and Giona (1993) on their part define opportunity sensing as a “reciprocal interaction of information seeking, meaning ascription, and action”; while Sackman in (Stern *et al.*, 2007) construe opportunity sensing as a set of mechanisms that define a firm's “standards and rules for perceiving, interpreting, believing, and acting on its environment. Weick, Sutcliffe, and Obstfeld (2005) thus view sensing as a multidimensional construct, based on the interplay of meaning and action.

Firms possessing highly developed opportunity sensing capability are often better at assimilating, analyzing and communicating a greater amount and variety of information; which leads to a wide range of behaviours with which to respond to the environment (Stern *et al.*, 2007). Superior market-sensing capabilities also enhance a firms' ability to identify underserved and unsatisfied market segments; competitors' offerings that are not fulfilling market requirements and channels through which to route its offerings (Alharbi, 2015). Furthermore, Slater and Narver suggest that strong market-sensing capabilities enhance the identification of less price-sensitive customer segments, and offers new insights into how “non-price value” to customers and channel members, contribute to company success (Alharbi, 2015). Market opportunity sensing thus comprise “analytical systems to learn, and to sense, filter, shape, and calibrate opportunities” (Teece, 2012); including all processes that help an organization collect and analyze market information to learn about customers, competitors and channel members (Wagner, Wenzel, Wagner, & Koch, 2017); and is fostered by perceived market turbulence, an open-minded organizational culture and team functional diversity (Teece *et al.*, 1997).

Market opportunity sensing is an essential futuristic behaviour (Lindblom, Olkkonen, Mitronen, & Kajalo, 2008) that aligns firms to bridge information gaps about short and long-term environmental shift (Mama & Onuoha, 2020). It provide intelligence about emerging market disruptions and broader environmental awareness (Mama & Onuoha, 2020; Lindblom *et al.*, 2008) that allows firms to strategically posture, to avoid risks or overturn threats into opportunities. The increased attention to market sensing is hinged on the notion that awareness of impending environmental disruption facilitates the contrivance of efficiently effective responses (Rohrbeck, 2011). Mama and Onuoha (2020) contend that opportunity sensing is an essential capability that firms must acquire to navigate, and reduce the effects of incremental and abrupt shifts in the business-scape. Hence, identifying, exploring and interpreting market intelligence is the core of opportunity sensing; and firms must create protocols to scan the environment, keep in touch with the market; and enhance crises-preparedness.

Market opportunity seizing

A company's response to sensed opportunities through new products, processes and/or business models amounts to seizing market opportunity (Teece, 2007). It focuses on marketing decisions relating to the selection of appropriate business models and marketing actions (Tempelmayr, Ehrlinger, Stadlmann,

Überwimmer, Mang, & Biedersberger, 2019). Market opportunity seizing involve exploring, assessing and selecting current and emergent scenarios that promise growth and sustainability (Takahashi *et al.*, 2016). It relates to addressing sensed opportunities “through new products or processes” (Wagner *et al.*, 2017); and typically evokes increased research and development activities. Teece (2007) explained opportunity seizing as a micro-foundation of dynamic capability that is based on innovation (product, processes or business model), designed to exploit identified opportunities. Opportunity seizing encompass choices of marketing actions to be taken; and requires the creation or selection of business models.

Popadiuk, Luz, and Kretschmer (2018) view opportunity seizing as the activities involved in taking advantage of sensed marketing opportunities; and considers every decision and action taken by the firm after it has detected a market opportunity as an opportunity seizing effort. Literature on ambidexterity (O'Reilly & Tushman, 2013, 2004; Duncan, 1976) suggests that opportunity seizing occurs once the firm organizes itself for innovation, and integrate and allocate new resources to take advantage of a market opportunity. Opportunity seizing, otherwise seen as exploitation, addresses a firm's capability to refine and improve products, knowledge, and traditional markets; and is observed through internal movements that results in economies of scale, efficient orchestration of assets and resources, among others (Popadiuk *et al.*, 2018).

Resource reconfiguration

Reconfiguring refers to “the ability to recombine and to reconfigure assets and organizational structures” to match the organization's internal processes with seized opportunities. It may, thus, involve changes in the business model, mergers, acquisitions and divestments (Teece, 2012). Takahashi *et al.* (2016) view resource reconfiguration as the process of creating, extending or modifying company resources in response to growth, change in market conditions, organizational and administrative processes or strategic orientation. Following the detection of a market opportunity (sensing) and making the decision of how, when and where to invest and using what business model (seizing), the firm has to reconfigure its resources and organizational structures to make it fit, and able it maximize its chances (Helfat & Peteraf, 2009). Resource reconfiguration thus encompasses the adaptation of structures, processes, personnel, incentive systems, knowledge assets and governance mechanisms (Tempelmayr *et al.*, 2018); and is a micro-foundations capability that comes after detection and apprehension of opportunities (Teece, 2007). It is a capability that addresses the

management and orchestration of organizational resources and semi-continuous corporate renewal (Popadiuk *et al.*, 2018). Firms have a challenge to integrate efforts to continually build, maintain, and adjust their business models, routines, structures, and value offerings. Resource reconfiguration is the capability that allows the resolution of this challenge (Popadiuk *et al.*, 2018; Helfat & Peteraf, 2009).

Teece (2007) decomposes resource reconfiguration into four groups: Decentralization and near decomposability; core specialization; knowledge management; and governance. The first group suggests that firms have to decentralize and decompose their processes to achieve flexibility and responsiveness (Popadiuk *et al.*, 2018); that is, units within the firm have to operate semi-autonomously, but remain connected through coordinated activities (O'Reilly & Tushman, 2013). The second group deals with the management of asset specialization and strategies for the organizational structure; which allows continuous systemic innovation and reach for strategic adjustment required for business sustainability (Popadiuk *et al.*, 2018). The third group, which includes learning, knowledge management, and corporate governance, refers to company processes that integrate assets, mainly knowledge sharing and corporate governance structures that allow the creation of learning processes. Development of governance mechanisms, the last group, refers to governance structures, and management of exchange ratios that aims at sharing of mutual gains (Popadiuk *et al.*, 2018).

Adaptability

Firms alter their behaviour, activities, structures and systems in order to survive changing environmental conditions (Denison, 2007). A firm's business activities must necessarily be adaptive to evolving instantaneous and insidious disruptions in the operating milieu. Adaptability represent context-specific competences that facilitate constant and continuous evolvement to keep pace with shifting environmental conditions (Ateke & Nwulu, 2018); relying on individual and team characteristics that encourage continuous learning and improvement amidst change and uncertainty, to chart a better future for a firm through flexible marketing operations. McCann (2004) and Hamel and Välikangas (2003) view adaptability as “the ability to maintain an experimental attitude towards new situations and to act in response to changing circumstances”. Olomi and Ordu (2020) posits that adaptability is concerned with the capacity to adjust to new situations, including the ability to learn how to do new things as dictated by the operating environment. Hence, Amah and Baridam aver that adaptability

promotes the design and implementation of proactive insights about future possibilities that enables the creation of value that connects with stakeholders; and is linked to competitiveness as it demonstrates resilient characteristic, and describes the ability to adapt operations to prevailing conditions with a view to gain advantage and maintain a robust marketing profile (Akhigbe & Onuoha, 2019). Adaptability may thus be orchestrated by changes in internal resources or external challenges. Nonetheless, it is a natural outgrowth of a “customer first” mindset; and often involves reforming marketing programmes and operations to suit changing consumer preferences, geography or era in which the firm operates.

Adaptability varies in terms of value and nature and may be analyzed through coping ranges, by the conditions that a system can deal with, accommodate, adapt to, and recover from (Ateke & Nwulu, 2018; McManus, Seville, Vargo, & Brunson, 2008). It prompts firms to approach marketing strategy from the angle of actively tracking and reacting to marketplace shifts; and often leads to rejigging a firm's operations, practices and strategies to connect to new challenges. Several firms cope with normal conditions and moderate deviations from the norm, but only a few cope with extreme events that lie outside their coping range (Ahiauzu & Jaja, 2015). Scholars therefore, use “coping ability” to address short-term capacity to survive, and employ “adaptability” to address more sustainable long-term adjustments (Ateke & Nwulu, 2018). Adaptability is not static; it is flexible and responds to contextual vagaries over time (Ahiauzu & Jaja, 2015); and is enhanced by collateral pathways (alternative routes to achieve a desired goal); so that, disruption on one pathway does not prevent the achievement of desired goals (Barasa *et al.*, 2018) in Ateke and Nwulu (2018). Also, availability of resources enhances adaptability because firms can withstand shocks and overcome disruptions through studied deployment of resources (Ateke & Nwulu, 2018).

Dynamic Marketing Capabilities and Adaptability

DMC derive from the idea that the skills, knowledge and expertise in a firm's repository confers the ability to renew internal and external competences by retooling, refocusing its assets or reconfiguring its structures and processes in response to vagaries in the environment (Takahashi *et al.*, 2016). Foley and Fahy (2009) contend that firms could attain sustainable competitiveness by building capabilities with dynamic characteristics to respond to mercurial shifts in the turbulent business-scape. Healthy business outcomes have thus been linked to the competitive advantage firms enjoy. Competitive advantage on the other hand

is achieved through important and effective market-based capabilities, including market(ing) research, new product development, pricing, customer relationship management, marketing channel management; supply chain management, and marketing communication capabilities (Susanto, 2019; Helfat, & Winter, 2011; Morgan *et al.*, 2009).

Innovation is a prerequisite to survival and growth; and DMC entrench a culture of innovation in firms by enhancing their ability to identify market opportunities, their capacity to seize such opportunity and their capacity to extend or modify their resources to suit emerging marketplace realities. DMC however develops when firms' marketing units or teams apply their expertise to transform marketing inputs to outputs repeatedly; and by combining intangible and tangible resources (Vorhies, 1998). This integrative process of applying the collective knowledge, skills, and resources of a firm to the market-related needs of the business enables firms to add value to their products, adapt to changing market conditions, seize market opportunities, and secure competitive edge (Lindblom *et al.*, 2008; Day, 1994). The acquisition of market-sensing, customer-linking, and channel-bonding capabilities enhances firms' capacity to undertake activities required to push products through the value chain (Day 1994). These capabilities when adequately harnessed; become distinctive, and enables the firm to deliver superior value to the market (Lindblom *et al.*, 2008). They enable firms to respond appropriately to changing environmental conditions, exploit new opportunities, engage with customers and build strong bonds with collaborators (channel members, investors, lenders) (Teece, 2012).

DMC is essential to the efficient provision of superior customer value (Day, 1994). This position aligns with Teece (2007) model of dynamic capabilities as first order entrepreneurial capabilities comprising the ability to identify, and assess emerging opportunities (sensing); take advantage of such opportunities (seizing), and transform the firm's assets (tangible and intangible), renew core competencies, and develop new value propositions (resource reconfiguration) (Cirjevskis, 2019). Prior studies show that DMC inform continuous learning and knowledge accumulation through ongoing collection of market intelligence which is used to create superior customer value (Ateke & Didia, 2017). It postures firms to be continually abreast of market requirements and facilitate the contrivance and execution of appropriate marketing strategies that confer superior performance; hence, contribute to business strategy (Linjconsin & Jaaji, 2010). Amue, Igwe, and Friday as cited in Ateke and Didia (2017) reports that improved market-sensing capabilities facilitate market orientation and results to

improved responsiveness to market needs. DMC is thus associated with organizational renewal and responsiveness to environmental disruptions (Teece *et al.*, 1997); greater effectiveness and efficiency (Vorhies & Morgan, 2005); formation of business quality (Fang & Zou, 2009); business model innovation (Cirjevskis, 2019) and; product innovation and company growth (Alharbi & Wang, 2016). Studies also demonstrates that DMC affect business performance in terms of brand performance, new product success, new customer acquisition, customer loyalty, and financial performance (Susanto, 2019; Walugembe, Ntayi, Bakunda, Ngoma, & Munene, 2017; Song *et al.*, 2007; Vorhies & Morgan, 2005). In lieu of the foregoing, we hypothesize as follows:

- H₁: Market opportunity sensing significantly relates to adaptability of hospitality firms.
- H₂: Market opportunity seizing significantly relates to adaptability of hospitality firms.
- H₃: Resource reconfiguration significantly relates to adaptability of hospitality firms.

METHODOLOGY

This study focuses on examining the nexus between dynamic marketing capabilities and company adaptability. The study adopted a descriptive research design; as it sought to report phenomena as observed, without any form of manipulation. The study takes a realist ontology and positivist epistemology standpoint; believing in the deterministic nature of man's interactions with his environment, hence, adopted a quantitative methodology and opted for questionnaire as the instrument of inquiry. The researchers had no control over the research element because the study environment was non-contrived. The face validity of the research instrument which was designed in the 5-point Likert scale was confirmed by experts consisting scholars and practitioners with adequate knowledge of the subject of the study. Its content validity derives from the fact that it follows from instruments used by other researchers, with minimal modification. The reliability of the instrument of the study was determined via the Cronbach's Alpha test of reliability, with a threshold of 0.7 (Nunnally, 1978). The summary of the result of the test as shown on Table 1 below presents a summary of the internal consistency of the instrument and the minimum threshold scored by each variable.

Source: Simulation from SPSS output of data analysis on DMC and adaptability hospitality firms (2020)

Table 1: Reliability of Study Variables

Variables	Dimensions	No. of Items	Cronbach's Alpha
Predictors	Market Opportunity	8	0.951
	Sensing		
	Market Opportunity	7	0.935
	Seizing		
Criterion	Resource Reconfiguration	6	0.864
	Company Adaptability	8	0.961

The population of the study comprised hospitality firms in Rivers State. 20 hospitality firms in 4 categories (Food and Beverages; Travel and Tourism; Lodging; and Recreation) firms were covered in the study; with 6 respondents from each of the firms serving as test units. The total number of test units was therefore, one hundred and twenty (120). However, the final analysis was based on data from ninety-eight (98) respondents. Data collection was done through a cross-sectional survey which permits researchers to collect data at a point in time from test units. Cross sectional survey is suitable when the purpose of data collection is to determine correlations or make statistical predictions among study variables (Walugembe *et al.*, 2017). The Pearson Product Moment Correlation served as the test statistic. The Statistical Package for Social Sciences (SPSS) 22.0 was relied upon for all the analyses.

DATA ANALYSIS AND RESULTS

Univariate Analyses

Table 2: Descriptive Statistics on Market Opportunity Sensing

Descriptive Statistics					
	N	Sum	Mean	Std. Deviation	Variance
Regular collection of market intelligence to keep abreast with emerging market trends	9 8	406	4.14	.897	.804
Monitoring changes in macro-environmental forces (changing consumer demand, legal frameworks, political issues, etc.)	9 8	416	4.24	1.056	1.115
Sifting through intelligence gathered from the environment to identify promising market opportunities	9 8	422	4.31	.817	.668
Use of established processes to identify new target markets	9 8	413	4.21	.865	.747
Identify changes in consumer needs and possible innovations to pursue in order to address them	9 8	419	4.28	.883	.779
Taking marketing action based on routine intelligence gathered from the environment	9 8	420	4.29	.849	.722
Assimilating, analyzing and sharing variety of market information across units	9 8	425	4.34	.849	.720
Following established protocols to scan the environment to identify trends and keep in touch with the market	9 8	416	4.24	.942	.888
Valid N (listwise)	9 8				

Source: Simulation from SPSS output of data analysis on dynamic marketing capabilities and adaptability of hospitality firms (2020)

Table 2 presents the result of the analysis for the distribution of the properties of market opportunity sensing. The table reveals that the variable is evident and characterizes the population under investigation. The results reveal mean coefficients that describe indicators as being highly expressed by the surveyed population, suggesting that hospitality firm can be considered to possess market opportunity sensing capabilities. As such, the evidence shows a tendency for hospitality firm to engage in regular collection of market intelligence to keep abreast with emerging market trends.

Table 3: Descriptive Statistics on Market Opportunity Seizing

Descriptive Statistics					
	N	Sum	Mean	Std. Deviation	Variance
Review marketing programme development efforts to ensure alignment of the requirements of the market	98	400	4.08	.833	.694
Dedicate enough time to implement ideas for marketing programmes and improve current ones	98	419	4.28	.871	.758
Constantly implement new marketing policies or strategies to take advantage of identified market opportunities	98	411	4.19	.857	.735
Renew business processes according to market demands	98	409	4.17	.885	.784
Organize for innovation and integrate or allocate new resources to take advantage of a market opportunity.	98	413	4.21	.722	.521

Routinely refine and improve products, knowledge, and traditional markets to remain relevant in the face of change	98	403	4.11	.860	.740
Routinely refine and improve products, knowledge, and traditional markets to remain relevant in the face of change	98	416	4.24	.838	.702
Valid N (listwise)	98				

Source: Simulation from SPSS output of data analysis on dynamic marketing capabilities and adaptability of hospitality firms (2020)

The distribution for market opportunity seizing as expressed in Table 3 above likewise demonstrates a high level of manifestation of the properties of the variable. The distribution for the manifest properties of market opportunity seizing indicates that most of the respondents consider the variable as evident and impacting on the behaviour of their organization. This is premised on the observed mean distribution for the properties of the variable (where $2.0 < x < 4.0$) which demonstrates moderate levels of evidence for all indicators, as well as the summary distribution for the variable.

Table 4: Descriptive Statistics on Resource Reconfiguration

	Descriptive Statistics				
	N	Sum	Mean	Std. Deviation	Variance
In-built modes of combining and recombining assets to fit seized opportunities	98	407	4.15	.751	.564
The capacity and ability to integrate internal processes to match emerging market opportunities	98	414	4.22	.891	.794

The capacity to swiftly share important information across units and levels to facilitate the exploitation of identified market opportunities	9 8	415	4.23	.771	.594
The capacity to modify structures, processes and systems in order to implement changes that enables you to take advantage of market opportunities	9 8	413	4.21	.763	.582
Business models that is adaptive to changing market conditions	9 8	423	4.32	.880	.775
The capacity to create, extend or modify resources in response to company growth or changing market conditions	9 8	412	4.20	.609	.370
Valid N (listwise)	9 8				

Source: Simulation from SPSS output of data analysis on dynamic marketing capabilities and adaptability of hospitality firms (2020)

The distribution for resource reconfiguration as expressed in Table 4 above demonstrates its evidence at a moderate level. The distribution for the manifest properties of market opportunity seizing indicates that most of the respondents consider the variable as evident and impacting on the behaviour of their organization. This is premised on the observed mean distribution for the properties of the variable (where $2.0 < x < 4.0$) which demonstrates moderate levels of evidence for all indicators, as well as the summary distribution for the variable.

Table 5: Descriptive Statistics on Adaptability

Descriptive Statistics					
	N	Sum	Mea n	Std. Deviation	Variance
Swiftly adjust to emerging conditions in the environment	9 8	395	4.03	.913	.834
Possess competences that facilitate constant and continuous evolvement to keep pace with change	9 8	412	4.20	.919	.845
Possess individual and team characteristics that encourage continuous learning and improvement	9 8	402	4.10	.958	.917
Able to chart a better future through flexible operations	9 8	402	4.10	.936	.876
Maintain an experimental attitude towards new situations as they occur and to act in terms of changing circumstances	9 8	405	4.13	.820	.673
Design and implement proactive insights about future possibilities that enable the creation of value that connect with stakeholders	9 8	397	4.05	.901	.812
Possess the ability to respond to threats and opportunities in the environment.	9 8	412	4.20	.861	.741
Reform programmes and operations to suit changing consumer preferences, or operating locality	9 8	402	4.10	.958	.917
Valid N (listwise)	9 8				

Source: Simulation from SPSS output of data analysis on dynamic marketing capabilities and adaptability of hospitality firms (2020)

Table 5 presents the result of the analysis for the distribution of the properties of adaptability. The Table reveals that the variable is evident and characterizes the hospitality firms. The results reveal mean coefficients that describe indicators as being highly expressed by the surveyed population, suggesting that hospitality firm can be considered to be highly adaptive; as the evidence shows a tendency for them to adjust easily to emerging market trends while remaining consistent and maintaining optimum functionality.

Bivariate Analyses

Table 6: Correlation matrix of proxies of DMCs and company adaptability

		Market Opportunity Sensing	Market Opportunity Seizing	Resource Reconfigurati on	Company Adaptabil ity
Market Opportunity Sensing	Pearson	1	.568**	.578**	.578**
	Correlation		.000	.000	.000
	Sig. (2-tailed)		.000	.000	.000
	N	98	98	98	98
Market Opportunity Seizing	Pearson	.568**	1	.812**	.627**
	Correlation		.000	.000	.000
	Sig. (2-tailed)		.000	.000	.000
	N	98	98	98	98
Resource Reconfiguratio n	Pearson	.578**	.812**	1	.708**
	Correlation		.000	.000	.000
	Sig. (2-tailed)		.000	.000	.000
	N	98	98	98	98
Company Adaptability	Pearson	.578**	.627**	.708**	1
	Correlation		.000	.000	.000
	Sig. (2-tailed)		.000	.000	.000
	N	98	98	98	98

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Simulation from SPSS output of data analysis on dynamic marketing capabilities and adaptability of hospitality firms (2020)

Table 6 demonstrates that dynamic marketing capabilities through its proxies (market opportunity sensing, market opportunity seizing and resource reconfiguration) contribute meaningfully and significantly towards the manifestation of adaptability of hospitality firms. The results indicate that at a $p(r) = 0.578^{**}$ market opportunity sensing has a positive moderate correlation with adaptability of hospitality firms; while the accompanying $p_v = 0.000$ suggests that the correlation between marketing opportunity sensing and adaptability of hospitality firms is statistically significant. The result shows that at a $p(r) = 0.627^{**}$ and $P_v = 0.000$, market opportunity seizing has a strong positive and statistically significant predictive power on adaptability of hospitality firms. Furthermore, the result indicates a $p(r) = 0.708^{**}$ which demonstrate that resource reconfiguration has strong positive association with adaptability of hospitality firms. The accompanying ($P_v = 0.000$) suggests that the link between resource reconfiguration and adaptability of hospitality firms is statistically significant. In view of these results, the study upholds the alternate hypotheses.

DISCUSSION OF FINDINGS

This study examined the nexus between dynamic marketing capabilities and adaptability of hospitality firms. The results of the empirical analyses demonstrate that dynamic marketing capabilities in terms of market opportunity sensing, market opportunity seizing and resource reconfiguration have positive and statistically significant association with adaptability of hospitality firms. These findings support the reports of prior studies which advance dynamic marketing capabilities as potent drivers of continuous learning and knowledge accumulation through ongoing collection of market intelligence which is used to create superior customer value (Ateke & Didia, 2017). This amplifies the notion that improved market-sensing capabilities (a proxy of dynamic marketing capabilities) facilitate market orientation and results to improved responsiveness to market needs and the dynamic marketing capabilities enable companies to be continually abreast of market requirements and facilitate the conception and implementation of requisite marketing strategies that confer superior performance; hence, contribute to business strategy (Linjconsin & Jaaji, 2010). The current findings also reaffirm the position that dynamic marketing capabilities relates to organizational renewal and responsiveness to environmental disruptions (Teece *et al.*, 1997); (Fang & Zou, 2009); business

model innovation (Cirjevskis, 2019); product innovation and company growth (Alharbi & Wang, 2016).

In addition, the current finding further substantiates the argument of Foley and Fahy (2009) that firms could attain sustainable competitiveness by building capabilities with dynamic characteristics to respond to the plasticity of the turbulent business-scape; and the position of the dynamic capabilities theory that idiosyncratic expertise, skills, knowledge and assets entrench a culture of innovation in firms by enhancing their ability to identify market opportunities, capacity to seize such opportunity and capacity to extend or modify existing resources to suit emerging marketplace realities (Teece, 2012). This in turn enables firms to add value to their products, adapt to changing market conditions, seize market opportunities, and secure competitive edge (Lindblom *et al.*, 2008; Day, 1994). The results of this study also aligns with the position that the acquisition of dynamic marketing capabilities enhances firms' capacity to undertake activities required to push products through the value chain (Day 1994); and that when adequately harnessed, these capabilities become distinctive, and enables the firm to deliver superior value to the market (Lindblom *et al.*, 2008); enable firms to respond appropriately to changing environmental conditions, exploit new opportunities, engage with customers and build strong bonds with collaborators (Teece, 2012).

The position of Popadiuk *et al.* (2018) that dynamic marketing capabilities through opportunity seizing, enables a firm to refine and improve products, knowledge, and traditional markets; which is observed through internal movements that results in economies of scale and efficient orchestration of resources is validated by the results of this study which has shown that dynamic marketing capabilities strongly predict adaptability of firms (hospitality firms). The position that dynamic marketing capabilities through market opportunity sensing provide intelligence about emerging market disruptions and broader environmental awareness that allows firms to organize to avoid risks or overturn threats into opportunities (Mama & Onuoha, 2020; Lindblom *et al.*, 2008) also finds substantiation through the results of this study. Firms possessing highly developed dynamic marketing capabilities are often better at assimilating, analyzing and communicating greater amounts and variety of information; which leads to a wide range of behaviours with which to respond to the environment (Stern *et al.*, 2007); enhance a firms' ability to identify underserved and unsatisfied market segments; competitors' offerings that are not fulfilling market requirements and channels through which to route its offerings (Alharbi,

2015).

CONCLUSION AND RECOMMENDATIONS

The operating milieu of firms is growing even more complex, turbulent and disruptive; offering both threats and opportunities to firms, depending on the tangible and intangible they possess and how well they are able to utilize them in different ways. A firm's access to, and ability to obtain, combine, and deploy resources in ways that adequately respond to their operating context thus constitute one route to achieving effective efficient adaptability and sustainable competitiveness. Dynamic marketing capabilities enable this process. They facilitate efficient provision of superior customer value by allowing the firm to identify, and assess emerging opportunities (sensing); take advantage of such opportunities (seizing), and transform the firm's assets (tangible and intangible), renew core competencies, and develop new value propositions (resource reconfiguration).

Based on the results of empirical analysis and the discussions that ensued, this study concludes that dynamic marketing capabilities strongly predict company adaptability; and that the adaptability of firms large depends on their dynamic marketing capabilities as demonstrated in their ability to identify and evaluate evolving market opportunities; exploit such opportunities, and transform or recombine their tangible and intangible resources seamlessly. The study recommends that hospitality firms that seek to improve their adaptive capacity should acquire and develop idiosyncratic capabilities that accentuate their capacity to continually evolve productive skills, knowledge, technology, and sundry resources needed to build, integrate, and reconfigure their marketing capability.

REFERENCES

- Akhigbe, E. A., & Onuoha, B. C. (2019). Strategic agility and organizational resilience of food and beverage firms in Rivers State, Nigeria. *International Journal of Business Systems and Economics*, 12(2), 80-93.
- Ahiauzu, L. U., & Jaja, S. A. (2015). Process innovation and organizational resilience in public Universities in south-south Nigeria. *International Journal of Managerial Studies and Research*, 3(11), 102-111.
- Alharbi, A. S. M. (2015). The role of marketing capabilities in firm's success. *International Journal of Management Science and Business Administration*, 2(1), 56-65. DOI: 10.18775/ijmsba.1849-5664-5419.2014.21.1006.
- Alharbi, A. S. M., & Wang, A. (2016). Building marketing capabilities as a way

- to form a better global marketing strategy. *Journal of International Business Research and Marketing*, 1(4), 22-26. DOI: 10.18775/jibrm.1849-8558.2015.14.3003.
- Ateke, B. W., & Dida, J. U. D. (2017). Market sensitivity and business wellness of deposit money banks. *International Journal of Research in Business Studies and Management*, 4(8), 9-17.
- Ateke, B. W., & Nwulu, C. S. (2018). Employee competency development and organisational resilience of deposit money banks. *International Journal of Social Sciences and Management Research*, 4(3), 31-44.
- Bruni, S. D., & Verona, G. (2009). Dynamic marketing capabilities in science based firms: An exploratory investigation of the pharmaceutical industry. *British Journal of management*, 20, 101-117.
- Cirjevska, A. (2019). The role of dynamic capabilities as drivers of business model innovation in mergers and acquisitions of technology-advanced firms. *Journal of Open Innovation: Technology, Marketing and Complexity*, 5, 12. doi: 10.3390/joitmc5010012w.
- Day, G. S. (1994). The capabilities of market-driven organizations. *Journal of Marketing*, 58(4), 37-52.
- Duncan, R. B. (1976). The ambidextrous organization: Designing dual structures for innovation. In R. H. Kilman, L. R. Pondy, & D. P. Slevin (Eds.). *The management of organization design*, 1(9), 167-188. Elsevier.
- Fainshmidt, S. (2014). Dynamic capabilities and resilient organizations amid environmental jolts. (2014). A PhD dissertation presented to the Old Dominion University. DOI 10.25777/evd1-2917. Retrieved April 2020 from https://digitalcommons.odu.edu/businessadministration_etds/22.
- Fang, E. E., Zou, S. (2009). Antecedents and consequences of marketing dynamic capabilities in international joint ventures. *Journal of International Business Studies*, 40(5), 742-61.
- Foley, A., & Fahy, J. (2009). Seeing market orientation through a capability's lens. *European Journal of Marketing*, 43(1/2), 13-20. <https://doi.org/10.1108/03090560910923201>.
- Hamel, G., & Välikangas, L. (2003). The quest for resilience. *Harvard Business Review*, 81(9), 52-63.
- Helfat, C. E., & Peteraf, M. A. (2009). Understanding dynamic capabilities: Progress along a developmental path. *Strategic Organization*, 7(1), 91-102.
- Helfat, C. E., & Winter, S. G. (2011). Untangling dynamic and operational capabilities: Strategy for the (N) ever-changing world. *Strategic Management Journal*, 32(11), 1243-1250.
- Kamboj, S., & Rahman, Z. (2015). Marketing capabilities and firm performance:

- literature review and future research agenda. *International Journal of Productivity and Performance Management*, 64(8), 1041-1067.
- Konwar, Z., Papageorgiadis, N., Ahammad, M. F., Tian, Y., McDonald, F., & Wang, C. (2017). Dynamic marketing capabilities, foreign ownership modes, sub-national locations and the performance of foreign affiliates in developing economies. *International Marketing Review*, 34(5), 674-704
- Krasnikov, A., & Jayachandran, S. (2008). The relative impact of marketing, research and development, and operations capabilities on Firm Performance. *Journal of Marketing*, 72(4), 1-11.
- Lengnick-Hall, C. A., Beck, T. E., & Lengnick-Hall, M. L. (2011). Developing a capacity for organizational resilience through strategic human resource management. *Human Resource Management Review*, 21, 243-255.
- Linjconsin, B. D., & Jaaji, A. C. (2010). Customer identification: New approaches to value marketing. *International Journal of Corporate Marketing*, 20, 17-30.
- Lindblom, A., Olkkonen, R., Mitronen, L., & Kajalo, S. (2008). Market sensing capability and business performance of retail entrepreneurs. *Contemporary Management Research*, 4(3), 219-236.
- Makadok, R. (2001). Toward a synthesis of the resource-based and dynamic-capability views of rent creation. *Strategic Management Journal*, 22(5), 387-401.
- Mama, C. K., Onuoha, C. B. (2020). Sensing and organizational resilience of oil and gas companies in Nigeria. *International Journal of Management Sciences*, 7(4), 48-60.
- McCann, J. (2004). Organizational effectiveness: Changing concepts for changing environments. *Human Resource Planning*, 27(1), 42-50.
- McManus, S., Seville, E., Vargo, J., & Brunson, D. (2008). A facilitated process for improving organizational resilience. *Natural Hazards Review*, 9(2), 81-90.
- Morgan, N. A., Slotegraaf, R. J., & Vorhies, D. W. (2009). Linking marketing capabilities with profit growth. *International Journal of Research in Marketing* 26, 284-293.
- Olomi, P. O., & Ordu, P. A. (2020). Augmented intelligence and corporate adaptability of tertiary institutions in Rivers State. *International Journal of Business & Entrepreneurship Research* 13(2), 1-8.
- O'Reilly, C. A., & Tushman, M. L. (2013). Organizational ambidexterity: Past, present, and future. *The Academy of Management Perspectives*, 27(4), 324-338. <http://dx.doi.org/10.5465/amp.2013.0025>.
- O'Reilly, C. A., & Tushman, M. L. (2004). The ambidextrous organization. *Harvard Business Review*, 82(4), 74.

- Popadiuk, S., Luz, A. R. S., Kretschmer, C. (2018). Dynamic capabilities and ambidexterity: How are these concepts related? *Revisita de Administracao Contemporanea*, 22(5), 639-660. <http://dx.doi.org/10.1590/1982-7849rac2018180135>.
- Rohrbeck, R. (2011). *Corporate foresight: Towards a maturity model for the future orientation of a firm*. Springer-verlag.
- Song, M., Di Benedetto, C. A., & Nason, R. W. (2007). Capabilities and financial performance: the moderating effect of strategic type. *Journal of the Academy of Marketing Science*, 35(1), 18-34. <https://doi.org/10.1007/s11747-006-0005-1>.
- Stern, N., Daryl, M., & Gregory, M. R. (2007). Developing the organization's sensemaking capability: Precursor to an adaptive strategic marketing response. *Industrial Marketing Management*, 36(6), 731-744. Doi:10.1016/j.indmarman2006.05.008.
- Susanto, Y. B. (2019). The impact of market orientation and dynamic marketing capability on the marketing performance of 'make-to-order' SMEs. *Journal of Management and Marketing Review*, 4(3), 157-170. Retrieved from <https://ssrn.com/abstract=3518914>.
- Takahashi, A. R. W., Bulgacov, S., Semprebon, E., & Giacomini, M. M. (2016). Dynamic capabilities, marketing capability and organizational performance. *Brazilian Business Review*, 14(5), 466-478. DOI: <http://dx.doi.org/10.15728/bbr.2017.14.5.1>.
- Teece, D. J. (2007). Explicating dynamic capabilities: The nature and micro-foundations of (sustainable) enterprise performance. *Strategic Management Journal*, 28(13), 1319-1350.
- Teece, D. J. (2012). Dynamic capabilities: Routines versus entrepreneurial action. *Journal of Management Studies*, 49, 1395-1404.
- Teece, D., & Pisano, G. (1994). The dynamic capabilities of firms: An introduction. *Industrial and Corporate Change*, 3(3), 537-556.
- Teece, D., Pisano, G. & Shuen, A. (1997). Dynamic capabilities and strategic management. *Strategic Management Journal*, 18, 509-533.
- Tempelmayr, D., Ehrlinger, D., Stadlmann, C., Überwimmer, M., Mang, S., & Biedersberger, A. (2019). The performance effect of dynamic capabilities in servitizing companies. *Journal of International Business Research and Marketing*, 4(6), 42-48. DOI: 10.18775/jibrm.1849-8558.2015.46.3005.
- Thomas, J. B., Clark, S. M., & Gioia, D. A. (1993). Strategic sensemaking and organizational performance: Linkages among scanning, interpretation, action, and outcomes. *Academy of Management Journal*, 36(2), 239-270.
- Vorhies, D. W. (1998). An investigation of the factors leading to the development of marketing capabilities and organizational effectiveness. *Journal of*

- Strategic Marketing*, 6(1), 3-24.
- Vorhies, D. W., & Morgan, N. A. (2005). Benchmarking marketing capabilities for sustainable competitive advantage. *Journal of marketing*, 69(1), 80-94.
- Wagner, D., Wenzel, M., Wagner, T., & Koch, J. (2017). Sense, seize, reconfigure: online communities as strategic assets. *Journal of Business Strategy*, 38(5), 27-34. DOI: 10.1108/JBS-09-2016-0088.
- Walugembe, A., Ntayi, J., Bakunda, G., Ngoma, M., & Munene, J. (2017). Dynamic marketing capabilities and new product adoption: The mediating role of consumer based brand equity. *International Journal of Scientific Research and Innovative Technology*, 4(10), 242-262.
- Weick, K. E., Sutcliffe, K. M., & Obstfeld, D. (2005). Organizing and the process of sensemaking. *Organization Science*, 16(4), 409-421.
- Winter, S. (2003). Understanding dynamic capabilities. *Strategic Management Journal*, 24(10), 991-995.