How can Chun Tai expand sales in times of market turbulence through entrepreneurial marketing?

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Abstract

Chun Tai Electric Co., Ltd was studied in this action research in order to address its order shortage problem. The purpose of this research was to identify how a small firm expands its sales in times of market turbulence through the adoption of Entrepreneurial Marketing (EM). EM enabled Chun Tai to make proactive strategies through the entrepreneur's sensemaking and flexibly modify those strategies based on internal resources. Chun Tai's proactive strategies include price contingency, service-based value-added integrated solutions, exhibitions, new product development, and channel expansion. The research, however, did not find a positive relationship between EM and sales expansion. Chun Tai could not adapt to the reactive market situation with the application of price contingency due to its higher prices compared to those of other suppliers. Service-based value-added integrated solutions could not significantly increase sales either, since customers perceive the company's services are essential for orders. However, the combination of price contingency and service-based value-added integrated solutions may bring higher incentive for consumers' purchase intention. Channel expansion and exhibitions displayed negative incomes since expenses were much higher than sales. Proactiveness without cost analysis can lead to negative income and resource waste. Furthermore, channel expansion, exhibitions, and new product development as explorative strategies require higher expenses without achieving immediate income. Thus, in a one-year research timeframe, explorative strategies could not expand Chun Tai's sales. Contrarily, Chun Tai's price contingency, service-based value-added solution, and digital marketing as exploitative strategies with comparatively fewer expenses brought Chun Tai some immediate income. The research outcomes led to the conclusion that the choice of strategies moderates the relationship between EM and sales expansion. Even though the results of the research show no relationship between EM and sales expansion, particularly due to the influence of internal and external variables, EM, with the stress of flexibility and resource leveraging, is considered to be suitable, in the long term, for small firms that have resource constraints for the long run. While implementing EM, firms can pay attention to ambidexterity and contingency to ensure the balance between exploration and exploitation based on the external environment and internal resources. Although EM did not increase Chun Tai's sales, it could enhance Chun Tai's learning ability, marketing ability, and innovation ability. Innovation, which is evident in Chun Tai's work on new product development and service-based value-added integrated solutions, have both played a key role in successfully developing the company's product value and enhancing customer relationship through interaction with clients. Learning, gained from the experience of channel expansion and digital marketing, has helped Chun Tai enhance its advertising strategies and cost management. Finally, Chun Tai has learned to increase consumers' purchase intention of skincare products through an increase of brand awareness as part of its branding approach within the omni-channels.

Table of Contents

List of Tables

List of Figures

Chapter 1: Introduction

1.1 Introduction

This thesis uses action research to investigate operations of a small firm with the aim of increasing its sales through the adoption of entrepreneurial marketing strategies. As its case study, it uses Chun Tai Electric Company Limited (Chun Tai), the company I work for, which has been facing challenges with order shortages. Chun Tai is a small Taiwanese manufacturer with a factory in Shenzhen, China which produces small electrical heating appliances. Between 2016 and 2018, the company experienced a decrease in orders due to the impact of weak global demand and fierce competition in the small electric home appliances market. To ensure the survival of the business during this crisis, Chun Tai urgently needed to expand its sales. To address this, this research focused on the strategic implementation of entrepreneurial marketing to enhance Chun Tai's sales of BBQ accessories and cosmetics in times of market turbulence.

My interest in expanding Chun Tai's sales emerged in response to how they addressed this crisis of reduced sales during market turbulence. As the international sales and marketing manager for the company, I was responsible for resolving issues relating to sales and marketing when I identified that sales were decreasing between 2016 and 2018. My role in Chun Tai enabled me to develop this insider action research while addressing the order shortage issue. As a key part of this research, I applied a series of proactive changes through action research to expand sales. Literature (e.g., Srinivasan, Rangaswamy, & Lilien, 2005; Haluk Köksal & Özgül, 2007; Naidoo, 2010) revealed that proactivity could be a successful approach to increase the company's low competitiveness during a recession. I expect that the adoption of proactive strategies can enhance Chun Tai's market performance. The knowledge gained through this action research can contribute to knowledge regarding identifying and approach to sales expansion for small firms during a business downturn.

To address Chun Tai's problem with order shortages, I adopted entrepreneurial marketing (EM) as the principal theory to inform this thesis due to its resources-based perspective and the original design for small firms. EM, identified as distinct from market orientation (MO) and entrepreneur orientation (EO) due to its flexibility, acceptable risk-taking, and resource consideration through the entrepreneur's sense-making on the environment, was recognised as being suitable for Chun Tai. Chun Tai is small in size with limited resources and relying on the entrepreneur's decision-making requires a higher level of flexibility as resources are one of the most significant issues relating to the application of strategic management during a crisis (Vargo & Seville, 2011). This research supports EM in order to apply proactive strategies for adequate resource capacity. EM places emphasis on proactiveness and innovation through resource leverage, which can be used to help Chun Tai resolve its situation. My ten years of experience in Chun Tai and familiarity with its organisational culture enabled me to utilise its small size as the advantage of flexibility and emphasise resource leveraging from a resource-based view. The application of EM in Chun Tai's case does not only solve Chun Tai's market turbulence problem, but it also offers scholars a chance to understand the practical application of EM in a small firm during a significant downturn.

In this chapter, I identified Chun Tai's problems and analyse its current market position, evaluated pros and cons of the changes in market turbulence, stated my research aim, objectives, and research questions, and briefly discussed the research outline of each chapter. In the first section, I described Chun Tai's background by offering details of product information, its current market, and outline changes in sales between 2009 and 2017. Through a comparison of sales changes, specifically between 2016 and 2018, I identified current issues faced by Chun Tai as order shortages and shrinking sales. The research goal, objectives, and research questions are proposed in Section 1.4. To solve Chun Tai's issue with order shortages, I set the key research goal, sales expansion through the adoption of proactiveness and resource leveraging in EM. At the end of this introduction, I provided an outline for each chapter to introduce the concepts used in this research.

1.2 Organisational background

Chun Tai was established in Taipei, Taiwan, in 1988 and moved its factory to Shenzhen in 1997. The business is still led by its founder and consists of seven employees based in the Taipei office and twenty in the factory in China. The sales and marketing department, the accounting department, and the management department are all located in the Taipei office where they process orders for clients. The factory, primarily operated through the production department and the purchasing department, handles production and supplier contacts.

Chun Tai operates within both the domestic market in Taiwan and the international market, but it must be acknowledged that these have very different ecosystems, products, and strategies. For various needs of these markets, the company carries BBQ accessories, lead-acid batteries, and immersion heaters for the international market as well as immersion heaters and cosmetics for the domestic market. Apart from domestic sales in Taiwan and sales in Saudi Arabia, North America and Western Europe are Chun Tai's biggest markets (Table 1). Table 1 shows that in the fiscal years of 2016 and 2017, the sale of immersion heaters decreased in the North American and Western Europe markets. Comparatively, the decrease in the domestic market in Taiwan was lower than the international market, and the decrease was less in the BBQ category.

Table 1 Chun Tai's sales in regions in 2016 and 2017

Region	Products	Sales in 2016		Sales in 2017		Sales Growth Rate
		US$	%	US$	%	%
North America	BBQ lighter	211,154.56	24.9%	78,164.29	13.7%	-63%
	Immersion heater	171,576.00	20.2%	131,820.48	23.0%	-23%
Saudi Arabia	Acid lead battery	213,634.23	25.2%	160,778.78	28.1%	-25%
Taiwan	Immersion heater	145,029.63	17.1%	140,366.81	24.5%	-3%
Western Europe	BBQ lighter	87,516.00	10.3%	52,416.00	9.2%	-40%
	Immersion heater	8,013.84	0.9%	4,574.94	0.8%	-43%
Central & South America	BBQ lighter	9,783.84	1.2%	2,970.00	0.5%	-70%
Japan	Immersion heater	1,200.00	0.1%	1,200.00	0.2%	0%

Lead-acid batteries exclusively distributed to Saudi Arabia, and beverage immersion heaters and electric barbecue (BBQ) lighters are produced for the international market. BBQ lighters and immersion heaters are offered to Western markets at a higher price due to their better design and higher quality. BBQ accessories have been Chun Tai's focal items in the Western markets since 2009. Statista's (2018) survey showed that, in 2018, the USA was the biggest BBQ market in the world, followed by Canada, Germany, France, and the United Kingdom. With the higher population of BBQ item users in the U.S. and Western Europe markets, Chun Tai targets the markets in these regions. Table 2 shows the BBQ products that Chun Tai carries. The electric charcoal starters (CS500ZP and CL500) have been produced for more than 15 years, and their sales have been variable. The blow lighter was developed in 2010, but due to its defective design, the business only received a small number of orders for the product. The wireless blow lighter and the newly developed electric grill cleaner were still not widely promoted at the beginning of this research. Thus, this research intended to specifically stimulate sales in the BBQ category. The main channels for the BBQ accessories are the importers, both distributors or online retailers. Using a B2B business model, Chun Tai relies on buyers to promote its items. If buyers had no intention of purchasing goods from the company, the business lost channels through which to sell its items. Thus, attracting clients was identified as the key priority for expanding Chun Tai's sales.

Table 2 Chun Tai's list of BBQ accessories

Item number	Item	Power	Unit Price
CL-500	Electric Charcoal Starter	electrical	US$4
CS500ZP	Electric Charcoal Starter	electrical	US$5
CB2000	Electric Blow Lighter	electrical	US$21
CB-06A	Wireless Blow Lighter	Butane and AAA batteries	US$17
CB08L	Electric grill cleaner	Recharge battery	US$18

Immersion heaters are the only item that Chun Tai sells to both the international market and the domestic market. They entered both markets early with first-mover advantages. Chun Tai's immersion heaters are segmented in the market at higher prices because of its high-end quality and design. Even though the biggest markets for immersion heaters are located in developing countries, the prices that they are sold for are much lower than Chun Thai's producing costs. Thus, the targeted segmentation is focused on developed countries, such as North America, Europe, Taiwan, and Japan. Chun Tai's immersion heaters have the highest market share in Taiwan. The experience of successfully selling immersion heaters in Taiwan inspired the company to expand its market by importing other types of items.

In response to the shrinking international market, Chun Tai decided to make a bold move and open a second line of business. This follows Hilmersson's (2014) assertion that the way for SMEs to handle market turbulence is to diversify risks in both the home market and the international market. During the first quarter of 2017, Chun Tai imported one German cosmetic, Hormocenta, and one French organic cosmetic, Tamalys, from a well-known German company to Taiwan. Table 3 shows information for both brands. The cosmetics industry is a brand-new market for Chun Tai. As it is predominately a manufacturer positioned in the small home appliance segment for the international market, the company undertook substantial work to develop marketing campaigns to enter this mature market in Taiwan. Other than the barrier to enter the market, new products can be significant financial burdens, particularly as the company had few resources. Exploring a new market was an opportunity, but there was also the challenge of balancing cost control with sales expansion.

Table 3 Hormocenta and Tamalys' marketing background in Taiwan

Brand	Hormocenta	Tamalys
Country	Germany	France
History	64 years	125 years
Focus	Anti-age, The European brand, Floral scents	Organic, Anti-age, the European brand
Price Range in Taiwan	\$13.60 - \$38.84	\$35.60-\$43.04

Source: Hormocenta (2018); Tamalys (2018)

1.3 Aim, objectives, and research questions

The study aims to explore how a business can expand its sales during market turbulence through the case study of a Taiwanese manufacturer that produces small electrical heating appliances. The limited business-to-business (B2B) international market and newly developed cosmetics market in Taiwan forced Chun Tai to make changes in its marketing strategies in order to survive in a global market with weak demand. This research intended to adopt action research utilising proactive strategies in entrepreneurial marketing. It identified that, reactively, Chun Tai needed to circumvent its shrinking market by retaining its customers and, proactively, needed to expand its sales by developing new strategies. This study examined how Chun Tai could leverage its current resources against the context of a reduction in sales through entrepreneurial marketing.

Objectives of this study are:

a) To expand sales during market turbulence by adopting proactive strategies.
b) To apply entrepreneurial marketing in Chun Tai from 2018 to 2019 to avoid returning to the downturns of sales.
c) To maintain clients and explore new potential clients by developing new marketing strategies for the BBQ category.
d) To develop new sales channels in the cosmetics category.

The main research question of the thesis is:

"How can Chun Tai utilise proactive strategies to ensure its survival in times of market turbulence?"

Further key research questions addressed by this thesis are:

1. What entrepreneurial marketing strategies should Chun Tai adopt to enhance its organisational sales?
2. How can Chun Tai leverage its resources for proactive strategies?

1.4 Research outline

This research is divided into seven chapters, Introduction, Literature Review, Methodology, Data Presentation and Analysis, Discussion, Conclusion, and Reflection. The first chapter, Introduction, offers basic information about the research background and identifies key challenges. To enable readers to understand the fundamental development of the research, this section presents an outline of the following six chapters.

Chapter two (Literature Review) outlines existing literature that was used to interrogate marketing strategies used by Chun Tai's to increase sales. This research specifically explored strategic orientations among entrepreneurial orientation (EO), market orientation (MO), and entrepreneurial marketing (EM). The comparison of these three strategic orientations led to the selection of EM as the focus of this thesis. EM, with the characteristic of flexibility, was identified as enabling Chun Tai to make strategies based on its internal and external situations through sense-making.

Chapter three (Methodology) sets out the methods used in this thesis and identifies the potential conflicts that the researcher may encounter. A mixed methods case study was applied to conduct action research in the paradigm of social constructionism. The focus group discussion was the primary method to collect data from stakeholders, who were recruited by purposeful sampling. Data gathered through the focus group discussion was analysed to understand aspects of financial performance and operational performance. This research ensured its high quality with the assurance of credibility, transferability, dependability, and confirmability of the methods it used.

Chapter four (Data Presentation and Analysis) details several cases within Chun Tai's operations where EM was applied. Following the emphasis on EM in this resource-based research, I describe how Chun Tai applied proactive strategic flexibility to address sales expansion. Due to different types of product characters and market segments, I identified that the company used different marketing strategies for imported items and ODM products. BBQ products, targeted to B2B, were marketed towards new clients through exhibitions and by fulfilling specific customer needs, including by increasing innovation, enhancing customer engagement, and adjusting pricing. I also identified that strategies used for selling imported cosmetics, which targeted business to customer (B2C), were exhibitions and channel expansion to physical stores, TV shopping channels, and online markets.

Chapter five (Discussion) uses the data outlined in chapter four to evaluate financial performance and operational performance in the BBQ categories and the cosmetics category. Financial performance was evaluated based on order volume, and operational performance was assessed according to feedback from stakeholders and clients. Evaluation in this chapter examined the effectiveness of proactive strategies on Chun Tai's sales and sought to understand how stakeholders react to the results.

Chapter six (Conclusion) summarises the empirical finding, offers recommendations, judges the contribution of the research to knowledge, identifies future research, and identifies the limitations of this research. The conclusion is based on the evaluations of financial performance and operational performance outlined in chapter five. It is intended to serve as a resource for readers seeking to understand whether entrepreneurial marketing can enhance a small firm's sales and is relevant if a firm has similar factors to that of Chun Tai. With the limitation of only focusing on one specific case with specific internal conditions, the contextualised knowledge generated by this research cannot be generalised to provide an outcome for the use of EM for other firms in different contexts. Recommendations point out the weaknesses of this research, including the research structure and strategy setting, and offer alternatives for research modification. The results of this research also point to topics for future research, particularly as it is identified that EM, as a newly developed construct, can be applied to research topics across a broader area.

Finally, the last chapter focuses on my reflexivity regarding action research. This chapter examines any biases present within the action research including ethics, goals, and initiatives. In addition, I reveal the challenges I encountered during this action research, including political behaviours and issues with the research structure. My discussion of reflexivity helps me think about how I can adapt my action research differently and how I should develop it in the future. Finally, I identify the research's key stakeholders and my own learning to facilitate further exploration and exploitation of the topic. The level of explorative strategies and exploitative strategies influence the results of the research.

1.5 Problem identification

Chun Tai faced a decrease in sales between 2016 and 2018. In particular, the decrease in export sales highlights critical issues that affected Chun Tai's financial performance. Chun Tai survived the global economic recession of 2008 with reactive strategies, such as cost-saving, a lean workforce, and generating additional rental income. However, this adoption of reactive strategies may have prevented Chun Tai from enhancing its company performance. Market turbulence after the economic recession of 2017 led to a decrease in sales for Chun Tai. Chun Tai's export sales dramatically dropped from US$707,365.34 in 2016 to US$436,389.17 in 2017. By examining these annual sales from 2016 to 2018, it is evident that Chun Tai generated fewer orders, due to losing clients, a decrease in orders from existing clients, and a lack of new buyers. In 2017, Chun Tai's overall export gross profit also decreased due to a considerable decrease in sales. Table 1 shows that sales of all items across all regions dropped dramatically, except in Japan. The economic downturns, intense competition, internal resource constraints, and reactive attitude were due to Chun Tai's shrinking market. To address their challenges, Chun Tai had to develop new strategies to guard against external threats and to overcome internal constraints.

BBQ lighters were one of Chun Tai's main products to experience a significant decrease in sales. Table 1 shows that the company had experienced large sales in the BBQ category in the North American market but that this shrank considerably in 2017. The European market, another targeted market, also showed a decrease in sales from 2016 to 2017. ESA's report and Hearth & Home's survey shows that BBQ sales in the US mirrored patterns in the US economy. Even though sales for Chun Tai began to recover after the global recession, they started to decrease again from 2014 (IBISWorld, 2017; Hearth & Home, 2018). The downturn in BBQ sales continued until 2017 (Hearth & Home, 2018), and this decrease in revenue in the overall BBQ market explains why Chun Tai's sales have been down over the past few years. The main factors leading to low sales in Patio, BBQ, and Hearth in 2017 have been identified as internet competition (24%), lousy weather (16%), mass merchants (16%), competition from other speciality retailers (12%), the economy (8%), and others (24%) (Hearth & Home, 2018). Based on Hearth & Home's survey, it can be seen that competition, weather, and economy may have negatively impacted Chun Tai's sales in BBQ lighters.

In addition to Chun Tai's experience of low sales in the export market, its low market share in cosmetics also required increased effort towards channel expansion. Due to a newly developed project, Chun Tai's sales channels in cosmetics were minimal. However, in 2017, Chun Tai sold its cosmetics products to a chain pharmacy and an online shopping platform. The chain pharmacy, with eleven drug stores, distributed most of Chun Tai's cosmetics products, but sales were limited as it only distributed to Taipei and New Taipei city rather than to the whole of Taiwan. To increase sales volume, Chun Tai registered up to be an online shopping retailer on Rakuten (2018), a Japanese B2C online shopping platform, and listed all its imported cosmetics on its virtual shop. 81.6 % of E-merchants in Taiwan, generally small-scale operations, run their business on online shopping platforms, such as PCHome, Yahoo!, Momo, and Rakuten rather than maintaining their own websites. The benefits of this include decreased costs, convenience, the potential to attract larger customer traffic flow as well as flexible logistics methods and payment terms (International Trade Administration, 2017). As a small-scale operation, Chun Tai also relies on online shopping platforms for a complete system of payment terms and shipping terms without the need to build up its own online stores, which would be costly. Nonetheless, just as in physical drug stores, its online sales were not as high as expected. With its limited sales, Chun Tai was eager to expand sales with this newly developed project.

Through a presentation of Chun Tai's financial performance, this section has identified its decrease in sales from 2016 to 2018 as a primary problem to address through research. Among all its products, the BBQ category experienced the largest decrease in sales in 2017. The decrease could be ascribed to increased competition, low demand, the company's reactive attitude, and its low competitiveness. Thus, to address these issues, this research discussed how Chun Tai could combine a positive attitude with its key strength of being a small-size flexible business to increase its competitiveness against the constraint of its limited resources to face the identified threats of low demand and increased competition. By addressing its internal factors, this research anticipated that Chun Tai was able to reduce its decrease in sales. The research also set strategies to be implemented in the cosmetics category and the BBQ category to increase sales.

The research problems addressed by this research are;

Chun Tai experienced a major drop in sales due to the economic downturn in 2017.

a.) The financial crisis negatively impacted the company's competitive capability.

b.) Chun Tai's BBQ category experienced a shrinking market due to competition and low demand.

c.) Chun Tai's cosmetics category experienced constraints in its sales channels.

1.6 Conclusion

This research identified Chun Tai's central problems being the order shortages in the export market and limited sales channels in the cosmetics category. The purpose of the study is to solve the company's current crisis. Chun Tai is a small firm with limited resources and was recognised as having a crisis in its order shortages, impacted by the global economic downturn in 2017. This research addressed the crisis by adopting proactive EM strategies between 2018 and 2019. EM was identified as suitable for further research due to flexibility for SMEs with limited resources. The company adopted EM through proactive strategic flexibility, resource leveraging, and innovation enhancement. The rationale for choosing EM as a market construct is presented in the next chapter and justification for the action research method is given in chapter three. Through the adoption of proactive strategies evident in EM, I expected to solve this organisational problem and contributed my research results to the growing body of literature on the application of EM. The knowledge generated by this project can also be used as a reference by small firms who face a similar situation to that of Chun Tai. This case study can also allow scholar-practitioners to gain a deep understanding of the relationship between EM and sales expansion for small firms during a financial crisis. In the following chapter, I explain thoroughly why EM has been selected from other strategic orientations and how EM can be applied through the implementation of proactive strategies.

Chapter 2: Literature review

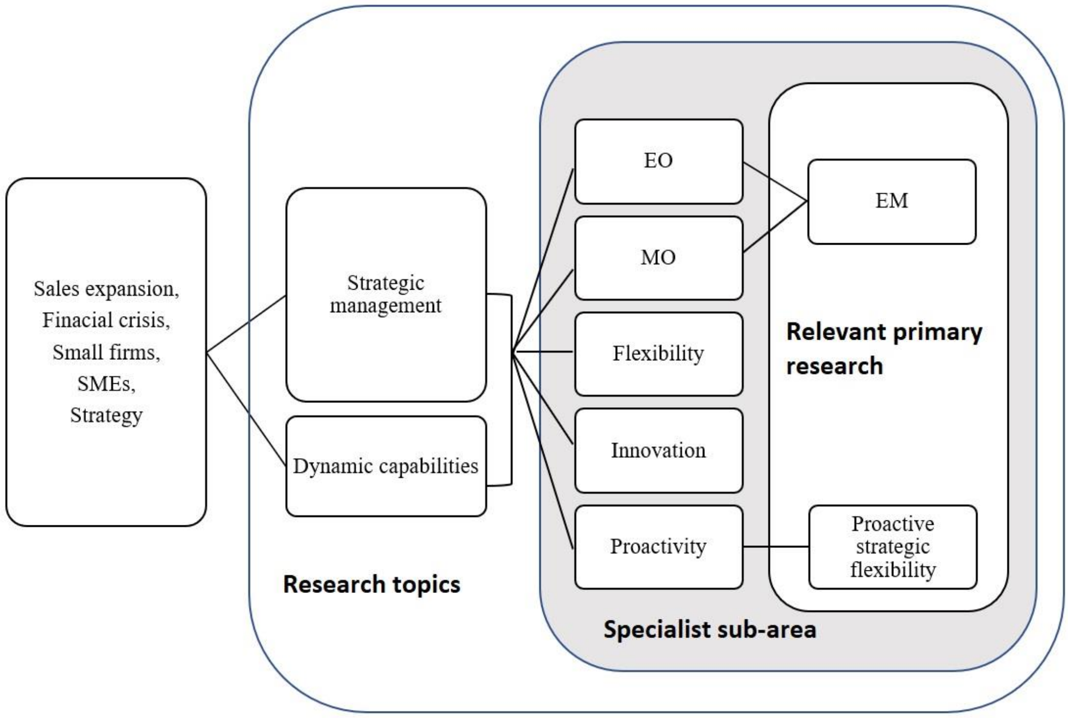
2.1 Introduction

This chapter develops the central research concepts based on the keywords identified during the literature review of strategic management in the financial crisis. Solutions to address Chun Tai's then-current order shortage problem are the focus of this research. Chun Tai experienced a shrinking market from market turbulence. This required the organisation to expand sales by changing strategies. Chun Tai focused on order shortage problems and addressed the causes of order shortages. Chun Tai's reactive mindset resulted in less competitiveness and a poor response to the crisis. Chun Tai needed to develop its strategies with a proactive attitude and behaviour to cope with external threats. Thus, this chapter discusses the literature which focuses on the development of proactive strategies for Chun Tai to have improved its competitiveness and overcome external competition and low demand. The improvement of internal factors and strategies may indirectly resolve Chun Tai's shrinking market issues.

The primary literature search technique is the "keyword" search, "browsing" relevant text, and "chaining" by tracking citations from other relevant articles. My literature review sources include the digital library from the University of Liverpool for online programmes: E-resources, Research Gate, and Google scholar. I initially searched for journal articles on Google Scholar on the following keywords: "financial crisis", "SMEs", "small firms", "sales expansion", and "strategy". Then, I searched the discovered journal article titles at the university library and on ResearchGate. ScienceDirect also provided more relevant articles and citation recommendations.

Figure 1 illustrates the developments of keyword mapping. The research topic "strategic management" was found to address the SME financial crisis. Scholars often connect "the financial crisis" with strategic management (McCarthy, 2003; Volberda, 2004; Ismail, Poolton, & Sharifi, 2011; Wilson & Eilertsen, 2010). Ismail et al. (2011) and Wilson and Eilertsen (2010) both support the idea that strategic planning can better respond to the crisis. The keywords presented in the strategic management literature include: "proactivity", "entrepreneurial orientation", "market orientation", "innovation" and "flexibility". I further searched articles using these keywords. More extended and relevant content came out with the terms "proactive strategic flexibility" and "entrepreneurial marketing".

Figure 1 Keyword mapping



My literature critiques from the scholar-practitioner perspectives how strategic management in entrepreneurial marketing can be applied to improve sales performance through the comparison and synthesis among Entrepreneurial Orientation (EO), Entrepreneurial Marketing (EM), and Market Orientation (MO). The choice of strategic orientation would influence organisational performance (Madsen, 2007). Thus, to choose the proper strategic orientation for small companies during business downturns, I initially identify EO, MO, and EM and their characteristics. By focusing on marketing strategies for the improvement of sales, this literature review discusses the strengths and weaknesses of strategic orientations in marketing.

When I looked for the strategies to enhance SME sales during a crisis, EO and MO were frequently mentioned in my journal article searches. The scholars who support EO and MO assert the necessity to adopt EO or MO during the financial crisis. Nevertheless, there are debates against the theories of EO and MO during the financial crisis. Thus, the literature led to the exploration of EM in SMEs during the financial crisis. The extant literature on the debates among EO, EM, and MO helped me to shape the strategies and applications of EM in practice. Through a comparison of EO, EM, and MO, this research selected EM as the central concept, due to the advantage of EM flexibility. My critiques focus on the anatomy of entrepreneurial marketing and the strategic application of EM. This research applied Alqahtani and Uslay's (2018) definition and the EM characteristics as the principal theory. With the clear identification adopted in this research, I further stress the application of EM in practice. Ramos' entrepreneurial marketing mix (2016) is referred to in order to develop specific EM strategies.

EM, as the newest construct developed in the past two decades, is promoted by scholars for the enhancement of organisational performance; however, it lacks sufficient application in practice. There is a theoretical gap between scholars' efforts on the nature of the EM practice and the actual application of EM in the business context (Bocconcelli et al., 2018; Gross, Carson, & Jones, 2014). The application of EM can fill the literature gap with an actual example showing how EM is applied in a small firm. EO and MO have been profoundly proven to be beneficial in organisational performance in a different context. Their limitations have also been identified in certain internal and external situations. Due to insufficient explicit approaches to apply EM, the understanding of EO and MO are required to employ EM. Past applications of EO and MO are important references for developing strategies.

In the following sections, I utilise keyword mapping to develop my strategies through an analysis of the marketing constructs. In Section 2.2, I discuss the problem of market turbulence and how Chun Tai dealt with the crisis through reactive strategies. Through the reference of the extant literature regarding strategic management and marketing constructs, I identified the significance of proactive strategies from the marketing constructs to expand sales during market turbulence. In Section 2.3, I analyse pros and cons of entrepreneurial orientation. Due to the risk of employing EO in SMEs, I move on to the next construct, market orientation in Section 2.4. Market orientation may not be suitable for SMEs due to its larger resource load requirements. Section 2.5 exhibits the reasons that this research applied entrepreneurial marketing as the principal theory. EM, with more flexibility in risk-taking and resource leveraging, can compensate for the shortcomings of EO and MO. To integrate the advantages of EM, MO, and EO, I list the strategies that SMEs can apply during market turbulence.

2.2 Sales expansion during market turbulence

Economic downturns in the targeted markets were identified as impacting Chun Tai's export sales. OECD (2017; 2018) and the U.S. Department of Commerce Economics and Statistics Administration Office of the Chief Economist (ESA, 2017) both reported economic depressions in 2015 and 2016 after the economic crisis of 2008. OECD's (2018) statistics show that global GDP growth and global trade both did not show excellent performance during 2015 and 2016. The lower percentage of global retail sales volume growth in the first quarter of 2018 shows that higher oil prices may have caused a softness in consumer spending due to increasing inflation (OECD, 2018). The resulting market turbulence also resulted in slow sales for Chun Tai in 2016 and 2017. The market has been turbulent since 2008 and, according to OECD's reports, will not be stable or significantly stronger in the coming years.

To reduce the damage caused by market turbulence, Chun Tai sought to expand its sales by developing new strategies. Ismail et al. (2011) assert that 'strategic-preparedness' can help manufacturing-based SMEs develop the necessary capabilities and skills for market growth during periods of turbulence. Thus, this research intended to enhance Chun Tai's competitiveness for sales expansion through strategic management. Several scholars (Srinivasan, Rangaswamy, & Lilien, 2005; Naidoo, 2010; Haluk Köksal & Özgül, 2007) have identified that companies who adopt proactive marketing can enhance their competitiveness over firms that adopt reactive marketing during an economic recession and post-recession recovery. However, Chun Tai adopted a reactive attitude when faced with a crisis of order shortages. In particular, it cut budgets and was conservative in its decision-making. Lower sales caused resource constraints for the company, which meant that it was unable to develop proactive strategies or explorative strategies. Kandemir and Acur (2012) identify that the choice of strategies in either a proactive or reactive approach affects a firm's market performance. It can be identified that the reactive approach adopted by Chun Tai may have negatively impacted its sales performance. Papaoikonomou, Segarra, and Li (2012) assert that SMEs often negatively perceive a crisis due to their vicious cycle of sales uncertainty, revenue uncertainty, and facing difficulties in accessing financing. Chun Tai's reactive mindset, which was generated by this vicious cycle, also caused 'survivor syndrome' (Yu & Park, 2003). Kunc and Bhandari (2011) identify that if organisations only attempt to survive when they experience an economic crisis by focusing on short-term cost management, their employees abandon the firm's long-term goals. Furthermore, this survivor syndrome leads to lower levels of customer satisfaction for the firms, through emotional contagion, degraded service delivery, or severed relationships (Williams, Khan, & Naumann, 2011). Customer dissatisfaction and reduced revenue growth from existing customers negatively impact customer lifetime value and cash flows (Williams, Khan, & Naumann, 2011). It is hard to assess whether the adoption of reactive marketing strategies during the economic crisis was a mistake for Chun Tai, but it can be seen that they impacted Chun Tai's customer lifetime value and caused a sales plateau. It would be beneficial for Chun Tai to change its strategic choice to a proactive one in order to expand sales and explore new markets and reach new clients. In response, this research utilised marketing constructs based on the findings of the literature, identified through keyword searches, to implement proactive strategies to improve sales during the business downturn.

EO, MO, and EM, as marketing constructs and strategic orientations, presented in the specialist sub-area in Figure 1, exhibit the relationships with sales expansion for SMEs during periods of market turbulence and financial crises. Flexibility, innovation, and proactivity in this keyword mapping show a direct influence on sales performance. Research by Kotler (1977) identifies the sense of general confusion that firms often experience when putting increased effort into sales as a short-term vision but ignore marketing efforts. To reach long-term profits in sales, firms have to seed into the market. In addition, research by Cooper and Kleinschmidt (1985) asserts that a strategy building on the marketing concept that specifically includes a world orientation can improve a firm's export performance. Based on both the keyword findings and Kotler's (1977) assertion, the literature carried out as part of this thesis were used to develop strategies based on marketing concepts to improve sales performance. The following sections focus on how this research selected the most suitable marketing construct and strategies for Chun Tai to apply to meet its ambitions for sales expansion.

2.3 Entrepreneurial orientation

Scholars make various arguments regarding the effects of EO on business performance during financial crises. EO, as one of the major constructs in strategic management, has been defined by Runyan, Droge, and Swinney (2008) and Miller (1983) as containing the central concept of innovativeness, proactiveness, and risk-taking in entrepreneurial tendencies. On one side of the argument, scholars in support of EO recognise its opportunity creation through a focus on proactivity and innovation. On the other side of the argument, scholars who do not support EO recognise its high level of risk. Those in support of EO identify the strengths of applying EO in the organisation, while those who oppose its use focus on the limitations of EO during financial downturns.

Scholars who support the use of EO during a financial crisis emphasise the characteristics of innovation and opportunity that can be seized through proactive strategies. For example, Beliaeva, Shirokova, Wales, & Gafforova, 2018; Soininen et al., 2012b; Marino, Lohrke, Hill, Weaver, & Tambunan, (2008) consider that the pursuit of EO in economic crises benefits organisational performance. Firms with lower EO and a reactive culture might impact stakeholders' perception of opportunity taking. In contrast, SMEs with a strong emphasis on innovation and proactiveness might be better able to overcome a recession based on their proven company growth (Soininen et al., 2012b). In addition, Srinivasan, Rangaswamy, and Lilien (2005), Naidoo (2010), and Haluk Köksal and Özgül (2007) identify that companies who adopt proactive marketing may be able to enhance their competitiveness to a greater extent than firms that adopt reactive marketing during an economic recession and post-recession recovery. Furthermore, a firm's adoption of EO influences its perception of opportunities. Firms with a higher level of EO are better placed to seize an opportunity. Internal stakeholders' perceptions of their firms are shaped by the official organisational communicative behaviours and employees' internal and external communication further shape a firm's identity (Omilion-Hodges & Baker, 2014). Marino et al. (2008) assert that firms with lower EO would have a low desire for proactivity, risky competitive actions, and innovation when they perceive higher uncertainty. Sołoducho-Pelc's (2015) identification of a positive correlation between the strategic priority of dynamic growth and the continuous search for new business options has similarities with Marino et al.'s (2008) perception of EO. In other words, firms with a higher level of EO have a more proactive attitude and continuously search for new business and consider strategic growth as a strategic priority, which stands in contrast with the behaviour of firms with a lower level of EO.

In addition to increases in opportunity-taking associated with proactivity and risk-taking in EO, approaches to innovation also determine a company's survival during a recession (Madrid-Guijarro et al., 2013). Firms that do not pay attention to the business cycle ignore innovation as a competitive advantage, which can be used to successfully overcome the negative impact of the business cycle. Thus, the utilisation of innovation to overcome the business cycle may differentiate firms based on their past strategic patterns. Based on Nasution, Mavondo, Matanda, and Ndubisi's assertion (2011) that an entrepreneurial culture involves a positive association between innovation and customer value, firms require the establishment of an entrepreneurial culture to support innovation. Naidoo's (2010) study shows that Chinese manufacturing SMEs have a higher possibility of surviving harsh economic conditions if they manage their environment and develop competitive advantages by adopting marketing innovation and the capabilities of inter-functional coordination capabilities. Madrid-Guijarro, García-Pérez-de-Lema, & Van Auken (2013) also identify similar findings in their research and recognised that innovation can help a company respond to the business cycle and enhance firm performance during either an economic expansion or during periods of recession. In other words, firms may survive in a financial crisis if they place more focus on innovation.

Even though EO can be a beneficial approach for firms to enhance their competitiveness, scholars who did not support the use of EO during a financial crisis recognised that EO may cause higher costs for proactivity, innovation, and risk-taking. For example, through a process of testing their hypothesis, Soininen, Martikainen, Puumalainen, and Kyläheiko (2012a) show that EO has no positive impact on profitability. The effects of an economic downturn have stronger oppositional impacts on risk-taking firms than on other firms due to the risk-taking firms' utilisation of leverage on financial operations (Soininen et al., 2012b). The use of EO in conjunction with innovation and proactive drivers can enhance performance only when firms utilise their own resources (Soininen et al., 2012b). Prajogo's (2016) study regarding the relationship between innovation and business environments indicates that product innovation may not be enough to attract new customers in a competitive environment when there is a product of equal quality being offered in the market. In this case, during economic downturns, firms can create opportunities by developing product innovation, but product innovation might not be enough to bring firms and increase in clients and financial benefits due to a saturated market. In addition, firms may not have recovered from being trapped in a vicious circle, but to prevent making the vicious circle worse, firms' proactive strategies and innovation have to be realistic when taking into account concerns regarding resource allocations. Even though the characteristics of EO are highly applicable for firms with reactive strategies, the associated high costs and risks may not be suitable in this research as it focuses its attention on a small firm with constrained resources for risky investment in innovation and proactive strategies.

Taking into account both sides of the argument for and against the use of EO during a financial crisis, it is evident that firms should either choose other strategic orientations or take steps to avoid the weaknesses of EO while adopting EO during business downturns. Without choosing EO in this research, I analysed another strategic orientation that is also frequently examined by scholars in order to assess its use during a financial crisis, which is outlined in the next section. Market orientation, which places emphasis on strategies other than EO, has been identified as having the benefits to enhance firms' competitiveness during a financial crisis.

2.4 Market orientation

Market orientation is another strategic orientation that often links to SME's organisational performance during economic crises. The conceptualisation of MO falls broadly into two main categories, the cultural approach and the behavioural approach (Gaur, Vasudevan, & Gaur, 2011). The application of MO can be developed into two dimensions, responsive market orientation (RMO) and proactive market orientation (PMO) (Narver, Slater, & MacLachlan, 2004). This section discusses the different supports of the conceptualisation and application of MO in literature. The choice between the cultural approach and the behavioural approach as well as between RMO and PMO lead to different results of MO implementation.

Proponents of the cultural approach emphasise shared company values and beliefs in customer orientation, competitor orientation, and inter-functional coordination (Kohli, & Jaworski, 1990; Narver, & Slater, 1990). The behavioural approach defines MO as a group of activities undertaken to improve customers' satisfaction. Research following the cultural approach focuses on the MO construct, and research following the behavioural approach focuses on the specific features and actions that SMEs use within markets (Bocconcelli, Fortezza, Francioni, Pagano, Savelli, & Splendiani, 2018).

Due to its customer-oriented innovation, MO has been proven to be beneficial for organisational performance, but, in some cases, it may not lead to positive results for firms due to its resource requirements. Appiah-Adu and Singh (1998), as well as Pelham and Wilson (1995), claim that MO has a positive link to organisational performance for SMEs. Studies by Yaghoubi and Alikhani (2014) and Merrilees, Rundle-Thiele, and Lye (2011) also show that MO has a positive influence on innovation capability, and that innovation capability could further contribute to organisational performance. However, in contrast, Grewal and Tansuhaj (2001) as well as Jones and Rowley (2011) do not support the use of MO in all situations but feel that its success depends on the market situation and organisational conditions. Grewal and Tansuhaj (2001) judge that market orientation is useful before or after the economic crisis, but it cannot help companies manage all economic conditions effectively due to high costs of product innovation. Marketing orientation can be seen as more suitable when an environment is characterised by high demand or technological uncertainty (Grewal and Tansuhaj, 2001). When markets are characterised by high competitive intensity, strategic flexibility is more applicable (Grewal and Tansuhaj, 2001). It is evident in debates among scholars that firms should be concerned about whether MO can enhance their organisational performance during environmental uncertainty. Jones and Rowley (2011) recognise that MO, with generalised marketing theories, may not be suitable for SMEs but more beneficial for large firms, due to limitations experienced by SME's in terms of marketing and business as well as the small size of the firm. Even though MO can be an excellent approach to differentiate firms from their competitors, due to concerns of resource limitation and environmental impact, firms cannot develop marketing and innovations completely for consumer interests using the cultural approach in MO.

Through a consideration of the use of MO during the financial crisis, firms that adopt MO using the cultural approach and firms that adopt MO using the behavioural approach can experience different results. Based on key arguments developed by scholars that MO can be harmful to organisational performance during a financial crisis, firms who take a cultural approach to MO may have to constrain their flexibility to fit the decisions made by their stakeholders' and changes in suitable resources. Firms with insufficient resources require flexible strategies that can be adjusted by entrepreneurs to interpret and tackle uncertain environments. On the other hand, firms that adopt MO in a behavioural approach may adjust their innovative activities based on the external market situation, their marketing capability, and responsive capability. If a firm selects a behavioural approach of MO, I would stress that its application of MO with responsive market orientation and proactive market orientation should be dependent on the market situation.

The distinction between RMO and PMO can help to better identify the type of application that firms should adopt when they assess their marketing capabilities regarding external factors. RMO is a set of competencies used to generate market intelligence and emphasise innovation in products that respond to customer needs (Narver et al., 2004; Atuahene-Gima, Slater, & Olson, 2005). PMO involves new knowledge and a new market to meet customers' latent needs (Narver et al., 2004; Atuahene-Gima et al., 2005; Tsai, Chou, & Kuo, 2008). Petzold, Barbat, Pons, and Zins' (2018) study shows that both PMO and RMO have a positively perceived performance during business downturns. The choice between RMO and PMO may be influenced by managers' perception of environmental circumstance (Petzold et al., 2018). Typically, managers perceive higher performance by adopting RMO when they perceive a stronger recession, whereas managers who perceive little or no crisis perceive the company's performance as being stronger with PMO. Since Petzold et al. (2018) do not consider that the choice of RMO or PMO is the factor that influences performance during economic downturns, but rather managers' perceptions is the factor to influence performance, they support Tan and Liu's (2014) claim that there needs to be a balance between RMO and PMO to increase SMEs' performance. Based on this assumption, it can be identified that firms can develop both PMO and RMO as part of MO and take a behavioural approach to fulfil consumer needs.

Due to the constraint of resources experienced by Chun Tai, as identified in this research, MO may not be its first choice due to the necessary resource requirements.

Taking into account this necessity to consider resources, this research intended to seek a more suitable strategic orientation for the firm, which takes a flexible approach to utilise its resources. The next section includes a more recent strategic orientation, evolving from EO and MO. I identify the concept of entrepreneurial marketing and address why this orientation is more applicable to this research.

2.5 Entrepreneurial marketing

EO and MO can both be used to enhance organisational performance. However, due to their tendency to take too much risk and high levels of resource-consumption when developing proactive strategies, as well as the need to fulfil customer demands without strategic flexibility, SMEs with constrained resources may need to consider more flexible strategic orientations in response to environmental uncertainty. EM, which does not require high levels of information or high marketing competencies, is able to address decreasing effectiveness coupled with a traditional marketing model, through the service-dominant logic of marketing and co-created opportunities during periods of uncertainty (de Sá, Farhangmehr, & Pinho, 2016; Whalen, Uslay, Pascal, Omura, McAuley, Kasouf, Jones, Hultman, Hills, Hansen, Gilmore, Giglierano, Eggers, and Deacon, 2016; Whalen & Akaka, 2016). Thus, with the understanding of EM as being suitable for uncertain environments without the requirement of high marketing competencies, this section presents the choice of EM as being the principal approach examined by this research.

Research focusing on the evolution of Entrepreneurial Marketing (EM) gives us a background understanding of how EM can be applied by firms with lower marketing competencies and limited information during periods of uncertainty. It is beneficial for scholar-practitioners to understand that the application of EM in their organisation is dependent on its resources, organisational culture, and organisational structures. Initially, EM was defined as suitable for SMEs with limited resources to proactively identify and exploit opportunities to acquire and retain profitable customers through innovative risk management, resource leverage, and value creation in marketing (Morris, Schindehutte & LaForge, 2002; Hills, Hultman, Kraus, & Schulte, 2009;). EM enables SMEs to utilise the distinctive strength of their ‘smallness’, their flexible structure, flatter hierarchy (Morrish et al., 2010), and their entrepreneur-centred decision making in marketing for specific situations without pre-planning (Bocconcelli et al., 2018) based on relationships and networks (Hills & Hultman, 2006). Unlike large firms, which follow formal marketing plans, SMEs with limited financial and human resources often prefer action to planning, implement plans informally, have loose and unstructured marketing, are reactive to needs and opportunities in the market, and make decisions centred on and influenced by their founders (Franco, de Fátima Santos, Ramalho, & Nunes, 2014).

Early definitions show that even if an SME has limited marketing competencies and information, it can still exploit external opportunities and current resources to create larger possibilities. Later definitions provide us with broader and more rigorous concepts and strategies of EM. These include paying attention to larger firms rather than being restricted to SMEs, the need to balance attention between customers and stakeholders through the co-creation of values and opportunities (Alqahtani & Uslay, 2018), and the benefit of developing from an ad hoc marketing approach to a concept, a spirit, and an orientation (Bocconcelli et al., 2018). Through increased research, EM became a strategic orientation embedded in organisational culture, strategies, and tactics (Morrish, Miles, & Deacon, 2010). Alqahtani and Uslay (2018) summarise EM with more inclusive characteristics such as “innovation”, “proactiveness”, “value co-creation”, “opportunity focus”, “resource leveraging” resources, “networking”, “acceptable risks”, and “inclusive attention”. Firms using EM enhance their organisational capabilities by exploiting acceptable risk opportunities, co-creating value with customers and stakeholders for various beneficiaries, and integrating operant resources through partnerships. As EM has evolved from an ad hoc marketing strategy to a culture orientation, it is not restricted to simply adjusting situation-specific activities based on circumstance but, instead, sets proactive strategies with more intelligent efforts into the pre-planned strategies. Through my understanding of the development of EM, I recognise that EM is both an ad-hoc marketing strategy for SMEs as evident in the earlier definition and the cultural orientation for all types of organisations, as in the latter definition. My support of the ad-hoc strategy comes from the assumption that unexpected incidents cannot be predicted, and flexibility cannot be pre-planned. As a result, the decision-maker can only intervene while an incident is occurring. Without departing from the earlier definition, if firms implement proactive strategic flexibility, EM can be a cultural orientation rather than simply an ad-hoc strategy. Thus, this research supports the idea that EM is a cultural orientation and an ad-hoc marketing strategy that can be used to benefit firms’ flexibility before and after strategy setting.

Different from the majority of the scholars, who consider strategic orientations as conflicts, I stress the significance of the relationship among EO, EM, and MO and consider that the strategic orientations can be referred to each other as a network. This assertion supports Kawak, Jaju, Puzakova, and Rocereto’s (2013) view that, unlike most academic research that considers EO and MO to be separate constructs, EO and MO coexist and are complementary in connubial relations. The analysis of pros and cons of EO and MO in Section 2.2 and Section 2.3 refers to the scholars who consider EO and MO as separate constructs. However, constructs can be flexibly switched or overlapped according to different situations to complement each construct. Market orientation individually may not initially show a positive effect on business performance if it does not have the elements of proactivity and risk-taking from entrepreneurial orientation (Hassim, Asmat-Nizam, & Bakar, 2011). Likewise, firms with EO require MO to conduct market intelligence for market opportunities. Organisations require integration of the competitor orientation (market orientation) to adjust prices, costs, advertising, promotional campaigns, innovation, and products based on the competitors' strategies in the market (Ramirez, Guzman, and Serna, 2014). While Morgan, Anokhin, Kretinin, and Frishammar (2015) identify the darkside of the EO-MO interplay which is that MO surpasses new product development performance in EO for product newness, I consider that the EO-MO interplay balances the development of product innovation between product newness and radical new product development. EO is an inside-out process that provides an environment of proactivity and innovation, whereas MO is an outside-in process that provides tools to maintain and inculcate the culture of EO (Kawak et. al., 2013). Beyond Kawak et. al. (2013) and Hassim, Asmat-Nizam, and Bakar (2011)'s casual relationships between MO and EO, I include EM in the network with the mediating function. My assumptions of EM are built on the synergy of EO and MO with additional elements of risk control, opportunity co-creation, and flexibility. Morris, Schindehutte, and LaForge (2002) also promote the idea that EM is an integrative construct with the involvement of EO, MO, and other internal and external variables. Lekmat, Selvarajah, and Hewege (2018) recognise that MO and EO require integrative organisational processes to achieve superior organisational performance. EM, with the characteristics of flexibility and networking, can support SMEs to better combine the strengths of MO and EO (Morrish, 2011). In addition, EM, paying attention to internal capabilities, flexibility, and resource leveraging, can avoid overwhelming risk or resource consumption as evident in EO and MO. Kawak et. al.'s (2013) finding also indicates that firms that generate less intelligence demonstrate a higher link between proactiveness and risk-taking behaviour than the firms that generate high intelligence. Firms with EM generating high intelligence, which is based on managers' perceptions, reduce the firms' risk-taking capability. Intelligence generation efforts, leading to adaptive learning of the environment, respond less proactively to the marketplace (Kawak et. al., 2013). EM

Figure 2 The integrated application of marketing constructs

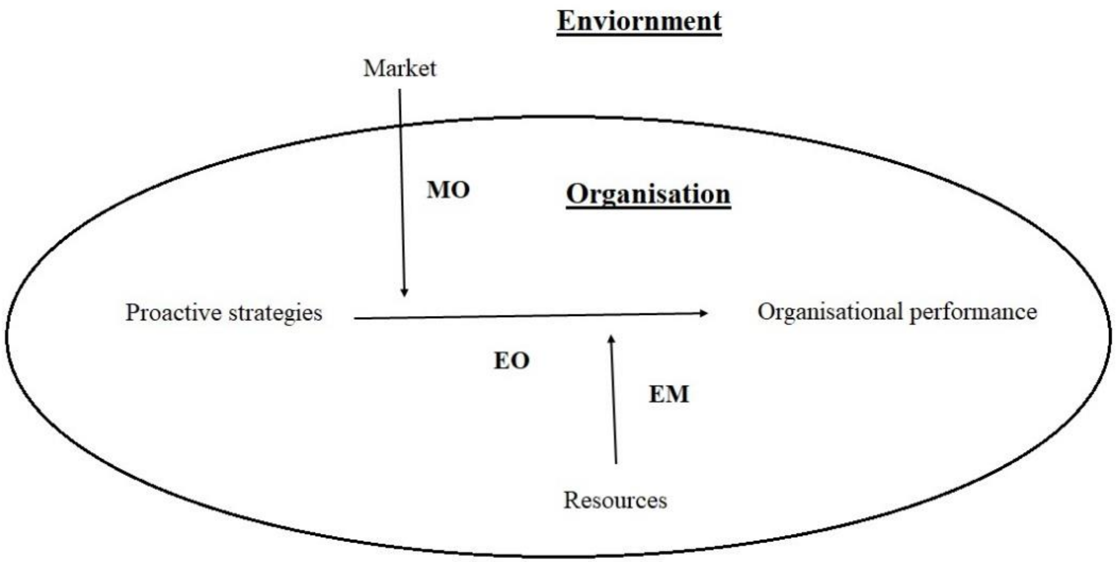


Table 4 Entrepreneurial Marketing Mix

4Ps of Entrepreneurial Marketing Mix	Ramos' Entrepreneurial Marketing Mix (2016)	Entrepreneurial Marketing Strategies
Entrepreneurial Product	● Be aware of market needs and predict future demand	● Service-based

Strategy	● Create demands for unknown needs ● Focus on customer experience ● Resource leveraging for the increase of productivity and efficiency ● Update and change products	value-added solutions ● New product development
Entrepreneurial Price Strategy	● Stress market-based pricing over cost-based pricing ● Create a innovate price structure ● Utilise price strategy to discourage competitors' market entry ● Take higher-risk pricing for higher returns ● Adopt proactive pricing	Price contingency
Entrepreneurial Promotion Strategy	● Understand customers' buying activities ● Develop an integrated marketing strategy including digital marketing ● Understand target markets in order to deliver effective messages to reach clients' needs and preference ● Develop close relationships for best promotional strategies	Digital marketing
Entrepreneurial Place Strategy	● Understand consumer behaviour ● Distribute the resource efficiently ● Partner with other distributors for opportunities ● Aware of customer demands ● Innovatively and proactively find distribution channels ● Ease barriers for product purchasing	Omni-channels

adapted to the environment moderates the risks caused by EO and MO. As co-existing in the network of constructs, EM can also be enhanced through the application of proactivity from EO and marketing capabilities from MO. EM relies on entrepreneurs triggering strategic renewal and innovation through sensemaking from the uncertain environment and giving meaning to their environment (Bettiol, Di Maria, & Finotto, 2012). Based on an understanding of a network of complementary and co-existing relationships, this research was built upon the culture of EO, the means of MO, and the flexibility of EM, without being exclusive to one construct as Figure 2 shows. Firms, holding the EO culture, set their PMO and RMO tactics based on market demand, adjusting the strategies and decisions based on resources and other internal factors.

The definitions mentioned above are restricted to the entrepreneurial management mindset and organisational culture but are less evident in the practice. This research supported EM with the integrated marketing construct of EO and MO. Thus, it developed strategies based on the EO-MO-EM interplay with the character of flexibility in EM to adjust strategies for contingencies. While setting the initial strategies, it particularly refers to Alqahtani and Uslay's (2018) definitions in order to ensure the elements of co-creation in networks, resource leverage, innovation, and proactivity. Following findings by Alqahtani and Uslay (2018) concerning EM, I applied Ramos' (2016) 4Ps of entrepreneurial marketing (Entrepreneurial Product Strategy, Entrepreneurial Price Strategy, Entrepreneurial Promotion Strategy, and Entrepreneurial Place Strategy) as the application of EM in practice for situation-specific activities. The entrepreneurial marketing mix shows that EM does not stick to traditional marketing models or universal marketing theories (Jones & Rowley, 2011) but places stress on the contextualisation of current situations. Strategies are constantly adjusted according to market change, customer demands, and competitors' movements. Referring to Ramos' (2016) entrepreneurial marketing mix, I developed new product development and service-based value-added solutions for entrepreneurial product strategy, price contingency for entrepreneurial price strategy, digital marketing for entrepreneurial promotion strategy, and omni-channels for entrepreneurial place strategy as shown in Table 4. The understanding of EO and MO was helpful for developing these entrepreneurial marketing strategies with particular attention to customer orientation in innovation and proactive expansion.

2.5.1. Entrepreneurial product strategy

Li's (2011) service-based value-added integrated solutions and new product development are considered relevant for entrepreneurial product strategies. Firms adopting EM can adopt closer contact with their customers and develop the flexibility to be responsive to change (Franco et al., 2014) through the implementation of innovation. This can be achieved through placing attention on customer orientation for innovation, service-based value-added integrated solutions process RMO, and new product development implements PMO, through value co-creation with customers and resource leveraging with suppliers. Li (2011) suggests that OEM manufacturers in China could create service-based value-added integrated solutions with customers via their internal coordination and innovation. This can also be achieved through external communication for external alignment opportunities to support the joint development competence and to further develop the supplier-buyer relationship. Service-based value-added integrated solutions, as an exploitative strategy, can help firms to enhance their application of innovation to previous product design through interaction with their customers. Firms can leverage suppliers' resources to improve products based on customer demands through service offerings with the utilisation of service-based value-added integrated solutions. Kindström (2010) articulates that product-based companies can increase their competitiveness by moving toward a service-based business model, which becomes a critical element to help them survive in a turbulent market if clients consider service as mandatory for orders. New product development can supplement service-based value-added integrated solutions for the explorative strategy in product development. Service-based value-added integrated solutions may not reach Ramos' (2016) proposition for predicting future demands and creating demands for unknown needs in entrepreneurial product strategies. New product development using the concept of EM can also utilise communication networks with customers and suppliers for information exchange in order to design new products to fulfil specific market demand.

2.5.2. Entrepreneurial price strategy

Price contingency, emphasising flexibility in price adjustment, complies with the entrepreneurial price strategy. Pricing capabilities, which include the customer perspective, the competitor perspective, and the company perspective, have a positive relationship with firm performance. Firms, who set their prices based on both a competitor and company perspective, but with fewer customer perspectives, should enhance price elasticity or set their prices at the maximum that clients are willing to pay (Hinterhuber & Liozu, 2014). Based on Hutchinson, Wellington, Saad, and Cox's (2011) study of the influence of higher-order relationships on the behavioural intentions, relationship sacrifice (RS) can be seen to have a positive influence on relationship value and relationship quality and this further influences the behavioural intention (BI). The price charged by a supplier, as relationship sacrifice, would affect how consumers value the products (RV) while competing with other suppliers (Hutchinson et al., 2011). Transaction value can be more important than trust as B2B relationships take a significant amount of time to establish (Webster, 1922; Hutchinson et al., 2011). Some customers can be price-sensitive and more apt to change suppliers for a better negotiation on price (Hutchinson et al., 2011). Thus, the use of price sensitivity should be coupled with an awareness of the market needs, and firms should make price-setting more flexible and contingent.

2.5.3. Entrepreneurial promotion strategy

Having limited resources, firms can rely on digital marketing in order to save costs rather than using traditional advertising, which typically involves investing a large amount of capital. Digital marketing, such as Facebook and Google ads with bidding systems, can target specific segmentation according to targeted regions, users' demographic profiles and interest, as well as users' experiences. The bidding system can better target right segments with lower costs and higher efficiency. Based on Ramos' (2016) entrepreneurial promotion strategy to develop close relationships with customers and deliver effective messages to target markets, social media is an ideal way to make direct communication with consumers in the targeted segment. Social media can massively and rapidly disseminate information in real-time, involve the use of co-created content, and influence others through word-of-mouth (Vásquez & Escamilla, 2014). In addition, creative content on social media improves traffic flow to firms' own websites (Stockdale, Ahmed, & Scheepers 2012). When firms post high-quality content on Facebook, users may "like" the posts and trigger additional traffic flow to the firms' pages or websites through their influence among peers. Thus, firms can utilise Facebook as the digital marketing platform for the entrepreneurial promotion strategy as well as a tool for effective communication with consumers. In this way, they can convert traffic from Facebook to their websites through a low-cost method.

2.5.4. Entrepreneurial place strategy

As a proactive strategy, channel expansion corresponds to the adoption of an entrepreneurial place strategy. Companies can lose their competitiveness if they do not adopt omni-channels, including traditional stores, virtual channels, and e-commerce (Trappey, Trappey, Wang, & Lee, 2017). Since the majority of consumers in Taiwan shop flexibly between physical and online stores based on their individual needs, the line between brick-and-mortar stores and digital stores has been blurring over recent years (Nielsen, 2017). Retailers should shift their strategy to omni-channels to embrace consumers' blended shopping approach of both online and offline (Nielsen, 2017). Firms focusing on domestic retail can promote their physical channels and TV shopping through internet marketing. Physical stores can also influence Taiwanese online shoppers' purchase intention (Nielsen, 2017). If consumers are attracted by products that they find in physical stores, they may also purchase the products through shopping websites to obtain a better deal or for convenience.

2.6 Conclusion

The literature review implies that strategies developed from marketing constructs can help small firms improve their sales performance. The extant literature does not directly identify the development of sales strategies for sales expansion for short term profit stimulation. Instead, it promotes the adoption of marketing constructs and the development of dynamic capabilities to enhance organisational performance for long term survival. In response, this research attempted to develop strategies in EM with the capability of innovation, flexibility, and proactivity in order to explore new market opportunities in the severe competition. Through the adoption of the 4Ps of entrepreneurial marketing, Chun Tai might be able to resolve the dilemmas it faced to reach higher competitiveness and increased sales.

This literature review develops two focuses, the first of which focuses on the integrative strategic orientations of MO and EO in the application of EM, and the second focuses on the application of EM with reference to both Alqahtani and Uslay's (2018) definition and Ramos' (2016) 4Ps of entrepreneurial marketing. These two focuses contribute to a better understanding of how multiple strategic orientations can be integrated into practical applications during the company's financial crisis to avoid any limitations of one specific strategic orientation. With the integration of MO and EO into the application of EM, the second focus addresses a significant gap in literature relating to the application of EM strategies. Without sufficient references to the use of EM in the literature, my strategies of the use of EM refer to Ramos' 4Ps (2016) and the implementation of EO and MO.

EM is the strategic orientation adopted in this research to address the environmental threats for sales expansion. Through the discussion of the strengths and limitations of EO and MO, I conclude that EM has the strategy synergy of EO and MO but with more strategic flexibility. I synergise EO, MO, and EM by utilising their strengths and avoiding their limitations and recognise that EM can be set as a moderator to flexibly adjust the strategies made from EO and MO. Firms can build up proactive strategies in marketing using the concepts of EO as well as utilising the capabilities of PMO and RMO along with the promotion of MO. If firms adopt MO in the behavioural approach by focusing on activities, they can satisfy customer demands with increased levels of flexibility. I propose utilising entrepreneurial marketing to implement RMO and PMO through the entrepreneur's sense-making from their environment and make flexible decision-making. This research anticipated the application of proactivity and innovation capabilities in EM to enhance organisational survival and expand sales during economic downturns.

In addition to the synthesis of MO and EO for the implementation of EM, this research also supported Alqahtani and Uslay's (2018) characteristics of EM as "innovation", "proactiveness", "value co-creation", "opportunity focus", "resource leveraging" resources, "networking", "acceptable risks", and "inclusive attention". The strategies developed in chapter four are based on Alqahtani and Uslay's (2018) EM for the broader application in marketing and decision-making as a strategic orientation. EM is particularly suitable for small firms with less hierarchical structures so they can adjust their strategies along with stakeholders' arrangements. Under the concept of EM, firms take proactive but moderate risks for sales expansion in order to respond to crises. Firms without sufficient resources cannot afford massive investments but can develop strategies to leverage their resources wisely. They can co-create value with innovation through networking among customers, internal stakeholders, and suppliers to meet customer demands. Furthermore, decision-makers can enable flexibility while coordinating these strategies according to factors such as environmental changes, resources, and internal capabilities. Flexibility during proactive strategic decision-making can lead to better adaption to changes in a dynamic environment, create new market opportunities, products, and higher performance if managers have a clear understanding of their company's resources, constraints, and market needs (Kandemir & Acur, 2012).

Without restricting EM as part of the organisational culture, I integrated Alqahtani and Uslay's (2018) characteristics of EM and applied the strengths of EO and MO into marketing strategies. Ramos' (2016) 4Ps of entrepreneurial marketing were the means through which to implement Alqahtani and Uslay's (2018) characteristics of EM. This research referred to Ramos's (2016) descriptions for proposing new product development and service-based value-added solutions for entrepreneurial product strategy, price contingency for entrepreneurial price strategy, digital marketing for entrepreneurial promotion strategy, and omni-channels for entrepreneurial place strategy. These strategies were proposed to the company's stakeholders and are discussed in depth in chapter four.

Chapter 3: Research methods

3.1 Introduction

The previous chapter identifies EM as the principal theory to be explored through this research. EM has been adopted due to its flexibility and the synergised strengths from EO and MO. To implement EM, the chapter refers to innovation and proactive strategies from EO and MO and make strategies based on the characteristics of EM. As the literature review recognised, Chun Tai, as a small company, experienced difficulties in processing MO and EO without the necessary flexibility within the internal organisation. Strategic flexibility in entrepreneurial marketing enables the core stakeholders and the business owner to adjust their approaches depending on strategy implementation and their specific resource capacity. Chun Tai, the resource-based view is coupled with EM to enable stakeholders to build strategies, with awareness being paid to any budget constraints. Acceptable risks and value co-creation are considered as part of this strategic flexibility, and these are assessed by the stakeholders. After its initial discussion of the principal theory, this chapter identifies and examines the most appropriate methodology for studying and implementing EM for Chun Tai.

This chapter identifies the research paradigm, the research method, the roles of the stakeholders and the researcher, the process of action research, the method of data collection and analysis, ethical concerns, and research quality. This thesis, using Chun Tai as a case study, recognised the company aims to expand sales in the context of market turbulence. This thesis adopted an action research approach, which enabled Chun Tai to modify its strategies along with processes and inquires. To fulfil its aims, this case study adopted a mixed methods approach. It took both a qualitative approach in a constructivist paradigm to understand interactions among stakeholders and a quantitative approach in a positive paradigm to evaluate Chun Tai's organisational performance. The data was collected from interactions between stakeholders during strategy setting, strategy implementation, and their reflection of the results in multiple cases in the next chapter. Data analysis focused on understanding issues during and after the strategy implementation through the use of a marketing mix to assess any changes to Chun Tai's annual financial performance and operational performance. To ensure trustworthiness in this thesis, this chapter also discusses the process of reflexivity carried out at its conclusion, potential ethical issues, and research rigorousness.

3.2 Paradigm

This research is underpinned by the ontology of relativism and an understanding of epistemology as social constructivism. The stance of social constructivism presents a co-created reality, shaped by stakeholders. It is different from positivism, or other quantitative research methods, as it recognises that there were many “truths”, depending on the observer’s viewpoints (Easterby-Smith, Thorpe, & Jackson, 2012:19). Creswell (2013:36) also recognises that constructivism is the paradigm with multiple realities, co-constructed and shaped by the researcher and participants. This research assumed that reality was uncertain and requires stakeholders to construct realities in collaboration. This collaboration among stakeholders enables the generation of multiple perspectives.

With a focus on and understanding of this process, stakeholders were able to bring up issues and together discuss out the factors that influenced the results. Through collective participation in strategy making and implementation, stakeholders were able to modify strategies contingently depending on the situations. The preference towards process-orientation is not just my personal preference for research, but it is also part of Chun Tai’s organisational culture, which emphasises the process and focuses more on casual relationships than results. Thus, the research avoided disrupting the organisational culture and focused its critical attention on understanding the collectively shaped reality. As a result, it intended to present how the strategies were shaped for a specific goal rather than to examine whether the goal was reached.

The selection of a social constructionist approach influenced the strengths and limitations of the research. The strengths included the gathering of multiple perspectives from the company’s stakeholders, enabling the company to adjust strategies constantly depending on the situations it faced, identifying influences on the process, and finally, developing collective learning for stakeholders. Beyond the organisation performance, there were other internal factors and external factors, which had to be recorded to assess whether the changes made within the company were able to address the crisis it was facing. Sales expansion was not considered to be the only index of success, as learning was also recognised as being critical in this research. In particular, this form of action research in social constructionist focused on the process of inquiry, problematising among stakeholders, and a process of reflexivity can provide valuable collective learning. The use of constructivism enabled the generation of new ideas needed for organisational development during the process rather than simply testing whether Chun Tai reached a higher turnover. This research did not intend to reach a solution for reduced sales but searches for a series of possible solutions through a process of collective works with stakeholders. For me, recording the change process is as important as identifying results.

The emphasis on process in social constructivism may show some inefficiency when comparing to positivism. Its limitation can include subjectivity-orientation, unorganised decision-making, and unforeseen expenses. Collaboration among stakeholders who hold multiple perspectives entails subjective reality-shaping and the recognition that there may be chaos in communication. Creswell (2013:24) defines social constructivism as the understanding that individuals develop subjective meanings through their experiences with certain objects and things. These subjective meanings, which are not imprinted on individuals but, instead, formed through interactions with other people and historical and cultural norms, are generated from inquiries, interactions, and discussions with other people (Creswell, 2013:25). With multiple perspectives presented as part of the decision-making process, consensus on decisions or strategy may take a longer time to reach. The direction of the decision-making process is typically unpredictable and often happens through communication during times of chaos. In addition, without being able to predict the process, firms may not be able to foresee all the associated expenses. Both this research and Chun Tai were aware of the expenses associated with proactive strategies developed through this process, but the exact costs were difficult to calculate.

3.3 Mixed methods case study

This research took the form of an action research case study and used a mixed methods approach. These methods were applied to this research due to their similar features. Action research can be viewed as a case study approach due to its framework of data gathering and the insights it gathers into an organisation as well as through its processes and behaviour (Rowley, 2014). In contrast with the instinctual case study, used to explore the nature of a case, this research used this instrumental case study to attempt to understand a particular phenomenon and establish theories (Grandy, 2010). As the case study central to this thesis, Chun Tai was studied throughout 2018 and research specifically focused on how Chun Tai addressed an order shortage problem. Compared with other approaches, including the centre of the essence in life (phenomenology), the language of individuals (narrative and discourse), and culture shaping (ethnography), a case study approach was identified as the most suitable for this research as it focuses on one situation (order shortage problem), for a specific group (Chun Tai) and over a certain period of time (2018).

I adopted a mixed methods research approach to analyse both quantitative data and qualitative data in order to offer a well-rounded analysis of the context, process, and outcomes. The concurrent nested design was adopted within this research to use qualitative as the predominant method and embedding quantitative data collection as a lower priority method in the data collection phase. This research, first, offered quantitative data to present the number of sales made by Chun Tai and later offered detailed descriptions using qualitative data. The purpose of using the concurrent nested design is to offer in-depth perspectives within the qualitative method but also to offer object data using numbers to offset subjectivity inherent in qualitative data collection. The quantitative method, recognised as the minor method in this study, focused on the gathering of incomes, expenses, clients, sales, and profits. Most of the sales data was provided by the accountant and some data was provided by the production department and the purchaser to use for cost calculations. Quantitative data can provide stakeholders with an understanding of organisational performance, and judgments can be made based on the numbers. However, in the analysis phase, this form of data still requires qualitative data to provide a thorough description of the causal relationship between actions and sales.

The qualitative method, taking a constructive approach, is the dominant research method used in this thesis to present stakeholders' collective strategy-making and the cause-effect relationship in sales expansion. Quantitative research can offer objective numbers but cannot describe human interactions or identify the factors that influence sales. This research presents several cases to understand the implementation of different proactive strategies. Analysis of these cases, using a qualitative method, can explain how stakeholder feedback and their process of decision-making influences strategy implementation.

3.4 Participants

During 2018, approximately twenty-seven people were working at Chun Tai, but this research focused on nine primary stakeholders. Purposeful sampling was adopted to select samples using an assessment of job duties in relation to strategy-making and strategy implementation. Due to their ability to make changes within the company, the participation of these nine primary stakeholders in the research was significant but could not be forced. Staff in the Taipei office and the supervisors in the factory in China were selected to be the primary stakeholders. The CEO, the general manager, the international sales and marketing manager, the domestic manager, the sales representative, and the accountant in Taipei were all been included in the research. The purchaser, the production manager, and the production supervisor from the factory in

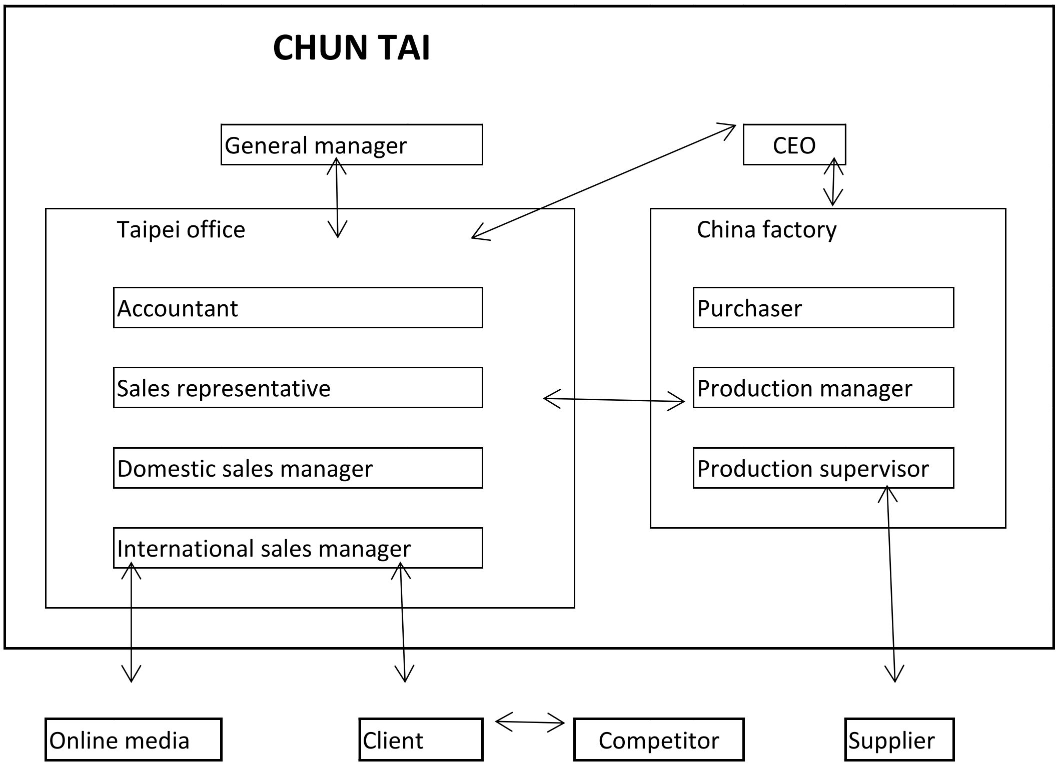
China were also selected due to their job duties relating to product development. The Taipei office is predominately in charge of decision making, sales, and resource allocation. The CEO, the general manager, and the international sales and marketing manager are the primary decision-makers. The sales representative, the domestic sales manager, and the accountant implement strategies, communicate with customers, and provide constructive suggestions when stakeholders are making decisions. The purchaser and the production division, who work in the factory in China, mainly negotiate with Chinese suppliers and monitor product production. The primary stakeholders were able to conduct changes in the company due to their powers to influence Chun Tai's performance, strategy adoption, and implementation. Other people who are not in this circle of decision-making have less influence on proactive strategic decision-making flexibility. For example, workers who produce goods did not participate in making changes because of their job duties in production rather than strategy implementation. Table 5 lists the roles of the primary stakeholders in this research and their relationship to the research. Stakeholders work closely with each other as part of their job duties and to make changes in the company. The sales team and the top management team have to work with the purchaser to be able to offer competitive prices to customers. The sales team must work with the production division to fulfil customer demands for products.

Table 5 The stakeholders in the research

Stakeholder	**The relation to the research**
CEO	The final decision-maker who decides if strategies are undertaken
General Manager	The power holder who influences the adoption of strategies
International sales and marketing manager	The leading strategy maker for both the Taiwan market and the international market and the person in charge of strategy implementation
Domestic sales manager	The co-strategy maker for the Taiwan market
Sales representative	The person who implements strategies
Accountant	The budget controller who arranges the resources for proactive strategies
Production manager	Participant for product design
Production supervisor	Participant for product design
Purchaser	Negotiator with suppliers

Communication among stakeholders is conducted across multiple laterals, including internal-external, vertical, and parallel communication, without being restricted to unilateral communication or top-down commands. Figure 3 shows the communication flow among the stakeholders. Vertically, the CEO and the general manager guide the direction of strategies, both in the Taipei office and in the factory in China. The CEO and the general manager adjust their guidance after receiving feedback from the staff, vice versa, the staff also readjust their strategies based on the CEO and the general manager's feedback. The Taipei office exchanges ideas internally and works in parallel with the factory. Likewise, Chun Tai's factory in China works both internally and externally with the Taipei office for production and product improvement. Externally, Chun Tai requires feedback from clients to inform its product development and to ensure it can achieve market sales. The external information from clients is transferred and decoded into the internal discussion by the sales representative and the international sales and marketing manager for the international market and the domestic manager for the domestic market. Any internal discussions or changes are conducted in order to transfer meanings to the exterior.

Figure 3 Chun Tai's communication flow



My position as Chun Tai's international sales and marketing manager was one of the primary stakeholder positions. As it was necessary to make a change in the company due to low sales in late 2017, I proposed my suggestions to the CEO for approval. After

I was given authorisation to conduct the research, I approached and recruited participants one by one by asking about their willingness to participate in the research. I identified that stakeholders' collaborative participation was essential in making the change, and so they needed to be the focus of the research. Face to face communication was carried out to obtain their consent. The consent form in Appendix A and the information sheet in Appendix B were presented to them and were explained using a verbal translation in Chinese. Participants were informed that they did not have to take part in the research; however, because the change was necessary, they were encouraged to devote to the change by turning the current challenges into opportunities. The participants were also informed that they would be free to withdraw from the research at any time without incurring any issues. All nine primary stakeholders verbally consented to participate in both the change and in the research.

3.5 Action research

I adopted action research to address the order shortage problem and to expand sales during the period of market turbulence. The justifications of using action research are to make a change in the problem-solving process, to enhance individual capabilities and organisational capabilities by learning from the process, to create ideas for sales expansion, and to pragmatically apply theories in actions. The theories outlined in the previous chapter are applicable in the general situation but not suitable for every situation. EM must be applied to a contextual situation through action research. This thesis then discussed, 'in what situation should Chun Tai apply proactive strategies, and when should Chun Tai be flexible in strategy making and give up proactive strategies based on the identification of EM?' Greenwood and Levin (2007: 95-96) view that theories do not predict the outcomes of a particular situation. The process of action research enables Chun Tai to apply the general theories in the contextualised situation through actual actions. The results of action research can be used to identify the effectiveness of the general theories when applied to Chun Tai. The adoption of an action research approach allows stakeholders to be involved in strategy-making rather than the systemic decision making from the top management team, which was more effective during the implementation of this change. During the process, it was recognised that action research, with its focus on collective reflection among stakeholders, created better solutions than unilateral changes.

As identified in the paradigm section of this chapter, my selection of social constructionism corresponded to Chun Tai's organisational culture of process-orientation. Likewise, action research, with its focus on the process of actions, also corresponded to Chun Tai's organisational culture. While pursuing sales expansion, Chun Tai paid attention to details and expected knowledge creation from the process. The adoption of other methods could be beneficial for sales expansion but may not focus on the process of the changes and human interactions. Other methods may have led to difficulties in gathering stakeholders' opinions and making an actual change as they may have been more suited to describe the phenomena or focus on the results. The intention of this research was not limited to sales expansion but also to the development of dynamic capabilities in the long term.

The action modality I used in this research is action research for problem-solving. This adoption of action research is unlike action learning, which is emphasised in group learning, action science with strong reflexivity in the group, participatory action research for co-research, and cooperative inquiry and appreciative inquiry focusing on inquiry. Action research focusing on solving important organisational issues involves the cyclical process of problem identification, planning, data gathering, actions, and fact-finding for knowledge creation (Raelin, 2012). Willis' (2010) comparison between action learning and action research shows that action learning relies on self-organising inquiry systems and learning systems. Without a self-organising inquiry system as part of the organisational culture, Chun Tai had difficulty in using this technique. Action research, on the other hand, with the use of a facilitator for guidance can more actively process the change. I took on the role of facilitator to trigger the change and design the action research cycle. Action science is not suitable for this research since the organisation has the high risk to encounter individuals emancipating discourses and exposing personal defence for the third-order learning in a long-term plan of change (Raelin, 1997). This action change was designed to carry out a one-year problem-solving inquiry, containing first-order and second-order learning, without exposing the hidden beliefs of the participants.

3.6 Action research cycle

The research steps taking in the action research cycle were the following:

Step I: Identified problems among stakeholders

To obtain consent from Chun Tai and other stakeholders for the research to be undertaken, I raised the order shortage problem at a stakeholder meeting at the end of 2017 and proposed the use of action research in 2018. The primary stakeholders in the Taipei office used the evaluation of annual sales in 2017 and customer feedback to identify the issue. In particular, the negative sales seen in 2017 triggered the Taipei office to seek solutions.

Step II: Set proactive marketing strategies for each project

With the agreement to make the change, I proposed adopting action research to utilise proactive strategies based on literature findings. I briefly introduced action research to the stakeholders and EM concepts. Stakeholders supported my selection of proactive strategies without disagreement since they assumed that Chun Tai should be proactive about increasing sales. However, stakeholders had doubts about resource consumption and had limited interest in academic knowledge. Even though the stakeholders supported EM, they worried that proactive strategies could cost more money but that it might not result in higher returns. The CEO, as the decision-maker, emphasised during the discussion that Chun Tai should not lose money through obtaining orders. Thus, I had to consult the accountant and the CEO regarding budgets before and during the process of new strategies and constantly discussed the feasibility of new strategies among stakeholders based on resource perspectives. Furthermore, the CEO, who was practical about business applications, did not support stakeholders' over-involvement in the research, and the other stakeholders were not interested in the knowledge gained from the literature. Thus, the research had to intervene with as few actions and little communication as possible.

At the end of 2017, the primary stakeholders set some initial proactive marketing strategies. With a set of central guidance and strategies, stakeholders could process their tasks individually or as a group depending on their job duties. Discussions were arranged using various methods including email, phone calls, face-to-face meetings, and through the use of social media apps (SMAs). These multiple communication channels enabled stakeholders to exchange information without location restrictions. Moreover, through various communication methods, stakeholders could communicate with each other as individuals or in groups. Thus, strategies could be made in formal meetings or through other informal discussions. The convenience of multiple communication methods enabled the stakeholders to adjust strategies contingently without the constraint of arranging formal meetings.

Due to different job responsibilities, strategies were set and implemented by different groups of stakeholders. The factory in China was responsible for production but was not involved in sales and marketing. As a result, most proactive sales and marketing strategies were made by the Taipei office, but stakeholders in the factory in China contributed their efforts and ideas to product development and innovation. In addition to job responsibilities, product categories involved different groups of stakeholders.

Cosmetics, focusing on imported products to Taiwan, had no relationship to production or sales in China. The cosmetics category was only handled by the Taipei office with no involvement of the factory in China, whereas, Chun Tai's ODM products were related to all stakeholders identified in this research.

Step III: Took actions

Proactive strategies were implemented either individually or collaboratively depending on tasks and job responsibilities. No matter whether the tasks were carried out individually or by group, the information was exchanged among stakeholders through constant communication through meetings, email, and phone calls. Since the strategies were new for stakeholders and Chun Tai, they needed to be adjusted along with actions. It was unlikely that stakeholders would make optimal solutions during the first trial of each project, and so strategy adjustment was beneficial for stakeholders to refine strategies.

Step IV: Evaluated performance

It is essential to evaluate organisational performance after actions undertaken through a process of action research in order to understand the new initiatives and programmes (Brooks & Simkin, 2012). Even if SMEs encounter difficulties in implementing any new measurement, Brooks and Simkin (2012), Ehrbar (1999), and Sheth and Sisodia (1995) recognise that imperfect measures are better than none. Formal evaluation, informal evaluation, fragmented evaluation, and final action research evaluations were adopted by the stakeholders, depending on the situation. Some strategies, which required immediate evaluation for further decision-making, were evaluated immediately after actions. The other strategies, which were implemented at different time periods, may have involved fragmented evaluations at the end of strategy implementation. Finally, the stakeholders evaluated organisational performance at the beginning of 2019 through a thorough formal evaluation. The financial performance measures I utilised include changes in sales, changes in gross profit margins, amounts of new clients, inquiries from potential clients, sales from new clients, and discontinued business. The operational performance measures I utilised include customer satisfaction, market feedback, customer interactions, stakeholder confidence in organisational performance, innovation development, and learning capabilities. These measures offered Chun Tai a point of reference to evaluate its organisational performance.

Step V: Identified acquired dynamic capabilities

Between the evaluation process and the end of each strategy implementation, stakeholders collectively identified the dynamic capabilities they gained through the process of action research. The development of dynamic capabilities in the action research cycle shows that dynamic capabilities are being gained through learning mechanisms in the process of action research. The new strategies trigged stakeholders' learning through the process of actions and reflection.

In recognition of Coghlan and Brannick's (2014) spirals of action research cycles, action research does not necessarily need to be an independent cycle but a series of action research with core cycles and thesis cycles. Action research requires a series of action research cycles to handle the different factors associated with a single issue. The primary research cycle started at the end of 2017 and finished at the beginning of 2019, and it handled the order shortage issue but also involved several secondary action research cycles, built upon each proactive strategy. The proactive strategies were only processed for 2018. This thesis used extra time at the beginning of each cycle for obtaining stakeholders' consent and at the end for evaluation.

Each secondary action research cycle represents one strategy or one series of actions and is initiated once the strategy is set for the primary action research cycle. The secondary action research cycles contain the steps of actions and evaluations implemented by different participants and are dependent on the stakeholders' tasks and job duties. For example, cosmetics strategies were run by the Taipei office. Sales strategies were developed by the salespeople, the top management team, the production supervisor, the production manager, and the purchaser. Innovation was related to the CEO, the international sales and marketing manager, the domestic manager, the production manager, and the production supervisor. The evaluation process was run by the stakeholders with the CEO as the dominant stakeholder. The CEO gathered stakeholders' opinions and made the decisions based on them. There was no specific timeline for each secondary action research cycle since stakeholders worked at different speeds on each strategy implementation. Some secondary action research cycles could not be finished due to the difficulty of implementations but were replaced by other secondary action research cycles. Without any knowledge of whether stakeholders' ideas would work, stakeholders would only know the results when problems arose. Once a strategy was rejected, stakeholders replaced the original strategies with other alternatives in a new cycle of action research. There were no specific time frames for alternatives between cycles. After all, stakeholders required time to seek new ideas or seek the feasibility of a new strategy. With continuous trials of the new ideas, it was felt that Chun Tai able to find optimal solutions or better strategies to address the order shortage issue.

3.7 Researcher's role

I was a participant-as-observer as I both participated in the change and observed through the change in the research. At the time of research, I had been in the position of international sales and marketing manager for eleven years. Due to my job responsibilities, I handled the order shortage crisis. Even though the accountant and the owner were aware of the crisis, they were unable to develop solutions due to the differences in their responsibilities and professions. I had to remind the stakeholders of the decreasing order numbers, so that we could identify the causes in conjunction with other stakeholders to trigger a change to address the issue and to guide the change and coordinate tasks among departments and stakeholders. This research complied with my job duties and served to legitimise my research of sales expansion for Chun Tai.

As an insider researcher, I had inherent strengths and limitations while developing this action research. The pros of being an insider researcher included my deep understanding of the issue being research and the organisational culture, more accessible communication between the researcher and stakeholders, and knowledge of the process of the change. My preunderstanding of the problem and the organisational culture enabled me to trigger stakeholders' desires to make proactive changes. My coordination and strategy-making were also well suited to the organisational culture. Insider researchers, with more regular interactions with their organisations they are studying, understand if the new changes are suitable for their organisational cultures. My understanding of my co-workers' work patterns prevents me from subjecting stakeholders to additional stress or discomfort as a result of the new changes. As an insider researcher, I was able to communicate with participants through multiple communication channels using formal or informal communication methods. Problems of strategy making and strategy implementation could be discussed in real-time when problems occurred or when participants were able to have the discussion. An outsider researcher would have not worked within the firm and would not have been able to respond to problems in real-time and would have needed additional time to understand all of the internal processes. The researchers' participation in the process brings the advantage of detailed observations of interactions as well as experiences of knowledge generation with other stakeholders. According to Easterby-Smith et al.'s (2012:144) view of the participant-observer, the merit of the researcher as an employee immersed in the situation is often the only way to gain the necessary insight into a situation. I was aware of stakeholders' emotions, tensions as a result of divergent opinions, and the power balance in the process of the change. The social constructionist researcher addresses the ‘process’ among participants (Creswell, 2013:25) to ensure the progress of on-going change, but an insider researcher does not simply collect data but also coordinates with other stakeholders to generate strategies and knowledge. The other stakeholders and I could constantly modify strategies and develop out decision-making during the process of change.

My dual identity, as a researcher and the international sales and marketing manager, could have potentially led to a limited perspective and to a conflict of interests of my being a researcher and a participant. I have the pre-understanding of organisational situations, but at the same time, this pre-understanding may limit my thinking. As a result, the effects of change could be limited due to the established mental models that the other stakeholders and I use to process changes. Furthermore, with the dual identity as both a researcher and a participant, I may have biases that become evident during data collection and decision-making due to my relationship with other stakeholders. As an insider, I was not able to detach myself from the situation for observation and only intervene when necessary, and my relationships with the stakeholders had a strong influence on my decision-making. I recognised that I could either use the advantage of being a manager to process the strategies I was eager to implement, or I could lose my voice as a researcher under the power of a higher position. To counter this, I attempted to collect the data from a neutral position through constant communication with participants. I recognised that this constant communication and data sharing with participants may have prevented unexpected outcomes for participants.

3.8 Data collection

This thesis adopted a focus group discussion as a key data collection method. Stakeholders agreed to the collection of data from both formal and informal discussions. Participants consented to implement the new strategies for the year 2018 to 2019 and evaluate the result at the beginning of 2019 through face-to-face formal meetings, email, informal discussions, phone calls, and SMAs. My selection of a focus group discussion corresponded to my research method of action research. The information gathered during the discussions, including a record of any perceived emotions, were collected in a causal structure. I found that the data gathered from phone calls mostly related to the customer feedback and work updates. As I did not gain the consent to transcribe the conversations and phone calls, these detailed conversations are not contained in this research. Work email between stakeholders and clients were archived in Chun Tai’s mailbox, and I also recorded some conversations on SMAs both within the workgroup and with clients.

According to Easterby-Smith et al.'s (2012: 156) characteristics of action research, action researchers do not just collect data but also explore data in order to detect emergent theories or to develop existing theories. During their formal and informal discussions, the stakeholders analysed data along with an exploration of the data. Rowley (2014) asserts that data analysis is integrated into the ongoing action research process due to reflection being included as a stage in the cycle. Data collection and data analysis are not separate steps but are integrated, and this will be further described in the next chapter. The ongoing process of data analysis enabled Chun Tai to adjust and develop its strategies during implementation rather than waiting until the research had been completed.

3.9 Data analysis

Data analysis was conducted in early 2019 to identify the effectiveness of strategy implementation through performance assessment. Different from the analysis in earlier cycles, which is considered as a formative phase, this later data analysis is considered to be a summative phase of data analysis and used in action research to generate insights from evidence and reflection (Rowley, 2014). Brooks and Simkin's marketing mix (2012) was referred to assess financial performance and operational performance. The matrix in Table 6 shows the measures, dimensions, and objectiveness in operational performance and financial performance.

The dimensions and objectivity in Table 6 refer to Murphy, Trailer, and Hill's classification on the dimension of performance (1996), which classifies fifty-one articles into the dimensions of performance measurements – efficiency, growth, profit, size, liquidity, success/failure, market share, and leverage. This classification reveals that the majority of studies only examined one or two dimensions and emphasised other financial measures with the exception of market share. Murphy et al. (1996) and Venkatraman and Ramanujam (1986) suggest examining multiple dimensions of performance; therefore, my research examines four dimensions including growth, profit, market share, and success/failure. Aside from the dimensions of performance, Murphy et al. (1996) also adopt Venkatraman and Ramanujam (1986) and Brush and Vanderwerf's assertions (1992) to distinguish performance measures by objectivity and subjectivity. The measures used to examine financial performance in this study were comparatively objective, and the operational performance measures were subjective. The data from the objective measures were collected from the annual sales and yearly enquiries, and the subjective measures were collected from stakeholder feedback.

Stakeholder feedback was gathered through face-to-face communication, email, SMAs, and phone calls and was discussed with the stakeholders to identify improvement. The matrix of objectivity/subjectivity, measures, and dimensions to evaluate organisational performance is evident in my mixed-method approach to quantitative analysis and qualitative analysis and ensures that my research is reliable.

Table 6 The relationship among organisational performance, dimensions, and measures

Organisational Performance	**Dimensions**	**Measures**	**Objectivity/ Subjectivity**
Financial performance	Growth	Changes in sales	Objectivity
	Growth and Profit	Changes in gross profit margins	Objectivity
	Market Share	Amounts of new clients	Objectivity
	Market Share	Inquiries from potential clients	Objectivity
	Market Share	Sales from new customers	Objectivity
	Success/Fail	Discontinued business	Objectivity
Operational performance	Success/Fail	Customer satisfaction	Subjectivity
	Success/Fail	Market feedback	Subjectivity
	Success/Fail	Customer interactions	Subjectivity
	Success/Fail	Stakeholder confidence in organisational performance	Subjectivity
	Success/Fail	Innovation development	Subjectivity
	Success/Fail	Learning capabilities	Subjectivity

3.10 Reflexivity

Reflexivity, a meta-theory to self-examine the research processes and outcomes for research accuracy, was conducted in the last part of this research. Due to biases generated from the co-constructive reality and the insider researcher's preunderstanding, this research required reflexivity to deconstruct the inter-subjective reality and examine the biases. Knowledge does not speak for itself in absolute objectivity but is interpreted under the influence of beliefs and behaviours (Johnson & Duberley, 2000; Thorpe & Holt, 2008). Buchanan and Bryman (2007) identify that since organisational, historical, political, ethical, evidential and personal factors influence management researcher's choices of research methods, management researchers have difficulty remaining in the position of objective observers.

Furthermore, researchers, whose preunderstanding may influence the research and its research outcome, require reflexivity in order to examine their *a priori* knowledge (Johnson & Duberley, 2000; 2003).

Among Johnson and Duberley's (2003) classification on the three forms of reflexivity in management research, methodological reflexivity, epistemic reflexivity, and deconstructive reflexivity, epistemic reflexivity is the most suitable for action research in order to understand collaborative relationships during the knowledge creation process. This research did not look for rigorous methodology as positivism or deconstruct the social phenomena as post-modernism but created knowledge through collaboration within an organisation. Under this statement, I focused on epistemic reflexivity to question my taken-for-granted assumption (Thorpe & Holt, 2008) and mental models. I undertook epistemological reflexivity at the end of the research to examine my research structure, subjectivity, theory-in-use, power asymmetry, and the dual role conflict. Reflexivity brought my self-awareness of biases and further triggered meta-learning in research.

3.11 Ethical considerations

After an explanation of the research purpose, a brief overview of its content, and an outline of its possible risks, this research received stakeholders' verbal consent. Participants expressed they would try to participate in the action research based on their own capabilities. I recognised that many of them were sceptical about the purpose of action research but, after my explanation, understood the purpose of my research. They were also aware that the research would not require additional time or money.

Confidentiality was of little concern to the participants since only open discussions were recorded. I informed participants that these discussions were being recorded and that there may be some biases in the presentation. No private conversations were recorded in the research either. All information gathered from discussions were always disclosed to all of the stakeholders, and so no potential revenge, harm, or punishment would occur after the results of the research were revealed. I ensured that I shared the process of data collection and analysis with participants through constant communication. To ensure stakeholders' confidentiality in the research, none of their names or personal information was revealed, and pseudonyms were used. Nevertheless, it is important to identify participants' positions and job titles to clarify the roles within the research. If the research does not identify the participants' positions, then it is difficult to understand their positions in the research.

It is recognised that this research presented very few personal risks, adverse effects, or hazards to the participants since its focus on marketing strategies resulted in very few changes in the working environment. In addition, the stakeholders were not worried about the potential risks based on their past experiences with communication and tasks. New strategies and changes were regularly undertaken at Chun Tai due to the impact of the recession and the resulting restructuring that had taken place over the past few years. Chun Tai, being of small size, has adopted a flat management structure, and an approach of self-management, and open communication. Open communication is encouraged by the CEO through with to share information as part of teamwork. Even though the risks of the research were not significant for the stakeholders, I still needed to notify them that the study may involve some stresses and power asymmetries during decision-making processes. I informed them that tasks would be adjusted based on specific situations and workloads, as usual. Even though Chun Tai promotes open communication, decision-making is still determined by the entrepreneur and the power-holders. Thus, the research had potential biases in the decision-making and power asymmetry under the hierarchy structure.

My dual role as an insider researcher and an international sales and marketing manager resulted in an ethical issue and potential bias due to this conflict of interest. Being a researcher and a manager caused me to hold certain powers that could impact the research. As a manager, I may be able to gain the support of the stakeholders for my decisions because of the power I hold due to my position. As a researcher, I may subjectively filter the preferred data and ignore the non-preferred data during the process of data collection and analysis. Constructionists position themselves in research and interpret things and objects from their experience and backgrounds (Creswell, 2013:25). Easterby-Smith et al. (2012:155) also point out that research biases in the methodology of action research can be the result of the researcher's theoretical trajectory and context of pre-understanding. To identify and prevent any conflicts of interest, it was necessary to process the evaluations after the actions and reflections among stakeholders in order.

3.12 Research quality

Easterby-Smith et al.'s (2012:155) perspective on validity, reliability, and generalisability and Lincoln and Guba's (1985) trustworthiness criteria are discussed in this section in order to ensure the research quality. Validity, reliability, replicability, and generalisability are the measures of quality of positivist research. Some scholars consider these measures to lose their meanings in qualitative research and have derived new criteria. Among these criteria, Lincoln and Guba’s (1985) notions of trustworthiness —credibility, transferability, dependability, and confirmability— are mostly utilised in qualitative research. Easterby-Smith et al. (2012: 71) (Table 3.6) did not develop new criteria but instead transferred the original viewpoints of validity, reliability, replicability, and generalisability to constructionist viewpoints. I included the traditional criteria, Easterby-Smith et al. ’s (2012) perspective, and Lincoln and Guba’s (1985) trustworthiness criteria in Table 7 for comparison. I have identified that Easterby-Smith et al.’s (2012) perspective and Lincoln and Guba’s (1985) trustworthiness criteria are similar for the most part. The differences are that Easterby-Smith et al. (2012) kept “generalisability” and Lincoln and Guba (1985) developed “confirmability” without using “generalisability”. However, “transferability”, to contexts outside study (Baxter & Eyles, 1997; Ali & Yusof, 2011), is similar to Easterby-Smith et al.’s (2012) view of “generalisability”. Thus, having similar definitions, I grouped generalisability and transferability together in Table 7.

This research meets Lincoln and Guba’s (1985) trustworthiness criteria and the criteria of Easterby-Smith et al.’s (2012) alternative perspectives in constructionism through the methods listed in Table 7, by referring to methods proposed by Shah and Corley (2006), Shenton (2004), and Baxter and Eyles (1997). This research meets validity standards through my engagement with the stakeholders as part of the action research. Easterby-Smith et al. (2012) stress the importance of gaining access to the experience of those in the research setting. This research, with both stakeholders and the researcher involved in the actions to co-create new knowledge, is compliant with Easterby-Smith et al.’s criterion.

Other scholars have provided suggestions for meeting the criteria of “credibility” and “transferability”. Triangulation (Baxter & Eyles, 1997; Shenton, 2004; Shah & Corley, 2006), “familiarity with the culture of participating organisations" (Shenton, 2004), purposeful sampling (Baxter & Eyles, 1997), negative case analysis (Shenton, 2004; Baxter & Eyles, 1997), reflective commentary (Shenton, 2004), and thick descriptions of the phenomenon under scrutiny (Shenton, 2004) were the methods adopted in this research to ensure credibility. I described multiple cases of data triangulation in two different product categories in different markets, business models, and marketing strategies. Both successful cases and negative cases were included to describe how Chun Tai’s proactive strategies created different results. My mixed method, including both qualitative data and quantitative data, offered methodological triangulation through two different bases of data analysis. As the insider researcher immersed in the research, I was familiar with the organisational situation and culture and so able to offer

Table 7 Applied methods for quality of qualitative research

Traditional criteria	Constructionist (Easterby-Smith et al., 2012)	Trustworthiness criteria (Lincoln & Guba, 1985)	Methods for meeting trustworthiness criteria
Internal validity	Gaining access to the experience of those in the research setting	Credibility	● Triangulation (Shah & Corley, 2006; Shenton, 2004; Baxter & Eyles, 1997) ● Familiarity with the culture of participating organisations (Shenton, 2004) ● Negative case analysis (Shenton, 2004; Baxter & Eyles, 1997) ● Reflective commentary (Shenton, 2004) ● Thick description of the phenomenon under scrutiny (Shenton, 2004) ● Purposeful sampling (Baxter & Eyles, 1997)
External validity/ Generalisability	The relevance to other settings	Transferability	● Detailed description (Shah & Corley, 2006; Shenton, 2004; Baxter & Eyles, 1997) ● Provision of background data (Shenton, 2004)
Reliability	Transparency about how sense was made from the raw data	Dependability	● Participant researchers (Baxter & Eyles, 1997) ● In-depth methodological description to allow the study to be repeated (Shenton, 2004)
Objectivity		Confirmability	● Admission of researcher's beliefs and

			assumptions (Shenton, 2004) ● Recognition of shortcomings in the study's methods and their potential effects (Shenton, 2004) ● Triangulation (Shenton, 2004) ● In-depth methodological description for the integrity of research result (Shenton, 2004)

Source: based on Easterby-Smith et al (2012), Shah & Corley (2006), Ali & Yusof (2011), Baxter & Eyles (1997), and Shenton (2004) credible data and select purposive sampling to be studied, based on stakeholders' positions and their influence on the strategies. My reflexivity helped me to scrutinise my research process and reveal biases and has ensured that my research is credible for the representation of experience.

Concepts of generalisability and transferability emphasise the importance of understanding whether generated knowledge is relevant and can be applied to other settings. To ensure that it can be, my research adopts a detailed description (Baxter & Eyles, 1997; Shenton, 2004; Shah & Corley, 2006) of the research process, structure, and background data (Shenton, 2004). Thick descriptions of the phenomenon and background data throughout the process allow other scholars to make comparisons between this research and other settings. Chun Tai's multiple cases, described in chapter four (Data Presentation and Analysis), provide details of situations that other organisations may encounter. Readers can refer to these cases and to the generated knowledge to design their own changes.

This research addresses the criteria of reliability and dependability by including in-depth methodological descriptions to show how the study to be repeated (Shenton, 2004) by participant researchers (Baxter & Eyles, 1997). My familiarity with the actions I have taken, due to my participation, enhances the dependability of the research. Furthermore, my detailed description of the methodology enables readers to examine the process of knowledge generation. Action research, when used as part of a mixed research approach, transparently presents how the raw data has been analysed to generate contextualised knowledge.

Confirmability, the criteria that Easterby-Smith et al. (2012) do not adopt in their quality measures of research, examines biases in research. As I primarily undertook qualitative research, it was important to consider how the data gathered could be verified. Unlike positivists seeking scientific objectivity, qualitative research interprets human interactions from subjective perspectives. As the alternative criterion of objectivity, confirmability attempts to minimise the biases contained in constructivist research. This research utilised Shenton's (2004) "admission of researcher's beliefs and assumptions", "recognition of shortcomings in the study's methods and their potential effects", "triangulation", and "in-depth methodological description for the integrity of research result". As part of this, it examined which beliefs and assumptions may influence the results. The descriptions of the knowledge creation process, research process, and the selection of sampling offer a clear picture of how the results were reached. Triangulation was used as a method to not only reach research credibility but also confirmability. Chun Tai's multiple cases in the mixed research approach offer higher confirmability for this research.

During the action research process, essential information regarding methodology, and brief overviews of concepts gathered through the literature review were communicated with stakeholders as part of the research's progress. I made the decision not to fully explain the research methods to the stakeholders due to the complexity of the terms, but they were informed of the ethical considerations and the integrity of the research. The ethical considerations, a brief introduction to EM, and the underlying research structure provided them with the basic concept of the project and its approach.

3.13 Conclusion

This research used a mixed method case study approach as its methodology and action research as its technique. Actions and changes were conducted by nine primary stakeholders, identified by purposeful sampling, to find problem solutions. The insider researcher used the focus group discussions to explore data with stakeholders and the concurrent nested design to analyse Chun Tai's financial performance in quantitative research and to analyse operational performance through qualitative research. The process of the research has been evaluated to meet a social constructionist approach to research quality. The adoption of methods from Shah and Corley (2006), Shenton (2004), and Baxter and Eyles (1997) ensure that this research meets Easterby-Smith et al. 's (2012) and Lincoln and Guba's (1985) criteria for the quality of constructionist research. Purposeful sampling, thick descriptions, and triangulations are the main approaches adopted in this research. Meeting requirements of the quality research criteria to minimise biases, relevance to other research, and authentically representing the experiences ensure its rigour. In addition to reaching the criteria of research quality, this chapter has also revealed potential ethical issues which may occur during the research process. The conflicting interests of dual identity, stakeholder privacy, and personal risks were mentioned. This research attempted to minimise biases evident during the research process, protect stakeholders' confidentiality, and ensure the appropriate amount of workload for participants. Finally, epistemic reflexivity was addressed as one of the most significant steps for questioning potential biases and the subjectivity of my research. Following detailed methodologic descriptions, this research ensured that data collection was conducted according to the methodological frame identified in the next chapter to co-create strategies with stakeholders.

Chapter 4: Data presentation and analysis

4.1 Introduction

This action research attempted to expand Chun Tai’s sales by developing marketing strategies under EM concepts in order to respond to a crisis. Due to the substantially shrinking volume of sales in 2017, staff in the Taipei office were very concerned about the company’s future development. The problems with order shortages and the issue of shrinking sales were discussed at the end of 2017 in a formal meeting in Taipei involving the company’s stakeholders. The purchaser, the production manager, and the production supervisor in Shenzhen, not being involved in sales, did not participate in the initial meeting. After the identification of the problem, the primary stakeholders, based in the Taipei office, initiated the formation of new strategies in 2018. Stakeholders came to a consensus that the company should make proactive changes in its BBQ category and cosmetics category. The BBQ category included Chun Tai’s primary sales items, which, having seen the biggest decline, required new strategies to expand sales. The cosmetics category was a new item imported to Taiwan and so required new marketing strategies to enter the market. The other product categories were assumed to have smaller room for growth, including, acid lead batteries. This product, not manufactured by Chun Tai, was only sold to one specific client in Saudi Arabia, and so we were limited in our capabilities to improve these sales even if the sales were declining. Immersion heaters have been selling for 30 years across mature markets; thus, this item was not seen as an item that could be developed to improve sales in the current stage.

I brought up the basic concept of EM and the corresponding strategies mentioned in chapter two (Literature Review) in a meeting to apply proactive strategic flexibility to the firm’s activities. The concepts of value co-creation through networking, proactive opportunities in acceptable risks, resource leveraging, and strategic flexibility were explained to the stakeholders. Both EM and the strategies of 4Ps marketing mix gained the support of stakeholders due to their flexibility in making internal decisions and the resources required for the various types of strategies. Resources, as mentioned in the previous chapter, were the biggest concern for the stakeholders. The accountant, the CEO, the general manager, and the domestic manager were all concerned that the actions would cause further losses after the strategy implementation. No guarantee could be given for increasing profits, but the leverage of operant resources through partnership and the limited utilisation of available resources reduced their concerns about the over-use of organisational resources.

This chapter describes the application of EM strategies across multiple projects within the BBQ accessories and cosmetics categories in 2018. The data presented here was collected from the beginning of 2018 till the end of 2018 through focus group discussions within the action research cycles. The strategies were developed following discussions held in multiple channels, including phone calls, SMAs (e.g., Line and WeChat), and face-to-face discussions. The description of cases provides basic information about how the strategies are implemented and how the strategies lead to the results and I describe both positive and negative cases for the analysis of EM implementation. Due to the differences in market segmentation and type of products, stakeholders developed different strategies for the BBQ category and the cosmetics category. The first section of this chapter discusses strategy making and strategy implementation in the BBQ category, including exhibition attendance, price contingency, service-based value-added integrated solutions, and new product development. The second section describes the strategies used for channel expansion and exhibition attendance in the cosmetics market. These strategies were all set at different time points. Some of the strategies were pre-planned, but some decisions were made contingently. This section also discusses that the initial strategies that stakeholders made may not have been effective after implementation. Chun Tai could not have predicted the outcome of proactive strategy implementation, and so the company had to constantly adjust its decision-making through a process of feedback with its stakeholders, markets, and clients.

4.2 Strategies for BBQ accessories

Through consultation with the stakeholders, attending exhibitions and new product development were identified as the initial strategies to pursue, and price contingency and service-based value-added integrated solutions (Li, 2011) were not pre-planned. Chun Tai intended to enhance engagement with customers through exhibitions. On the basis of Li's (2011) research on live communication, exhibitions enable customers to engage in the value creation process and enhance the customer relationship through communication. Price contingency was set up for flexibility to adjust Chun Tai's prices based on customer feedback. Customer engagement through exhibitions and price contingency in the BBQ category enabled Chun Tai to adjust both its prices and its designs more flexibly. Innovation occurred in service-based value-added integrated solutions (Li, 2011) and during new product development. Service-based value-added integrated solutions, which are considered as regenerative capabilities and RMO, required value co-creation with clients to meet customer needs when they suggested ideas. To maintain the competitiveness of BBQ accessories in the long term, Chun Tai developed the renewing capabilities and PMO in NPD for BBQ accessories, taking inspiration from the market and from customer contributions. As service-based value-added integrated solutions and new product development required stakeholders to brainstorm possible product designs, these two strategies were difficult to plan at the beginning. This research was able to observe and inform the flexible switch between the development of regenerative capabilities in product modification and renewing capabilities in NPD, depending on the market situation and internal resources.

4.2.1 Exhibitions

Chun Tai participated in exhibitions in order to look for new business opportunities instead of solely focusing on the existing customer base. This part of data collection was run from January to September and involved interactions with Chun Tai's stakeholders, customers, and suppliers. Data was collected in three phases: pre-exhibition, during the exhibition, and after the exhibition. The pre-exhibition phases occurred in January with the involvement of the CEO, the domestic manager, the accountant, the sales representative, and the international sales and marketing manager. The stakeholders were initially gathered to discuss whether Chun Tai should participate in the exhibition for sales purposes. During the exhibition phase, interactions with clients at the National Hardware Show (NHS) in May 2018 were recorded. Case 1, butane blow lighters for the U.S. market, describes the face-to-face meetings between the international sales and marketing manager, the domestic sales manager, and customers. The post-exhibition phase, from May to September, documented the follow-up interactions with internal stakeholders to evaluate exhibition attendance, price quotations, product modification, and new product development.

During the pre-exhibition phase, data was collected through face-to-face discussions among the stakeholders in Taipei to decide which exhibition Chun Tai should participate in. Initially, I proposed to the other stakeholders during a casual face-to-face discussion that we should participate in international exhibitions. I explained that if Chun Tai wanted to expand sales, we needed to look for potential clients using different methods rather than relying on contacting clients through email. The CEO agreed to participate, and the accountant and the sales representatives expressed their willingness to prepare for the exhibition. The domestic sales manager did not object to the idea of attending the exhibition, but he worried about the costs involved in the exhibition. He suggested that the travel expenses and the booth fees would be enormous burdens for Chun Tai. To release the financial burden, the sales representative proposed applying for financial aid from the Department of Economic Development, Taipei City Government. She proactively applied for expo financial aid after the confirmation of the exhibition participation. After obtaining the consensus to participate in the exhibition from the stakeholders, I further consulted the CEO about whether we should participate in the National Hardware Show (NHS) in Las Vegas, Nevada, U.S. or the HPBExpo in Atlanta, Georgia, U.S. during another face-to-face discussion. The then-current international exhibitions, including the NHS and the HPBExpo, seemed to be the ideal choices. The HPBExpo, organised by the Hearth, Patio & Barbecue Association (HPBA), is an annual exhibition for all types of businesses relating to fireplaces, stoves, heaters, barbecues and outdoor living appliances and accessories (Hpbexpo, 2018). I preferred participating in the HPBExpo since BBQ items were the main product categories for Chun Tai. I felt that the focus on BBQ items in the professional BBQ exhibition would have had a greater impact on increasing our sales. However, the CEO preferred the National Hardware show due to its inclusion of all types of hardware. The CEO recognised that the HPBExpo is comparatively small and is mainly held for local retailers, whereas, the national hardware show is an international fair for all types of visitors. I also consulted with the domestic sales manager in another face-to-face discussion and he did not have a preference between the NHS or the HPBExpo but respected both my suggestion and the CEO's decision. After my discussion with the domestic sales manager, I followed the CEO's decision to participate in the NHS since he had participated in the NHS before and understood the context.

The domestic manager and I both took part in the NHS in May to proactively and reactively talk with visitors who passed by our booth. The face-to-face discussions among the domestic manager, consumers, and I were recorded and organised in Chun Tai's exhibition notes. Case 1 below details our interaction with one of the clients that the domestic manager and I met during the NHS. It presents the timeline of events from May to July including discussions of product modification. In May, the client discussed one of our products at the booth and, after the exhibition, the CEO, the production manager, and the production supervisor, and I all attempted to modify the product for the client through communication via phone calls, email, and WeChat. After product was modified, I reported the modification to the client through email.

Case 1: Butane blow lighters for the U.S. market

One of the U.S. clients who visited our booth at the NHS showed interest in Chun Tai's butane blow lighters due to the innovative product design and felt that the cordless design might bring higher sales in the BBQ category. He had previously tried a cordless blow lighter from Germany but found that the lighter took too long to light up charcoals. Through my demonstration of our butane blow lighters, he was impressed by the efficiency of Chun Tai's flame. However, the price made him hesitant to make a purchase. He claimed that the price, US$16/PC, was too high for his team to be able to promote the product to retailers and hoped that we could drop the price to US$12/PC. I told the client that we were unable to provide such a low rate due to the high costs associated with the mechanism design. The domestic sales manager disassembled one butane lighter to explain to the client that the lower cost could not support the exceptional techniques of straight flame. The client understood the importance of the manufacturing techniques and told us that he would need to talk with his retailers for more information on fair distribution and retail prices. The domestic manager provided two samples for the product development manager to take back for testing. After the exhibition, the client responded by saying:

> *'We are interested in developing this item further with you; however, based on testing, we feel the volume of air the fan blows need to be increased. Are you able to create a unit with more air volume based on the current design?'*

Pursuing RMO for the client's request, I asked for help from the production manager and the product supervisor to potentially improve the air volume. The modification involved the production manager and the product supervisor testing both the flame length and the air blow volume. The support of the motor supplier providing a free motor sample enabled them to test different air volumes. However, since stronger wind caused a shorter flame, the CEO suggested that the client adopt the original specifications without increasing the air volume. The CEO explained that:

> *I saw the video and commented that the flame was too short because of the strong airflow. This may influence the product quality if the flame is extinguished by the airflow. Thus, I recommended keeping the same airflow.*

However, I convinced the CEO that the modification was necessary as if the airflow was not strong enough, the airflow function seemed to be less attractive to consumers. Thus, the CEO compromised and let me share the test results with the client. To better explain the negative relationship between the flame length and airflow strength, I sent the client videos to demonstrate samples with different airflow rates. However, the client decided in July to put the project on hold due to his tight schedule.

In the post-exhibition phase, data was collected through interactions with clients, the evaluation of the exhibition and through the face-to-face discussions among the stakeholders between May and September. In addition to the communication with the client presented as Case 1, after the exhibition, I also sent quotations to other clients through email. I contacted thirteen clients whose information I gained from the show, but only two clients responded. One of these respondents is presented in Case 1 and the other was a client from Canada asking for samples of Chun Tai's butane blow lighters. After we provided the sample to the Canadian client, I did not receive any further correspondence.

In September after all the follow-up work was completed, I discussed the exhibition results with other stakeholders in order to evaluate our performance. I reported to the CEO and the domestic sales manager that Chun Tai did not gain any orders from the exhibition and only received twelve product inquiries. I gathered the data of expenses and government funding from the sales representative and the accountant to assess the effectiveness of the exhibition (Table 8) and presented it to the CEO. The CEO did not express his thoughts about the ineffectiveness of the exhibition, but the effectiveness of NHS disappointed the domestic sales manager and me. The stakeholders had expected us to expand sales through our participation in the exhibition. However, as no orders had been placed through the exhibition, the domestic manager and I felt as though the trip had been a failure. The domestic manager further reported to the CEO that the foot traffic to Chun Tai's booth was low and that the other booths around ours had not been related to BBQ. I again expressed my analysis that the NHS may not be ideal for BBQ accessories as the number of inquiries was only one-third of the total general inquiries from the other exhibition. Through assessing the results from the NHS, the CEO was convinced that we should participate in the HPBExpo in the future to see whether that generates more inquiries.

Table 8 Chun Tai's performance on the National Hardware Show

Expenses		Government Funding	Effectiveness		
Booth cost	Travel fee		Inquiries during the exhibition	Inquiries after the exhibition	Orders amount
$6,925.34	$2,990.56	$711	12	2	$0

Regardless of sales, the CEO and I considered the participation in the exhibition to be beneficial as we gained market feedback, updated our knowledge of the current market and, developed contacts with potential customers. We gathered market updates, price information, and product modification while talking with clients before and after the exhibition. The CEO also agreed on the importance of gaining market information from the exhibition. However, the domestic manager was not optimistic about Chun Tai's market development through participation in the exhibition because of the exhibition results.

4.2.2 Price contingency

I raised the problem of price sensitivity at the initial face-to-face meeting with other stakeholders in Taipei at the end of 2017. I also shared, through email, my understanding that some potential clients liked our products but could not accept our prices. In some situations, clients required lower prices to get orders from their customers. Thus, I suggested lowering our prices to fit the client's requirements. The other stakeholders understood the problem and were not against my suggestion. The CEO, however, did not give specific instructions about whether we could lower the prices but suggested lowering prices on a case-by-case basis depending on the situation. The other stakeholders and I agreed with the CEO's decision since the price adjustment required knowing the customers' target prices and the suppliers' material costs. The prices also had to be evaluated by the accountant, the production manager, and the purchaser for the cost evaluation. Thus, price contingency was not implemented right away but was ready to be implemented.

The two cases, detailed below, involved clients that Chun Tai adopted price contingency for between August and October 2018. Case 2 presents a Swiss client that accepted Chun Tai's offer after Chun Tai lowered its prices of electric chimney starters. Case 3 shows an Estonian client's discontinued inquiry in September 2018 after receiving Chun Tai's quote for electric charcoal starters. The data was collected through face-to-face communication between the international sales and marketing manager and the CEO, email communication between the international sales and marketing manager and customers, and email, phone calls, and WeChat conversations between the CEO, the production manager, the production supervisor, and the international sales and marketing manager.

Case 2: Electric Chimney Starters for the Swiss market
I received the Swiss client's email inquiring about a repeat order of electric chimney starters in August. I quoted the client US$16.50 per piece, which was the same as the price had been in 2014. After a week, the client sent me an email to negotiate the price with a copy of another supplier's quotation sheet stating a price of US$7.50. I made a

comparison table (Table 9) for the client to compare Chun Tai and the competitor's product prices and specifications. I pointed out that the competitor's electric chimney starters were smaller with less power and further quoted our smaller electric chimney starters at US$10.34/PC. The client was aware of the differences in size and power, but he preferred to place his initial order for the item with a larger capacity and power. I would have liked to drop the price, but costs were the biggest challenges in dropping the selling prices. To gain the order, the CEO agreed to lower the price but requested that I consult our factory for a cost evaluation. I asked for help from the purchaser and the production managers as they were in charge of cost management. This discussion was carried out through email and WeChat between the purchaser, the production manager, the CEO, the domestic manager, and myself. The purchaser was able to lower the component costs, and the production manager assumed that the labour costs could be lowered as well. The cost was reduced by the purchaser and the production manager by 11% and, as a result, I was able to quote a better price of US$13.97/PC, for the large capacity starter to the client. After quoting the new price to the client, the client stated that he would do a comparison.

Table 9 Chun Tai's specifications of electric chimney starters

Supplier	**Product size**	**Price**	**Specification**
COMPETITOR	small	US$7.50	350W
CHUN TAI	small	US$10.34	800W
CHUN TAI	large	US$13.97	800W

After a month, the Swiss client decided to work with Chun Tai again because he found, after testing, the competitor's chimney starters took a long time for charcoal ignition. However, the client requested that Chun Tai add a stand at the bottom of the large chimney starters as he had found the competitor's stand to be useful. I assumed that the client would refuse the price increase for a stand since the competitor's price was already lower. Thus, through a face-to-face discussion with the CEO, I suggested adding the low-cost stands without charging the client a fee since the client had already considered our prices to be higher than another competitor. The CEO approved my proposal to add the stand without increasing the cost to the client. With the application of value co-creation through networking, I collaborated with the production manager, the production supervisor, and our material supplier to find a solution without spending too much money on the new development. The communication for the stand design was through WeChat, email, and phone calls. The production supervisor first designed two types of stands, one of which had four legs and a tray at the bottom, which was chosen by the production manager for a hand-made prototype developed by Chun Tai's supplier. However, the price, US$1.74/PC, was excessive for Chun Tai without charging the client. Thus, I had to reject this design and request cheaper alternatives. Receiving my feedback, the production manager thought it would be even cheaper without the cross at the bottom, leaving only the four legs on the sides. The production supervisor realised that he could use one of the metal components on the chimney as the stand. This option only cost about US$0.22 per set. I sent the photo of the stands to the client for approval. The client accepted the set of stands although he did not show an appreciation for this stand design at the beginning, responding to the photo of the stand by saying:

> *'The picture does not look so super fancy. Why do the feet have holes too? Will this have an impact on the price? I hope not as it does not look as nice as the pictures I sent you.'*

The production manager confirmed that the punch out holes in the stand could be removed while stamping the stands. After I confirmed with the client that we could assemble the product without the gaps on the stands and that there would be no increase in price, the customer finally accepted Chun Tai's offer.

After the order was confirmed by the client, an evaluation was conducted between the CEO and me through a face-to-face discussion and between the CEO, the production manager, the purchaser, and myself through email, WeChat, and phone calls. I first mentioned the effectiveness of price contingency to the CEO but recognised that the price decrease did not result in an order, as our price was still higher than other suppliers. However, thanks to the previous order, the client preferred our design. Installing stands to reach the client's requirements also played a critical role in us obtaining the order. With my analysis, the CEO gave a positive compliment on my price adjustment and the factory's work on the stand design. The CEO and I also gave positive feedback to the production manager, production supervisor, and the purchaser. Because of their help, I could reach the client's requirements for both a price decrease and product modification.

Case 3: Electric Charcoal Starters for the Estonian market

Case 3 involves a new client from Estonia and shows a different result to Case 2. A new client emailed me in September 2018 to inquire about 1000 units of electric charcoal starters. I quoted the client immediately through email, and, after receiving it, he responded, saying:

> *'Thank you for the fast response, but we got one more question. Does the electrical barbecue starter with 800W and 500W has got some*

price differences and what would you prefer the most?'

I explained:

> *'We used to have both specifications. However, the 500W one ignites charcoals much slower; thus, we normally only quote customers our 800W one. Please feel free to let us know if you prefer 500W.'*

Although Chun Tai's specification was higher than other suppliers, I was not successful in gaining the order due to the price. After no further feedback from the client, I reported to the CEO that price contingency could not be implemented in Case 3 as the client had no intention of continuing the inquiries. The CEO did not have further comments about losing the potential client.

Chun Tai's higher price in this price-sensitive market also caused the company to lose one client from Europe. The client wrote an email in October stating that:

> *"Sales were lower this year despite a good and long summer due to Metro group suffering from the competition in the retail market in Europe, and we did not manage to contract additional prospects due to other products competing against our BBQ Starter. Furthermore, we cannot impose higher pricing in the market, and we are losing margin due to higher purchase and assembling costs."*

Case 2, Case 3, and the lost client in October 2018 triggered other discussions among the CEO, the domestic manager, the sales manager, and myself. I first expressed my belief that prices were the first impression the clients had rather than specifications. It was evident that the Swiss client, as a previous customer of Chun Tai, considered not only the price but other factors as well during the purchase evaluation. For the Estonian client, with whom Chun Tai had never worked, the evaluation was more price-sensitive as there were no bonds between the parties. In other words, price contingency can only work when the customers would like to continue the cooperation with a firm and when they perceive other product values rather than just price. The CEO was not against my theory but wanted the sales team to pursue the lost client and offer lower specifications for lower costs. The sales representative was disappointed with the result but understood that she could not do anything about this cost concern. However, following the CEO's instruction, she then resumed contact with the potential client in the hope of gaining more feedback. The domestic manager complained that the costs at our factory had been too high for the sales team to get orders and wondered why our factory had higher manufacturing costs and higher purchasing prices than other factories. The domestic manager believed that our factory could manage the costs better. The CEO agreed that the sales team should work with the purchaser and the product department and see if our costs could be decreased.

4.2.3 Service-based value-added integrated solutions

I proposed Li's (2011) service-based value-added integrated solutions with customers in the initial meeting with the Taipei stakeholders to enhance product value by offering customers product solutions. They supported it since this strategy was a win-win situation that would satisfy customers' needs and also create value for Chun Tai's products. The CEO assumed that, through the solution, Chun Tai would gain a greater understanding of the market needs and improve Chun Tai's product design. Since BBQ culture does not exist in either Taiwan or China, as it does in our target markets, both customers and the firm thought that the feedback gained from the market could help us to modify our designs for BBQ users. This strategy was an ad hoc strategy that could only be implemented in a specific situation, and so we did not create a specific plan for the implementation of service-based value-added integrated solutions.

Two cases have been selected as representative of the implementation of service-based value-added integrated solutions from May to September. Case 4 was a modification request from a German customer for one of Chun Tai's electric grill cleaners, and Case 5 was a request for product modification by a potential client in the U.S. When customers asked for the customised designs, Chun Tai's CEO, the domestic manager, the international sales and marketing manager, the production supervisor, and the production manager discussed how to fulfil the customer demands through face-to-face communication, email, WeChat, and phone calls. The accountant and the sales representative, who were not involved in the product designs, did not participate in this strategy.

Case 4: Electric grill cleaners for the German market
The electric grill cleaner was newly created in July 2017, and Chun Tai received its first order for the product in March 2018 from a new German client after he had tested a sample. My communication with the client was through email and WeChat. In May, with the production was almost completed, the client suddenly requested specific changes due to several problems. The problems included grease getting on the users while they were scrubbing, rusty brushes after one use, a weak brush rotation force for cleaning, and a rebounded switch on the backward rotation. Due to the costs of the

re-purchase of parts and tooling, I attempted to convince the client to make the changes for the next order rather than for this batch. The client adamantly insisted on the modifications that he explained he needed to successfully launch the product on Amazon. If Chun Tai did not make the modification, it could cause the failure of his product launch on Amazon, which neither of us wanted.

Internal discussions took place in face-to-face meetings between the CEO and myself, as well as through email, phone calls, and SMAs between the CEO, the production manager, the production supervisor, and myself in the Taipei office and in the factory in China. I disagreed with the client's suggestions for modification because of the late notification of the problems. I told the client and the CEO that the client should have brought up the need for modifications once he had tested the samples rather than later when the manufacturing of the goods was complete. The production manager also suggested making changes for the next batch since the goods needed for this batch had already been manufactured. Redoing the work would cause the loss of the original packaging and materials, extra fees on the materials and labour and the items could be damaged while being disassembled and reassembled. The production manager and I were in agreement on the issue due to a concern about costs. However, the CEO took a different opinion and supported the modification since Chun Tai required customer feedback to improve its product as it had just launched. In line with the choice of EM for the small company relying on the entrepreneur's experience and knowledge, the CEO had the power to make the final decisions between divergent opinions. The CEO was aware of our cautions about the extra cost but he still approved the modifications. After the CEO's analysis from the perspective of customer orientation and value co-creation, the production manager and I agreed to the product improvement, particularly, since the quantity was small. The production manager was not against the order and arranged the modifications with the production supervisor for the labour arrangement and the suppliers for the material modifications.

The production manager and the production supervisor took samples of the goods and conducted testing and modification. They worked with the bristle supplier to change the materials of bristles and the mounting metal. The motor supplier also provided Chun Tai with a sample motor with stronger torque for higher cleaning efficiency. Based on the costs that the purchaser and the production manager reported prior to purchasing for mass production, the cost breakdown is listed in Table 10. The CEO approved the new costs. I attempted to negotiate with the client before the modifications by quoting the extra costs. However, the client did not respond to my quotation, and so I had to let the production manager process the modifications.

Table 10 Costs of modifications on the grill cleaner

Item	Baffle mould	Baffle	Switch	Motor	Brush	Total
Cost	$621.20	$52.45	$181.16	$103.44	$409.42	$1,367.67

The evaluation of service-based value-added integrated solutions in Case 4 was not carried out at the end of the order, but instead, was carried out alongside product modification. The evaluation mainly focused on product modification and less on service-based value-added integrated solutions. Through the change of materials and parts, the CEO, the domestic manager, the production manager, the product supervisor, and I expressed that we had gained knowledge of materials and understood more of the use of the cleaner in practice. Suppliers shared their knowledge with the production manager and the production supervisor and the supervisor shared the knowledge with the sales team and the CEO. In addition, the production manager and the product supervisor forwarded documentation of their experiments and testing to the international sales and marketing manager, the CEO, and the domestic manager through email. The CEO, the production manager, and I gave positive feedback to each other about our learning through the process of product modification.

Case 5: Blow lighters for the U.S. market

Case 5 was another example of the use of service-based value-added integrated solutions. A U.S. buyer contacted me about our electric blow lighters in June via email. I quoted the price and sent him the sample upon his request. The buyer did not offer feedback on my quotation right away, but requested two product modification after comparing Chun Tai's products with other suppliers'. His first requested modification was to change the power button to the rebound switch due to safety issues. The second request was to change the air outlet from larger holes to mesh netting to prevent anything from going inside the air outlet. The client requested that I send a new sample with all the modifications before discussing further steps. I consulted the CEO through a face-to-face discussion about whether I should have processed the modification request. I gave my analysis of the situation to him and explained that if we did not modify the product for the client, they would not even consider working with us. However, if we modified the product with a sample, we would have to invest extra money into the modification without knowing whether the client would place an order. Due to our low market share in the U.S., both the CEO and I were happy to have received the new inquiry and were not against making the modifications for the customer, despite the fact that the modifications were considered challenging. Thus, the CEO authorised me to work with our factory to carry out the modifications.

After my confirmation from the CEO, the internal discussion moved to WeChat, phone calls, and email between the CEO, the domestic manager, the production manager, the production supervisor, and myself. I sent the client's modification requirements to the production manager. With the CEO's request for the change, the production manager and the production supervisor worked on making the new sample. The modification process encountered several barriers due to the product structure and the costs for modification. The production supervisor could not directly change the switch to the rebounded switch, as the client had requested, as switches with different shapes were unable to fit on one handle. The production supervisor explained that it was impossible to modify the original mould for both shapes but informed us that he could make a new mould. The CEO was willing to support the manufacturing of a new mould, but I was not without first having an order confirmation from the client. The CEO agreed that Chun Tai should not spend money on a new mould for sample testing. Instead, without making a new mould for the new switch, the production supervisor made a hand-made prototype of the handle to fit the new switch at a cost of US $72.24. The hand-made prototype was helpful for the production supervisor to check how he could modify the mould. The production manager also outsourced the modification of an air outlet to line cut the holes and weld the net. After the modification, Chun Tai sent the sample to the client for review, but the client did not respond.

An evaluation of the work was carried out between the CEO, the domestic manager, and the production manager during product modification and after it was completed in July of 2018, through face-to-face discussions and email. The main evaluation focused on Chun Tai's effective use of service-based value-added integrated solutions and its flexibility of product modification. I reported to the CEO and the domestic manager that the client did not provide feedback after I provided them with the sample. As a key part of the evaluation process, I analysed pros and cons of the modification that we had offered. The con was that we wasted our resources on a client who might have already made his decision to choose another competitor. The pro was that in the future if any client wanted to make the same change, we would be able to offer the sample without spending much time on developing the modification. The CEO agreed with my analysis without giving any further response, but the domestic manager, on the other hand, was more oriented towards gaining orders and felt upset that our efforts did not bring us this result. The evaluation with the production manager focused on product modification rather than sales. The production manager did not feel they had learned from product modification since the product department and sales department were had been aware of this specific situation before. Even though he had immediate solutions for the client's request, product modification still increased his and the product supervisor's workload. He explained that he understood that the sales team had to offer the service to the client, and he felt sorry that the sales team could not convince the client to accept the change and place an order.

4.2.4 New product development

In addition to service-based value-added integrated solutions in RMO, Chun Tai also worked on new product development for the renewing capabilities. Mayer (2017) has expressed that it is a low possibility for BBQ speciality retailers to keep existing clients by selling them pricy BBQ equipment since BBQ equipment often comes with a warranty. Thus, it has been identified that BBQ accessories can be used to grow sales by attracting customers back to the stores. Jim Ginocchi, president of Coyote Outdoor Living, also recognises that accessories have been growing as a trend that as once consumers become more proficient with grills, they look for more accessories (Mayer, 2017). To maintain competitiveness, following the trend for BBQ accessories, Chun Tai decided to develop another new item for the BBQ category.

The idea for the new product development was mentioned to stakeholders in the Taipei office at a meeting at the end of 2017. However, the actual product design did not start until July of 2018. At the first meeting, I brought up the idea of developing new items in order to broaden Chun Tai's BBQ accessories market. With the innovation of new items, the company would be more likely to survive in the competitive market of Western countries. The other stakeholders in Taipei agreed with my idea, but, at the time, no one had yet developed any product proposals. In July, the domestic manager mentioned, through face-to-face discussions with the CEO and myself, that he intended to develop a new blow lighter powered by batteries. I agreed, particularly as the cordless BBQ blow lighter without butane had been the most desired project for Chun Tai to undertake for years. European clients preferred the electric blow lighter to the butane blow lighter due to regulations on gas fuel. With my explanation of the market preference, the CEO approved the domestic manager's proposal.

I collected data about current models online and discussed the product features, using some samples, with the CEO, the domestic manager, the production supervisor, and the production manager. The CEO, the domestic manager, and I first discussed the product's functions when we received the market items and found that the functions could be improved to reach higher efficiency. The samples were then sent to the factory in China for further study. Our first analysis of the functions was also sent to the production manager for further design discussion. Once the production manager received the sample, he and the production supervisor studied the specifications along with our recommendations. He summarised all the recommendations and contacted designers to work on product development through WeChat, phone calls, and face-to-face discussions. The CEO, the international sales and marketing manager, the domestic sales manager, the production manager, and the production supervisor worked closely with the product designers. The production manager planned to present the prototype early the next year.

While the product design was almost complete in December, after consulting with the accountant, I discovered an issue with the low level of resources. From the accountant's financial statements, low perceived sales were identified in 2018. I recognised that the new product might not gain orders but cause a financial burden for Chun Tai during the economic downturn. As a result, I suggested to the domestic manager and CEO that we should delay launching the new product until the following year due to its low economic status. The domestic manager agreed to a later launch as he considered that the battery in the current design did not have enough power to light up charcoals efficiently. The CEO also accepted my suggestion but insisted on completing the design up until the process of the tooling assessment. I agreed with the CEO's decision and confirmed that, except for the assessment of the tooling, the prototype would be completed. I believed that the prototype might help Chun Tai to gain market feedback before the actual product launch.

4.3 Strategies for cosmetics

All stakeholders in Chun Tai's Taipei office, including the CEO, the general manager, the accountant, the international sales and marketing manager, the domestic sales manager, and the sales representative, decided to expand the channels in the cosmetics project. The details of channel expansion were thoroughly discussed during formal meetings, informal face-to-face discussions, phone calls, emails, and SMAs among customers and stakeholders. The stakeholders attempted to expand sales channels in the beauty fair and omni-channels, including physical stores, TV shopping, and online shopping.

4.3.1 Physical stores

The initial channel expansion plan for the Taipei office was to look for new stores in the physical channels. Chun Tai actively expanded sales to the physical stores since the physical channel was still the primary sales channel in Taiwan in 2017 (Department of Statistics, 2017, April 17). The data collection process, for channel expansion into physical stores, began in January 2018 and continued until May 2018. This involved face-to-face communications, phone calls, and emails. The internal stakeholders participating in the expansion of the physical stores included the CEO, the general manager, the domestic sales manager, the international sales and marketing manager, the sales representative, and the accountant.

The CEO, the general manager, the domestic sales manager, the sales representative, and the international sales and marketing manager had discussions through informal conversations and email at the end of 2017 for channel selection. The CEO implied that selling in the department stores was impractical for small companies. The domestic manager agreed with him by indicating the high fees that malls charged. The CEO further indicated that Chun Tai was unable to hire extra people to work at the mall. I agreed with both the CEO and the domestic sales manager's opinions. Hence, the sales representative looked for working with beauty salons and speciality stores instead.

After two months of efforts, the sales representative reported to the CEO, the general manager, the domestic sales manager, and the international sales and marketing manager through informal discussions and email that Chun Tai could not sell to speciality stores and beauty salons neither due to the different market segmentation. The sales representative mentioned that some beauty salons said that they had to purchase cheaper local products in big packs due to cost concerns. Imported small packs of cosmetics were too expensive for the salons since the beauty salons were unable to set their prices too high. Some salons showed interest in Chun Tai's products due to its foreign brands. However, the salons did not provide any feedback after the sales representative quoted prices. In addition to the price concerns, some salons did not intend to change their suppliers. One of the salons mentioned that they usually purchased items from salespeople, who had worked with the salons for a long time. The sales representative also mentioned that small speciality stores only sell cheap makeup. Hence, they had no intention of purchasing from Chun Tai since they preferred cheaper items.

With the results of no chances in beauty salons, speciality stores, and department stores, channel expansion in physical stores was targeted to pharmacies and other retail stores. Initially, the sales department worked hard to contact the major retail stores (e.g., Cosmed, Tomod's), but they received no response after contact. In January 2018, the CEO mentioned that he had a connection with Poya, a major retailer. With his connection, the domestic manager and the sales representative could approach the department of skincare products to introduce Chun Tai's cosmetics. Poya (2018) is one of the biggest retail stores in Taiwan. They sell daily necessities and have 177 stores around Taiwan. The domestic sales manager, the sales representative, and I spent a lot of time negotiating with Poya. Through a month of hard work, the sales team was successful and were able to cooperate with Poya.

Table 11 Poya's contract fees

Item	Percentage	Item	Percentage
Monthly online platform fee	5%	Winter sales	5% per store
New item fee	5%	New store opening fee	5% per store
Item online processing monthly fee	0.5%	Anniversary fee	5% per store
Monthly DM promotion fee	0.5%	ID user fee	US$1.62 per store
Storage fee	4.5%	A monthly new store promotion fee	US$32.33 per store
Annual sales fee	0.5%	A monthly transaction fee	US$1.62 per store

Nevertheless, Poya's contract content brought Chun Tai another challenge. Chun Tai's sales representative and domestic sales manager had many questions about the contract. The sales representative said:

> *I just discussed all the details with the domestic manager. Poya's charges are almost 81% of the distribution price (including tax). The 81% charge does not even include the delayed delivery fee and packing cost. If this is the case, we will have a negative margin. I suggest you discuss this with the domestic manager to obtain more details and consult with Poya. It is better not to sign the contract until after you discuss all the details.*

The sales representative mentioned that we needed to be careful about all the fees they charged. This included a 15% distribution discount, 35% profit fee, delayed delivery fee, and cancellation fee (Table 11). Hence, we might lose money by cooperating with Poya. The domestic manager supported the sales representative's judgment and identified that Chun Tai would lose money if Poya asked for almost 80% of the retail price. The domestic manager consulted Chun Tai's other distributors about working with Poya. Two distributors mentioned that their clients terminated their contracts with Poya since they were losing money.

Despite the fact that the domestic manager and the sales representative discussed their doubts about Poya's contract, the sales representative, the accountant, the domestic manager, the CEO, and I were still eager to sell at Poya. Since it was a lot of hard work to get the contract with Poya, I refused to drop the case with Poya. The general manager, who had gotten used to the reactive attitude to most strategies, fought against the collaboration with Poya. To handle the contraction in sales, the CEO wanted the sales team to convince the general manager to collaborate with Poya. The sales representative's email stated:

> *The CEO was busy, so let me tell you guys that he is willing to attempt Poya's case after talking with the domestic manager. However, he mentioned that the general manager seems to be unhappy with Poya's request, so the sales team should have a discussion about how to convince the general manager to collaborate with Poya.*

I attempted to sign the Poya contract. The general manager questioned my decision after reviewing the sales representative's evaluation. With the majority of stakeholders in agreement on signing the contract, the general manager had to walk away from this case. Chun Tai eventually still signed the contract with Poya.

Chun Tai's sales at Poya began in February 2018 but terminated in May 2018 due to Chun Tai's significant losses in distributing to Poya. Initially, the sales representative, the CEO, the accountant, the domestic manager, and I were impressed that the sales at Poya were better than expected. However, when the bill came in March 2018, the accountant, the sales representative, and I were surprised that instead of earning money, we had to pay Poya. These charges are listed in Table 12. Chun Tai's monthly sales income was deducted to pay Poya's fees. The accountant noticed the loss in income after receiving the bill and notified me to see if I would like to take any action. I was alerted to the issue but chose to observe whether or not the sales would get better to compensate for the losses from the fees.

Table 12 Chun Tai's monthly sales & payments in Poya

Month	February & March	April	May	Final
Income	US$719.29	US$445.54	US$893.64	US$0
Charging fee	US$719.29	US$445.54	US$893.64	US$2,818.87
Balance	US$0	US$0	US$0	(US$2,818.87)

In April, Chun Tai still did not earn any income. The general manager was angry with me for working with Poya and not taking the domestic sales manager and the sales representative's advice. The CEO called for a meeting in mid-May to obtain the staff's opinion and see if they had any solutions to stop the losses. During the meeting, the domestic sales manager and I both assumed that it was almost impossible to earn more income after paying all the fees. Both the sales representative and the accountant believed that the fees were too high to cover. We eventually decided to extend the Poya contract from May to August. We would make the final decision after three months of sales (i.e., from May to July). The sales representative was responsible for negotiating the extension of the current contract from May to July with Poya before signing a new contract. Poya did not allow Chun Tai to extend the contract. Chun Tai had to either terminate the contract immediately or sign for another year. Without hesitation, after hearing the report from the sales manager, the CEO terminated the contract immediately by the due date on May 31st. By terminating the contract with Poya, Chun Tai lost more money than Chun Tai ever expected to lose. Even after the closure of the contract, Chun Tai did not earn any money from the sales. Instead, it needed to pay US$2,818.87 to Poya.

An evaluation meeting was conducted by the CEO in mid-May with the general manager, the sales manager, the accountant, the domestic sales manager, and the international sales and marketing manager. The CEO stated that we made reckless decisions without considering the costs. Even though the sales team constantly delivered the goods to Poya, it made us have an illusion that Chun Tai was selling their products. Poya was making money on its high commission payments. In addition, Chun Tai had to think about cost management with regards to sales, stock, advertising, employment, consignment, and other payments. He reasserted that Chun Tai should not do business that would result in a negative income.

The general manager and the sales representative both mentioned that the sales were not effective since our products were placed among all of the other cosmetics without standing out. The general manager stressed that it was difficult for consumers to notice

Chun Tai's products since there were too many items on the shelf. I did not visit the stores but agreed with their point. I brought up my original thought that Chun Tai's product being in Poya's stores would be an advertising opportunity. Consumers would find out about the Tamalys and Hormocenta brands. However, the in-store advertising effect was too small to attract consumers. It did not matter whether the products were good or bad. There was no advertising, so it was an arduous task to get the consumers to purchase the items or to learn about the brands. The sales representative agreed with me that advertising determined the success of the product launch. I further mentioned that even though we failed in expanding the distribution channel to Poya, we were now aware of the fees and challenges of working with distribution channels.

The general manager commented that I should have taken the sales representative and the domestic sales manager's advice about being careful in collaborating with Poya in the first place. The domestic manager explained to me that if I had consulted with the distributors, I would not have worked with Poya. The general manager also commented that the failure in working with Poya meant we should give up on collaborating with big chain retailers. Instead, we should collaborate with smaller drugstores and look for distributors.

4.3.2 TV shopping

TV shopping was another proactive strategy in the plan of channel expansion that stakeholders in Taipei made together. Chun Tai worked with a TV shopping company around the same time as working with Poya. The data collection process was run from January 2018 to March 2018 among the CEO, the general manager, the international sales and marketing manager, the domestic sales manager, the sales representative, and the staff at the Eastern Home Shopping & Leisure organisation through phone calls, face-to-face meetings, and emails.

The stakeholders did not think about working with a TV channel when we were planning channel expansion at the end of 2017. The sales representative got a phone call from the Eastern Home Shopping & Leisure (EHS, 2018) organisation about providing cosmetics to sell on the TV channel. EHS is a well-known home shopping company in Taiwan that sells various commodities on the TV to consumers. The sales team agreed to meet the EHS' merchandiser (MD) after the MD's phone call. A week later, during a face-to-face meeting, the EHS' MD persuaded Chun Tai's sales team to work with EHS. They stated that they would cooperate with Chun Tai. They also said that there have been many successful product launches for other products on EHS' TV channels. The MD told the domestic manager, the sales representative, and me that if Chun Tai sold on EHS' TV channel, there would be a good chance that Chun Tai would sell a lot of products. With the expectation of big sales, the sales representative, the domestic sales manager, and I had a face-to-face discussion to see if we should work with EHS. Since there were no contract fee and hidden costs, like there were with Poya, the sales team all agreed to cooperate with EHS. The sales team, through face-to-face discussions, convinced other stakeholders in Taipei to sign the EHS contract.

In early February, the sales representative and the domestic manager presented Chun Tai's flashcards and videos at EHS' broadcasting meetings about the. During the meeting, the TV producer informed us that Chun Tai's flashcards had a significant amount of unstructured data and the videos did not present the user effects. Hence, we were not reaching the EHS' standards. The sales representative conveyed to the general manager, the CEO, and me through phone calls after the broadcasting meetings about the necessity of outsourcing the card making. The sales representative was afraid that even though Chun Tai had worked hard on the flashcards, the quality was not up to the producer's standards.

EHS' MD and sales representative were nervous about the situation. They called me several times to convince me to look for marketing companies. The sales representative and the domestic sales manager told me, through a phone call, that the EHS' producer was angry that the MD did not let us work with a marketing company, since we were new to TV sales. I initially turned down the suggestion and replied to the sales representative and the domestic manager that I did not think any marketing company could finish all the work in two weeks. With Chinese New Year coming, there were only two weeks for us to find a marketing company and for the marketing company to work on the case before broadcasting in March. Furthermore, we had already done most of the work. It would be a waste of our resources to spend extra money to let a marketing company do very little work. I also asked the MD to offer us other suppliers' flashcards to refer to as a template. However, the MD refused and told us she would like us to work directly with a marketing company.

Under the stalemate, the domestic sales manager intervened in the miscommunication between the sales representative and me through a phone call by rephrasing EHS' producers' words from Chun Tai's perspective. The domestic manager eventually intervened in, and interpreted, the EHS' producers' statements that Chun Tai was unable to do the case without working with a marketing company. If Chun Tai did not work with a marketing company, EHS would not broadcast Chun Tai's items. A clear description, without emotional anxiety, made me better understand the situation. I finally agreed to hire a marketing company. I further convinced the CEO and the general manager for the funding to hire a marketing company through a face-to-face discussion. The CEO and the general manager were not happy about EHS' request, but they still respected the sales team's decision. EHS' MD was relieved that Chun Tai finally followed her advice to work with a marketing company. The MD further confirmed that our broadcast could be postponed until we were ready.

The sales representative and I chose a marketing company after having face-to-face meetings with three separate marketing companies after the Chinese New Year in March 2018. We chose this marketing company because they provided more detailed information than the other marketing companies. The marketing company told the sales team that the product sets on TV had to be 75% of the market price and that Chun Tai had to offer freebies. Chun Tai had to consider the 50% commissions for EHS and a 12% service fee for the marketing company. In addition to the sales commissions, since Chun Tai's original video did not reach the requirements of TV sales, the sales team needed to pay approximately US$2,590 for three more videos. The marketing company reminded Chun Tai to calculate 2% of their sales for the possibility of a government fine for fake advertising and a 2% return rate. The exaggerated terms, which the marketing company was going to use for alluring consumers to purchase goods, could result in Chun Tai being fined by the government for fake advertisements. According to the marketing company, Chun Tai should expect returns from consumers. In addition, the marketing company also commented that Chun Tai's stock replenishment may not catch up with the TV shopping's repurchases. Hormocenta, an imported good from Germany, might not be replenished as quickly as goods from domestic and Korean manufacturers.

After calculating all of the charges and analysing replenish speed, I found that Chun Tai might be at risk of losing money from TV sales and having problems stocking in time. To prevent losing money, I immediately consulted with the CEO, the general manager, the sales representative, and the domestic sales manager to see if we should terminate our cooperation with EHS in March through face-to-face discussions. The domestic manager hoped to sell as many items as possible on TV, but if the income was negative, then there was no need to continue with the project. The sales representative, however, standing from the sales perspective, would have liked to continue the case since TV shopping may have created a high sales volume. The failure of Poya's case motivated the sales representative to put more effort into TV shopping. She expected that her efforts in TV shopping could make up for the losses from Poya. Based on the Poya experience, the CEO and the general manager agreed with me to terminate the cooperation with EHS immediately to prevent any losses. The CEO stated that it was not worth putting in the effort and stocking so many goods if the profit was going to be thin. Working with EHS would result in the stakeholders having overwhelming workloads for goods arrangements, flashcard making, scene preparing, and other marketing work. Financially, high stock reservations and uncertain sales could put Chun Tai in a vicious financial circle with extremely tight capital.

4.3.3 Internet marketing

The data collection process from internet marketing and strategic implementation took place between January and December 2018 through face-to-face discussions among the international sales and marketing manager, the domestic manager, the sales representative, the general manager, and the CEO. In a face-to-face discussion, the general manager proposed to the sales team in January to work on social media to let online users become more aware of the Hormocenta and Tamalys brands.

The general manager believed that when users clicked “like” on Facebook, this may create a knock-on effect if their friends could see their updates on their news feed and also click “like” on the same thing (Curran, Graham, & Temple, 2011). To enhance the knock-on effect, I proposed purchasing some social media advertising to enhance the exposure rate. These two proposals were supported by the other stakeholders in Taipei. The CEO approved the sales team to regularly advertise on social media each month. The sales representative and I paid for advertisements and updated the product information and product discounts to engage with the consumers on Facebook through Hormocenta’s and Tamalys’ fan pages. To attract traffic to the Fan pages through their “Likes”, I set the target segmentation according to the demographics and the consumers’ interests. The sales representative and I paid for Facebook advertising at an average of US$8 monthly to target women in Taiwan who were interested in anti-ageing cosmetics.

The sales representative and I posted offline and online store promotion discounts on Facebook. We published online discounts on Rakuten and Facebook and also published offline promotions on Facebook. We kept the price consistent between the online stores and the offline stores but set separate price discounts for online shopping and physical stores. Nielsen’s (2017) survey identified that Taiwanese shoppers had higher intentions to purchase when they saw companies’ advertising “guaranteed money back for incorrect product delivery," "free delivery after spending a minimum amount", and "free delivery on weekdays". Thus, I set up free shipping with activities, provided coupons, and set special deals to celebrate the holidays alongside the Rakuten events. The sales representative and I also designed set discounts for offline stores with the approval of other stakeholders in Taipei to celebrate the special holidays and store anniversaries. The information was posted on the Facebook page for immediate updates to consumers.

The evaluation of internet marketing was run at the end of December 2018 among the stakeholders in Taipei in a face-to-face meeting. All stakeholders in Taipei were able to access Chun Tai's Facebook fan pages and were aware of each order and advertisement through email. I mentioned to the other stakeholders that communication with EHS for flashcard making and video design had improved and helped with our advertising on Facebook and Rakuten. The sales representative agreed with me that we did better on the advertising with the marketing materials we made for EHS. However, I still mentioned that we only had a mild improvement in performance based on Facebook's "Likes" and the orders on Rakuten. The sales representative also reported to everyone when she received orders from Rakuten. After participation in Rakuten's online coupons events, Chun Tai received one order in May and one order in July. Thus, I further concluded that even though the advertisements on Facebook resulted in a few sales on Rakuten, the performance was much lower than our expectations. The sales representative, who was also in charge of EHS' online platform, mentioned that even though we did not sell on TV, we sold eleven sets on EHS' online platform in the first two months. However, no more transactions were made in the following five weeks. EHS had to return our goods to close the unsuccessful deal. The accountant calculated that the income from the online sales was US$162, but after paying the box fee to EHS, we still lost US$138.42.

I explained to the other stakeholders that the low number of sales on the internet may be caused by low brand awareness and our low budget for advertising. Furthermore, we had difficulties getting consumers to try the products before purchasing them online. If you do not have trials and customer satisfaction in physical stores, you do not get any online purchases. Hence, although we paid for advertisements on Facebook, the ads did not bring actual purchases or more "Likes" on the Facebook fan page. The sales representative and the domestic manager agreed about the importance of advertising. The CEO, the general manager, and the domestic sales manager did not provide much feedback regarding internet sales.

4.3.4 Exhibitions

The data collection process was separated into three phases for the exhibition between May and October 2018. The first phase was the pre-exhibition from May to August to discuss participation in a beauty fair. This was discussed with the CEO, the domestic manager, the accountant, the general manager, and the international sales and marketing manager through face-to-face discussions. The second phase took place at the beauty fair in August. This was discussed with the international sales and marketing manager, the domestic sales manager, the accountant, and customers through face-to-face interactions. The final phase was the post-exhibition from August to October. Communication took place between the sales representative and the customers through emails and phone calls and also took place among the stakeholders in Taipei through face-to-face discussions.

During the first phase before the exhibition, the general manager wanted to promote the cosmetics to distributors to avoid high retail fees. The sales representative looked for distributors from the Taiwan Cosmetics Industry Association (2018). However, she did not receive any responses about the distribution from the association. Thus, I proposed to the other stakeholders in Taipei through face-to-face discussions that we should participate in a beauty exhibition to obtain the contacts of the distributors and directly sell to visitors. I also conveyed that I was uncertain as to whether or not Chun Tai would be able to create a balance between the sales and the expenses at the exhibition. The accountant was unable to advise us as to whether or not Chun Tai should participate in the exhibition. The accountant mentioned that the high booth fee would make most sales be conducted to offset the booth price. The sales representative and the CEO could not make up their minds either but supported the decision to participate at the fair. The general manager did not support participating at the fair due to extra expenses to the fair. The domestic sales manager would accept either decision. After a discussion, we applied for the booth since we expected the long-term effects to cover the actual expenses.

The domestic manager, the sales representative, the accountant, and I worked at the booth for four days in August. The domestic manager was the first person to mention that our booth traffic was low. The rest of the stakeholders also agreed with the observation. I told the sales representative that our inexperience in selling did not attract consumers to our booth. We were familiar with B2B sales skills but could not handle B2C sales communication when we were facing consumers. We had difficulty attracting consumers to purchase the items with a more appealing tone. Other booths with professional B2C sales skills attracted more visitors to their booths. Even though the sales representative and the accountant attempted to more proactively approach consumers, the effectiveness was low. One of the consumers who walked into our booth mentioned that our brand had a higher value, as compared to other local brands, after listening to our presentation. Nevertheless, most consumers chose not to visit our booth.

The final phase was to contact the clients from the exhibition and to process the evaluation for the performance of the exhibition. We got four contacts from individual retailers and some small orders after the exhibition. Among the four retailers, one was a store in a mall, and the others were online retailers. The sales representative contacted the clients through emails and phone calls. She reported to the rest of the stakeholders in Taipei through face-to-face discussions and email. The sales representative reported that she did not get straightforward results or feedback from the first retailer in the mall after several contacts over three months. The second contact, who imported their items from Germany, did not show interest after the sales representative sent the catalogue. The third stores decided to work with Chun Tai since it did not need to stock the goods but only ordered the items once it received orders online. Even though Chun Tai gained the opportunity to work with this retailer, Chun Tai did not get any orders from the retailer. The last retailer did not accept the same terms, 65% of the retail price since the profit was too low for the owner. The sales representative inquired with other stakeholders for their opinions for a better deal with this retailer. Even though we offered better deals based on the order quantity, the client still did not think it would be worth it for her to stock a certain number of items.

In the end, although Chun Tai gained some contacts from retailers, no business was conducted. The accountant reported to the stakeholders in the evaluation meeting that our onsite sales were US$760.83, and the booth price, without including staff wages and other costs, was US$1,485.55. The accountant further concluded that we did not earn anything from the exhibition. The stakeholders were disappointed by the overall results, but they were not surprised about the low sales. I also concluded that a beauty fair was not a good way to gain contacts of distributors. Distributors might import cosmetics by themselves rather than visit beauty fairs. The domestic manager mentioned that the other booths looked for distributors and may not have made any connections. The other stakeholders agreed that Chun Tai would not consider participating in a beauty fair in the future.

4.4 Data implications

This chapter shows the data I collected from focus group discussions during the process of devising strategies and the interactions and co-decisions made by the stakeholders. Table 13 presents how each strategy with the corresponding cases was conducted by the specific stakeholders in the EM concepts. The data collection process revealed that there were several barriers for Chun Tai during the change. Chun Tai had difficulty alluring new customers in the BBQ category due to the price-sensitive market. Chun Tai had negative profits in the cosmetics category because of the high marketing expenses. By losing clients and losing money (i.e. negative profits), there was no sales increase in both categories.

Five cases in the BBQ category corresponded to the strategies of exhibitions, price setting, and service-based value-added integrated solutions. The exhibition results showed that the exhibition could not directly enhance Chun Tai’s sales. Possible factors that influenced the result include Chun Tai’s high costs, unsuitable product design, and the wrong exhibition attendance choice. The stakeholders could not judge whether or not the exhibition had low efficiency to gain clients, or if the NHS exhibition might not be suitable for BBQ accessories. Case 1showed the co-creation among the client, the stakeholders in Chun Tai, and Chun Tai’s supplier. Modifying the product for the client could not guarantee the orders. Other reasons included Chun Tai’s price-setting and product designs, which may have influenced the buyer’s purchasing decisions. Li (2011) indicates that exhibitions are a live communication tool that could transit OEM suppliers’ competencies to solutions with customers’ engagement in value creation. Information sharing did not just build up the supplier-customer relationship but also enhanced Chun Tai’s innovative capability. Case 1 and the other information Chun Tai gained from the exhibition has contributed to Chun Tai’s knowledge of market prices, product improvements, and product innovation in PMO.

Chun Tai’s price contingency in the BBQ category was inspired by “flexibility” in EM concepts. Stakeholders expected that price contingency could help Chun Tai gain potential clients and maintain customer relationships. However, Case 2 and Case 3 showed that, in the price-sensitive market, price flexibility was a must-have, but manufacturers also needed to have other incentives to motivate consumers to place orders. Price contingency helped Chun Tai retain its existing customer in Case 2 when it integrated with RMO based on the supplier-customer relationship. Even though Chun Tai’s price was still not competitive, with the added combination of service-based value-added integrated solutions and higher specifications, Chun Tai could still obtain the order. Without the application of both RMO and price contingency, Chun Tai may

Table 13 Matrix of Chun Tai's proactive strategies in EM

Strategies	Case	Discussion	EM strategies	Outcomes
BBQ category				
Exhibitions	Case 1: Butane blow lighters for the U.S. market (May-September)	● Pre-exhibition (January): face-to-face discussions among the CEO, the domestic manager, and the international sales and marketing manager ● During the exhibition (May): face-to-face meetings among the international sales and marketing manager, the domestic sales manager and customers ● Product modification (May-July): phone calls, email, and WeChat among the CEO, the international sales and marketing manager, the production manager, and the production supervisor ● Post-exhibition (May-September): email between the international sales and marketing manager and customers and face-to-face discussions among stakeholders in Taipei	Proactiveness Value co-creation Networking	Negative incomes Low product inquiries No orders after product modification
Price	Case 2: Electric	● Face-to-face communication: the	Flexibility	Low effectiveness to the

contingency	Chimney Starters for the Swiss market (August-October) Case 3: Electric Charcoal Starters for the Estonian market (September)	international sales and marketing manager and the CEO ● Email: the international sales and marketing manager and customers ● Email, phone calls, and WeChat: the CEO, the production manager, the production supervisor, and the international sales and marketing manager		potential clients Higher Effectiveness with the integration of RMO
Service-based value-added integrated solutions	Case 4: Electric grill cleaners for the German market (May-September) Case 5: Blow lighters for the USA market (June-July)	● Face-to-face communication: the international sales and marketing manager and the CEO ● Email and WeChat: the international sales and marketing manager and customers ● Email, phone calls, and WeChat: the CEO, the production manager, the production supervisor, and the international sales and marketing manager	Flexibility Value co-creation Resource leveraging Networking Inclusive attention	No direct influence between service-based value-added integrated solutions and sales The enhancement of regenerative capability with the adoption of service-based value-added integrated solutions
New product development	The wireless blow lighter with battery (July-December)	● Face-to-face communication: the international sales and marketing manager, the domestic manager, and the CEO ● Email, phone calls, and WeChat: the CEO,	Proactiveness Innovation	Termination of NPD due to high expenses with no expectation of coming sales

		the production manager, the production supervisor, the domestic manager, and the international sales and marketing manager		
Cosmetics				
Physical stores	Poya (Jan-May)	● Face-to-face communication: the general manager, the accountant, the international sales and marketing manager, the domestic manager, and the CEO ● Face-to-face communication: customers, the domestic manager, the international sales and marketing manager ● Email and phone calls: the international sales and marketing manager, the sales representative, and customers	Proactiveness Flexibility Opportunity focus Acceptable risks	Negative income Termination of collaboration with Poya for cost concern
TV shopping	EHS (Jan-March)	● Face-to-face communication: the international sales and marketing manager, the domestic manager, the sales representative, and the CEO ● Face-to-face communication: customers, the domestic manager, the international sales and marketing manager, and the sales representative	Proactiveness Flexibility Acceptable risks Opportunity focus	Termination of collaboration with EHS over cost concern

		● Email and phone calls: the international sales and marketing manager, the sales representative, and customers		
Internet shopping	Facebook advertising (Jan-Dec)	● Face-to-face communication: the international sales and marketing manager, the domestic manager, the sales representative, the general manager, and the CEO	Proactiveness	Low effectiveness of Facebook advertising
Exhibition	Taipei beauty fair (May-October)	● Pre-exhibition (May-August): face-to-face discussion among the CEO, the domestic manager, the accountant, the general manager, and the international sales and marketing manager ● Exhibition (August): face-to-face meetings among the international sales and marketing manager, the domestic sales manager, the accountant, and customers ● Post-exhibition (August-October): email and phone calls between the sales manager and customers, and face-to-face	Proactiveness Opportunity focus	Low on-site visitor Gaining four retailers' contacts No further orders after the exhibition

		discussions among the stakeholders in Taipei		

have lost the order. However, price contingency was not effective to gain the client in Case 3. The customer in Case 3 chose the supplier with more competitive prices without testing the product quality. Despite Chun Tai having a higher specification than the competitors, clients preferred purchases based on lower prices rather than higher specifications. Value perceptions influence behavioural intentions in an early supplier-customer relationship but are found to be less critical over time (Johnson, Herrmann, & Huber, 2006). Prices impact customer satisfaction (Bolton & Lemon, 1999; Mattila & O'Neill, 2003) because customers evaluate the "value" in the purchase process (Cronin, Brady, & Hult, 2000). To attract clients to purchase items, Chun Tai had to adjust the prices, in addition to emphasising the higher specifications. Even though Chun Tai adopted price contingency, Chun Tai's higher costs challenged Chun Tai's capability to adjust prices contingently.

The feedback from the clients in Case 2 and Case 3 as well as the feedback from the lost clients reflected the price-sensitive market and market competition. As Hutchinson et al.'s (2011) relationship between higher-order relationships and the behavioural intentions identify, relationship benefits (RB) are positively influenced by the relationship quality (RQ) and relationship value (RV). In addition, the perceived RQ and RV further influence behavioural intention (BI) (Hutchinson et al., 2011). Varki and Colgate (2001) assert that price perception has a stronger influence on customer value perceptions than quality and has a direct effect on customer satisfaction and behavioural intentions. B2B customers, who are more sensitive to values because of the large quantity, relationships, and complexity of the products (Bendapudi & Leone, 2002; Coviello & Brodie, 2001), evaluate products against prices when accessing values (Gale, Gale, & Wood, 1994; Zeithaml, 1988). When clients perceive low relationship benefits, RQ and RV are negatively impacted. Absent purchase intentions in Case 1 and Case 3 supported Hutchinson et al.'s (2011) claim that price sensitivity, as the relationship was sacrificed, influenced behavioural intentions. Chun Tai's higher prices caused lower customer satisfaction and further decreased client intentions to purchase. The same situation of price sensitivity occurred with Chun Tai's potential clients. Chun Tai's higher prices stopped the potential clients from having further discussions with Chun Tai for purchase. Chun Tai lost the potential clients in Case 3 from the price competition with other Chinese suppliers.

Product modification among the customers, the production manager, the production supervisor, and Chun Tai's suppliers presented Chun Tai's partnership with suppliers. The stakeholders in Case 4 and Case 5 presented their flexibility and regenerative capability in product modification for customer orientation. In Case 4, the customer's request for change helped Chun Tai improve its electric grill cleaner. The partnership and the network with the supplier helped Chun Tai leverage the resources with the suppliers' support on testing. Without support from the suppliers with free samples and their knowledge, Chun Tai would have required considerable resources to run the experiments. The adoption of service-based value-added integrated solutions helped Chun Tai offer a more complete range of products with its regenerative capability. In Case 5, the flexibility with the hand-made prototype on the handle and air outlet prevented Chun Tai from wasting resources on samples. Even though Chun Tai was able to leverage resources through its network, the modification still cost Chun Tai an extra US$1,367.67. The service solutions turned out to increase costs rather than expand sales. Chun Tai had to spend more money to support the service requirements.

The two cases cost Chun Tai a large amount of money on product modification; however, the results did not show significant satisfaction or increase organisational sales. The stakeholders did not perceive the connection between service provision and order growth. The service Chun Tai offered could not reflect on sales performance since customers might perceive that services were mandatory for orders, and clients might value product designs higher than services. Case 4 shows that the client considered the service as obligated to offer for product quality. Case 4 and Case 5 showed that the clients were unsatisfied with the designs; thus, the service was taken for granted. Service benefits, as part of relationship benefits, did not influence the relationship value or behavioural intentions in these two cases. It could be posited that the client with their first-order and potential customers, without the development of customer-supplier relationships, were influenced in their behavioural intentions through the service benefits (relationship benefits). The service process innovation may not be efficient to new customers and potential clients in Chun Tai's cases.

Along with RMO, PMO is also developed in NPD to maintain Chun Tai's long-term competitiveness. Chun Tai's NPD, however, was restricted by the business downturn during the product development stage. Without a sufficient budget for product development, Chun Tai was unable to continue making toolings. Without causing more expenses, Chun Tai had to postpone the innovation project. Chun Tai's decision supported Molina-Castillo et al.'s (2011) claim that high levels of market turbulence foster exploitation and inhibit exploration. As identified in the MO literature review, scholars hold divergent opinions as to whether or not organisations should adopt innovation during market turbulence. Madrid-Guijarro, García-Pérez-de-Lema, and Van Auken's (2013) survey of SME manufacturing firms articulated that while innovation declined during the economic crisis since companies adjusted budgets when sales and profits were lower during economic uncertainty, firms should adopt innovation in the organisational strategy for competitiveness. In practice, the budgets in innovation were beyond what Chun Tai could bear. Unlike the manager's perception influencing the adoption of PMO and RMO, as Petzold et al. (2018) assumed, the lower number of resources available during the recession (Hall, 2002) caused a decline in the commitment to innovation (Madrid-Guijarro et al., 2013). Hence, it is inevitable for Chun Tai to slow down innovations during the recession, even if it knew the importance of innovations for future survival.

Chun Tai utilised omni-channels including the physical channel, TV shopping, online shopping, and exhibitions for channel expansion. Chun Tai's effort with the physical stores in Poya and the beauty fair lost money. Chun Tai had to terminate its cooperation with Poya and EHS to cease more significant losses from the channel's high commissions and charges. Poya and EHS' high commissions and fees could cause Chun Tai to be stuck in a vicious circle of financial performance. Internet marketing did not cause Chun Tai significant loss; however, the sales performance and effects did not significantly improve sales as the stakeholders expected.

Decision-making was highly influenced by stakeholders' biased judgements and communication in Poya and EHS' cases. In Poya's case, the desire to expand channels caused stakeholders to be overly optimistic about the profits from working with Poya. I did not accept other stakeholders' cost analyses and led other stakeholders to misjudge the collaboration with Poya. Our decision to fall into the subjective trap caused Chun Tai to experience a loss. In EHS' case, communications between the MD and me as well as between the sales representative and me were ineffective and failed to convey the correct messages. EHS' MD and the sales representative expressed their anxiety regarding Chun Tai's progress rather than making constructive statements for me to better understand why Chun Tai had to outsource marketing materials to the marketing company at the last minute, causing extra expenses, when Chun Tai had already done most of the work. I did not understand the importance of hiring a marketing company that had experience in TV shopping due to my absence from the meetings. Even though communications were not smooth at the beginning, through intense communications with the domestic manager and the sales representative via phone calls, the general manager, the CEO, and I finally realised what the situation was and the necessity of hiring a marketing company.

Internet marketing offers an alternative cost-savings direct selling approach. Chun Tai utilised Facebook to build up direct communications to share immediate information at a low cost. Thanks to the digital marketing on Facebook, Chun Tai gained a few small orders for Hormocenta in both Rakuten and EHS' online order system. The skills of advertising that Chun Tai learned from EHS were transferred to the application of advertising on social media. Chun Tai marketed the flashcards and videos made for EHS' broadcasting on Facebook to enhance engagement with online users. Nevertheless, Chun Tai's sales were not significantly improved due to consumers' low brand awareness of Tamalys and Hormocenta. Hakuhodo (2012) identifies that people in Taipei look for low prices, familiar brands, and high quality/functionality in their cosmetics. Typical consumers buy online after they try the product in the typical drugstore and expected lower prices online (Łopaciuk & Łoboda, 2013). In other words, consumers may purchase cosmetics online from familiar brands or brands they have tried in physical stores. Even though Chun Tai constantly paid for advertisements in a small amount of money on Facebook, the efficiency was too low to increase the "likes" on the fan page and to improve sales. Maurer and Wiegmann (2011) reveal that Facebook advertisements have little influence on the user's purchase decisions since Facebook advertisements are not an information source for users. Instead, they are a direct communication path between the company and consumers (Maurer & Wiegmann, 2011). Users are not aware of the ads under the overflow of ads on social media but become aware of the product through a recommendation from friends' profiles (Maurer & Wiegmann, 2011). Without a sufficient budget to purchase a large number of advertisements, either on social media or on other platforms, consumers have lower intentions to buy unfamiliar brands.

Chun Tai participated in an exhibition to conduct direct selling and gain distributor and retailers' contacts after the failure of working with Poya and EHS. After the exhibition, Chun Tai gained four retailer contacts and some small orders through word-of-mouth from buyers at the fair. Nevertheless, the negative income and fewer connections with individual retailers have shown little effectiveness from the exhibition. Chun Tai had a negative income from the exhibition due to higher expenses than revenues. The main cause of Chun Tai's low sales was the lack of marketing skills to attract consumers in the B2C business model. The direct selling in the B2C exhibition may not be suitable for Chun Tai who has traditionally focused on the B2B market.

Proactive strategic flexibility did not improve Chun Tai's sales, but it did help Chun Tai leverage its resources through networking without wasting resources. Furthermore, through the actions taken and the evaluation meetings, stakeholders gained experience in product development, marketing skills, and channel experiences. Although the overall performance did not reach the expectations, this chapter shows the development of regenerative capabilities and experience gained through the application of changes. The stakeholders learned from past experiences and offered better prices and designs to their clients.

Chapter 5: Discussion

5.1 Introduction

This chapter focuses on the evaluation of Chun Tai’s proactive strategies and action research through the assessment of financial and operational performance. I referred to Brooks and Simkin’s (2012) effective marketing mix to evaluate Chun Tai’s sales performance at exhibitions, service-based value-added integrated solutions, price contingency, and NPD for the BBQ categories as well as at channel expansion and exhibitions for the cosmetics category. In each category, I present Chun Tai’s sales data to evaluate Chun Tai’s financial performance. The data includes the sales generated from the proactive strategies, changes in sales, changes in gross profit margins, numbers of new clients, inquiries from potential clients, sales from new customers, and discontinued business. The presence of financial status identifies Chun Tai’s sales in 2018 while proactive strategic flexibility and innovation were implemented. Rather than providing the objective sales numbers in the quantitative analysis, operational performance provided the subjective descriptions of stakeholders’ perceptions toward the strategies in the qualitative analysis. Qualitative data supplements more detailed descriptions to explain the numbers of the measures. Through the measures of customer satisfaction, market feedback, stakeholder confidence in organisational performance, and customer interactions, this chapter presents the analysis and reasons for Chun Tai’s lower sales. By the measures of innovation development and learning capabilities, this research identified stakeholders’ learning and capabilities gained through action research. Action research did not just pursue the expansion of sales, it also triggered stakeholders’ learning and development of capabilities. Sales expansion can bring short-term strength for Chun Tai; however, dynamic capabilities are the key factors for Chun Tai to adapt to the dynamic environment.

5.2 Performance evaluation for the BBQ category

This section evaluates Chun Tai’s financial performance using quantitative data analysis and presents operational performance using qualitative data analysis. I present both the sales that Chun Tai obtained from the proactive strategies in Table 14 and annual BBQ sales in 2018 in Table 15. Table 15 exhibits the sales potential from the numbers of new clients, inquiries from potential clients, and sales from new clients. Chun Tai gained orders from a new client thanks to service-based value-added integrated solutions through constant communication. Eleven inquiries, which Chun Tai gained from the NHS expo, had the potential to become clients. Service-based value-added integrated solutions and price contingency maintained Chun Tai's relationship with the client, which led to another repeat order.

Table 14 Sales, expenses, and margins of strategies in the BBQ category

Strategy	Case	Sales	Expenses	Margins
Exhibitions	Case 1: Butane blow lighters for the U.S. market	US$0	US$9,204.9	-US$9,204.9
Price contingency	Case 2: Electric Chimney Starters for the Swiss market	US$4,422.23	US$2,137.61	US$2,284.62
	Case 3: Electric Charcoal Starters for the Estonian market	US$0	US$0	US$0
Service-based value-added solutions	Case 4: Electric grill cleaners for the German market	US$3,584	US$3,207.77	US$376.23
	Case 5: Blow lighters for the USA market	US$0	US$72.24	-US$72.24
New product development	Cordless blow lighter with battery	US$0	US$2,571.50	- US$2,571.50

Table 15 Financial performance measures for the BBQ category

Measures of financial performance	**Results in the BBQ category**
A change in sales	Negative (-US$43,129.86)
A change in gross profit margins	Negative (-US$18,178.78)
Amounts of new clients	1
Inquiries from potential clients	11
Sales from new customers	US$6,289.92
Discontinued business	2

Even though proactive strategies were helpful in maintaining orders and looking for more clients, reactive strategies were also required during the economic downturn for resource allocation in innovation and price competition. Table 14 shows that even though service-based value-added integrated solutions and price contingency helped

Chun Tai gain some orders, in the end, the margins were negative due to the high costs. Other reasons may include market competition in price contingency and high costs of innovation. The results of price contingency and NPD showed that the proactive strategies could create competitiveness, but might not adapt to the reactive environment. Price sensitivity in Chun Tai's BBQ market, as mentioned in Case 3: Electric Charcoal Starters for the Estonian market, showed market competition in prices. Market competition (e.g., Fan et al., 2013; Grewal & Tansuhaj, 2001), a factor that is often mentioned in the literature, influenced the adoption of proactiveness. By not adapting to the market for lower prices, Chun Tai lost its markets. In the price-sensitive market, Chun Tai's case illustrates that competition highly decreases the effects of proactive strategies.

High costs in service-based value-added integrated solutions and NPD, as another variable, caused the negative margin in the proactive strategies. Service-based value-added integrated solutions made Chun Tai spend more resources to reach the clients' requirements. Chun Tai has to find a balance between innovation and costs, without losing its opportunities for future cooperation. NPD also resulted in increased expenses for the product design, sample making, and moulds, without any immediate income. According to Madrid-Guijarro et al.'s (2013) argument, innovation responds to the business cycle and enhances firm performance; however, innovation cannot show an immediate effect on sales. Hence, Chun Tai should position itself during an economic downturn with a balance between innovation and cost controls. Fan, Wu, and Wu's (2013) study identifies that both proactive strategic flexibility and reactive strategic flexibility are positively related to innovation performance. When facing a quickly changing environment, firms should orient themselves toward proactive strategic flexibility; whereas, when facing high turbulence from environmental change, firms should orient themselves to reactive strategic flexibility (Fan, Wu, & Wu, 2013). In other words, in a turbulent environment for severe competition, Chun Tai should adopt reactive strategic flexibility toward innovation. Chun Tai's decision-making to extend NPD to 2019 can better leverage its resources without putting a one-time massive investment with an enormous financial burden onto the company. The environmental adaption for the application of proactive strategies and reactive strategies was necessary for Chun Tai to survive in the business downturn.

In addition to the overall negative margins, the measures of financial performance for the BBQ category in Table 15 also exhibited negative growth in sales and profits. Proactive strategies may mildly increase some sales, but could not fight against economic downturns. The adverse change in sales and a negative change in gross profit margins were ascribed to two lost clients and smaller orders from existing customers. Economic downturns had a stronger influence than proactive strategies on sales.

Stakeholder confidence in organisational performance, which is different from the previous measures reviewing the external feedback, was assessed according to Chun Tai’s internal feedback. The evaluation was conducted discussing sales among the stakeholders in the Taipei office at the beginning of the year in 2019. The CEO, who held the meeting, first expressed his disappointment in the 2018 sales. He mentioned that sales in 2018 were less than those in 2017. After the CEO's opinions about low sales were voiced, he further stated that other factories in China experienced a similar situation. Many factories closed during that year. China’s economy was affected by the world economy. Later, the CEO mentioned our new cordless blow lighter and that he planned to promote it in 2019. I also reported the market feedback to other stakeholders. The clients, who we lost, told us that market competition and low sales caused them to have difficulties in placing orders or made them only place smaller orders. Economic downturns have been hitting our sales hard. The general manager, echoing the CEO’s opinion, agreed that Chun Tai did not obtain enough orders and worried about the general sales in 2018. The domestic sales manager did not have comments about Chun Tai’s general sales but was confident about the sales of immersion heaters in Taiwan. The sales representative stated that she was worried about general sales, but she was looking for alternative sales expansion opportunities. The accountant remarked that there was no problem with the annual sales by referring to the annual revenues. Both domestic sales and international sales slightly grew in 2018, as compared to those in the previous year. Thus, she considered sales in 2018 to be roughly the same as in the previous year.

Evaluations of financial performance and operational performance in the BBQ category showed that proactive strategies could not significantly expand Chun Tai’s sales. However, through the process of proactive strategies, stakeholders developed their learning capabilities and innovation capabilities. The action research cycle in service-based value-added integrated solutions created learning in the regenerative capability for product improvement. Sok, O’Cass, and Sok’s (2013) research proves the significant effects of innovation capabilities, marketing capabilities, and learning capabilities on small and medium-sized enterprises’ (SME’s) performance. This EM action research was conceived as an acquisition process of dynamic capabilities. Zollo and Winter (2002) explain that dynamic capabilities are shaped by the coevolution of the learning mechanisms —experience accumulation, knowledge articulation, and knowledge codification processes— for the generation and adaptation of operating routines. Figure 4 exhibits the development of dynamic capabilities in the action research cycle with reference to Zollo and Winter's evolution of knowledge in dynamic capabilities (2002).

Figure 4 Development of dynamic capabilities in the action research cycle

Source: based on Zollo & Winter (2002)

Experiences were accumulated through the implementation of price contingency, NPD, and service-based value-added integrated solutions. Through the new actions of proactive strategies, stakeholders learned to interact with clients using appropriate prices, to compromise their decisions between innovation and costs, and to modify the products for market demand. Through the utilisation of price contingency, the CEO and I concluded that, without competing with other suppliers in the severe market competition, Chun Tai might continuously lose clients. However, with the implementation of service-based value-added solutions, the CEO and I realised the significance of being a service provider for a product-based manufacturer. The finding supports Sarpong and Acheampong's (2019) survey results illustrating a significant positive relationship between service innovation and price orientation in SMEs. Small companies can combine strategies to enhance the effectiveness of strategies (Smallbone et al., 2012). The combination of price contingency and service-based value-added solutions enhances the effectiveness of proactive strategies. The generated knowledge was shared with other stakeholders in order to stress the service focus at Chun Tai.

Through the service provided, the domestic manager, the CEO, the production manager, and the production supervisor learned about customer feedback from customer suggestions on product modification. The production manager and I initially objected to making the client's modifications in Case 4, electric grill cleaners for the German market, due to cost concerns. Thanks to the CEO's insistence on product modification, the production manager, the production supervisor, the CEO, and I realised the problems with the original designs.

Knowledge articulation and knowledge codification occurred in the exhibition and innovation. Stakeholders gained customer feedback for prices and product development from exhibitions and SMAs. Knowledge of marketing prices, better functional design, and innovation were shared, transferred, and coded in words among the stakeholders. The modification of the air outlet and handle in Case 5, blow lighters for the U.S. market, led Chun Tai better understand the market demands of the functions. The request for the stronger airflow in Case 1, butane blow lighters for the U.S. market, helped Chun Tai become more aware of the price issue and the weak air volume. In Case 4, electric grill cleaners for the German market, Chun Tai could not reach the German client's required level of satisfaction for the products through service. However, the client's suggestion helped Chun Tai improve its product development. In addition, the newly designed cordless BBQ blow lighter with a battery in Section 4.2.4 created a value-added product design by using a wireless lighter without using fuel for the BBQ through discussions among stakeholders.

The negotiation process with customers and discussion among stakeholders through the application of price contingency, exhibitions, NPD, and service-based value-added integrated solutions were finally enacted as operational routines. Even though the dynamic capabilities and innovation did not show immediate impacts on sales, I expect that the dynamic capabilities and innovation will bring about higher sales in the future. Regardless of whether or not customers place orders with Chun Tai, Chun Tai better understood market demands and desired products through customer feedback and gained knowledge about product development and price-setting through the exhibition, service-based value-added integrated solutions, price contingency, and innovation.

5.3 Performance evaluation for the cosmetics category

The cosmetics category revealed the same results as the BBQ category. Financial performance measures are displayed in Table 16. Changes in sales, changes in gross profit margins, and sales from new customers exhibited negative figures in the cosmetics category. Under the adoption of channel expansion toward physical stores and TV shopping, Chun Tai gained two new clients, Poya and EHS, in early 2018. Sales increased in 2018 with the collaboration with Poya and from the beauty exhibition. However, after deducting the expenses, Chun Tai did not gain any income from Poya or the exhibition. Poya's high transaction fees and the exhibition's booth fees resulted in higher expenses and lower profits. Hence, it can be identified through the evaluation of financial performance that the proactive strategies in the cosmetics category could not expand Chun Tai's sales because of the high retail charges.

Table 16 Financial performance measures for the cosmetics category

Measures of financial performance	**Results in the cosmetics category**
A change in sales	Negative (-US$1,659)
A change in gross profit margins	Negative (-US$2,115.76)
Amounts of new clients	2
Inquiries from potential clients	3
Sales from new customers	-US$2,818.87
Discontinued business	2

Chun Tai's case study pointed out that retail commissions influenced a firm's decision of whether or not to continue with its proactive strategies for channel expansion. High fees charged by physical stores and TV shopping company in the cosmetics category forced Chun Tai to stop its channel expansion in physical stores and TV sales, as described in Section 4.3.1 (Physical Stores) and Section 4.3.2 (TV Shopping). Initially, Chun Tai worked with the retailers without keeping in mind Chun Tai's clients' advice to be careful regarding retail charges and commissions. In the end, Chun Tai ceased the collaboration with the retailers due to its losses from high retail charges and commissions. Chun Tai's deals with clients, in this case, presented a particular factor that influenced the adoption of proactive strategies. With expenses and incomes being a concern, Chun Tai should be more careful with regards to their cost management and channel analysis before working with new clients. Working with Poya and EHS was an excellent opportunity for Chun Tai to expand its sales. However, without a sufficient budget, Chun Tai should not have wasted its resources. If Chun Tai had carefully calculated the expenses and adopted the advice from other suppliers, Chun Tai would not have worked with Poya and would have made better deals with EHS. As chapter two (Literature Review) mentioned regarding strategic flexibility, even though the firms who adopt EO can better overcome recessions than the firms without adopting EO, EO may only enhance their performance with their own resources (Soininen et al., 2012b). For Chun Tai to have continuously worked with Poya for incomes that exceeded expenses, Chun Tai would have had to attract customer attention towards the products by investing in massive advertising schemes. With limited resources, Chun Tai was unable to place more resources into the new project during the business downturn. Thus, flexibility was supported to cease collaboration with Poya. Chun Tai's final decision to terminate the cooperation with Poya helped Chun Tai eliminate the extra expenses.

Customer satisfaction and customer interactions were obtained from Chun Tai's retailers. Market feedback was gathered from consumers, and information about stakeholder confidence in organisational performance and learning capabilities were obtained from Chun Tai's staff at the Taipei office. Customer satisfaction and customer interactions from EHS were not optimistic due to the unqualified marketing materials. Chun Tai's marketing materials could not reach EHS' standards for TV shopping. Lower quality advertisements using flashcards and unqualified videos made the collaboration unpleasant. Seo et al. (2014), using a regression approach, found that firms with low performance could adopt the outside assistance programs on knowledge resources such as marketing strategies, promotional strategies, and other general management. Chun Tai's lower performance means that it should obtain outside assistance to focus on marketing strategies and promotional strategies to enhance its organisational performance. However, working with a marketing company for professional flashcards and videos caused Chun Tai to have a negative profit when selling on TV. EHS' case implied that Chun Tai's channel expansion toward TV shopping was not well thought out in terms of marketing and cost management. Chun Tai should have gone through price-setting and data gathering process before cooperating with the TV shopping company.

Chun Tai's product discounts were ineffective at increasing sales due to low brand awareness. The physical stores' market feedback also reinforced both Tamalys and Hormocenta's lower brand awareness, due to their low exposure rate in Taiwan. Consumers did not purchase Hormocenta and Tamalys' products since they had never seen the brand before. Chun Tai's lower brand exposure rate may have led to the advertisements lower effectiveness. Chun Tai offered discounts and "free delivery" on Rakuten's promotional events and also advertised Rakuten's discounts with free delivery on Facebook. Nevertheless, the number of sales did not increase. Chun Tai's low conversion rate from Facebook ads to Rakuten echoes Maurer and Wiegmann's (2011) claim that Facebook has minimal influence on users' purchasing decisions since users are not aware of the ads due to the overwhelming number of ads on social media. Furthermore, Kim, Xu, and Gupta's (2012) survey assert that perceived trust has a stronger effect than the perceived price with regards to purchasing intentions for online shopping customers. Despite discounts on prices and free delivery, Chun Tai had a lower influence on purchase intentions, due to lower trust in the products, which stemmed from low brand awareness.

Even though Chun Tai failed to balance its costs due to a miscalculation of the retail commissions, transaction fees, and expenses from working with the marketing company, Chun Tai learned the skills of cost management, stock replenishment, social media advertisement, and B2C communication skills. Dewey (1933) mentioned two types of learning in experiential processes. The first is leading trial-and-error to 'rule of thumb' decisions, and the second is 'reflective activity' with involvement between relationships and experiences (Boud, Keogh, & Walker, 2013). Chun Tai's digital marketing advertisements and experience of working through channels was the first type of learning, while the decision-making in channel collaboration was categorised as the reflective activity. For the first type of learning, the experience of collaborating with TV shopping and physical retailers alerted Chun Tai to what it should pay attention to during the sale expansions. It resulted in Chun Tai better understanding the distribution process, such as warehouse shipping and payment terms. The stakeholders gained the experience of working with distribution channels and also realised that retail commissions could determinate the success of distribution. Furthermore, Chun Tai improved its marketing campaign with advice from EHS, Rakuten, and specialised marketing companies. EHS' flashcards and Rakuten's monthly promotional events contributed to Chun Tai's improvement in its online advertisement contents. The sales representative indicated that she learned about the distribution process. She also positively commended me for my learning and improvement in the creation of flashcards for advertising online. The knowledge and skills that were gained are beneficial for Chun Tai's development of the cosmetics category.

The reflective activity in channel expansion had a learning loop to circulate between the experience and the relationship, which was different from the direct problem-solving technique in the first type of learning. The inquiry process, involving knowledge articulation, made stakeholders reflect on their decision-making and made learning effective. Chun Tai's discussion regarding signing the contract with Poya as a cognitive process helped arouse consciousness during the action-taking process. The shared consciousness-raising that occurred during group reflection, helped people stay awake during the experiential phase and sustain the balance of attention during the experience phase (Heron, 1985). Kemmis (1985) indicated that reflection is a social process and a political process to explore between actions and thoughts as well as between individuals and society. The political process and social process both occurred during the group reflection and shaped decisions and actions along with the inquiry process and individual reflections (Kemmis, 1985). Chun Tai's co-operative inquiry discussing the termination of the collaboration with Poya triggered stakeholders' collective reflections through political and social interactions. I realised my mistake in making decisions without obtaining advice from other stakeholders. The CEO misjudged the collaboration project with Poya by focusing more on cost management. When he decided to collaborate with EHS, he referred to Poya's case to prevent over-investing in the sales expansion.

Stakeholders had different perspectives on channel expansion after collaborating with Poya. Stakeholder confidence in organisational performance was hit by the ceasing of collaborations with EHS and Poya, but the frustration became a motivator for stakeholders to modify their original strategies. The general manager blamed other stakeholders for working with Poya and disregarding the cost analysis. More specifically, she said:

> *I don't understand why you ignored my advice and the sales representative's cost analysis for working with Poya. There is no way that consumers can see our products. I have been to one Poya store. They put our products on the bottom of the shelf. I never agreed to work with Poya. Look at our immersion heaters. Working with distributors is easier! They do not charge us any fees and they pay in cash!*

She further mentioned that Chun Tai's experience working with distributors for the immersion heaters in Taiwan was much easier and did not require commissions or other charges. Thus, she convinced the CEO to return to working with distributors rather than retailers. The CEO, being upset about the deal with Poya, and with a newfound understanding of the working patterns of chain retailers in the cosmetics industry, realised the convenience of working with distributors. The CEO said:

> *Poya is using suppliers to get money! Poya keeps expanding its stores and gets money from suppliers. They are not afraid of losing money. One supplier goes and another comes. We should listen to the general manager's suggestion to look for distributors.*

The CEO accepted the general manager's suggestion and instructed the sales team to look for distributors. I made the decision to work with Poya and was frustrated by resulting in a loss of money. Thus, as a result of my misjudgement and frustration, I did not respond much during the meeting. I turned my focus from physical stores to Chun Tai's virtual stores for direct selling. Without high transaction fees and commissions from retailers, Chun Tai could minimise expenses. The sales representative mentioned that she wanted to work with EHS, but she understood the company's concerns regarding cost management. She reported that the retailer leads that we had obtained from the exhibition had yet to respond. She also informed the general manager and the CEO that she had contacted some of the distributors online, but the distributors seemed to only distribute their own imported items. The domestic manager said he would look for factory outlet retailers to see what their commissions would be. He thought that Chun Tai should gain as much cashback as possible from the stock.

5.4 Conclusion

This chapter presents financial and operational performance of the BBQ and cosmetics categories. Chun Tai's sales, market feedback, stakeholder feedback, learning capabilities, and innovation capabilities were evaluated. Financial performance in these two categories yielded negative sales and margins. Stakeholders did not gain positive feedback from sales regarding the new strategies. Proactive strategies brought some sales to Chun Tai; however, the expenses were normally larger than the sales. The stakeholders supported the adoption of proactive strategies but were disappointed with the results.

Chun Tai's case has shown that regenerative capabilities (exploitative strategies) require fewer resources and renewing capabilities may create higher return potentials but requires substantially more investments. The balance between exploitative strategies and explorative strategies is critical for small firms to determine, and must be based on their internal factors (e.g., decision-making, resources, capabilities) and external variables (e.g., market competition). With regards to margins, resource constraints, and cost management, small firms may consider focusing on responsive strategies or exploitative strategies with a smaller portion of proactive strategies or explorative strategies. Price contingency brought Chun Tai one sale due to its integrated application with service-based value-added solutions. Both price contingency and service-based value-added solutions did not bring Chun Tai any new orders, but they helped Chun Tai maintain clients. Digital marketing on Facebook, as a cost-saving advertising method brought Chun Tai some new sales. Thus, price contingency and service-based value-added solutions, both of which can create immediate sales with comparatively smaller expenses, become essential for small firms to focus on during business downturns. The exhibition in the BBQ category did not bring Chun Tai sales, but the travel expenses and booth fees resulted in a negative margin. Without finishing the product development in a one-year time frame, NPD could not create sales but used up more resources. The exhibition in the cosmetics case brought Chun Tai some sales, but the sales were too small to cover Chun Tai's expenses. The high commissions from the big corporations also resulted in Chun Tai losing income. Thus, for a one-year time frame, exhibitions, NPD, and channel expansion, which could not create immediate sales, but required higher resource investment, were not considered to be essential. Exhibitions, NPD, and channel expansion were considered proactive marketing strategies. Price contingency and service-based value-added solutions were considered responsive marketing strategies. Thus, I conclude that small firms with limited resources should stress responsive marketing strategies as a priority and proactive marketing strategies as secondary. This conclusion echoes Fan et al.'s (2013) choice of reactive strategic flexibility in innovation when facing high turbulence of environmental change and Molina-Castillo et al.'s (2011) assertion for the fostering of exploitative strategies and inhibition of explorative strategies during high market turbulence.

While adopting proactive strategies, firms have to evaluate their capabilities and goals. The higher effects of exploitation over exploration foster the assumption of adopting EM for small firms during business downturns. As the characteristics of EM distinguish EM from MO and EO, acceptable risks and operant resources (Alqahtani & Uslay, 2018) stress the significance of flexibility during strategy making and strategy taking. Based on Alqahtani and Uslay's (2018) proposition, external factors are the moderators between EM and organisational performance. Makkonen et al. (2014) and Molina-Castillo et al. (2011) mentioned that firms' choices of strategies are also influenced by external factors. In EM, flexibility is supported by basing it on the number of available resources to put toward strategy implementation. Explorative strategies with a significant investment of resources, but without immediate income, could be harmful to Chun Tai when trying to survive during market turbulence. With the emphasis of EM in the research, Chun Tai should be flexible between explorative strategies and exploitative strategies in order to minimise its outflow of expenses and increase its inflow of income. Small companies should flexibly and adaptively adopt strategies (Smallbone, Deakins, Battisti, & Kitching, 2012). Exploitative strategies can better adapt to the reactive environment in a time of turbulence for the maintenance of income sources.

The generated conclusion from the various proactive strategies triggered stakeholders' divergent perspectives on organisational development. Due to the results of working with Poya and EHS, as well as exhibition participations, the CEO, the general manager, the domestic manager, and I tended to take reactive strategic flexibility with more careful analysis. The sales representative, however, preferred more explorative strategies. The choice of reactive strategic flexibility with the focus on RMO and responsive marketing strategies was a cost management concern. The CEO and the general manager only accepted investments with positive margins. Some channel expansion strategies that could not ensure positive margins were not considered by the CEO and the general manager. The domestic manager and I did not commit to NPD due to the current price-sensitive market in the BBQ category. If Chun Tai published innovative products at a high price, Chun Tai would have difficulty finding buyers. The sales representative, who understood the other stakeholders' concerns of cost management, was eager to expand Chun Tai's sales. More orders with more income could prevent Chun Tai from being stuck in the vicious circle of poor financial performance. Thus, she continued to look for more explorative strategies to help Chun Tai find new business opportunities. The divergent strategic orientation did not create significant conflicts among stakeholders but did require adjustments to balance the two types of strategic orientation through constant discussions.

Even though explorative strategies and exploitative strategies create different competitiveness for organisations, both are essential for the development of learning capabilities, innovative capabilities, and marketing capabilities. Learning capabilities, innovative capabilities, and marketing capabilities may not rapidly generate sales, but they are critical capabilities for organisational survival. Makkonen et al. (2014) proclaimed that dynamic capabilities, which emphasised sustainable change and innovation in the dynamic environment, helped companies evolve, overcame inertia, and adapted to environmental change without relying on ad hoc problem-solving. This chapter identified that through the learning process, stakeholders gained innovative capabilities from NPD and service-based value-added solutions. They also gained marketing capabilities from price contingency, exhibitions, and channel expansion. Thus, even though the proactive strategies did not significantly enlarge Chun Tai's sales, Chun Tai still gained dynamic capabilities to adapt to the fast-changing environment.

Chapter 6: Conclusion

6.1 Introduction

This chapter summarises the research objectives, empirical findings, knowledge contributions, recommendations, future research recommendations, and research limitations. The research objectives, containing content from chapter one to chapter three, identify the research purpose through the identification of the organisational problem and explain the research structure, including the stakeholders' roles in the research, data analysis, and the fundamental theory. The empirical findings, summarising the analysis in chapter four and chapter five, present the effectiveness of proactive strategies on Chun Tai's sales. The external factors and the internal decision-making and resources that influenced the effects of proactive strategies on Chun Tai's sales are also discussed in this chapter.

The knowledge Chun Tai gained through the experience was beneficial for new strategy making and action-taking. The research identified the emergent knowledge for literature in the Contribution to Knowledge section. The extant literature does not offer sufficient practical cases to demonstrate how the adoption of EM enhances organisational performance. Chun Tai's cases fill in the gap and further exhibit the dilemma that scholar-practitioners may encounter while they exercise EM. Market competition and internal resource allocation are brought up for the purpose of adaption. Scholar-practitioners should pay attention to how these two factors influence a small firm's decision-making process and sales, so they can adjust their strategies accordingly.

Through the application of EM and proactive strategies, I propose some recommendations on how the study can be modified for better results. The recommendations include the consistency among the research time, goal, and setting, as well as the cost management and branding for higher brand awareness. The modifications of these three research settings may minimise the gap between the research goal and the research results.

In Section 6.6, I propose two topics regarding adaption and dynamic capabilities for future research. The extant literature regarding EM mainly focuses on the enhancement of organisational performance with little discussion on adaption and capabilities. The questions brought up in the study, including how EM can help firms adapt to turbulence and what dynamic capabilities EM can generate, deserve further exploration and research.

Section 6.7 (Limitations) illustrates that Chun Tai's particular situation, research time frame, and organisational background may influence the research results. Other organisations in different industries and situations with different resources may generate different results. Thus, scholar-practitioners have to realise that the generated conclusion is contextualised, rather than generalised.

6.2 Research objectives

This study focused on the adoption of EM in SMEs during a business downturn. The primary purpose of this research was to identify how a small firm can expand its sales through EM in a turbulent market. Chun Tai, a small company in Taiwan, was profoundly impacted by a business downturn in 2017. Chapter one (Introduction) mentioned that Chun Tai decreased its sales by 62% from 2016 to 2018. This research intended to enhance Chun Tai's sales by adopting proactive strategic flexibility through action research.

Action research was processed by nine primary stakeholders, including the CEO, the general manager, the international sales and marketing manager, the domestic sales manager, the accountant, the purchaser, the production manager, and the production supervisors, between 2018 and 2019. The problem identification process was conducted at the end of 2017. Strategy making and actions took place during the entire year of 2018. The evaluation was held at the beginning of 2019. The stakeholders, holding different job duties, played different roles in this action research. Table 17 shows the stakeholders' participation in different tasks. The CEO and the general manager made most of the final decisions based on stakeholder opinions. The domestic manager, the international sales and marketing manager, and the sales representative, as the sales team, made direct contact with clients and provided feedback to other stakeholders. The production manager and production supervisor were assigned to product modification and new product development. The purchaser was responsible for purchasing materials and evaluating costs.

I referred to the literature's promotion of EM during business downturns (Bocconcelli et al., 2018; Hills & Hultman, 2006; Bettiol, et al., 2012; Alqahtani & Uslay, 2018) and made comparisons among EO, MO, and EM. Chapter two (Literature Review) presented the debate among EO, MO, and EM among scholars from the resource-based view. Since MO, EO, and proactive strategies can be resource consuming for small

Table 17 Stakeholders' roles in the implementation of proactive strategies

Strategy	Case	Timeline	Stakeholders
BBQ category			
Exhibition	Case 1: Butane blow lighters for the U.S. market	May-September ● Pre-exhibition: January ● Exhibition: May ● Evaluation: May ● Product modification: May-July ● Post-exhibition: May-September	● the CEO: making final decisions for the choice of the exhibition and product modification ● the domestic manager: discussing the exhibition participation, attending the exhibition, and showing products to clients ● the international sales and marketing manager: discussing the exhibition participation, attending the exhibition, and participating in product modification ● the production manager: improving product functions ● the production supervisor: improving product functions
Price contingency	Case 2: Electric Chimney Starters for the Swiss market	August-October ● Price adjustment: August ● Service-based value-added integrated solutions: October ● Evaluation: October	● the international sales and marketing manager: negotiating with the client in pricing and updating product modification ● the CEO: decision-making on final prices and product modification ● the production manager: designing stands for the client ● the production supervisor: designing stands for the client
	Case 3: Electric Charcoal Starters for	September ● Price adjustment:	● the international sales and marketing manager: negotiating with the client in pricing

	the Estonian market	September ● Evaluation: September	
Service-based value-added integrated solutions	Case 4: Electric grill cleaners for the German market	May-September ● Service-based value-added integrated solutions: August-October ● Evaluation: October	● the international sales and marketing manager: negotiating with the client for product modification ● the CEO: decision-making on product modification ● production manager: improving product functions ● the production supervisor: improving product functions
	Case 5: Blow lighters for the USA market	June-July ● Service-based value-added integrated solutions: June-July ● Evaluation: July	
New product development	The wireless blow lighter with battery	July-December ● Planning: July ● Designing: August ● Evaluation: December	● the international sales and marketing manager: participating in the product design ● the domestic manager: participating in the product design ● the CEO: decision-making on the designs ● the production manager: participating in the product design ● the production supervisor: participating in the product design
Cosmetics			
Physical stores	Poya	Jan-May	● the general manager: discussing the collaboration with Poya

		● Planning: January ● Actions: January-May Evaluation: May	● the accountant: discussing the collaboration with Poya ● the international sales and marketing manager: contacting Poya and discussing the collaboration with Poya ● the domestic manager: contacting Poya and discussing the collaboration with Poya ● the sales representative: contacting Poya and discussing the collaboration with Poya
TV shopping	EHS	Jan-March ● Planning: January ● Actions: January-March ● Evaluation: March	● the international sales and marketing manager: contacting EHS, and discussing the collaboration with EHS, and making marketing materials ● the domestic manager: contacting EHS and discussing the collaboration with EHS ● the sales representative: contacting EHS and other collaborated marketing agents and discussing the collaboration with EHS ● the CEO: decision-making for collaboration with EHS ● the general manager: decision-making for collaboration with EHS
Internet shopping	Facebook advertising	January-December ● Planning: January ● Actions: January ● Evaluation: December	● the international sales and marketing manager: action-making ● the sales representative: engaging with clients ● the general manager: strategy proposer

			● the CEO: decision-maker
Exhibition	Taipei beauty fair	May-October ● Pre-exhibition: May-August ● Exhibition: August ● Evaluation: September ● Post-exhibition: August-October	● the CEO: discussing the participation of the exhibition ● the domestic manager: discussing the participation of the exhibition and attending the exhibition ● the accountant: discussing the participation of the exhibition and attending the exhibition ● the general manager: discussing the participation of the exhibition ● the international sales and marketing manager: discussing the participation of the exhibition and attending the exhibition ● sales representative: discussing the participation of the exhibition, attending the exhibition, and contacting clients

firms, according to Soininen et al. (2012a) and Soininen et al. (2012b)'s claims, this research promoted proactive strategic flexibility with the flexibility to adjust strategies depending on the firms' resource capacity. Chun Tai could not focus on market demand as MO without considering resource allocation or apply overwhelming risk-taking strategies without considering the organisational culture and orientation of EO. EM, having EO and MO characteristics, but with more flexibility, is more suitable for small companies like Chun Tai. I referred to Alqahtani & Uslay's (2018) literature synthesis that EM is featured with its "innovation", "proactiveness", "value co-creation", "opportunity focus", "resource leveraging" resources, "networking", "acceptable risks", and inclusive attention". Leveraging resources was emphasised in this research as a result of Chun Tai's insufficient resources. While adopting proactive strategies, Chun Tai, facing a business downturn, had to utilise its resources wisely. Chun Tai's stakeholders made and implemented the strategies to fit the market needs based on internal capabilities, without overwhelmingly consuming organisational resources.

The BBQ and cosmetics categories were selected in this research to expand Chun Tai's sales. The BBQ category was Chun Tai's leading business in the international B2B market. The cosmetics category was Chun Tai's newly developed project in the domestic Taiwan B2C market. The choice of two leading projects in very different markets could show how proactive strategies worked in different scenarios. The strategies of exhibitions, service-based value-added integrated solutions, price contingency, and new product development were set for the BBQ category. Chun Tai took strategies of channel expansion and exhibitions to explore new clients and consumers for the cosmetic category. Exhibitions and channel expansion were inspired by EM's proactiveness. Price contingency referred to EM's flexibility. Service-based value-added integrated solutions were examples of value co-creation and resource leveraging through partnerships. Chun Tai gained feedback through interactions with customers and deployed suppliers' resources and stakeholders' capabilities to increase product values for market demand.

To identify the effectiveness of the proactive strategies toward Chun Tai's sales, I referred to Brooks and Simkin's (2012) effective marketing mix to evaluate organisational performance in the BBQ and cosmetics categories. The financial performance measures, including changes in sales, changes in gross profit margins, amounts of new clients, inquiries from potential clients, sales from new clients, and discontinued business, were applied to evaluate the financial data collected from the accountant in the BBQ and cosmetics categories at the beginning of 2019. The operational performance measures, including customer satisfaction, market feedback, customer interactions, stakeholder confidence in organisational performance, innovation development, and learning capabilities, were gathered from the interactions between the clients and stakeholders. Stakeholder feedback was collected during the evaluation of each case and the final evaluation meeting. The evaluation meetings presented the stakeholders' collective reflection and self-reflection through group interactions. Customer feedback was collected from email, face-to-face communication, and phone calls. Both financial performance and operational performance were applied to identify whether or not the proactive strategies expanded sales.

6.3 Empirical findings

Chun Tai's sales did not increase as expected after its application of proactive strategies. In chapter four (Data Presentation and Analysis), I described several cases in both the BBQ and cosmetics categories in order to analyse the effectiveness of proactive strategies in Chun Tai's sales. The results in chapter five (Discussion) did not show a correlation between proactive strategies and sales in both the BBQ and cosmetics categories. Due to a negative sales change in financial performance, Chun Tai's proactive strategies did not have a positive influence on Chun Tai's sales. Chun Tai failed to reach the goal based on the research objectives to expand sales.

The proactive strategies did not positively influence Chun Tai's BBQ sales because of market competition and choice of strategies. Market competition caused Chun Tai to lose orders, and Chun Tai's selection of explorative strategies could not generate immediate sales. Chun Tai's operational performance revealed in Section 5.2 (Performance Evaluation) that the sales decrease for the BBQ category was caused by market competition. In Section 4.2.2 (Price Contingency), Chun Tai lost one old client due to market competition based on the clients' emails and lost one potential client due to Chun Tai's higher price. Price contingency enabled Chun Tai to gain repeat orders in Case 2, electric Chimney Starters for the Swiss market, by lowering the integration with service-based value-added solutions. During the business downturn, price flexibility helped Chun Tai maintain its customers in the market with price sensitivity. Nevertheless, price contingency had limited effects on maintaining clients or alluring new clients due to Chun Tai's low competitive prices. My research concurs with that of Varki and Colgate (2001), who state that price perception has a direct effect on customers' behavioural intentions. The customer in Case 3, electric Charcoal Starters for the Estonian market, had lowered intentions to purchase due to Chun Tai's higher prices. Price-sensitivity in the BBQ market and market competition are the primary reasons that Chun Tai's BBQ sales were still decreasing in 2018.

Exhibitions and PMO as Chun Tai's explorative strategies, could not expand its sales in a short period of time. Chun Tai's results support Molina-Castillo et al.'s (2011) assertion that exploration is costly and that it may not be possible to observe the outcomes in a short period of time. Chun Tai gained contacts from potential clients and got product feedback at the exhibition. However, there were no orders received from the show. The exhibition could not expand sales quickly due to the longer required time for customer relationship bonding, product testing, and product promotion. Even with the innovation of the products, Chun Tai could not increase its sales. Referring to Madrid-Guijarro et al.'s (2013) assertion that innovation is the core strategy to determine a firm's survival during a recession, Chun Tai developed a new cordless BBQ blow lighter. NPD, however, could not produce immediate sales due to Chun Tai's longer design period and resource constraints. Hence, the new product, which was still in the design process, could not create any revenue for Chun Tai. The business downturn, combined with resource constraints, forced Chun Tai to slow down the new product development process. Thus, the adoption of the exhibition and NPD, as explorative strategies, did not have a direct positive effect on Chun Tai's sales during the research year.

RMO, as the exploitative strategies, made cost comparatively lower and created immediate sales. Chun Tai responded to clients' requests of product modification through service-based value-added integrated solutions. Under the concept of EM, Chun Tai was able to upgrade its products by leveraging resources through networks for service-based value-added integrated solutions. Chun Tai gained orders from the client in Case 2, electric chimney Starters for the Swiss market, with the price deduction and product enhancement. Chun Tai maintained the orders in Case 4, electric grill cleaners for the German market, by solving product problems. Nevertheless, Chun Tai's efforts and resources used during the product modification process to reach new clients' requirements did not gain feedback. In Case 1, butane blow lighters for the U.S. market, Chun Tai modified the butane blow lighter based on the client's request. The client, however, gave up the project. The same situation occurred in Case 5, blow lighters for the U.S. market. Chun Tai modified the blow lighters for the U.S. client; however, the client did not provide any feedback.

The cosmetics category had a similar result as the BBQ category, Chun Tai's proactive strategies did not have a direct correlation with sales expansion in the cosmetics category. Section 4.3 (Strategies for Cosmetics) showed that the exhibition and channel expansion caused Chun Tai to lose income due to the high expenses of the booth fees and retail transaction charges. Chun Tai participated in the exhibition looking for distributors and promoting skincare products to potential consumers. However, Chun Tai, without a professional background in B2C sales skills, had trouble alluring consumers. As narrated in Section 4.3.2 (Exhibition), even though Chun Tai received some purchases at the exhibition and some inquiries from small stores, the income from the exhibition could not cover the booth fees and expenses.

Negative profits also occurred with channel expansion. To expand channels, Chun Tai adopted the omni-channel strategy to promote its products to different segments including physical stores, TV shopping, and online stores. Chun Tai's omni-channel strategy, however, encountered several barriers due to the requirements of more abundant resources and uncertainty in incomes. Chun Tai, with the concerns of cost management, terminated its cooperation with Poya in the physical channel and with EHS in TV shopping. Poya's high commissions and transaction fees caused Chun Tai to experience tremendous losses without any income. EHS's high commission fee, the requirement of hiring a marketing company to present Chun Tai on TV, and stock replenishment requirements meant that TV sales resulted in negative profits.

Chun Tai's participation in the beauty fair and channel expansion in physical channels and TV shopping, which were categorised as explorative strategies, had a high possibility of generating more sales. However, the imbalance between incomes and expenses in the first year of implementation caused overwhelming financial burdens. Thus, even though explorative strategies are beneficial for firms to explore a new market, a small company needs to evaluate whether or not its resources are sufficient enough during market turbulence to support the cost of exploration. Supporting the assertion made by Soininen et al. (2012a) that EO has no positive relation to profitability, channel expansion as a proactive strategy characterised as EO did not bring profit to Chun Tai. If small companies chose to utilise more resources for costly channel expansion during business downturns, the firms might be stuck into a vicious cycle of negative financial performance. With the choice of flexibility as the EM feature, Chun Tai prevented considerable losses by ceasing collaborations with Poya and EHS.

Chun Tai's advertising on social media as exploitative digital marketing was not as resource-consuming as physical stores and TV shopping. Product promotion on social media was cost-effective (Stockdale et al., 2012; Shih, Lin, & Luarn, 2014; Vásquez & Escamilla, 2014; Odoom, Anning-Dorson, & Acheampong, 2017) because of its convenience, direct engagement with clients, ability to reach a more significant number of consumers without the restriction of geographic location (Odoom et al., 2017), and target segmentation in users' demographics and interests (Curran et. al., 2011). Nevertheless, even though social media had saved Chun Tai's marketing budget, Chun Tai's website traffic, unlike Stockdale et al. (2012) as well as Vásquez and Escamilla's (2014) assertion, did not increase significantly. Without sufficient website traffic, Chun Tai's digital marketing was not active in terms of sales. Low brand awareness was considered to be one of the factors that influenced Chun Tai's sales in cosmetics and low website traffic. Tariq, Abbas, Abrar, and Iqbal's (2017) research claims that electronic word of mouth has a positive impact on brand image and customer purchase intention. The same research also claims that brand awareness with the mediator of the brand image has a positive relationship with purchase intentions. Even though Chun Tai marketed its product on Facebook, without being promoted by electronic word-of-mouth on social media, consumers may still have had low brand awareness on Hormocenta and Tamalys and may not have had an intention to purchase the product when seeing Chun Tai's advertisements on Facebook.

Despite the fact that the proactive strategies did not significantly expand sales, stakeholders' marketing, innovation, and learning capabilities were enhanced during the adoption of proactive strategies. New product development and service-based value-added integrated solutions presented product innovation capabilities. The production manager, the production supervisor, the domestic manager, and I learned about product designs through close cooperation with suppliers and customers. Price contingency, channel expansion, and digital marketing enhanced stakeholders' marketing capabilities through learning. The CEO and I became more aware of market competition through price contingency. The sales representative and I learned to integrate the marketing skills we learned from the cooperation with EHS through advertisements on social media. The development of marketing capabilities can help organisations gain competitive advantages and achieve higher organisational performance (Qureshi, Aziz, & Mian, 2017). In addition to the innovation and marketing capabilities, the stakeholders also gain experience by working with channels and the implementation of proactive strategies. The gaining of experience, marketing capabilities, and innovation capabilities are beneficial for the development of the organisation.

6.4 Contributions to knowledge

This research primarily contributes to the knowledge of EM through the application of proactive strategies in managerial practice. As mentioned in Section 2.5, the literature promoted the application of EM and its positive impact on organisational performance. However, most of the EM literature derived its claims from the constructs of MO and EO, without actual testing of EM in practical cases. EM, as an approach through synergy building upon MO and EO, do not have literature regarding research limitation, applications, or effectiveness. This case study fills the gap in the literature by presenting the application of EM in an actual case through the discussion of the correlation between EM and sales expansion for a small firm during market turbulence. My application of EM in this research examined whether or not EM can expand sales and how a small firm leverages its resources for proactive strategies and value co-creation with EM as a moderator.

In addition to the application of EM in an actual case, I was aware of the dilemma of processing proactive strategies and innovation for EM in a reactive market situation. The extant literature did not discuss how EM can adapt to a business downturn through flexibility. It only focused on opportunity creation through proactiveness and co-created innovation. Without adapting to the reactive market situation, EM may have fewer effects on sales even if firms attempt to create opportunities through proactiveness and innovation.

Market competition and internal resources are the two main moderators between EM and sales expansion in Chun Tai's case. These moderators have been discussed in the extant EM literature (e.g., Alqahtani & Uslay, 2018; Whalen, & Akaka, 2016). However, the extant literature did not discuss in detail how small firms exercise EM when they face severe market competition and low internal resources. EM may enhance organisational performance (Alqahtani & Uslay, 2018) through the adoption of proactive strategies, but EM without the discussion of reactive orientation has difficulty adapting when firms encounter a reactive market situation and insufficient internal resources. Through the implementation of innovation, price contingency, and channel expansion, Chun Tai found it necessary to adapt to market competition and channel conditions based on Chun Tai's resource capacity. This research offers a practical example of how Chun Tai reacted to market competition and adjusted its strategies based on internal resources.

Section 5.2 (Performance Evaluation for the BBQ Category) stated that Chun Tai's high prices could not adapt to the price-sensitive market. Price sensitivity and market competition, as reactive market situations, caused price contingency to be less effective toward sales. Chun Tai, without offering competitive prices, lost clients and had a decrease in sales from market competition. Even though Chun Tai adjusted prices, depending on customers' responses, some clients did not intend to continue the inquiry or cooperation. Chun Tai's case shows that Chun Tai has to consider reactive strategic flexibility to offer better prices to compete with other suppliers. Even though companies can enhance competitiveness through the adoption of proactive marketing when other firms adopt reactive marketing during an economic recession (Srinivasan, Rangaswamy, & Lilien, 2005; Naidoo, 2010; Haluk Köksal & Özgül, 2007), proactive strategies could not replace the effects of reactive strategies in the competition of prices. Chun Tai lost the clients because of no correspondent reactive strategies toward market competition. Thus, while small firms adopt proactive strategies in EM, they also have to consider reactive strategic flexibility to adapt to the reactive market condition.

In addition to reactive market situations, resource capacity is another barrier for small firms to proactively expand sales. Chun Tai's case reveals that when resources are sufficient, EM has stronger effects. When resources are insufficient, the firm may need to terminate or postpone the implementation of proactive strategies and innovations. EM emphasises utilising operant resources and leveraging resources through partnerships; however, the extant literature does not discuss how small firms can allocate their resources when their resources are insufficient. Insufficient resources is a common situation that small firms will encounter during market turbulence. Resource levering can be adopted in the cases of innovation for value co-creation; however, resource levering has comparatively lower effects on channel expansion. Soininen et al. (2012b) asserted that performance could only be enhanced when firms utilise their own resources for EO. Even though the input of resources in Poya and EHS was planned, the wasted resources led Chun Tai to terminate the collaborations with Poya and EHS as a result of the negative balance between inputs and outputs. Integrating the scholars' assertion and Chun Tai's case, while planning proactive strategies, firms require evaluations of their amount of resources. The number of resources and resource allocation can determine the success of proactive strategies.

The moderating effect of reactive market situations and resource capacity on the relationship between EM and sales performance reflects the significance of flexibility in EM to adapt to external turbulence depending on the internal capacity. Flexibility, which is one of EM's vital characteristics, differentiates EM from EO, MO, or other traditional strategic orientations. EM, based on the contingency theory and the resource-based view, focuses on flexibility in strategy making addressing uncertainty in the decision and in the environment as well as the allocation of internal capabilities. Molina-Castillo et al. (2011) stated that firms have to develop strategic flexibility based on their own resources, technology, markets, and coordination to avoid the competence trap. When firms have insufficient resources, investments in proactive strategies may put small firms into a vicious cycle of choosing between insufficient resources or incurring a loss.

Based on Chun Tai's strategic adjustment due to the impact of moderators during the action research process, I propose that flexibility in EM is based on the contingency theory for small firms to adapt to the market situation. Initially, I only consider that "flexibility" in EM represents an orientation to make decisions based on resources; however, in practice, even if strategies are adopted, they still require a series of adjustments. The contingencies in strategies echo the contingency theory that strategies are made based on internal conditions toward the external factors. Flexibility in strategic adjustment during the strategy implementation influenced by variables is not well discussed in the extant literature. Whalen, Uslay, Pascal, Omura, McAuley, Kasouf, Jones, Hultman, Hills, Hansen, Gilmore, Giglierano, Eggers, and Deacon (2016) identified the contingency theories in EM with the moderators of operant resources, operand resources, and environmental turbulence. Operant resources increase the likelihood of opportunity recognition and creation by an entrepreneurial organisation (Whalen et al., 2016). Price contingency and service-based value-added solutions generated contingently based on the customer's requirements. Flexibility and contingency in price contingency and service-based value-added solutions show that EM can be an ad hoc marketing approach that relies on stakeholders' sense-making. Operand resources and environmental turbulence moderate the propensity that an organisation will exploit a new opportunity with EM (Whalen et al., 2016). The decision-making process for termination of Poya and EHS' cases and the postponement of NPD present operand resources and environmental turbulence leads to the contingency in EM.

Through Chun Tai's case, scholar-practitioners can perceive the complexity of the market situation and internal resources influencing SME's EM strategic implementation. Scholar-practitioners need to think about how they can better allocate their resources to adapt to competition or other reactive market situations while exercising EM in their organisations. My utilisation of EM shows that EM is not just an orientation for strategic flexibility, but also a contingent marketing approach relying on entrepreneurs' sense-making. Firms need the flexibility to develop contingent marketing strategies based on market needs. They also need to constantly adjust their strategies based on their internal capabilities.

6.5 Recommendations

Recommendations for Chun Tai are made based on the weaknesses of the research. Figure 5 shows the strengths and weaknesses of the research, including the strength of the study with regards to Chun Tai's exploration in new businesses, flexibility in decision-making, value co-creation with clients through resource leveraging with suppliers, and learning from the proactive strategies. There are four primary findings of the research. First, Chun Tai enabled itself to explore new clients and new markets through the exercise of exhibitions, NPD, and channel expansion. Even though Chun Tai may have encountered resource constraints, low sales, and significant expenses in exploration, for the long run, Chun Tai may gain some business opportunities through these strategies. Second, Chun Tai's flexibility in the decision-making process enabled Chun Tai to make contingent decisions on NPD, collaboration with Poya, and termination with EHS. Third, Chun Tai leveraged suppliers' resources to modify products for clients, demonstrating the approach of value co-creation. Service-based value-added integrated solutions helped Chun Tai gain new clients. It also positively influenced sales in 2019. Fourth, this study triggered stakeholders' learning in marketing and innovative capabilities. Learning from knowledge creation and experiences is beneficial for organisational development.

Figure 5 Strengths and weaknesses of the study

Strengths	Weaknesses
• Exploration • Flexibility • Value co-creation through resource leverage • Learning	• The gap between the expected performance and the actual performance • Cost management • Low brand awareness

The weaknesses of the study include the gap between the expected performance and the actual performance, cost management, and low brand awareness. First, the gap between the expected performance of sales expansion and the actual performance of negative sales illustrates the problems with goal and strategy setting. This research assumed that proactive strategies would enhance Chun Tai's sales; however, the outcome did not show increases in sales. Second, the termination of working with Poya and EHS represents Chun Tai's uncareful cost management. Chun Tai requires improvements in its cost analysis to prevent losing money from sales expansion strategies. Third, consumers' low brand awareness of the Tamalys and Hormocenta brands, as mentioned in the empirical findings, resulted in consumers having lower intentions to purchase the items. If I had another opportunity to redo the research, I would modify the weaknesses through the modification of goal setting and strategy making.

The gap between the expected performance and the actual performance occurs on sales due to the challenge to present the effectiveness of the proactive strategies in the limited research time. Due to the constraints on the longitudinal time frame in this research, sales could only be tracked in 2018. Financial performance of one year can only reveal the short-term effectiveness of proactive strategies. The effectiveness of price contingency and service-based value-added integrated solutions can be seen immediately. Chun Tai's current strategies could not have an immediate effect on sales due to the selection of explorative strategies in NPD and exhibitions. Exploration requires a longer timeline to observe the effectiveness of proactive strategies. Chun Tai could not accomplish NPD in one year since a new product takes more than one year to design and to enter the market. As Jovanovic and Lach's research (1997) indicates, new products take years to significantly penetrate the market. The new cordless blow lighter, which is discussed in Section 4.2.4 (Innovation), still requires years to develop and enter the market. Thus, the innovation in NPD, mentioned in Section 5.2, was unable to generate sales in one year but did require large expenses. Sales performance was unable to include the effectiveness of the innovation. Similarly, exhibitions require a longer time to reflect upon their effects on sales as stated in Section 4.4. Inquiries from exhibitions generally require more than two years to turn inquiries into orders. To measure the effectiveness of inquiries from exhibitions, the research should track the transfer rates from the inquiries rather than track them over time.

Minimising the gap is feasible by ensuring consistency among the research timeline, the research goal, and strategy-making. With a fixed research timeline, either the research goal should be changed to correspond to the exploration timeline, or the explorative strategy should be changed to fit the research goal. The research goal set sales expansion to one year. However, Chun Tai had difficulty expanding sales with the implementation of the explorative strategies. For the immediate sales expansion to reach the research goal in the designed research time frame, the stakeholders should have set more exploitative strategies. Vice versa, the research goal should not have expected higher sales, but instead should have expected enhanced competitiveness or organisational performance if Chun Tai had devoted itself to the exploration. If I could conduct the research again, I would set the research goal of enhancing organisational performance, rather than merely expanding sales. Organisational performance evaluates other criteria, such as learning capabilities, marketing capabilities, and innovation, rather than just sales. With a one-year constraint on the research timeline, it would be possible for Chun Tai to enhance its competitiveness through the adoption of proactive strategies and to turn the competitiveness to orders later.

Chun Tai's cost management is another issue that this research needs to modify. Channel expansion was helpful to expand sales, but the trading terms and conditions of the collaboration required a more comprehensive analysis. Chun Tai's uncareful analysis of expenses caused Chun Tai a massive financial loss and wasted resources for channel expansion in the cosmetics category. The loss from the proactive channel expansion altered Chun Tai's process to ensure that we conduct a more thorough analysis before working with channels. To prevent colossal expenditures, it is wise to conduct a more conservative analysis on the channel selection process without putting all of the budgets into the specific channels. If Chun Tai stressed cost analysis more, it would not have worked with Poya. Furthermore, with a better understanding of all the necessary expenses, Chun Tai would have set retail prices higher in the collaboration with EHS, to cover all the necessary expenses.

The previous sections mentioned the needs to enhance consumer brand awareness of the Hormocenta and Tamalys brands. To increase brand awareness, Chun Tai should have worked on branding through internet marketing. Merrilees, Rundle-Thiele, and Lye (2011) assumed that branding and innovations are the most critical marketing capabilities for SME B2B firms to influence marketing performance. Anatasia, Sunitarya, and Adriana's (2016) claimed that branding generated the highest consumers' trust in skincare products because the presence of branding provided viewable impressions about the products to the consumers. Since branding generates higher consumers' trust (Anatasia et al., 2016) and higher trust generates stronger purchase intentions by online shoppers (Kim, Xu, & Gupta, 2012), if Chun Tai focuses on branding, the increase in brand awareness may result in higher purchase intentions.

To stimulate sales, Chun Tai is required to increase the brand exposure rate through physical and virtual advertising. Advertising the brands on Facebook, YouTube, buses, and stores may have a different effect on sales. Referring to Sari and Setiaboedi's (2015) segmentation of online shoppers, professional shopaholics and mediocre-buyers, as the largest groups in the market, trust products more through the perceptions of advertisements and by word-of-mouth through social media. To attract professional shopaholics and mediocre-buyers, Chun Tai must promote its brands on social media. To better understand the effectiveness of branding, Chun Tai can collect feedback from stores, observe online consumers' reactions to Chun Tai's advertisements of branding online, and compare financial performance between branding and product promotions.

My recommendations for changes include modifying the research goal, implementing a higher portion of exploitative strategies, performing a more careful analysis of cost management, and enhancing brand awareness. Changing the research goal from sales expansion to the enhancement of organisational performance can ensure Chun Tai's organisational competitiveness for the long run rather than for short term profit. This research, with a considerable amount of exploration, resulted in low revenues and high expenses. Thus, while resetting the research goal, Chun Tai can adopt a higher proportion of exploitative strategies to increase immediate sales for more substantial resources in order to support exploration. Chun Tai should also lower their expenses through more careful cost management. Careful cost management can prevent Chun Tai from over-investing in risky projects. Finally, I propose to focus on branding in order to enhance brand awareness. The higher brand awareness may increase consumers' purchase intentions of Hormocenta and Tamalys' skincare products.

6.6 Future research

There are some topics that the EM literature has not focussed on, which include the adaption of EM in market turbulence and the correlation between EM and capabilities. These two topics were mentioned in response to the questions brought up during this study. This study identified Chun Tai's problems in adapting to a reactive market situation with the adoption of proactiveness. I assume that the study of the correlation between the adaptation to the turbulence and EM could enhance the complementarity of the strategic orientation. In addition to the topic of adaptation, this research also considered the significance of developing dynamic capabilities while adopting EM. Chun Tai gained marketing and innovative capabilities through learning from the adoption of proactiveness and innovation. Studying how EM generates the development of dynamic capabilities can fulfil its focus on the improvement of organisational performance. EM, as the newly developed construct, mainly focuses on the enhancement of organisational performance. The broader topics outside the influence of organisational performance may increase the richness of the EM discussion.

In Section 6.4 (Contribution to Knowledge), I mentioned that Chun Tai was unable to adapt to the price-sensitive market and to survive in a competitive market without adopting reactive strategies. The extant literature did not discuss EM for market adaptations. Davis, Eisenhardt, and Bingham (2009) state that turbulence leads to the stress of “flexibility” and “agility” as adaptive traits. Governance must be flexible to meet different types of situations during turbulence (Jessop, 2003). Volberda (1996) also states that firms must have various responses to the turbulence and the capacity to respond in time. Since EM, containing flexibility, was recommended to be exercised during market turbulence, scholars can discuss how EM can be exercised in different contexts. How can EM help firms survive in reactive market situations (e.g., market competition, price sensitivity) with its adaptive traits?

Second, EM is promoted by the extant literature to enhance organisational competitiveness; however, the literature did not often discuss which capabilities EM can generate for organisational competitiveness. Dynamic capabilities, which are often brought up to enhance organisational competitiveness and adaption to turbulence, should connect with the EM literature. Ansell (2017) considered dynamic capabilities, including innovation and learning, to be one of the critical elements for adaption during turbulence. Dynamic capabilities can provide a contingent response to the environment and help firms evolve in a dynamic environment (Makkonen et al., 2014). EM, with the new strategies in proactiveness and innovation applied to the organization, may trigger the learning and development of capabilities during the process of strategy application strategic application process. Innovation that EM adopts may generate renewing capabilities (Makkonen et al., 2014). Chun Tai also gained marketing capabilities through the adoption of proactiveness. Thus, future research can discuss which dynamic capabilities were generated through the process of EM strategies in proactiveness and innovation.

“How EM can help firms adapt to turbulence” and “what dynamic capabilities can EM generate” are the two questions I bring up. Further research into these topics would enable the identification of a solution to my research dilemma and identify the capabilities that Chun Tai gained during the implementation of proactive strategies. Furthermore, these two topics can extend the discussion of EM. With mature development in the definition of EM and the identity of the characteristics of EM, researchers can extend the topic to what EM can create for firms during business downturns and when EM would be limited.

6.7 Limitations

The representativeness of the sample and shorter observation time are the limitations of the study. The identification of the limitations offers readers the basic concepts that the research results can be influenced by the timeframe, resource amount, firm size, and other specific firm backgrounds. These research results, with one sample, cannot represent the results for other firms. The research results, however, can be a reference for other scholars and scholar-practitioners to review the actual application of EM in action research for a small size firm.

The small sample size is one of the limitations of this study. Without a large number of samples, this study has difficulty identifying whether or not other firms would lead to the same conclusion. Due to the specific backgrounds of each firm, the case study may only be suitable for companies similar to Chun Tai. According to Alqahtani and Uslay's (2018) EM literature synthesis, network structure, environmental factors, and firm size moderate the relationship between EM and organisational performance. Chun Tai's choice of networks, firm size, and market structure all influence the research results. Chun Tai is a small company; hence, it can only apply for small scale proactive strategies without more substantial expenses. Larger companies may take larger-scale proactive actions with a higher tolerance for expenses. The different resources put in, the different sizes of the network structures, and the different expense tolerances could lead to different effects of proactive strategies. The effects of proactive strategies and innovation at Chun Tai could be more minor than the effects in other firms with a larger resource capacity or stronger network structure. Chun Tai's market competition in the BBQ category and the market ecosystem in the cosmetics industry in Taiwan also distinguish Chun Tai's case from other cases. The price sensitivity and high retail commissions Chun Tai encountered may not occur in other cases with different industries and markets.

Chun Tai's decision-making, strategy making, and strategy implementation also influenced the results of the research. For example, Chun Tai's order shortage problem forced Chun Tai to increase sales immediately rather than to enhance competitiveness as the priority. The other companies who emphasised how to increase competitiveness for sustainable development would have different decisions and strategies from companies that focus on how to increase sales. With different external influences, company backgrounds, and internal decision-making processes, this research, with one case as the sample, cannot represent other firms to lead to the conclusion if EM can expand organisational sales. The strategies that emerged from Chun Tai's case, however, can be a reference, especially for small firms with limited resources.

My research findings can generally be transferred to small firms with limited resources. The research findings can be particularly beneficial for small international manufacturers with limited resources in the small home appliance category and small companies in Taiwan in the cosmetics category. Pearce, Pons, and Neitzert (2018) stated that SMEs generally have the conditions of limited resources in capital and staff capabilities. SMEs with limited resources have different approaches from large companies in finance, marketing, strategy, and management (Pearce et al., 2018). Chun Tai, with its limited resources, designed the strategy as a resource-efficient method and made decisions based on the cost analysis. Chun Tai's case in the BBQ category can offer other small manufacturers in small home appliances a reference for what they would face in the market competition when designing their proactive strategies in EM and innovation. Small firms can think about how they can exercise EM to address price sensitivity and market competition, balance the development of RMO and PMO, and choose between the explorative and exploitative strategies. Chun Tai's research results in the cosmetics category in Taiwan can be constructive for other small companies who intend to enter new retail channels. Small firms can pay more attention to cost management and plan on omni-channels.

The shorter action research timeframe is another limitation of the study. The previous section defines that explorative strategies require a longer time to reflect upon their effects on sales. NPD and exhibitions take an extended period of time developing products and creating bonded customer relationships. Thus, the shorter time frame of the research can only represent partial action research results. The actions could not judge whether or not the proactive strategies were effective on the one-year timeline. Since the new product may launch in the market in 2019, the sales of the new product may reflect on the annual sales in 2020. Chun Tai obtained potential clients' contact information at the exhibition. These potential clients may take a few years to order the products. Thus, the result in a one-year time frame and the result in a two-year time frame may yield different research results.

The limitations indicated here can help scholar-practitioners better understand the knowledge this research contributes and can judge by their circumstances how they would apply EM to their own companies. Pettigrew, Woodman, and Cameron (2001) indicated that readers should examine the studies including the context and analysis of the organisational change, the inclusion of time, the historical background, processes and actions, the relationship between change processes and organised performance, the cross-cultural comparison, customisation, receptivity, the pace of the change, the orders, and connections between scholars and practitioners. The components, which Pettigrew et al. list, show that the research background and processes can be varied with different circumstances and further cause different results. When scholar-practitioners study this research, they should understand the variables and biases influencing the process of changes, actions, and results. Chun Tai's strategy setting, strategy implementation, decision making, firm size, and external influence particularly took place at Chun Tai. Using Chun Tai's case as a reference, the scholar-practitioner can adopt different strategies and research studies based on their own backgrounds.

Chapter 7: Reflection

7.1 Introduction

This section presents my reflexivity and learning from the research. Ferreira (2017) asserted that reflection was a meta-skill applied to uncover our mental models for second-level learning. I run the epistemic reflexivity to question my biases in the research, theory-in-use, power asymmetry, and dual role conflicts. The awareness of biases and dilemmas can contribute to my learning in the techniques of action research. I revealed my biases based on Rapoport's (1970) analysis of three dilemmas—ethical dilemmas, goal dilemmas, and dilemmas of initiatives in action research. My action research contains an ethical dilemma with my personal involvement in the research, a goal dilemma with my company's interest, rather than the social scientists', and an initiative dilemma of stakeholders' initiatives to solve the organisational problem.

Biases commonly exist in insider action research, due to the researcher's involvement in the actions. Besides, action research emphasises contextualised knowledge for specific situations, rather than focusing on generalised knowledge to apply to all types of situations. Even though action research aims to contribute both to the practice and to social science (Rapoport, 1970), this research still aimed to solve Chun Tai's problems more than to contribute knowledge to social science. In addition to discussing the dilemmas inherent in action research, I also revealed power asymmetry, communication barriers, my unqualified data collection, and constraint reflection processes during the research. These weaknesses impacted the presentation of my action research. Finally, I presented the knowledge creation process to identify my learning and the stakeholders' learning in action research. Stakeholders were aware of the better effects of strategic combinations rather than the individual strategy. I learned flexibility in EM and the choice between exploration and exploitation in sales from the implementation of action research.

7.2 Dilemma of ethics

As Rapoport (1970) judged regarding the ethical dilemma, action researcher's over-involvement in the organisation's affairs may result in bias. Different from outside experts, action researchers, participating in strategy making, taking actions together with other stakeholders, and creating knowledge during the process, directly influence the research results and interpretation of the study. The action researcher has the advantage of developing contextualised strategies for Chun Tai; however, there is also a potential problem of judging biasedly as an insider.

During the data collection process, I may have been over-involved in the action research process without taking a neutral stance, instead of pushing harder on the proactiveness decisions. With an eagerness to succeed in sales expansion, both in the position of the international sales and marketing manager and the researcher, I overly promoted proactiveness without considering Chun Tai's resource capacity. My theory-in-use did not correspond with my espoused theory regarding resource allocation. At the beginning of the action research, I explained to the other stakeholders that I would ensure that the resources were not being over-leveraged. However, while deciding to sign the contract with Poya, I did not consider Chun Tai's resource capacity in my decision-making process.

My over-involvement in the research for the pursuit of proactiveness may impact the research results. In Section 4.3.1 (Channels), the sales representative reminded me that Poya's high charges made a collaboration with Poya risky. The domestic sales manager's distributors in Taiwan also reminded me that working with Poya would cause a colossal loss because of Poya's high charges. However, my eagerness to expand sales caused me to ignore the advice and analysis from the other stakeholders. My insistence on working with Poya encouraged the accountant, sales representative, domestic manager, and CEO to work with Poya. My negligence to consider the stakeholders' advice and my insistence to sign the contract caused Chun Tai to lose money.

To avoid the insider researcher's over-involvement, I realise the importance of my self-awareness in the role identification before interventions and open discussions in decision-making. I should pay attention to other stakeholders' analyses and consult with them about their opinions and thoughts.

7.3 Dilemma of goals

In addition to the over-involvement in the ethical dilemma, my research also contains the dilemma between the organisational goal and the research goal. In the dilemma between the research goal and the organisational goal, I focused on problem-solving with other stakeholders rather than pursuing the general knowledge of EM as the priority. From the organisational side, I should take problem-solving as the ultimate goal, whereas, from the research side, I should have led the other stakeholders to bring up more concepts of proactiveness and innovation in order to test the correlation between EM and sales expansion. These two goals aim to expand Chun Tai's sales but require different means in the research process.

While Chun Tai incurred issues during the research, the stakeholders and I tended to solve problems by developing strategies related to Chun Tai's problems, situations, and resource capacity. If I took the research goal as the priority, problem-solving should not have been my primary concern. With the research goal as the priority, the researcher may not pay attention to the case's resource capacity and the contextualisation of the problems. Instead, they may come up with strategies to maximise organisational sales. As one of the central decision-makers at Chun Tai, I have to solve Chun Tai's immediate problems while expanding sales.

Some strategies supported by the stakeholders may not have represented EM strategies. Chun Tai, having a cost concern, is unable to solely focus on proactiveness and innovation. Price contingency can be considered as reactive strategic flexibility, rather than a proactive strategy to fit EM. During strategy development, the stakeholders could not distinguish if the strategies are considered as the EM strategies. Instead, we set contingency strategies. The ambiguity of the strategy-making process put me in a dilemma between the role of the researcher and the role of the marketing manager. As a researcher, I should encourage stakeholders to focus on proactiveness and innovation. As a manager, I should look for a balance between expenses, income and flexibility between reactivity and proactiveness, depending on the situation. The conflict between the choice of the reactive flexible strategy and the proactive strategy was not particularly addressed in this situation. I let the managerial practice judged by the other stakeholders dominate the choice of strategies, rather than take the research as the priority. The requirement of the reactive flexible strategy indicated the difficulties of processing proactiveness alone in real life situations for small companies considering market competition with price-sensitive clients. Thus, the research result was prone to solve Chun Tai's issue, rather than test whether or not EM is effective in Chun Tai's sales in academics.

The dilemma of goals shows that insider researchers' subjectivity impacts the direction of the research. My choice, focusing on the organisational goal, may have led to strategies, solutions, results, and knowledge that are contextualised toward Chun Tai. I did not consider maximise the value of the EM theory. It is challenging to resolve the dilemma since action research requires the stakeholders' consensus on the choice of the goal. The research has to be a compromise between the organisational goal and the research goal. Thus, before running action research, the scholar-practitioners should be aware of the inherent dilemma of goals in the action research and the research results with compromising goals.

7.4 Dilemma of initiatives

The dilemma of initiatives occurred when the stakeholders focused on problem-solving, rather than knowledge contributions to social science. The stakeholders agreed to participate in the research, but their engagement in the research was low. In addition, the CEO did not want my research to intervene in the actions. Stakeholders were willing to make changes for business purposes, rather than research purposes. The research purpose could not trigger their passions. Without stakeholders' complete engagement in the research and my intervention in the meetings, reflection and academic knowledge were harder to generate in the action research process.

Even though the reflection is essential in action research, stakeholders, focusing on the organisational problem, rather than the research process, did not intend to process reflections for the research. Furthermore, reflection and constant evaluation made stakeholders uncomfortable. Stakeholders presented some reflections and learning during informal discussions and formal evaluation meetings. The most reflective processes occurred among the CEO, the sales representative, the production manager, the production supervisor, and I. The CEO and I reflected on our decision to work with Poya. The sales representative and I reflected on our communication method in EHS's case. The production manager and the production supervisors reflected on the production and product design. The problems with the grill cleaners helped them gain design knowledge through client feedback and supplier support. The reflection, however, could not occur with the accountant and the purchaser, due to their minimal participation in the research. Even though they participated in some of the tasks, their job duty, being less related to marketing and sales, made their ideas less relevant to this change. The general manager and the domestic manager, however, did not consider themselves as having anything to reflect upon. If the stakeholders were not willing to process self-reflection, I could not force them to reflect against their willingness. In addition, the reflection process had the potential issue of making stakeholders point fingers at each other. During the evaluation meetings, I was indirectly blamed by the CEO and the general manager for my insistence in Poya's case. The evaluation process sometimes may not have triggered stakeholders' self-reflection, but instead, made stakeholders blame each other's decisions. Thus, if scholar-practitioners would like to process action research in their organisation, they have to evaluate stakeholder commitments to the research and the effect of reflection. Without stakeholder commitments and self-awareness of reflection, the action research would be hard to process.

In addition to a low commitment to the reflection process, the stakeholders sought solutions for order shortages, but they did not intend to pursue knowledgeable gains from the research. The stakeholders had low motivation to understand what they discovered from reflection and actions. The pursuit of knowledge in research and problem-solving in practice brought up the dilemma of initiatives. The stakeholders gained knowledge and learned from the strategic application, but did not intend to pursue the knowledge from reflection and the correlation between EM and sales. Regarding the knowledge gained from organisational solutions, stakeholders gained marketing experience from price contingency, channel expansion, exhibitions, and digital marketing. Knowledge was also gained from service-based value-added solutions and innovation gained from the problem-solving process and from the adoption of proactive strategies. The stakeholders gained experience and developed solutions while addressing organisational problems; however, if there are any topics outside of problem-solving, the stakeholders did not intend to explore. Without stakeholders' full commitment to the research, it is challenging to stress the research purpose during the action research. Thus, the focus of the research was on problem-solving in Chun Tai's case, rather than the generalised knowledge regarding EM toward sales in SME.

Since the dilemma of initiatives is the inherent dilemma in action research, action research is inevitably prone to the initiative of problem-solving for the targeted organisation, rather than the initiative of research. Hence, action research is not an ideal technique for research if the research purpose is not considered to be a priority.

7.5 Political behaviour

Chun Tai's cases of EHS and Poya show communication conflicts and political behaviours among stakeholders. Both cases contained power asymmetry during communications impacting the decision-making process. The political behaviours in the research made me reflect in-depth about my problems of communicating with other stakeholders and the impact of power relationships toward the decision-making process. Political behaviour may negatively influence decision outcomes since political tactics lead to the selective and biased disclosures of information. The divisiveness in the political process inhibits agreement on critical strategic concepts and delays decision-making while wasting resources (Elbanna, Di Benedetto, & Gherib, 2015). An incomplete understanding of the environmental constraints may undermine the quality of the strategic decisions (Elbanna, Di Benedetto, & Gherib, 2015). Stakeholders' divergent opinions to work with Poya and the decision-making process in hiring the marketing company for EHS presented a negative outcome with the partial influence of political behaviours. This was due to the biased disclosure of information, divisiveness in the political process, and an incomplete understanding of the environmental constraints.

Divisiveness in the political process occurred during the stakeholders' arguments regarding the collaboration with Poya due to the stakeholders' divergent risk attitudes and incomplete understanding of the retail channels. Shepherd, Williams, and Patzelt (2015) identified that entrepreneurs' decision making is influenced by their assessments of risks and their emotional reactions. Those who are prone to greater risks and perceive lower risks would choose to exploit opportunity (Mullins & Forlani, 2005). The domestic manager, the sales representative, the CEO, and I were eager to expand our sales. Hence, we disregarded the general manager's objections. The general manager was angry about the stakeholder's decision and assumed the other stakeholders were against her decision. She told the stakeholders in the Taipei office that:

> *"You know you will lose money if you work with Poya, but you still want to work with Poya. I don't understand what you are thinking! I am out of this case. You take the responsibility if Poya's case makes Chun Tai lose money."*

Under the stress of the other stakeholders' decisions, the general manager, who disagreed with the collaboration, walked away from the case. The decision-makers who have a high positive affect adopt strategies for efficient decision-making and those who have a negative affect adopt strategies with slower and more thorough decision-making (Baron, 2008). The general manager, with a lower risk propensity and negative affect, had lower expectations for the new venture and was more thorough in the decision-making process. The domestic manager, the CEO, and I, with a higher risk propensity and positive affect, had higher expectations for the new venture and sought an efficient decision-making process. The differences in the risk attitudes resulted in a divisive political process between the general manager and the other decision-makers. The general manager's emotional statements made the other stakeholders distrust her decision. However, her decision was also caused by other stakeholders' ignorance. Furthermore, an incomplete understanding of the ecosystem of cosmetic retailers in Taiwan led the stakeholders to have divergent opinions about the collaboration. The domestic manager, the sales representative, the CEO, and I were aware of the cost management issue but still wanted to take risks because of the opportunity. Our support of the collaboration with Poya did not focus on the consequence to the company. Even though the general manager held the power to make a decision, her power was weakened by the decision of the majority. Furthermore, the CEO, with a higher position supporting the other stakeholders, made the decision to legitimately support Poya. The power of the majority and the power of the higher position made the voice of contrast invalid.

The stakeholders realised their misjudgement and mistake in ignoring the general manager’s opinion during the evaluation meeting. Poya’s case presented the problems of power asymmetry and misjudgement for the desire to succeed The stakeholders did not consider the consequences but instead made quick decisions to expand the channels. Utilising the majority voice to suppress the minority voices illustrates the unfairness of divergent voices. The majority voice did not present the actual facts, while the minority voices may present better ideas. Thus, because of this case, the stakeholders are now more careful about channel selection and conduct various analysis and consider many opinions prior to making a final decision.

The decision to hire the marketing company in EHS’ case also contained political behaviour with selective and biased disclosures of relevant information in the conversation and delays in decision-making due to the divisiveness in the political process. The communication gap between the sales representative and I slowed down the process of TV broadcasting, because of our different perspectives on decision-making and barriers in the communication channels. My decisions were more concerned with cost management to prevent extra costs. The sales representative took the sales perspective of reaching the client’s demand. My absence during the broadcasting meetings made me only understand partial facts through the sales representative’s interpretation, rather than that of the entire event. When I insisted on my perspective without understanding the facts, I ignored the sales representative's suggestion. When the sales representative made her judgment while interpreting the facts to me, her message lost its original meaning from the meeting. The sales representative could not convince the CEO, the general manager, and me through phone calls to change our minds. To solve the deadlock, the domestic manager using role-playing to interpret EHS’ request on the hiring of a marketing company finally convinced the CEO, general manager, and I to hire a marketing company. The sales representative and I realised our problem in communication after our informal face-to-face discussions. The power asymmetry and emotional expression resulted in ineffective communication. As a manager, I had a higher position of power than the sales representative. Even though my experience in marketing leads the company to change, my pre-understanding of the marketing experience also made me insist on my own decisions, without listening to those of others. I leveraged the power with my pre-understanding to underrate the sales representative's meeting report. The sales representative was also aware of her emotional expression when she attempted to talk me into hiring the marketing agent. After my communication with her, she said she would write down the report in an email rather than convey anxiety through verbal communication.

Both Poya and EHS' cases involved political behaviour in communications among the stakeholders. Both cases also presented how political behaviour influenced the outcomes and decision-making. Each stakeholder, with different perspectives, risk attitudes, feelings and emotions, generated different decisions. While testing how EM influences sales, scholar-practitioners cannot ignore the involvement of political behaviour. Chun Tai's case displays that political behaviour moderates the correlation between EM and sales. Poya and EHS' cases support the findings in Elbanna et al.' study (2015) that "a higher level of political behaviour is related to less decision success." Chun Tai's political behaviours triggered divisiveness, resource waste, and delayed decision-making. The stakeholders are now aware of the problems in the political process, such as biased disclosure of information, power asymmetry, and ignorance through evaluation and reflection. The awareness is helpful for the stakeholders to make better judgements regarding cost management and channel selection, as well as to have better communication with more listening and analysis in the future.

7.6 Data collection

In addition to the inherent dilemma in action research and the political behaviour impacting the research results, data collection was another biased issue taking place in my action research. This research as my first action research project only contained fragmented data due to inattentive data recording. While putting the data into words, I only recorded some of the details. Some of the data that occurred during verbal communication was not recorded at the time of occurrence. My primary recorded sources were emails, partial records from meetings and discussions, and SMA discussions. While documenting the information in the study, I was unable to directly quote some of the stakeholders' sentences without detailed journal records. Without directly quoting the sentences, my research presents my interpretation of the stakeholders' thoughts rather than their actual thoughts. Data collection and data analysis relying on the researcher's interpretation and documents are influenced by the researcher's beliefs, values, prior assumptions, characteristics, and background (Darke, Shanks, & Broadbent, 1998; Galliers, 1992). In particular, if I had presented the interactions among the stakeholders in Poya and EHS' cases with the stakeholders' original conversations, the political behaviours could have been presented in a more objective manner rather than via my biased and selective disclosure of the relevant information.

If I were to get the chance to re-collect the data, I would pay more attention to recording most of the conversations. Yin (1994) suggested keeping case study field notes, case study documents, tabular materials, and "narratives" or notes for the case study as the basis of the case study database. These four general categories of case materials can better present the authenticity of stakeholders' conversations, emotions, and reactions. The authentic presentation of materials with evidence can avoid my selective disclosure of the information and my biased interpretation.

7.7 Facilitation between exploration and exploitation

My learning was generated from the reflection of the dilemmas, political behaviours, the data collection process, and the choice of exploration and exploitation. The previous reflection regarding dilemmas, political behaviours, and data collection focused on the structure and process of action research. This section, with the discussion of the choice of exploration and exploitation, presented the actionable knowledge generated from the research results. Before conducting the research, I was not aware of how the facilitation of explorative strategies and exploitative strategies would impact the research results. Section 5.4 and Section 6.3 mentioned the correlation between exploitation and margins as well as the correlation between exploration and margins. My higher portion of exploration resulted in lower sales during the research time frame. Without distinguishing the effects of exploration and exploitation on the expenses and sales, the stakeholders and I caused Chun Tai to have higher expenses but lower incomes. The results of lower sales made me realise that the level of exploration and exploitation moderate the relationship between EM and sales expansion.

Due to the level of explorative and exploitative strategies impacting sales, I am aware of the need to develop the capability of ambidexterity for the facilitation of exploration and exploitation at the right time. Regenerative capabilities (exploitation) enable the firm to adapt to the environment by improving product quality and efficiency in a routine-based constant change for the existing customers with the previous capabilities and the existing assets (Makkonen et al., 2014). Renewing capabilities (the explorative innovation strategy) focuses on the development of new capabilities and the acquiring of new knowledge, skills, and processes in radical product innovativeness to enter new product markets in order to fit the requirements of the external environment and to seek opportunities when the business opportunities diminished because of turbulence (Makkonen et al., 2014; Archibugi, Filippetti, & Frenz, 2013). When business opportunities disappear during a financial meltdown, applying regenerative capabilities (exploitation strategy) and renewing capabilities (exploration strategy) in a different context, depending on the firms' resource allocation, technology, markets, and coordination can be beneficial for the firm in terms of market performance to respond to the crisis (Makkonen et al., 2014; Molina-Castillo et al., 2011). Firms need to constantly adapt the levels of exploitation and exploration to fit changes in the external environments based on the environment-strategy coalignment (Stadler, Rajwani, & Karaba, 2014). Molina-Castillo et al. (2011) considered that high levels of market turbulence foster exploitation with objective product quality and enhance market performance but inhibit exploration. Under high market turbulence and highly competitive market conditions, companies should adopt exploitative strategies such as product quality with cost efficiency for new products to defend external threats. Conversely, a stable market reinforces explorative strategies for firms. With low levels of competitiveness or market turbulence, companies should use more resources and opt-in to explorative strategies to create competitive advantages by improving their innovative capabilities.

When SMEs have insufficient resources during a business downturn, they should emphasise exploitation as priority strategies and develop exploration as secondary strategies. Insufficient resources would inhibit the development of exploration. Chun Tai's case revealed that the strategy makers did not consider the levels of exploration and exploitation in the market context. During market turbulence with insufficient resource capacity, Chun Tai could not continue its explorative strategies due to the high costs of exploration. In other words, decision-makers should review their resources and the resource requirements of each strategy before implementing a strategy. With a fixed number of resources, a heavier level of exploration may bring financially and emotionally negative effects on the organisation. Chun Tai's NPD, exhibitions, and channel expansion to TV shopping and physical stores as explorative strategies brought Chun Tai higher financial and emotional burdens due to the vast expenses. Conversely, digital marketing and service-based value-added solutions as exploitative strategies could bring immediate effects with much fewer expenses and cause fewer financial burdens and less stakeholders' emotional turbulence. Hence, with stronger exploitation, comparatively lower resource requirements and weaker exploration, SMEs may have immediate incomes from the exploitation to support the development of exploration.

Even though exploitation can create quicker incomes compared to exploration in a short time frame, based on the organisational ambidexterity, firms should balance and pursue exploration and exploitation at different points in time (Lavie, Stettner, & Tushman, 2010). Exploration and exploitation generate complimentary returns (Luger, Raisch, & Schimmer, 2018). The outputs of exploitation become the inputs for exploration, and the results of explorations further give back to exploitation (Simsek, Heavey, Veiga, & Souder, 2009). Exploration is costly and may see the outcomes in the distant future without certainty (Molina-Castillo et al., 2011). Exploitation without exploration may also limit learning and innovation capabilities (Molina-Castillo et al., 2011). To avoid the competence trap, companies may decide to use existing competencies as a short-term strategy (exploitation) or create new competencies for the development of innovations (exploration) as a long-term strategy (Molina-Castillo et al., 2011). With having learned about the balance between exploration and exploitation depending on the firm's resources, I could lead the stakeholders to design more exploitative strategies rather than a higher portion of exploration in our action research. When Chun Tai requires short sales, I am now aware of the need to focus on the exploitation for immediate sales; when Chun Tai has more stable growth in sales, I can focus on exploration for long-term competitiveness.

7.8 Conclusion

At the end of the research, I revealed my research biases and learning through reflexivity. My reflexivity presented my over-involved interventions, the gap between my theory-in-use and my espoused theory, my priority for problem-solving rather than research, power asymmetry, the unqualified data collection and reflection processes, and the facilitation of exploration and exploitation. Because this study, being my first action research, has a loose research structure, reflexivity on these problems helps me understand my research flaws and enhances my action research in the future. The dilemma of goals, the dilemma of initiatives, and the ineffective interventions and reflections illustrate that Chun Tai is not suitable for action research due to their lack of commitment to the research. Stakeholder commitments to the company changes were beneficial to the organisational development, but their low intention to devote themselves to the research meant the research was unable to follow the action research structure. Thus, I assume that case studies may be better than action research as the primary research method at Chun Tai.

Unlike the challenge of the dilemma of goals, the dilemma of initiatives, and low stakeholder commitments more difficult to address in this research, power asymmetry, communication barriers, and an unqualified data collection process can be minimised. Political behaviours shaped the decision-making process in this research. The majority voice was considered as the power holders suppressed the minority voice, and people in higher positions suppressed the stakeholders in the minor positions. Power asymmetry is inevitable in every company or most situations. However, my awareness of power asymmetry reminded me of the importance of learning and listening to other people's opinions and communicating with others. My data collection process, without completely recording conversations, led to the insufficient data presented in this research. Through the presentation of action research, I am now aware of the significance of presenting stakeholders' actual feelings and sentences, rather than my own interpretations. Thus, if I were to process the action research project again, I would attempt to record conversations as completely as possible.

Through this research, the stakeholders and I learned from the knowledge creation process during the implementation of proactive strategies. The stakeholders mainly gained marketing and innovation capabilities from the experience of marketing and innovation strategies. In particular, they were aware that independent applications of price contingency and service-based value-added solutions might not have full effects because both elements were perceived to be essential in customers' purchase intentions when the market competition was severe. The combination of price contingency and service-based value-added solutions can provide the customer with higher incentives to repurchase Chun Tai's items. Ambidexterity and coalignment of exploitation and exploration were other strategies that I gained through this research. The level of exploration and exploitation impacted the correlation between EM and sales expansion in a one-year time frame. Chun Tai's higher exploration caused lower incomes with higher expenses at the end of the research. To pursue lower expenses with immediate incomes, higher exploitative strategies should be utilised during market turbulence. The balance between exploration and exploitation in ambidexterity can avoid the managers' trap to only focus on profits with the application of exploitation and avoid the innovation trap to only stress development. Thus, even though Chun Tai should consider a higher level of exploitative strategies in the current market situation, to maintain long-term competitiveness, a certain level of exploration strategies should still be included. The awareness of the facilitation between exploration and exploitation as the moderator is beneficial to identify the impact on the correlation between EM and sales to small firms.

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Appendix

Appendix A

Committee on Research Ethics

PARTICIPANT CONSENT FORM

Title of Research Project:	**How can Chun Tai expand sales in times of market turbulence?**
Researcher(s):	YI-JUE LI

Please initial box

1. I confirm that I have read and have understood the information sheet dated March 2018 for the above study. I have had the opportunity to consider the information, ask questions and have had these answered satisfactorily.

2. I understand that my participation is voluntary and that I am free to withdraw at any time without giving any reason, without my rights being affected. In addition, should I not wish to answer any particular question or questions, I am free to decline.

3. I understand that, under the Data Protection Act, I can at any time ask for access to the information I provide and I can also request the destruction of that information if I wish.

4. I agree to take part in the above study.

5. The information you have submitted will be published as a report; please indicate whether you would like to receive a copy.

6. I understand that confidentiality and anonymity will be maintained and it will not be possible to identify me in any publications

7. I agree for the data collected from me will be used in future research and understand that any such use of identifiable data would be reviewed and approved by a research ethics committee.

8. I agree for the data collected from me to be used in relevant future research.

9. I understand that my responses will be kept strictly confidential. I give permission for members of the research team to have access to my anonymised responses. I understand that my name will not be linked with the research materials, and I will not be identified or identifiable in the report or reports that result from the research.

10. I understand and agree that once I submit my data it will become anonymised and I will therefore no longer be able to withdraw my data.

11. I understand and agree that the data will be stored for at least five years in accordance with the rules of the university.

Participant Name	Date	Signature
Name of Person taking consent	Date	Signature
Researcher	Date	Signature

Principal Investigator:

Name

Work Address

Work Telephone

Work Email

Student Researcher:

Name: YI-JUE LI

Work Address: 2F-1, 5, LANE 345, YANG-GUANG ST., NEIHU, TAIPEI, TAIWAN

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Appendix B

Committee on Research Ethics

Participant Information Sheet

Title of Study: How can my company expand sales in a shrinking market?

I wish to solicit for your consent to participate in the research. Before your participation in the research, I would like to invite you to read the participant information and fill in the form to ensure you are aware of the research purpose and your right in the study. Please feel free to ask questions if you do not understand the content. You can decide if you want to participate in the study whenever you want to and feel free to consult with other people.

1. **What is the purpose of the study?**

The research focuses on the order shortage problem and intends to improve the current situation by adopting proactive strategic decision-making flexibility. The order shortage problem has a severe impact on Chun Tai no matter on performance or financial benefits. Thus, Chun Tai needs to find an optimal solution to address the current situation. The study aims at finding an optimal solution to enable Chun Tai to review and modify the existing strategies on prices, innovation, and marketing promotion methods.

2. **Why have I been chosen to take part?**

Your influence on Chun Tai's decision-making and marketing has made you particularly important to participate in this action research. There will be another five primary stakeholders participating in the research as well. People in the Shenzhen factory will be excluded from the research due to the geography restriction and their job duty less related to strategic decision-making. You and other co-workers can give some feedback and further propose alternative strategies for the order shortage problem. We could test alternatives through the trial-and-error method and find optimal solutions to stimulate sales. Your participation will be highly appreciated and considered significant in the research.

3. **Do I have to take part?**

You do not have to take part in the research; however, because the change is necessary, your participation in the change will be appreciated. As one of the company's staff, you are encouraged to devote yourself to the change by turning the current challenges into opportunities. However, you are free to withdraw from the research without incurring any problems.

4. **What will happen if I take part?**

You, the top management team, and marketing people are the main stakeholders to help the company address the order shortage problem. I will be the action researcher to conduct this research for a year. Your participation is essential due to the necessity of change in our old patterns of mindset and perspectives. The main change is to adopt proactive strategic decision-making flexibility to address the order shortage issue. You can contribute some of your ideas and see if it is possible to change some reactive strategic decision-making to proactive. We will modify and evaluate the strategies at the same time during actions. There are no correct answers but the optimal solutions. We can use a matrix of proactive/reactive selection during the research to identify if we should use a proactive approach or a reactive approach in each case.

Table 1: Proactive strategic decision-making flexibility table

	internal					external	
	Internal commitment	budget	marketing	innovation	Strategic planning	competitors	clients
Cosmetics							
BBQ lighters/ immersion heaters							
Other investments							

5. **Expenses and/or payments**

No personal expenses or payments will occur. The company will be responsible for the expenses generated by the proactive strategies.

6. **Are there any risks in taking part?**

There will be no personal risks to take part in the research. The research mainly focuses on the change on an organizational level with fewer connections to a personal level. The change regards to the marketing strategies will not increase much workload or change the working environment for the participants. However, the change will make the job content a little different and increase the challenges of the work. It is possible to have higher stress when you find the workload is overwhelming or you require assistance. During the change, you are encouraged to reveal your feelings and opinions with co-workers as well as constantly cooperate with others in order to share your overwhelming workload with others. I will also ensure the organisational planned changed will be adjusted by participants' interactions.

7. **Are there any benefits in taking part?**

The change does not only enhance organisational competitiveness but also can enhance personal confidence and capabilities. The new challenges from the change will benefit both personal career development and organisational survival. The growth of the organisation will bring higher confidence to the company and higher salaries for employees afterwards.

8. **What if I am unhappy or if there is a problem?**

It is possible to have arguments and fights for change; however, communication is always the key to make things work. It is important to have appropriate compromising and appropriate emotion leak out during the interactions. There will be no consequences to express your own feelings about jobs. The work content is flexible for changes according to your work progress and loads.

In addition to the work content, if you consider the researcher is biased on her double roles as the researcher and the International sales and marketing manager, please directly speak with the researcher. You have the right to monitor the data collection process and results. If you find internal communication does not work out, you can contact the Research Governance Officer at ethics@liv.ac.uk. They will help you out with the complaints.

9. **Will my participation be kept confidential?**

I will adopt the participant observation approach to observe the interactions with stakeholders as an insider researcher. I will mainly record how participants respond to the strategies. I will collect data through interactions with the stakeholders, inquiries, observation, and rehearsal feedback loop from face-to-face conversations, phone calls, email, reports, records, and online messengers. The data will be kept in a password-protected computer and stored for at least five years in accordance with the rules of the university. After data collection, I will present the research by the narrative in the methodology of qualitative research without visual and audio recording. Your opinions will be recorded; however, to protect your privacy, I will only record the information from the open public conversation. To identify the roles, the research will present pseudonyms and job titles; however, your personal information and Chinese names will not be revealed.

10. What will happen to the results of the study?

The research will be presented to the public if you agree to do so, but no personal information will be revealed. The research will be beneficial to other small and medium-sized enterprises to understand how to apply proactive strategic decision-making flexibility when they have limited resources. If you don't agree with the publication of the research, it will only be stored in the private database.

11. What will happen if I want to stop taking part?

You are free to stop taking part in the research, but you can try communication first and see if it can solve your issues. If not, it is ok to withdraw anytime without explanation. The data that occurs before your withdrawal will be used. If you do not want the data to be applied, please notify me, and I will not use them as your request.

12. Who can I contact if I have further questions?

You can contact me in person, via phone calls, instant messengers, and email if you have further questions. However, if you find any difficulties to communicate with me, you can either talk to other stakeholders or contact the Research Governance Officer at ethics@liv.ac.uk to find other solutions.

Student Researcher:
Name: YI-JUE LI
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