

WHICH MARKET ENTRY AND PRODUCT LINE STRATEGIES OUGHT ORGANISATIONS TO ADOPT FOR EMERGING ECONOMIES?*

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***Abstract.** Emerging economies offer tremendous potential for organisations seeking to expand globally and to attain the associated rewards. However, organisations differ in their entrepreneurial tendencies to enter new markets and to introduce new products in emerging economies. Organisations also differ in their abilities to manage their development programs, that is, their execution of different types of projects that lead to success in emerging markets. Finally, organisations differ in which overall measures of program performance are consistent with their strategic objectives. This study provides a literature foundation and conceptual framework designed to understand which market entry and product line strategies and performance measures are appropriate for organisations pursuing strategic success in emerging markets.*

This study sets forward grounded propositions that different strategic types will vary in their market entry and product line strategies, in the project composition of their development programs, and in the orientations of performance measures used to evaluate their development programs. Prospectors, according to type, will enter emerging economies by introducing new product lines to new customer types,

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and by emphasizing new-to-the-world products. They will evaluate their development programs with Growth-oriented performance measures. Defenders will more typically occupy secure niches within emerging economies by emphasizing product improvement and cost reduction projects for current types of customers. They will evaluate their development programs with Efficiency-oriented performance measures. Analyzers will either target new customer types with proven products, or serve an existing market niche with new product lines. They will evaluate their development program performance with Strategy-oriented measures.

Keywords: *organisation type; entrepreneurial traits; market entry strategy; product line strategy; performance measurement; emerging markets*

Introduction

As global competition increases, organisations ought actively to pursue the tremendous opportunities for strategic success in emerging economies. Organisations, which can select the appropriate market entry and product line strategies, and measure their development program performance consistent with their strategy, will have greater chances of success, even in the face of tougher international competition and dramatic economic cycles. While the literature on strategic entry to emerging economies has continued to focus on China (Luo & Tan, 1998; Luo & Park, 2001; Luo, 2004), attention ought now to include organisations pursuing strategic opportunities more widely among the BRIC countries (Wilson & Purushothaman, 2003), the Next Eleven (N11) nations (Wilson & Stupnytska, 2007), and beyond (Hinson & Dadzie, 2009).

However, organisations vary in their abilities to enter emerging economies successfully. This study develops a conceptual framework that delineates the factors, which organisations ought to consider when making strategic decisions. As shown in Figure 1, organizations may be categorized by their overall strategic type (i.e., Prospector, Defender, Analyzer). Each organization type will demonstrate specific entrepreneurial traits, implement unique product development programs, and select appropriate performance measure orientations. To enter emerging economies successfully, organizations' behaviors ought to be consistent with their market entry and product line strategies and supportive of their organisation types' strategy.

In order to understand the different strategies that different types of organisations ought to adopt for emerging economies, it is appropriate to apply a generalized typology for organisation strategy, such as the one provided by Miles and Snow (1978 & 1994). The Miles and Snow strategic typology is widely accepted by professionals and academics and has been applied to numerous industries over three decades (Hambrick, 2003). In spite of its broad applicability, the Miles and Snow typology has been applied to few emerging economies, other than China (Luo, 2004) in recent literature. However, very recent studies, such as Hinson and Dadzie (2009), demonstrate the potential application of the strategic typology, even for nascent economies, such as Ghana. This study seeks to fill the gap in the literature by applying the Miles and Snow

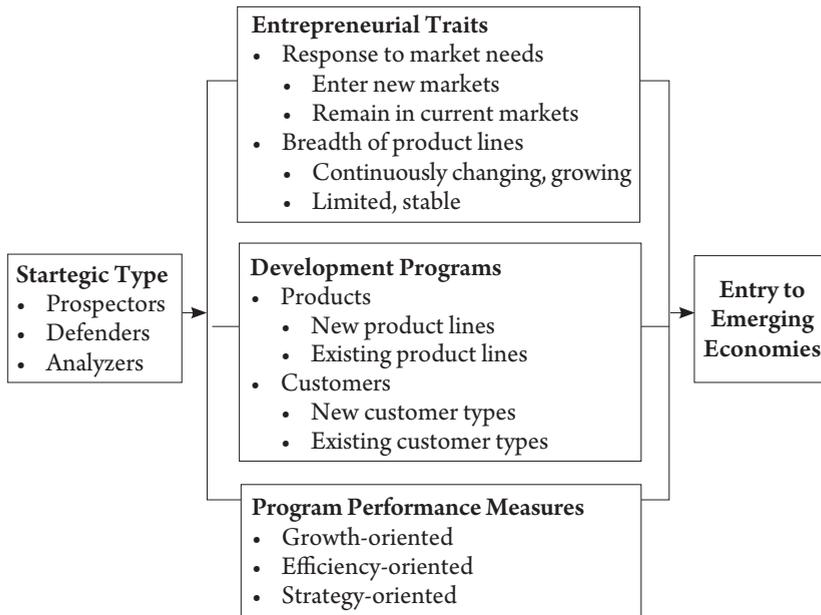


FIGURE 1. Conceptual model of strategic types' entry to emerging economies

Strategic Typology to a more general model of market entry and product line strategies for emerging economies.

The Miles and Snow typology suggests that organisations differ in two specific entrepreneurial tendencies, entering markets and developing products. In terms of markets, organisations can choose to serve customers similar to those, who they presently serve, or to target types of customers, who are new to them. Similarly, organisations can choose to enhance existing product lines, relying on familiar technologies, or to introduce product lines, which are new to the organisation or even new to the world. This study proposes that these two entrepreneurial tendencies, targeting new or existing types of customers and developing product lines based on new or existing technologies, distinguish four possible paths that different organisation types ought to follow in entering emerging economies.

The Miles and Snow typology of organisation strategy suggests that Prospectors will target new types of customers with new product lines, Defenders will serve existing types of customers with existing product lines, and Analyzers will target new customers with existing product lines or serve existing customers with new product lines. While this differentiation in entrepreneurial traits among organisation types is generally accepted, the literature has not fully developed how the differences affect the market and product development programs of organisations entering emerging markets. This study seeks to remedy this deficiency by proposing that organisations ought to emphasize different types of projects in their development programs.

To facilitate this proposal regarding market and product development programs, this study relies on the Griffin and Page project typology: new-to-the-world projects, product improvements, market re-positionings, and additions to product lines. The Griffin and Page typology identifies new-to-the-world projects as intended to target new types of customers with new product lines (or technologies); and product improvements as intended to serve existing types of customers by enhancing existing product lines. Market re-positionings are intended to target new types of customers by enhancing existing product lines; and additions to product lines are intended to serve existing types of customers with product line introductions (or technologies), which are new to the firm.

Considering the Miles and Snow organisation typology and the Griffin and Page project typology, this study proposes that Prospectors will emphasize more new to the world projects in their development programs; Defenders will emphasize product improvements; and Analyzers will emphasize market re-positionings and additions to product lines. The logic of the relationship between the Miles and Snow strategic typology and the Griffin and Page program typology seems conspicuous at first, but it has not been robustly developed in the existing literature (Gatignon & Xuereb, 1997, and Zhou et al., 2005). This relationship is illustrated in Figure 2. This study builds its conceptual framework on this literature foundation as a guide to market entry and product line strategies for emerging economies.

		Miles and Snow (1978) Strategic Types: Griffin and Page (1995) Project Types (New/Existing Products for New/Existing Markets)	
Market Entry Strategies	Target New Types of Customers	Analyzers: Market Re-positioning Projects (Existing Products for New Markets)	Prospectors: New-to-the-World Projects (New Products for New Markets)
	Serve Existing Types of Customers	Defenders: Product Improvement Projects (Existing Products for Existing Customers)	Analyzers: Additions to Product Lines Projects (New Products for Existing Customers)
Miles and Snow, (1978 & 1994) Entrepreneurial Traits		Enhance Existing Product Lines	Introduce New Product Lines
		Product Line Strategies	

FIGURE 2. Development project types based on organisation types' entrepreneurial traits

Griffin and Page also catalogue the performance measures for development programs that are in use by practitioners and academics. They identify eight consensus program measures and propose that each belongs to one of two measurement orientations: *Growth* or *Efficiency*. Further, Griffin and Page propose that organisations' strategic type will determine which of the two measurement orientations are appropriate for their development programs. They suggest that Prospectors ought to evaluate program performance by *Growth*-oriented measures and Defenders ought to evaluate program performance by *Efficiency*-oriented measures, but they remain silent on performance measurement by Analyzers. This study proposes that each of the three strategic types ought to measure program performance using different factors.

In the following sections, this study reviews the relevant literature and develops a conceptual framework in response to three specific, related research questions:

- Will the entrepreneurial traits possessed by different organisation types determine their market entry and product line strategies?
- Will organisation types' different market entry and product line strategies indicate different development programs for emerging economies?
- Will organisation types indicate different performance measurement factors for development programs for emerging economies?

This study deals with these three questions conceptually based on a widely accepted organisation typology, a typology of development projects, and grounded research on project performance measurement. This study proposes that future researchers will understand more clearly the behaviour of different organisation types in emerging economies, if they consider their entrepreneurial traits, more specifically their market entry and product line strategies. It also suggests that organisations will be more successful in emerging economies, if they undertake the types of development programs and utilize the types of performance measures consistent with their strategies. This study provides a useful literature foundation and conceptual framework for future contributors to this important research stream and for managers of organisations entering emerging economies.

Literature Foundation

Emerging Economies: Organisations face substantial opportunities and material challenges in emerging economies. Previous research has shown that adopting a successful global strategy for emerging market entry increases return and reduces risk for organisations (Mason & Moore, 1998; Mitchell et al., 1992, Zou & Cavusgil, 2002). Published business forecasts indicate that emerging economies offer market growth rates that far exceed those of the United States, European Union countries, and Japan (The Economist, 2008). The purpose of this study is to develop a conceptual framework that can be applied to emerging economies in general, not limited to specific countries or regions. However, it is worthwhile at this point in this discussion to offer specific examples of countries and economic type where success could be attained.

Goldman Sachs first referred to the emerging economies of Brazil, Russia, India, and China as the BRIC countries in 2003 and argued that, since the BRIC economies are growing so rapidly, their combined markets could eclipse the markets of the current largest economies by 2050 (Wilson & Purushothaman, 2003). Some advanced economies, such as South Korea, are considered to have substantial growth potential (The Economist, 2008). Wilson and Purushothaman (2003) speculate that the combined economies of South Korea and North Korea (if the two countries were to unite) could become larger than that of the United States in the next half century. Additional examples of emerging economies include the Next Eleven (N11) group of nations, including Bangladesh, Egypt, Indonesia, Iran, Korea, Mexico, Nigeria, Pakistan, Philippines, Turkey, and Vietnam, as identified by Wilson and Stupnytska (2007). Though some N11 nations exhibit growth at slower rates than the BRIC countries, Wilson and Stupnytska (2007) argue that these developing nations offer the greatest potential for organisations seeking to enter emerging economies.

Organisations ought to adopt specific market entry and product line strategies to realize the tremendous potential rewards of emerging economies, according to the previously cited Goldman Sachs' studies. However, organisations face material risks and unintended consequences, if their strategies are not consistent with their entrepreneurial traits and the conditions in the emerging economies (Yip, 2003). Some organisations ought to enter emerging economies before competitors have seized significant market share, while others ought to wait until the market is sufficiently mature. Some organisations ought to introduce new product lines specific to the needs of the emerging economies, while others ought to modify their existing products. In general, executing an integrated global organisation strategy, while failing to develop specific market entry and product line strategies for emerging economies, can result in sacrificing profits, revenues, or competitive advantages (Yip, 2003).

Organisation Types: Miles and Snow (1978) describe four organisation types in terms of market entry and product line strategies: Prospectors, Analyzers, Defenders, and Reactors. According to evidence from Miles and Snow (1994), Prospectors often attempt to be first to enter new markets with new product lines, even if some of their new products do not prove to be profitable. They may withdraw a new product line from a new market if it is not successful in the short term. Organization strategy literature, including Lamkin (1988), Lieberman and Montgomery (1988), and Robinson and Min (2002), reinforces the view of Prospectors as 'first movers' and deals with the consequences of order entry into new markets. Defenders protect their existing markets with a more limited range of products with higher quality, superior service, lower prices, and greater value. Chandy and Tellis (2000) describe the entrepreneurial traits of market incumbents as defenders. Defenders generally do not enter new markets, even with existing product lines, but instead concentrate on producing the best possible product for their existing market niche.

Analyzers often enter new markets with existing product lines, while at the same time serving existing markets with their most promising new product lines. They are

not first into new markets with new products; however, they respond to competing new entrants with more effective products and tend to stay longer. Reactors maintain product lines as long as some existing customers demand them, but they rarely enter new markets. They also tend to be the least stable type in maintaining strategic focus. As a result, Reactors are eliminated from further discussion of strategies for entry into emerging economies. Descriptors of the three stable organisation types are provided in Table 1.

TABLE 1. **Descriptors of three stable organisation types**
(Based on Miles and Snow, 1978 & 1994)

Organisation Type: Descriptor
<p>Prospector: Organisation attempts to compete in a market that is always changing. It often responds rapidly to early signals of new market opportunities, usually before its competitors. It often attempts to be the first into new markets with new products, even if some of its new product lines do not prove to be profitable. It does not always maintain a permanent market presence with every new product line it introduces.</p>
<p>Defender: Organisation maintains a secure niche in a stable market area. It offers a more limited range of product lines than competitors offer, and protects market segments by offering higher quality, superior service, lower prices, and greater value. It is not the leader for new market entry or new product lines in the industry, but concentrates instead on doing the best job possible in the businesses in which it competes.</p>
<p>Analyzer: Organisation maintains a core set of products, while at the same time pursuing the most promising new markets and product lines in its industry. It carefully monitors the actions of its major competitors in the customer segments and product areas in which it is interested. It is not “first in” to new markets with new products. However, it is usually “second in with more efficient products.”</p>

The Miles and Snow types possess entrepreneurial traits that are consonant with Yip’s (2003) market entry strategies for emerging economies as exhibited by organisations: *Preempt, Attack, Defend, Acquire, Stay Out, Avoid Direct Competition, and Co-operate*. His research suggests that each organisation type will enter emerging economies in a manner consistent with their organisation strategies. Prospectors will *preempt* other organisations’ market entries, and *attack* new markets with new product lines. Defenders will typically *defend* limited markets, which they already occupy, and may either *acquire in* or *stay out* of new markets. In contrast, Analyzers will *avoid direct competition* with new market entrants (i.e., Prospectors) by introducing only existing product lines to new types of customers, or by *co-operating* with existing customers in developing new products that meet proven needs.

Miles and Snow Typology in Organisation Literature: The most reliable organisation typology for purposes of this study is that provided by Miles and Snow (1978 and 1994). In a review of the value of the Miles and Snow strategic typology,

Hambrick (2003) states that it has stimulated an abundance of research and practical insights during three decades, and scholars are still drawn to it to guide current research. Since 1978, numerous studies have affirmed the validity and reliability of the Miles and Snow typology for organization strategy research (DeSarbo et al., 2005; Hambrick, 1984; James & Hatten, 1995). Studies based on the Miles and Snow typology have also addressed market entry strategies (Hinson & Dadzie, 2009; Matsuno & Mentzer, 2000; McDaniel & Kolari, 1987; McKee et al., 1989; Olson et al., 2005; Slater & Olson, 2000) and product line strategies (Slater & Mohr, 2006; Smith & Fischbacher, 2005).

Hambrick (2003) framed the Miles and Snow contribution as having a profound effect on several disciplines by guiding scholars in their research and consultants in their practice. However, in spite of its clear applicability to emerging markets, the Miles and Snow typology has not been applied to market entry and product line strategies for emerging economies. This study seeks to correct that deficiency by introducing a conceptual approach to investigate different organisation types' market entry and product line strategies, based on the typology.

Organisations' Entrepreneurial Traits: Miles and Snow (1994) portray the organisation types by their three primary organisational traits – entrepreneurial, engineering, and administrative. Of these three organisational traits, entrepreneurial traits are most relevant in this context, as they explain how different organisation types approach new markets. The innovation literature has drawn on two characteristic behaviours, i.e., response to market needs and breadth of product lines, to understand new product success (Ali et al., 1995). Entrepreneurial traits, which distinguish each type by its market entry and product line strategies, are important for anticipating organisation's behaviours and successes in emerging economies.

Prospectors' two entrepreneurial traits are to respond to new market needs before competitors and to have continuously changing product lines for different types of customers. Defenders are characterized as remaining in current markets and having a limited number of stable product lines. Analyzers' dual entrepreneurial traits are 1) to respond to new customers' needs for existing product lines or 2) to serve existing customers with new product lines.

Each type's discreet traits along the two entrepreneurial dimensions also express their organisation strategies in the form of market entry and product line strategies. The two market entry strategies are to target new types of customers or to serve existing types of customers, while the two product line strategies are to introduce new product lines or to enhance existing product lines.

Organizations' Development Programs: This study recognizes that the goals of organisations' development programs are indicated clearly by their emphasis on different types of development projects (Danneels & Kleinschmidt, 2001). Griffin and Page (1996) provide a grounded typology of development projects based on their review of the literature and surveys of practitioners and academics. They classify development projects as one of four general types based on whether they introduce new product

lines or enhance existing product lines, and whether they target new types of customers or serve existing types of customers.

The first generally recognized type of development project is one that introduces a product line that is relatively new to the world, a major innovation. The resulting new product is often an early response to a new market need and is added to broad and changing product lines. The second type of development project is intended to enhance an existing product line for existing types of customers. The results of such projects are improved performance and higher product quality, or reduced product costs and greater value. The improved products can replace existing products in existing markets.

The third type of development project results in extended product lines for existing types of customers. Additions to product lines are often new to the organisation, while not new to the world. The fourth major type of development project re-positions existing product lines to attract additional types of new customers. The existing product lines often are either re-positioned by finding new uses and applications for new types of customers or re-merchandised with different packaging for new markets. See Table 2 for four major types of development projects, based on the Griffin and Page (1996) project typology.

TABLE 2. **Four major types of development projects**
(Based on Griffin and Page, 1996)

Project Types: Descriptors
New to the World Projects: Projects that result in major innovations that provide new types of customers with technical solutions that are new to the industry. Major innovations can change the product category or an entire industry.
Product Improvements: Projects that produce improved product performance, higher quality, greater value, or lower costs for existing customers. The improved products can replace existing ones within the same product lines.
Market Re-positionings: Projects that extend existing product lines to additional types of new customers. The existing product lines can be either re-positioned by finding new uses and applications for new types of customers or re-merchandised by packaging for new and emerging markets.
Additions to Product Lines: Projects that result in new product lines for existing types of customers. Additions to product lines can be new to the organisation, while not new to the world.

Program Performance Measures: The relationships between organisation type (based on the Miles and Snow typology) and program performance have been explored in the recent literature. McKee, Varadarajan, and Pride (1989) find relationships among performance, strategic type, and market conditions. Slater and Olson (2000) find relationships among performance, strategic type, and sales management. Olson, Slater, and Hult (2005) find relationships among performance, business strategy, and marketing

structure. However, this literature has difficulty in evaluating program performance by measures consistent with the strategies of the types under study.

Once development programs are implemented, responsible managers ought to select appropriate measures of their performance. Griffin and Page (1996) catalogue the program performance measures, which appear in the literature, including Griffin and Page (1993); Hart and Craig (1993); and Page (1993). They identify eight program performance measures that are considered important and useful by the leading international academics and expert practitioners who responded to a survey of members of the Product Development and Management Association (PDMA), an international association. The survey results indicate that researchers and managers share similar perceptions, if not precise common definitions, of these development program performance measures. The eight specific measures of development program performance that emerged from the survey are listed and defined in Table 3.

TABLE 3. Development program performance measures and definitions
(Based on Griffin and Page, 1996)

Development program Performance Measures (page 490)	Definitions of Performance Measures (Appendix 2, page 496)
<i>Future Opportunities</i>	Degree to which new product lines lead to future opportunities
<i>New Sales</i>	Percentage of sales provided by product lines less than “n” years old
<i>New Profits</i>	Percentage of profits from product lines less than “n” years old
<i>Five-year Objectives</i>	Degree to which the program hit 5-year new product objectives
<i>Management Opinion</i>	Overall success of the development program (subjective)
<i>Success Rate</i>	Success/failure rate (number of successes over total projects)
<i>Rate of Return</i>	Return on Investment for the development program
<i>Strategic Fit</i>	Degree to which development program fits the business strategy

Griffin and Page (1996) also propose that measures ought to be grouped into two descriptive factors. Specifically, they indicate that three measures, *Future Opportunities*, *New Revenues*, and *New Profits* are important *Growth* measures. Further, they suggest that five measures, *Five-year Objectives*, *Management Opinion*, *Success Rate*, *Return on Investment*, and *Strategic Fit* are important *Efficiency* measures.

Organisation Types’ Performance in Emerging Economies: In terms of integrating the constructs in this study, a limited amount of research exists as to which organisation type will achieve optimal results in emerging markets, and most of that is focused on China as an emerging market. Parry and Song (1994) guide this discussion by exploring the meaning of success in market entry and new products in China. Tan and Luo (1998) find that successful multi-national corporations adopt an Analyzer strategy in China to deal with environmental complexity, market dynamism, and competitive hostility. However, local firms (that is, those indigenous to the Chinese economy) were

more likely to adopt a Defender strategy, especially during economic transition. They note that the strategic choices made by foreign and local firms will not, and ought not, be the same, as they differ in organisational capabilities, market orientations, strategic objectives, and institutional support.

Luo and Park (2001) find a significant difference in commercial performance among market-seeking multi-national corporations depending on strategic type, with Analyzers producing the highest performance. They suggest that Analyzers are best suited to the turbulent Chinese market, while Prospector and Defender types experience mismatches with China's highly dynamic and complex markets. Furthermore, Luo (2004) suggests that the industry volatility and cultural distance between the multi-national corporation and China (Hofstede, 2001) is a factor in determining the optimal strategic orientation. Prospectors perform better in entering highly volatile industries where cultural distance is negatively associated with resource commitment. However, Defenders perform better in relatively stable industries where cultural distance is positively associated with resource commitment.

Hinson and Dadzie (2009) report on the relationship between organization type, environment, and marketing performance in Ghana. They find that Prospectors will succeed by 'interactive marketing' and Analyzers will succeed by 'network marketing', while operating in a more dynamic environment. Defenders, operating in a more stable environment, will succeed by making the least use of 'network marketing.' Thus, this recent Hinson and Dadzie research in a nascent emerging economy, such as Ghana, still resonates with the Miles and Snow typology. The literature cited calls for further analysis of other emerging markets to find relationships between organisation type and other factors relating to successful market entry and product line strategies.

Conceptual Framework

Organisation Types in Emerging Economies: The purpose of this conceptual framework is to suggest the behaviour in emerging economies of organisation types (Prospector, Defender, and Analyzer), based on previous literature on their entrepreneurial traits, development programs, and performance measures. This paper has already cited authoritative studies confirming the validity of the Miles and Snow typology as a means to understand organisations' strategies (DeSarbo et al., 2005; Hambrick, 1984; James & Hatten, 1995). The question to be addressed in building this conceptual framework is whether the different organisation types, as portrayed by Miles and Snow (1994), will differ in their market entry and product line strategies, development programs, and performance measures, when entering emerging markets. It is important to professionals and academics to have this framework to guide managerial behaviours and research directions related to organisations entering emerging economies.

Organisation Types and Entrepreneurial Traits in Emerging Economies: The first suggested area of investigation is the degree to which organisation types, while

competing in emerging economies, agree with the entrepreneurial traits that Miles and Snow (1994) attribute to them. It is expected that organisations entering emerging economies will agree more with the entrepreneurial traits ascribed to their strategic type than to others. Among the bases for this expectation is that the Miles and Snow market entry and product line traits are consonant with Yip's (2003) market entry strategies for emerging economies. His study suggests that each organisation type will enter emerging economies, as previously described, using one of six entry strategies, which resonate with the Miles and Snow market entry and product line strategies.

According to Miles and Snow (1994), organisations' entrepreneurial traits that distinguish each type by their market entry and product line strategies are important to anticipating their behaviours. Each type's discreet traits along the two entrepreneurial dimensions express their business strategies in the form of market entry and product lines. Prospectors' entrepreneurial traits, as related to emerging economies, are to respond to emerging market needs before competitors and to have a broad and changing range of products for diverse types of new customers. Defenders' are characterized as the organisation type that is likely to already occupy emerging markets, enact entrepreneurial behaviours intended to attract new customers resembling present ones, and have a limited number of product lines that do not change much.

Interpreting the Miles and Snow entrepreneurial traits, this study bases its propositions on the presumption that Prospectors will enter the new markets in emerging economies, more so than will Defenders; and that Defenders will occupy their existing market niches in emerging economies, more so than will Prospectors. However, the entrepreneurial traits of Analyzers allow for two possibilities regarding emerging economies, one, that they will enter new markets or, two, that they already occupy existing market niches. In the first case, Analyzers, who are entering new markets in an emerging economy, are more likely than are Prospectors to respond with their existing product lines to new customer needs. In the second case, Analyzers, who are indigenous providers in existing markets in emerging economy, are likely to provide their existing customers with new product lines.

The two discreet choices (new and emerging or present and existing) along the two entrepreneurial trait dimensions (market entry and product lines) express each organisation types' expected behaviour in emerging markets. Therefore, four propositions are based on entrepreneurial traits, as applied to their entering emerging economies:

P1a: Prospectors will introduce new product lines to new markets in emerging economies more than will Analyzers.

P1b: Defenders will improve existing product lines for their existing markets in emerging economies more than will Analyzers.

P1c: Analyzers will improve existing product lines for new markets in emerging economies more than will Prospectors.

P1d: Analyzers will introduce new product lines to serve their existing markets in emerging economies more than will Defenders.

Organisation Types and Development Programs for Emerging Economies:

In developing this conceptual model, this study builds on the relationships identified by Miles and Snow (1978 & 1994) between organization type and entrepreneurial traits. Taking the step of market entry and product line strategies another step, this study considers four types of development projects generally defined by Griffin and Page (1996). This stage of the model brings together the Miles and Snow (1978 & 1994) entrepreneurial traits and the Griffin and Page (1996) development project types (as shown in Figure 2) to suggest a conceptual basis for which development programs organisations ought to adopt for emerging economies.

The description of entrepreneurial traits provided by Miles and Snow (1994) suggests that organisations execute their business strategies, to a significant degree, through their product line strategies. Prospectors are expected to use development projects to introduce a broad range of new products for different types of new customers in emerging economies. Defenders are expected to improve the efficiency of existing products provided to existing customer types in emerging economies. Analyzers are expected to target new customer types with existing product lines, or to serve existing customers with new product lines. That is, the three stable organisation types ought to pursue unique emphases in their development programs.

Griffin and Page (1996) and Daneels and Kleinschmidt (2001) concur and suggest that organizations will emphasize specific types of projects in their development programs. They suggest that Prospectors will emphasize new-to-the-world projects, i.e., major innovations, more than will Analyzers, the other organisation type, which targets new markets in emerging economies. This is consistent with the generally held characterization of Prospectors as being “first in” with new products that can change industries in emerging economies (Lamkin, 1988, Lieberman & Montgomery, 1988, and Robinson & Min, 2002). Defenders are characterized as primarily concerned with enhancing the efficiency and effectiveness of their existing product offerings, as occupants of existing markets in emerging economies. This is consistent with the characterization of Defenders as protecting stable product niches, as the provider with higher quality, superior service, lower prices, and greater value (Chandy & Tellis, 2000). Therefore, Defenders will emphasize more improvement projects than will Analyzers, the other organisation type, which occupies existing market niches in emerging economies.

Griffin and Page (1996) imply that Analyzers will place greater emphasis on addition to product line and product re-positioning projects than will other organisation types. This is consistent with a market defense strategy of Analyzers as early followers of Prospectors’ new-to-the-world products, with their own modified product lines. Analyzers can also target new markets in emerging economies by re-positioning existing product lines proven in their home markets. As such, organisation types will differ in the emphasis that they place on the four major types of development projects. Therefore, this study offers four propositions based on the relationship between organisation types and their project emphases in their development programs:

P2a: Prospectors will emphasize new to the world projects for new markets in their development programs more than will Analyzers.

P2b: Defenders will emphasize product improvement projects for their existing markets in their development programs more than will Analyzers.

P2c: Analyzers will emphasize product re-positioning projects for new markets in their development programs more than will Prospectors.

P2d: Analyzers will emphasize addition to product line projects for their existing markets in their development programs more than will Defenders.

Organisation Types and Program Performance Measures in Emerging Markets: This study suggests an investigation into whether *Growth*-oriented or *Efficiency*-oriented measures for development program performance are more important to each organisation type when entering emerging economies. Propositions are developed that certain organisation types will place more emphasis on certain performance measures than will other organisation types.

One purpose of this study is to discover which program performance orientations organisation types ought to use based on their organization strategy and entrepreneurial traits. Griffin and Page (1996) conclude that Prospectors ought to emphasize *Growth*-oriented performance measures and that Defenders ought to emphasize *Efficiency*-oriented performance measures. This study, therefore, proposes that Prospectors, entering new markets in emerging economies, will emphasize a *Growth* performance factor, including the degree that new product lines lead to future opportunities, the percentage of new revenues provided by new products, and the percentage of new profits from new products. It is also proposed that Defenders, in protecting existing market niches in emerging economies, will emphasize an *Efficiency* performance factor, including the degree that the product line meets five-year objectives, management's subjective opinion of product line success, the success rate of product line projects attempted, and the return on investment in the product lines.

The organisations' core business problems, as defined by Miles and Snow (1994), also suggest they use different program performance factors. Prospectors' core business problem of seeking new opportunities in new markets (especially in this case, in emerging economies) suggests that they will use *Growth*-oriented performance measures. Defenders' core business problem of sealing off their existing market niches by maintaining efficient, technologically stable environments suggests that they will use *Efficiency*-oriented performance measures. However, Analyzers' delicate balancing problem of being followers in existing markets with enhanced product lines or early entrants to new markets with existing product lines does not dictate that they ought to emphasize either a *Growth*- or *Efficiency*-oriented performance measures. So, which program performance metrics ought Analyzers to use?

Griffin and Page (1996) do not suggest whether Analyzers ought to emphasize either *Growth*-oriented or *Efficiency*-oriented program performance metrics. This reso-

nates with the often-held view that Analyzers are a hybrid type, strategically located between Prospectors or Defenders. However, Miles and Snow (1994) are clear that Analyzers are a stable type with distinct business strategies and organisational traits. This study proposes that the success of Analyzers' development programs in emerging economies ought not to be determined by performance measures, which are uniquely appropriate for Prospectors or Defenders. Analyzers' business strategy is not to develop new products for new customer types and, therefore, they ought not to rely solely on Prospectors' *Growth* performance factor. Their business strategy is not to improve existing products for existing types of customers and, therefore, they ought not to rely solely on Defenders' *Efficiency* performance factor.

Analyzers' business strategy is a strategic balancing act between improving existing product lines for new customers and developing new product lines for existing customers. This study proposes that the Analyzers' success in maintaining balance in both new and existing markets in emerging economies requires measurement by a unique *Strategic* performance factor, which incorporates measures such as strategic fit, meeting intermediate term goals, and satisfying management objectives.

Therefore, four propositions are based on the Miles and Snow (1978 and 1994) strategic typology and the Griffin and Page (1996) program performance factors:

P3a: Prospectors will emphasize a Growth performance measure in new markets in emerging economies more than will Analyzers.

P3b: Defenders will emphasize an Efficiency performance measure in their existing markets in emerging economies more than will Prospectors.

P3c: Analyzers will emphasize a Strategic performance measure in new markets in emerging economies more than will Prospectors.

P3d: Analyzers will emphasize a Strategic performance measure in their existing markets in emerging economies more than will Defenders.

Conclusion

This conceptual study calls for an investigation of propositions regarding organisation types, as related to their two key entrepreneurial traits, their entry into markets and their development of products. The study also inquires about how organisation types differ in their development programs and the program performance measures they use in emerging economies. This study suggests that of the three stable organisation types, Prospectors are more likely to respond early to the needs of new markets in emerging economies with new products. They are more likely to emphasize new to the world products, or major innovations, and are more likely to measure their development program performance with *Growth*-oriented metrics. This study suggests that Defenders are more likely to be the indigenous providers in emerging economies, with a narrow range of stable products. They are more likely to emphasize product improvement projects,

and are more likely to measure product performance with several *Efficiency*-oriented measures. Analyzers are more likely either to be new entrants to emerging economies with proven, existing products, or to be occupants of emerging markets with new and improved products. They are more likely to evaluate their product performance with a *Strategic* performance measure.

This study suggests that future researchers will better understand the behaviour of different organisation types in emerging economies, if they consider their entrepreneurial traits, specifically their market entry and product line strategies. Future research into the efficacy of managerial practices in emerging economies will be enhanced if performance is evaluated against strategy-based measures. Researchers may enhance the validity of their performance studies by selecting outcome measures considered important by practitioners. Most importantly, researchers ought to be aware that no single performance measure is satisfactory across all strategic types. This study has clear limitations, which will be overcome by future research on organization types, development programs, and performance measurement. It is hoped that this conceptual framework contributes to the growth of research in this exciting discipline of organisations' entering markets in emerging economies.

The managerial implications of this study are that professionals may succeed in entering emerging markets by following different paths, carved out by their organisations' strategies. This study suggests that managers can be more successful, if their development programs emphasize projects tailored to their target markets and based on their technology capabilities. Appropriate project selection will channel efforts to intended markets and will conserve scarce development resources, and proper performance measurement will encourage strategy-based decision-making and will reward goal-oriented managers. Managers, entering into emerging markets, ought to orient their performance measures to be consistent with their organisation types and their project types. Managers will also benefit by adopting selected, key performance criteria during the early stages of the development process, so that project teams can have greater clarity as to exactly what will constitute success.

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