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Research paper

Market orientation, positioning strategy and brand performance

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ABSTRACT

As the importance of B2B branding increases, literature has received considerable attention in the recent years. An underexplored area in B2B branding revolves around brand positioning and its antecedents. Towards this end, this study links market orientation (proactive and responsive) with the various positioning strategies. Specifically, we extend the extant literature by (1) exploring the possible connections (and alignments thereof) between market orientation types and brand positioning, and (2) examining the effects of these positioning strategies on brand performance. Based on data collected from individuals responsible for managing B2B brands in various industries, this study finds that both proactive and responsive market orientation types support the development of specific positioning strategies. These positioning strategies, in turn, mediate the relationship between market orientation types and brand performance. Implications for researchers and practitioners are provided.

1. Introduction

The importance of positioning is generally well established in marketing literature, especially where the research focus is on product and brand management (Hooley, Broderick, & Möller, 1998; Hooley, Greenley, Fahy, & Cadogan, 2001; Kotler, 2000, 2003; Shostack, 1987). Marketing textbooks put positioning at the core of strategic marketing, i.e., segmentation, targeting, positioning and marketing plan. Successful positioning helps differentiate the focal brand from its competitors, appeals to customer's needs, and creates enhanced consumer loyalty and consumer-derived brand equity (Kalra & Goodstein, 1998; Keller, 2003; Leek & Christodoulides, 2011; Ohnemus, 2009). Positioning, if done properly, is said to affect a firm's long-term competitive advantage (Hooley et al., 2001; Kotler, 2003; Porter, 1996). Effective positioning is also said to be associated with superior performance (Hooley et al., 2001), including profits (Suzuki, 2000). In summary, while there has been ample research on positioning, especially brand positioning in business-to-consumer (B2C) contexts (Kalra & Goodstein, 1998; Keller, 2003), the topic has received somewhat lackluster research attention in business-to-business (B2B) settings (Jalkala & Keränen, 2014; Kalafatis, Tsogas, & Blankson, 2000; Keller & Lehmann, 2006).

B2B markets are often considered to be sales driven (Baumgarth & Binckebanck, 2011), and therefore, have not focused on branding elements, including brand positioning (Kotler & Pfoertsch, 2006). This is a concern given that the more recent literature (see He, Huang, & Wu, 2018; Jalkala & Keränen, 2014; Veloutsou & Taylor, 2012) supports the notion that brand management, especially brand positioning can help differentiate a B2B firm's offerings from its competitors. In light of the increasingly competitive environment, where there is a threat of nontraditional competition and movement towards parity of offerings (Hatch & Schultz, 2003; Liu & Atuahene-Gima, 2018; Porter, 2008), differentiating one's offerings becomes critical in B2B markets. Thus, understanding brand positioning types and the potential antecedents becomes necessary from both academic and managerial viewpoints.

A majority of the positioning typologies developed in B2C markets have limited application in the B2B context for a few reasons (Kalafatis et al., 2000). First, most of the positioning strategies in the B2B context take place at the corporate level, and individual brands tend to put an emphasis on firm level values such as trustworthiness and expertise (Jalkala & Keränen, 2014). Second, the personal interactions between buyers and sellers are much more voluminous in B2B markets, underscoring the need for a deeper insight into positioning strategies that involve key capabilities (Davis, Golicic, & Marquardt, 2008; Kalafatis et al., 2000). Third, most positioning typologies in the B2C market have been derived with a focus on the advertising and analytics-related

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activities (Kalafatis et al., 2000), which may not be completely relevant in B2B markets. Fourth, hardly any research has looked at the possible organizational antecedents or consequences of positioning typologies and strategies (see Paswan, Guzmán, & Blankson, 2012 and Voola & O'Cass, 2010 for exceptions). Finally, given the rise of branding and brand management principles in B2B markets, it becomes imperative to understand the potential positioning types that can allow firms to gain a marketplace advantage in an increasingly competitive environment (Porter, 2008).

In summary, there is a lack of understanding about positioning and its relationship with its antecedents and outcomes in B2B context. The need to study this gap is further exacerbated by the increasing emphasis on branding by B2B firms. The current study aims to address this research gap in the B2B branding literature by investigating the relationship between positioning platform (Kotha & Vadlamani, 1995; Mintzberg, 1988a), firm performance, and a key antecedent, namely, market orientation (Hult & Ketchen, 2017; Kohli & Jaworski, 1990; Narver, Slater, & MacLachlan, 2004; Slater & Narver, 1994).

We draw upon on the extant research on market orientation (Hult & Ketchen, 2017; Kohli & Jaworski, 1990; Narver et al., 2004; Slater & Narver, 1994), branding, and brand positioning (Blankson & Crawford, 2012; Blankson & Kalafatis, 2004; Fuchs & Diamantopoulos, 2010; Kalafatis et al., 2000) because branding and brand positioning are closely related with market orientation. As firms try to differentiate themselves from other firms in an increasingly competitive B2B marketplace, they must first gather information about their competitors and customers' needs, and then design a value offering that occupies a distinctive place in customers' minds. This approach is consistent with suggestions made by researchers such as Baack, Wilson, van Dessel, and Patti (2016), He et al. (2018), and Lynch and De Chernatony (2004). These researchers argue that the concepts and theories used in B2C branding are equally applicable in the B2B context. This line of thinking also makes intuitive sense since decision making in the B2B context is ultimately made by humans, who would respond to signals and cues just like firm representatives in B2C settings, and hence brand positioning concepts and theories developed in the B2C context should also work in the B2B context. Investigating the relationship between market orientation types (proactive and responsive) and brand positioning strategies is a step in this direction.

This study contributes by extending the knowledge about market orientation and brand positioning into the B2B context. Specifically, we argue (and find evidence) that proactive market orientation will aid in the development of design-based and quality-based differentiation strategies, and responsive market orientation will facilitate the development of brand-image-based, price-based, and undifferentiation strategies that subsequently influence brand performance. Organizations pursuing various positioning strategies should ensure that their other marketing capabilities (in this case, market orientation) are aligned with the foundational strategy that they plan to pursue. From a theoretical perspective, this study contributes to the positioning literature by providing insights into how market orientation types form a basis for developing brand positioning strategies from a firm-level standpoint, which is in contrast with the existing literature that has primarily looked at positioning from an advertising and analytics-based perspective (Kalafatis et al., 2000). This study also contributes to the extant literature by using an analytical and process-oriented approach to understand positioning, in contrast to the dominant viewpoint of image-led approach to positioning (Kalafatis et al., 2000; Penttinen & Palmer, 2007). Finally, this study enhances our understanding of the development of marketing capabilities/competitive advantages in B2B organizations (Barney, 2014; Day, 2014; Gregory, Ngo, & Karavdic, 2017). In the following sections, a review of relevant literatures, along with the hypothesized relationships between focal constructs are provided. Then, the research method, analyses, and the findings are discussed. Finally, both theoretical and managerial implications, as well as limitations and avenues for future research are presented.

2. Theoretical background and development of research framework

2.1. Market orientation

The notion of marketing concept (marketing as an organizational responsibility) has become prominent in the last two decades (Hult & Ketchen, 2001; Jaworski & Kohli, 1993; Slater & Narver, 1998; Webster Jr., 1988). While different conceptualizations of market orientation exist (Deshpandé, Farley, & Webster Jr, 1993; Kohli & Jaworski, 1990; Narver & Slater, 1990), there is consensus that market orientation creates necessary behaviors for developing superior value for buyers through collecting and distributing market intelligence (Narver & Slater, 1990). Market orientation is often the key to developing various market-based organizational capabilities that facilitate firms to use the gathered and distributed information towards developing a competitive advantage (Morgan, Vorhies, & Mason, 2009; Murray, Gao, & Kotabe, 2011; Narver et al., 2004). Competitive strategies or brand positioning are often considered organizational level capabilities, as they encompass a wide range of processes, activities, and strategy (Arnott, 1993; Kalafatis et al., 2000). Not surprisingly, extant literature has explored the relationship between market orientation and brand positioning/competitive strategies (Blankson et al., 2013; Hooley, Piercy, & Nicoulaud, 2007; Liu & Atuahene-Gima, 2018). Based on this perspective, we argue that market-focused resources, such as market orientation, influence strategy selection and implementation, leading to an eventual market position and firm performance. Therefore, we consider market orientation as an antecedent to developing various positioning strategies in an organization.

Market orientation has been viewed as (a) a component of the organizational culture (Homburg & Pflesser, 2000; Hult & Ketchen, 2017; Saini & Johnson, 2005; Slater & Narver, 1993), (b) a resource having potential value (Murray et al., 2011; Narver et al., 2004), and (c) a capability (Atuahene-Gima, Slater, & Olson, 2005; Lamore, Berkowitz, & Farrington, 2013; Voola & O'Cass, 2010). We adopt the view that market orientation and its corresponding behaviors are a resource that can be harnessed to develop capabilities, ultimately influencing the organizational performance (Desarbo, Di Benedetto, & Song, 2007; Murray et al., 2011). Market-oriented behaviors can lead to the development of various competitive strategies, eventually leading to a competitive advantage and improved business performance (Ketchen, Hult, & Slater, 2007). This line of argument is also anchored in the resource-based view of the firm (Barney, 1991; Hunt & Morgan, 1996), which holds that a resource is utilized to develop capabilities/advantages, which in turn lead to superior business performance.

The mixed results (albeit inclined towards a positive association) in the literature concerning the relationship between market orientation and performance (Cano, Carrillat, & Jaramillo, 2004; Coff, 1999; Kirca, Jayachandran, & Bearden, 2005; Newbert, 2007; Schroeder, Bates, & Junttila, 2002) underscore the possibility of additional variables that may be influencing this relationship. These additional variables could refer to the presence of other capabilities such as innovation or market-sensing capabilities, and brand management capabilities (Han, Kim, & Srivastava, 1998; Olavarrieta & Friedmann, 2008), which ultimately highlight the role of market orientation as a building block for strategy formulation in an organization.

Market orientation encompasses the behavioral process through which the firm generates market intelligence, distributes the intelligence to relevant departments and individuals in the organization, and takes actions in response to that intelligence (Kohli & Jaworski, 1990). Given the concern relating to the responsive nature of market orientation conceptualizations, more recent studies have considered market orientation to be represented by two separate constructs: proactive and responsive (Atuahene-Gima et al., 2005; Lamore et al., 2013; Narver et al., 2004; Slater & Narver, 1998; Tan & Liu, 2014). Central to this typology is the recognition of two types of customer need: latent/tacit vs. expressed (Jaworski & Kohli, 1996; Slater & Narver, 1998). The latent/tacit needs refer to the unmet/unaware needs of customers, and require articulation. Whereas, expressed needs are those that customers are aware of and can articulate. The two market orientation types are discussed below.

2.2. Market orientation types

Proactive market orientation (henceforth, PMO) is concerned with identifying and addressing customer latent/tacit needs. The emphasis in PMO is on discovering future needs of customers and detecting new market opportunities. PMO underscores willingness for risk-taking on behalf of the firm, even at the cost of cannibalizing the sales of existing products (Atuahene-Gima et al., 2005; Jaworski, Kohli, & Sahay, 2000; Narver et al., 2004; Slater & Narver, 1998). PMO is research-driven, reflects a learning mindset, and is often market-driven (Narver et al., 2004). Higher levels of PMO characterize the firm's inclination towards directing their customers to uncover new/unexplored needs that can be met through developing future products (Lamore et al., 2013). Not surprisingly, PMO shares similarity with *exploration*, and is defined as activities that challenge existing ways of doing things and promote invention (Herhausen, 2016). Hence, PMO is a conduit for the adoption of such competitive strategies as quality or design-based differentiation which put an emphasis on market research, opportunity detection, and calculated risk-taking (Voola & O'Cass, 2010).

Responsive market orientation (henceforth, RMO) is focused on understanding the existing customer needs and being receptive to them (Saini & Johnson, 2005; Slater & Narver, 1998). RMO is a customer-led orientation, underscoring the firm's interest in collecting information that corresponds to the existing knowledge structure and experience in the market (Atuahene-Gima et al., 2005; Baker & Sinkula, 1999). It enables a firm to satisfy existing customer needs through the development of new products. In contrast to PMO, RMO engenders *exploitative* learning, which emphasizes efficiency and improvement of the existing ways of doing things. The initial conceptualizations of market orientation (Kohli & Jaworski, 1990; Narver & Slater, 1990) revolved around RMO. Some authors argue that RMO diminishes opportunities to generate new solutions (Berghman, Matthyssens, & Vandenbempt, 2006; Herhausen, 2016; Narver et al., 2004). Without RMO, however, firms are less likely to meet immediate customer needs, thereby endangering current profitability. RMO is aligned with the value of consistency, which is important from a brand management perspective (Urde, 2016). Hence, RMO's conduciveness is towards competitive strategies such as differentiation and cost-leadership, which emphasize consistency, efficiency, and low-risk market skimming (Voola & O'Cass, 2010).

The bulk of the research on market orientation is mainly focused on understanding its relationship with performance and, in so doing, has drawn upon a range of other constructs such as innovation (Han et al., 1998), entrepreneurship (Hurley & Hult, 1998; Matsuno, Mentzer, & Rentz, 2000), and the learning organization (Hurley & Hult, 1998; Slater & Narver, 1998). Most researchers agree that market orientation acts as a precursor to the development of other marketing/technological strategies and capabilities that have been previously understood in the literature (Day, 1994; Deshpandé et al., 1993; Hurley & Hult, 1998; Murray et al., 2011; Nguyen, Yu, Melewar, & Chen, 2015). In recent years, researchers have called for a deeper understanding of the development of marketing capabilities/competitive advantages (Barney, 2014; Day, 2014; Gregory et al., 2017). The present research responds to this call by conceptualizing and empirically testing the aforementioned market orientation typology (i.e., PMO vs. RMO) as a key antecedent to competitive positioning strategies and their subsequent effects on brand performance in the B2B context.

2.3. Brand positioning

Brand positioning is viewed as the act of designing the firm offering (s) to occupy a distinctive place in the minds of customers (Kotler, 2003). Porter (2008) views positioning as “performing different activities from rivals' or performing similar activities in different ways” (p. 5). A positioning advantage is a valuable market resource that is imperfectly imitable and non-substitutable (Barney, 1991; Hunt & Morgan, 1996), and can eventually lead to a sustainable competitive advantage and superior business performance. Kalafatis et al. (2000) point out that the discussion of positioning has been restricted to advertising and analytics-related activities.

The scope of positioning should be conceived broadly enough so as to encompass the organization-wide processes required to develop and communicate a firm's identity to its customers (Kalafatis et al., 2000). Kalafatis et al. (2000) draw on Arnott (1993) and identify three levels of discussion on positioning: concept, operations, and strategy. Mühlbacher, Dreher, and Gabriel-Ritter (1994) take a process-oriented approach towards developing and managing the organization's positioning practice. Taken together, these scholars understand brand positioning as a broad notion that involves activities capable of creating actual or perceived advantages for brands in the minds of potential customers. In other words, positioning is a market-based organizational capability that can provide firms with an advantage at the marketplace.

There have been numerous studies on brand positioning in B2C markets (Bhat & Reddy, 1998; Blankson & Crawford, 2012; Blankson & Kalafatis, 2004; Fuchs & Diamantopoulos, 2010; Kalafatis et al., 2000; Park, Jaworski, & MacInnis, 1986). These studies primarily take the perspective of the individual consumer and examine brand positioning typologies at the product level (Blankson & Kalafatis, 2004; Park et al., 1986). Hence, their insights are not readily generalizable to B2B markets. In addition, most of the extant research on B2B positioning is conceptual in nature, having yet to empirically examine the various aspects of positioning in B2B settings.

2.4. Brand positioning in B2B markets

B2B marketers have traditionally focused on a sales-led culture and operational improvements to gain competitive advantages in their markets (Kalafatis et al., 2000; Penttinen & Palmer, 2007; Porter, 1996, 2001). This focus was driven by the implicit assumption that most industrial markets were viewed as commodity or specialty markets where customers had a clear idea about the product category and competition (Kotler & Pfoertsch, 2006). However, the changing nature of industrial markets, that includes increased competition, similarity in offerings, higher levels of imitation/dysfunctional competition (competitors who violate intellectual property rights), and competition from non-traditional competitors, necessitate the need to develop a differentiated image for industrial organizations (Fuchs & Diamantopoulos, 2010; Hatch & Schultz, 2003; Liu & Atuahene-Gima, 2018; Porter, 2008).

Due in part to these trends, scholarly attention devoted to branding in B2B markets has been on the rise (see Beverland, Napoli, & Lindgreen, 2007; Davis et al., 2008; Kalafatis et al., 2000; Leek & Christodoulides, 2011; Lindgreen, Beverland, & Farrelly, 2010; Sheikh & Lim, 2011). Webster and Keller (2004) call upon B2B brand managers to develop and communicate points of difference (e.g., the firm's technical competence, the strength of the firm's reputation) as the basis for creating or differentiating brand image. He et al. (2018) amplify the importance of brand positioning in B2B markets and invite researchers to advance new frameworks on human values in B2B branding.

Considering the strong commonalities among the various strategic activities that firms perform in B2B markets, positioning strategies are often closely aligned with competitive strategies. Due to the nature of industrial markets, firms tend to build brands at the corporate level and position them based on firm-level attributes such as experience and reputation (Beverland et al., 2007). This argument also finds support in

Table 1
Overview of literature in B2B brand positioning/competitive strategies.

Author	Key Points
Porter (1980)	Develops the generic competitive strategies typology. Generic strategies include differentiation, cost leadership, and focus.
Shipley and Howard (1993)	Product identity is useful in brand positioning in industrial markets and allows firms to enjoy greater marketing and company success. Larger firms are more inclined to emphasize on branding activities as compared to smaller firms.
Mühlbacher et al. (1994)	Discuss a conceptual framework for developing and managing industrial positioning strategy. The framework outlines expected processes and activities needed to develop a competitive position.
Kotha and Vadlamani (1995)	An empirical examination of Mintzberg's (1988) typology shows that the generic competitive strategies proposed by Mintzberg hold better as compared to Porter's (1980) typology. Mintzberg's (1988) typology is a more comprehensive list of competitive strategies that includes quality-based quality, image, price, design, support, and undifferentiation.
Kalafatis et al. (2000)	Empirically test a proposed positioning typology in the B2B market context. The authors identify that positioning based on criteria such as product quality, relationship building factors, coverage, breadth of offerings and level of integrations are critical.
Beverland et al. (2007)	Discuss the inclination of B2B organizations to focus on brand positioning at the corporate level. Identify various capabilities underpinning brand positioning strategies in B2B firms. The identified capabilities include entrepreneurial capabilities, reflexive capabilities, innovative capabilities, brand supportive dominant logic, and executional capabilities.
Kotler & Pfoertsch, 2006	Emphasize on the need for B2B organizations to brand and position themselves. The authors argue that B2B organizations with strong brand positioning have higher effectiveness, efficiency and competitive advantage across operations due to higher levels of clarity.
Penttinen and Palmer (2007)	Examine repositioning of organizations based on the changes in market offerings and buyer-seller relationships. The authors argue that successful repositioning can be achieved through development of new products/services or enhancing customer relationships.
Davis et al. (2008)	Emphasize on the role of brand positioning for B2B service brands based on their underlying capabilities. The authors also stress on the importance of brand names for differentiation in B2B services.
Virtsonis and Harridge-March (2009)	A conceptual framework for positioning in B2B online environment is developed based on content analysis of web pages of companies. The authors identify ten positioning elements that include benefits and features, value chain position, pricing and value statements, competitive advantage, product and service information, information on processes, relationships and partnering, leadership claims and corporate power, comparative statements, and corporate social responsibility.
Persson (2010)	Looks at the influence of a distinctive brand image on price premium. Brand familiarity, product solution, service, distribution, relationship, and company association are related to buyers' willingness to pay.
Herbst and Merz (2011)	Discuss the importance of brand personality elements in developing a distinctive position for B2B organizations. Identify performance, sensation, and credibility as key brand personality elements that can help develop a distinctive position.
Mäläskä, Saraniemi, and Tähtinen (2011)	Highlight the importance of network actors for the development of brand position for SMEs operating in the B2B context. The authors argue that brand positioning in a network pool can influence positioning of related brands.
Jalkala & Keranen (2014)	Identify four brand positioning strategies based on service quality capabilities for B2B service firms. The strategies include customer value diagnostic, global solutions integrator, high quality sub-systems provider, and long-term service partner.
He et al. (2018)	Advocate use of human values in B2B brand positioning. The authors also argue that self-transcendence and self-enhancement are important for B2B brands.

the belief that, in B2B settings, purchase decisions hinge on the judgments pertaining to a supplier's brand image along with other organizational-level factors (Davis et al., 2008; Jalkala & Keränen, 2014). Considering the high levels of risk/opportunism typical of B2B exchanges, positioning at the firm level is often a prudent choice. Moreover, Davis et al. (2008) stress the role of positioning when they advise industrial firms to strive for distinctive capabilities that can enhance market perceptions of their brands. A firm's competitive strategies/capabilities provide a platform for creating a distinctive position in the marketplace.

The foregoing discussion underscores the intimate interplay between competitive strategies and positioning, construable as two sides of the same coin. Competitive strategies and positioning represent the underlying processes and behaviors that a firm needs to practice in order to achieve a particular advantage in the market (Teece, Pisano, & Shuen, 1997). Therefore, we use competitive strategies as a proxy for positioning strategies of the firm. A similar approach has been used by Porter (1996) who demonstrates how his generic strategies explain firm positioning while avoiding the contradictions between various strategies and providing a clear direction for business firms. Not surprisingly, competitive strategies/typologies have been used as proxies for positioning; especially when positioning is studied from the organizational perspective (Hooley et al., 2007; Liu & Atuahene-Gima, 2018; Morschett, Swoboda, & Schramm-Klein, 2006; Paswan, Wittmann, & Young, 2004; Wortzel, 1987).

2.5. Strategies for positioning in B2B markets

Consistent with the B2B exchange literature, Beverland et al. (2007) advise B2B firms to utilize intangible elements, such as trust and expertise, as bases for differentiation. Similarly, Roberts and Merrilees (2007) emphasize service quality and relationships as cornerstones of industrial service firms' brand image. Jalkala and Keränen (2014) identify four brand positioning strategies for B2B service firms that strive to build service quality capabilities and relationships. Herbst and Merz (2011) also discuss the inclusion of brand personality that revolves around performance, sensation, and credibility in developing B2B brand positions (a view also posited by Veloutsou & Taylor, 2012). Along these lines, He et al. (2018) propose a motivation framework of brand values that could be used for B2B brand positioning purposes, and advocate the use of human elements in B2B branding. While all these studies highlight the importance of positioning in B2B markets, they do not provide a comprehensive list of competitive/positioning strategies that can be employed by B2B firms. It is also noteworthy that while B2B brand positioning strategies have been discussed, the literature has yet to examine the organizational antecedents of these strategies.

The earliest and a widely scrutinized B2B positioning typology is Porter's (1980) generic strategies – low cost/price, focus, and differentiation. These competitive strategies highlight the capabilities that firms need to develop in order to define a position for their brands in the marketplace. For example, several India-based outsourcing firms such as Infosys and TCS have focused on operational efficiencies, and subsequently positioned themselves as low-price providers. Mintzberg (1988a) extends Porter's typology by providing a more comprehensive list of differentiation strategies which include quality, image, price, design, support, and undifferentiation. Kotha and Vadlamani (1995) find Mintzberg's typology to be more robust than Porter's generic typology. Mintzberg's typology covers elements that are relevant to both product-based and service-based B2B firms, and provides a deeper insight into organizational capabilities (and subsequent positioning strategies).

Despite being well received in the strategic management and marketing literature, few studies have attempted to articulate the linkages between Mintzberg's positioning strategies and brand management. In their discussion of building strong B2B positioning strategies, Mühlbacher et al. (1994) corroborate Mintzberg's typology and recommend the inclusion of additional quality and service-based positioning strategies. Using data collected from industrial suppliers, Kalafatis et al. (2000) identify additional generic positioning strategies prevalent in B2B markets. These strategies are similar to the differentiation strategies introduced by Mintzberg, with a few additional factors that include personal contact, leadership, and ease to do business. Virtsonis and Harridge-March (2009) document the use of these positioning strategies by UK-based B2B firms. Lastly, Kalafatis et al. (2000) attempt to capture positioning strategies in a manner that reflects customer perceptions. This is in contrast to Porter or Mintzberg who conceptualize them in ways that reflect the firm view. Table 1 provides an overview of the extant literature on B2B brand positioning.

In summary, the limited literature on B2B positioning strategies suggests that researchers have yet to explore the antecedents and consequences of these strategies from the firm's vantage. Few studies have sought to understand the relationship between the organization's mindset, positioning strategies, and brand performance (some exceptions include Liu & Atuahene-Gima, 2018 and Voola & O'Cass, 2010). Contextualized in the B2B context, the present research examines how market orientation types (PMO and RMO) are associated with Mintzburg's positioning strategies, which in turn influence brand performance.

2.6. Proactive market orientation and positioning strategy

When a firm pursues proactive market orientation, it will seek to identify and respond to the unmet and latent needs of customers in the market. In order to identify unmet needs, the firm will require a market-driven, explorative learning mindset. In other words, PMO leads the firm to seek solutions to needs, of which even the customers themselves are not aware. Accordingly, the firm will likely entertain positioning strategies that match the firm's PMO mindset and related competencies. This line of thinking is consistent with the literature on *strategic alignment* (Henderson & Venkatraman, 1993; Luo & Park, 2001; Powell, 1992), which holds that superior business performance is achieved when strategic configurations are aligned with internal operations. When strategic orientations (e.g., market orientation, innovation orientation) match the internal structure/arrangement of an organization, firms are better posed to accomplish business goals. If there is a mismatch between strategic orientations and firm operations, strategic confusion may ensue, leading to lower levels of distinct competitive advantages (Luo & Park, 2001).

We argue that PMO allows the firm to take on positioning strategies/competitive positions that involve a certain degree of risk, such as product or service innovation and service quality/customer service capabilities. These strategies correspond to two strategies in Mintzberg's (1988a) typology: (a) *Design-based differentiation,* i.e., to differentiate the brand/firm by providing specialty products/features, refining existing products/features, offering products/services in high-priced segments, and developing new products and (b) *Quality-based differentiation,* i.e., to differentiate the brand/firm by enforcing strict product quality control procedures, implementing process-oriented innovation in product/service production, employing highly trained and experienced personnel, and developing extensive customer service capabilities. Thus, we hypothesize:

H1: PMO is positively associated with the design-based differentiation strategy.

H2: PMO is positively associated with the quality-based differentiation strategy.

2.7. Responsive market orientation and positioning strategy

Firms that pursue RMO, tend to use an exploitative learning system to capture existing needs of customers in the market and look for improved solutions to fulfill those needs (Herhausen, 2016). Such firms are expected to incorporate processes/activities that are focused on refining or increasing efficiency at the marketplace. Some authors argue that brand management and its undergirding mindset (i.e., brand orientation) are more aligned with exploitative learning (e.g., Lee, O'Cass, & Sok, 2016; Urde, 2016) and, by extension, with RMO. This is because the typical brand manager's primary concern is *consistency*, which can be best achieved through strategies that produce differentiation while avoiding major disruptions. In their initial conceptualization of brand positioning, Park et al. (1986) recommend that marketers focus on consistency.

An example of strategies that can produce no-to-low disruptive differentiation is *brand image-based differentiation*. Differentiation by image is achieved by constructing and inhabiting a distinct position in the consumer mind through promotional campaigns such as advertising and public relations (Kotha & Vadlamani, 1995). To this end, the firm needs to monitor its competitors' advertising and public relation campaigns, delineate an advantageously distinct image for its own brand(s), and, ideally, surpass the industry averages in terms of advertising expenditure. In other words, the firm will seek the type of market information that supports business operation in its current form. Firms pursuing this strategy employ innovative techniques and methods in their advertising, enhance the quality of their advertising, build brand reputation and brand identity, and improve their relationships with distributors in order to competitively position their brand image in the market. For example, Caterpillar and John Deere have met their competition through higher advertising expenditures and innovatively conceived distinctive images in their respective markets. Drawing on these observations, we hypothesize:

H3: RMO is positively associated with brand image-based differentiation strategy.

RMO is also aligned with strategies that seek to provide customers with higher value via offering competitively priced products. For cost minimization to generate competitive advantage, cost-cutting must be translated into competitively low market prices (Kotha & Vadlamani, 1995). As such, B2B firms have traditionally focused on providing low-price offerings by increasing operational efficiency, reducing total costs, and going to great lengths to procure the most cost-effective raw materials. For example, most firms that employ outsourcing and offshoring often operate on price-based differentiation strategy. Since the traditional B2B literature is preoccupied with price and sales-oriented approaches, it is no surprise that price-based strategy is frequently witnessed in B2B markets. This low cost/low price approach corresponds to *price-based differentiation* strategy (Kotha & Vadlamani, 1995; Mintzberg, 1988a) and Porter's (1980) cost leadership strategy. Price-based differentiation strategy requires the firm to secure low-cost raw materials, improve efficiency across business units, reduce costs, and maintain high inventory levels. These activities are qualitatively different from collecting information about customers' latent/unmet needs; rather, they focus on understanding needs that currently manifest in the market and offering competitively priced solutions. We hypothesize:

H4: RMO is positively associated with price-based differentiation strategy.

In industrial markets, the successful positioning of the firm/brand lies in the degree of perceived alignment between the customer's interpretation of the problem and his or her perception of the solution offered by the supplier (Corsaro & Snehota, 2011). For this reason, many B2B firms, especially the relatively smaller ones, often play it safe by copying or anchoring themselves in reference to the incumbent firm/brand. Doing so will require extensive competitor and customer information, which can be pursued through RMO. This strategy is labeled as the *undifferentiation strategy* (Kotha & Vadlamani, 1995), where the firm mimics the incumbent firm/brand in order to ensure a match between the customers' perceived needs and the features of their offerings.

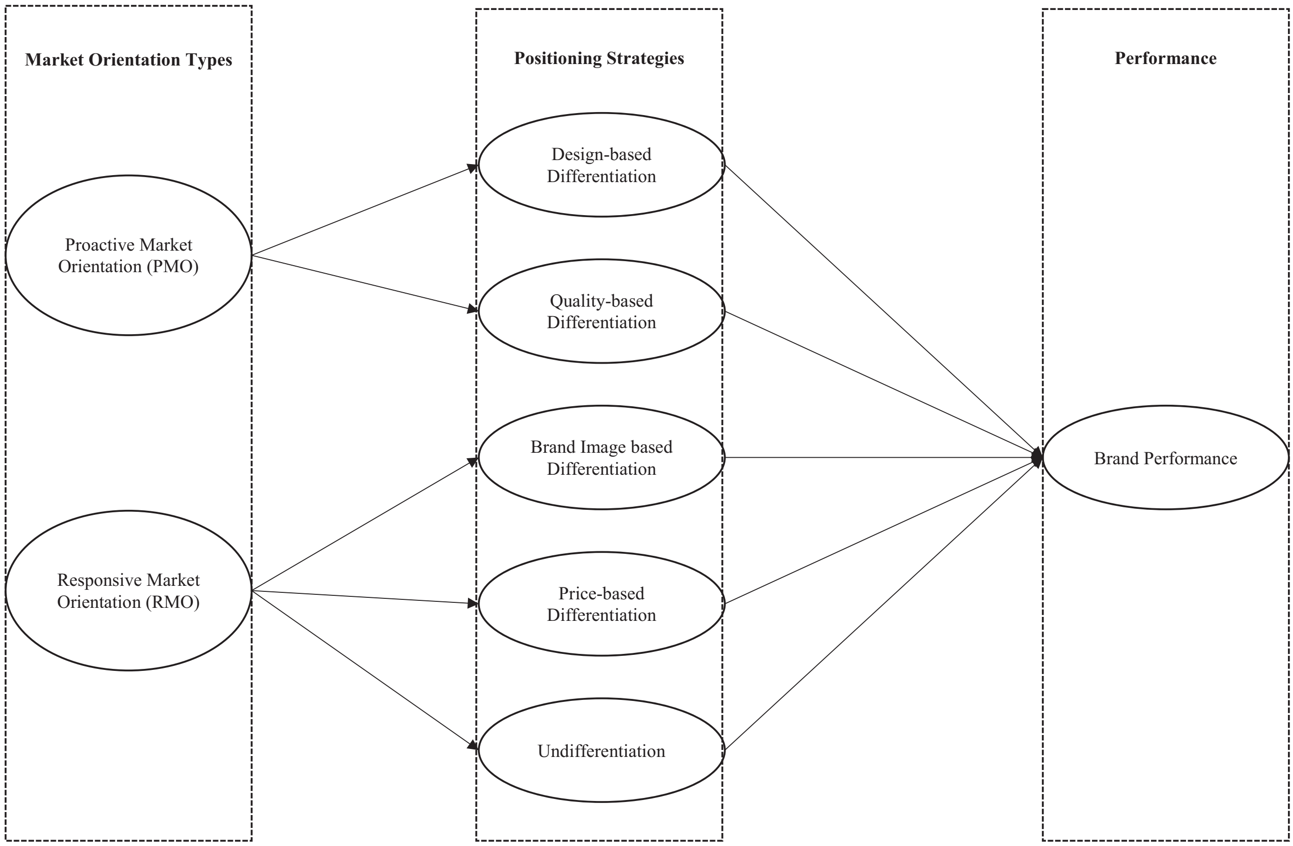

Fig. 1. Research model.

This is also referred to as the imitation or me-too strategy where the objective is to match the capabilities of the incumbent rivals. Based on this discussion, we hypothesize:

H5: RMO is positively associated with undifferentiation strategy.

2.8. The mediating role of positioning strategy

B2B firms that move beyond the traditional sales-led mindset and implement positioning strategies to inhabit a distinctive place in the minds of their clients based on market and industry information are better poised to reap superior performance (Atuahene-Gima et al., 2005; Day, 1994). This becomes the case when the firm's positioning strategy is better informed and empowered through engagement in the generation and dissemination of intelligence about customers and competitors through explorative (i.e., PMO) or exploitative (i.e., RMO) learning approaches. These learning approaches or capabilities are essential in gaining an advantage in the market—a viewpoint highlighted in both marketing and management literatures (Hunt and Morgan, 1996; Newbert, 2008). Specifically, capabilities are ones that effectively integrate and transform resources to a competitive advantage (see Teece, Pisano, & Shuen, 1997 for a review on capabilities). This viewpoint is also consistent with the resource-advantage theory (Hunt & Morgan, 1996), as well as the market orientation theory (Murray et al., 2011).

Applying this logic in the current context, the positioning strategy can be viewed as the underlying process needed to utilize and transform information that is generated through PMO and RMO behaviors. In other words, these positioning strategies are the link between market orientation and brand performance. While market orientation types may have a direct effect on brand performance, positioning strategies should mediate this relationship. We argue that in addition to market orientation behaviors, firms need to generate competitive advantage in the market through differentiation positioning strategies including design, quality, brand image and price. For example, by understanding customer preferences for renewable resources and competitive movement towards the same, IBM was able to capitalize on this issue through the "Smarter Planet" positioning (i.e., brand image). We expect these differentiation strategies to have a positive influence on brand performance. It is important to note here that brand performance captures both brand-based outcome measures such as image and awareness, and objective measures such as sales and market share.

The relationship between an undifferentiation strategy and brand performance appears to be more complicated. Several smaller B2B firms may use an undifferentiation strategy, which might at the same time result in superior sales/market share and diminished/undistinguished brand image. Given the presence of a sales-dominated culture, untapped appreciation for the benefits of branding, and the prevalence of copycat strategies in B2B markets (Kotha & Vadlamani, 1995), we believe that undifferentiation strategy may work for some B2B firms in the short-term. However, undifferentiation strategy is unlikely to enhance the brand-related performance indicators such as brand image and awareness or enable the firm to improve its value-propositions. We expect undifferentiation strategy to mediate the relationship between RMO and brand performance; however, the relationship between undifferentiation and brand performance will be negative. Therefore, we hypothesize:

H6a: Design-based differentiation strategy mediates the relationship between PMO and brand performance. This mediated (indirect) effect will be positive.

H6b: Quality-based differentiation mediates the relationship between PMO and brand performance. This mediated (indirect) effect will be positive.

H7a: Brand image differentiation strategy mediates the relationship between RMO and brand performance. This mediated (indirect) effect will be positive.

H7b: Price-based differentiation strategy mediates the relationship between RMO and brand performance. This mediated (indirect) effect will be positive.

H7c: Undifferentiation strategy mediates the relationship between RMO and brand performance. This mediated (indirect) effect will be negative.

The research model is presented in Figure 1.

3. Method

3.1. Sample

Data were collected using an online survey. Consistent with the previous industrial/brand management studies, this study used the key informant approach for data collection (Cui, Hu, & Griffith, 2014; Santos-Vijande, del Río-Lanza, Suárez-Álvarez, & Díaz-Martín, 2013). The sample for the study was selected using participants belonging to a panel maintained by a reputed research organization. Using respondents from a panel is a common practice in existing research, especially in studies that seek respondents working at managerial levels (Anaza & Nowlin, 2017; Ferguson, Brown, & Johnston, 2017; Nguyen, Paswan, & Dubinsky, 2017).

While each panel of respondents is prequalified by the research firm, we decided to include several screening and qualifying questions to ensure that the sample was appropriate. This is consistent with the approach previous researchers have employed when using panel respondents (Anaza & Nowlin, 2017; Ferguson et al., 2017). First, considering that our study focuses on the B2B sector, we recruited respondents who were in charge of B2B brands. Second, to ensure that the respondents were sufficiently senior in the hierarchy, we included two questions that captured respondents' decision-making ability in the organization. The first question sought to check if the respondents were responsible for making marketing decisions, and the second question checked if the respondents were responsible for making brand-related decisions. Only respondents who were responsible (partially or completely) for taking decisions at marketing and brand levels were allowed to participate. Third, to ensure that respondents were sufficiently well-versed with the senior level management variables, we disqualified any respondent who had < 3 years of managerial work experience.

In addition to these screening conditions, we only included respondents who were working for organizations that had (a) at least $10 million annual revenue and (b) > 250 employees. This criterion was enforced as the larger company size allows for a deeper understanding of brand management/organizational understanding. Specifically, relatively more established organizations tend to have a distinct brand management function and individuals/teams who are responsible for managing the brands. This is not the case for smaller organizations, where the owner/entrepreneur may be responsible for managing brand functions (Spence & Essoussi, 2010). In addition, small/medium organizations often lack the resources and processes needed to invest in brand building activities (Berthon, Ewing, & Napoli, 2008). Considering the exploratory nature of the present research and its aim to understand positioning strategies from a capability perspective where processes are sufficiently developed, we decided to restrict our sample to the relatively more established firms. We acknowledge that smaller firms might also have well-developed brand management strategies and practices and should be considered in future research.

Apart from the aforementioned screening questions, attention filters were included throughout the survey. Respondents who missed one or more attention filters were removed from the survey. We only considered respondents who were working in the United States. A total of 168 responses were received, of which 12 responses were removed due to data quality issues (substantial missing data or indiscriminate responses in various section of the survey). The final usable sample included 156 responses.

As expected, the sample comprised primarily of brand managers, product managers, marketing managers, and marketing directors/vice-presidents. The average experience of respondents in brand management was 8.83 years, and their experience in managing the current brand was 6.01 years, signaling the sufficiency of respondents' understanding of their brands and organizations. The average age of the companies was 54 years. The median organization and brand sales were between $100 million and $1 billion dollars. Most of the respondents (59%) were responsible for managing the corporate brand. This is not surprising given that most industrial organizations tend to view brands at the corporate level, rather than the individual product level. Several industries were represented in the sample including manufacturing, aerospace and defense, automotive, banking/financial services, business services, and logistics. Most of the respondents managed products (58%) as opposed to services (42%). There was a rather even split between individuals working for public (53%) versus private (47%) organizations.

3.2. Measures

Existing scales were used to measure the focal constructs. The scale items for proactive and responsive market orientations were adapted from Narver et al. (2004). Given the paucity of empirical examination of Mintzberg (1988a), we adapted the scales used by Kotha and Vadlamani (1995) and Kotha, Dunbar, and Bird (1995). These scales were adapted to fit the context of the present research. The changes were aimed at enhancing respondents' understanding of the respective scale item(s). We captured brand performance as a combination of financial performance measures (such as market share and profitability) and non-financial performance measures that are oriented towards the medium to long-term maintenance of brands (brand equity elements such as brand image and brand awareness). Indeed, recent studies measuring brand-related constructs have preferred to focus on brand performance as it provides a more accurate indication of the effectiveness of an organization's brand-related activities (Chang, Wang, & Arnett, 2018; Cui et al., 2014; Lee et al., 2016; O'Cass & Ngo, 2007). Scale items for brand performance were borrowed from Cui et al. (2014). Finally, environmental factors, including market turbulence and competitive intensity, were measured using scale items developed by Jaworski and Kohli (1993). Responses to all scale items except for positioning strategies were on a five-point Likert-type scale anchored between “1 – Strongly Disagree” and “5 – Strongly Agree”. Following the approach used by Kotha and Vadlamani (1995) and Kotha et al. (1995), respondents were asked to rate their emphasis on each of the positioning strategy types. The anchors were “1 – Not Considered” to “5 – Major Constant Emphasis”. Table 2 provides the scale items and factor loadings.

Since firm strategies and brand performance are generally influenced by several internal and external factors, we will incorporate and utilize such factors as covariates in the analysis. In line with Chang et al. (2018), environmental factors relevant to this study include industry, market turbulence, and competitive intensity, and factors internal to the firm include sales and number of employees. Finally, we also use the age of the organization as a covariate as it can influence the type of strategies and processes adopted and pursued by organizations.

4. Results

Partial least squares based structural equation modeling (PLS-SEM) using the Smart-PLS 3.0 software was used to check for the psychometric properties of the scales and to test the hypotheses. The primary reason for using PLS-SEM was the small sample size. PLS-SEM does not make any assumptions about the normality of data and is not sensitive to small samples sizes (Arnett, Laverie, & Meiers, 2003). Covariance-based SEM software such as LISREL or AMOS require larger sample

Table 2
Constructs and their measures.

Construct	Item	Loading
Proactive market orientation	We help our customers anticipate developments in their markets.	0.769
	We continuously try to discover additional needs of our customers of which they are unaware.	0.784
	We incorporate solutions to unarticulated customer needs in our new products and services.	0.721
	We brainstorm on how customers use our products and services.	0.701
	We innovate even at the risk of making our own products obsolete.	0.661
	We search for opportunities in areas where customers have a difficult time expressing their needs.	0.721
	We work closely with lead users who try to recognize customer needs months or even years before the majority of the market may recognize them.	0.726
	We extrapolate key trends to gain insight into what users in a current market will need in the future.	0.81
Responsive market orientation	We constantly monitor our level of commitment and orientation to serving customer needs.	0.767
	We freely communicate information about our successful and unsuccessful customer experiences across all business functions.	0.727
	Our strategy for competitive advantage is based on our understanding of customers' needs.	0.719
	We measure customer satisfaction systematically and frequently.	0.784
	We are more customer-focused than our competitors.	0.705
	I believe this business exists primarily to serve customers.	0.672
	Data on customer satisfaction are disseminated at all levels in this business unit on a regular basis.	0.785
Quality-based differentiation	Quality of your product	0.717
	Enforcing strict product quality control procedures	0.754
	Innovation in manufacturing/service process	0.675
	Specific attempts to insure a pool of highly trained experienced personnel	0.805
	Extensive customer service capabilities	0.79
Design-based differentiation	Capability to provide specialty features/services	0.764
	Refining existing features/products	0.85
	Products/Services in high-priced segments	0.673
	New product development	0.603
Brand image based differentiation	Advertising above industry average	0.775
	Efforts to build reputation	0.765
	Efforts to enhance quality of advertising	0.833
	Influencing channels of distribution	0.662
	Building brand identification	0.778
	Innovations in marketing techniques and methods	0.766
Price-based differentiation	Major efforts to insure availability of raw materials	0.84
	Operating efficiency of the business unit	0.728
	Continuing, overriding concern for cost reduction	0.619
	Maintaining high inventory levels	0.712
Undifferentiation strategy	Imitating competitor product/service features	0.828
	Undercutting competition on price	0.882
	Matching competitor capabilities	0.764
Brand performance	Image	0.823
	Awareness	0.78
	Market Share	0.798
	Net Profit Margin	0.673
Competitive intensity	Competition in our industry is cut-throat.	0.726
	There are many “promotion wars” in our industry.	0.734
	Anything that one competitor can offer, others can match readily.	0.711
	Price competition is a hallmark of our industry.	0.741
	We hear of a new competitive move almost every day.	0.767
	Our competitors are relatively strong.	0.621
Market turbulence	Our customers' preferences are constantly changing.	0.706
	Our customers tend to look for new products all the time.	0.793
	We are witnessing demand for our products and services from customers who never bought them before.	0.77
	New customers tend to have product-related needs that are different from those of our existing customers.	0.721
	Our customers' future preferences are unpredictable.	0.641

sizes (Hair, Hult, Ringle, & Sarstedt, 2016). Finally, Hair et al. (2016) argue that the results of PLS-SEM are comparable to those of covariance-based SEM.

One item from price-based differentiation was removed due to poor loading. AVEs for constructs ranged from 0.52 (Competitive Intensity) to 0.68 (Undifferentiation positioning strategy). The Cronbach's Alphas and Composite Reliabilities (CR) were above 0.7 for all constructs. Taken together, the constructs demonstrated sufficient evidence of construct reliability (Anderson & Gerbing, 1988). The square-root of AVE for each construct was higher than the ϕ estimates, except for PMO and RMO, which demonstrated adequate discriminant validity (Fornell & Larcker, 1981). For PMO and RMO, the correlations (ϕ) and square-root of AVE values are very close to each other. We decided to keep the constructs and their indicators because of the theoretical justification – they are parts of market orientation and are expected to covary to some degree. Prior studies (see Herhausen, 2016; Ozdemir, Kandemir, & Eng, 2017) indicate that these constructs have high levels of correlation with each other. Further, to measure these constructs, we adopted existing scales enjoying sufficient levels of AVE. Lastly, Hair et al. (2016) caution researchers to not compare the shared correlations and square-root of AVE blindly given the documented sensitivity in PLS software due to overestimation of indicators. Along these lines, Hair Jr, Hult, Ringle, and Sarstedt (2016) propose that using heterotrait-monotrait ratio (HTMT) provides a more complete picture of discriminant validity (Henseler et al., 2015). The HTMT ratio is the ratio of the average between-construct correlations to the average correlation of the indicators measuring the same construct (see Henseler, et al., 2015). Checking the bootstrapped confidence intervals (5000 bootstraps), none of the HTMT comparisons contained a value of 1, including the correlation between RMO and PMO (LL95%CI: .829, UL95%CI: .970). This suggests acceptable degree of discriminant validity (Hair Jr et al., 2016). The construct AVEs, reliabilities (Composite Reliability and

Table 3
–Shared correlations among constructs[a].

	Construct	AVE	Cronbach's Alpha	Composite Reliability	1	2	3	4	5	6	7	8	9	10
1	Brand Performance	0.594	0.772	0.853	0.771									
2	Design-based Differentiation	0.530	0.701	0.816	0.467	0.728								
3	Quality-based Differentiation	0.562	0.804	0.865	0.561	0.693	0.750							
4	Brand Image based Differentiation	0.585	0.857	0.894	0.535	0.726	0.607	0.765						
5	Price-based Differentiation	0.531	0.702	0.817	0.418	0.532	0.558	0.656	0.729					
6	Undifferentiation Strategy	0.683	0.772	0.866	0.227	0.397	0.372	0.522	0.504	0.826				
7	PMO	0.544	0.880	0.905	0.603	0.464	0.443	0.485	0.414	0.333	0.738			
8	RMO	0.545	0.860	0.893	0.64	0.48	0.511	0.502	0.414	0.3	0.799	0.738		
9	Competitive Intensity	0.516	0.811	0.864	0.339	0.289	0.191	0.429	0.333	0.543	0.442	0.442	0.718	
10	Market Turbulence	0.530	0.784	0.849	0.362	0.365	0.289	0.437	0.362	0.412	0.496	0.469	0.611	0.728

[a] Square-root of AVE is presented along the diagonal.

Alpha), and shared correlations are presented in Table 3.

Common method bias is a major concern in studies that are cross-sectional and involve a single respondent. At the procedural level, we utilized different scale anchors and assured respondents of anonymity and confidentiality. At the analysis level, we carried out Harman's one-factor test (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). The explained variance was < 50% (29.80%), indicating that common method variance was not a concern. However, there have been some criticisms regards the use of Harman's one-factor test. Thus, following the approach proposed by Korsgaard and Roberson (1995), we ran factor analysis at more complex levels (3 and 5). Higher levels of factor analysis explained more variance (3-factor = 44.2%; 5-factor = 50.92%), providing evidence that common method bias was not a major concern. Next, we proceeded to test the hypothesized relationships.

The results of the structural model are provided in Table 4. The hypothesized model explains a large proportion of the variance in the final dependent variable (57% for brand performance). Of the control variables, only Industry Type and Number of Employees are significantly associated with brand performance. As expected, PMO influences the development of design-based differentiation ($\beta = 0.464$; $p < 0.01$) and quality-based differentiation ($\beta = 0.443$; $p < 0.01$) strategies. These results lend support to H1 and H2. Similarly, we found evidence that RMO positively influences the development of brand image-based differentiation ($\beta = 0.502$; $p < 0.01$), price-based differentiation ($\beta = 0.414$; $p < 0.01$), and undifferentiation ($\beta = 0.300$; $p < 0.01$) strategies. Thus, H3, H4, and H5 are supported.

Hypotheses 6a through 7c pertain to the mediation effects of positioning strategies in the relationships between market orientation and brand performance. Bootstrapping, rather than the causal steps approach, was used to assess mediation relationships (Hayes, 2012; MacKinnon, Lockwood, Hoffman, West, & Sheets, 2002). Hayes (2012) argues that researchers should seek to simultaneously test for multiple mediations. Smart-PLS 3.0 provides the details about the specific indirect effects. The 95% bias corrected confidence interval with 5000 bootstraps indicates that the mediating role of quality-based differentiation (LL95%CI: .029, UL95%CI: .239) in the relationship between PMO and brand performance is significant, supporting H6b. This

Table 4
Results of hypotheses testing[a].

Path	Full model					
	Coefficient	*P* Values	LLCI	ULCI	F-squared	Hypotheses support
Proactive Market Orientation → Design-based Differentiation (H1)	0.46	< 0.01			0.27	Yes
Proactive Market Orientation → Quality-based Differentiation (H2)	0.44	< 0.01			0.25	Yes
Responsive Market Orientation → Brand image-based Differentiation (H3)	0.50	< 0.01			0.34	Yes
Responsive Market Orientation → Price-based Differentiation (H4)	0.41	< 0.01			0.21	Yes
Responsive Market Orientation → Undifferentiation Strategy (H5)	0.30	< 0.01			0.10	Yes
Direct Effects						
Design-based Differentiation → Brand Performance	−0.07	0.29			0.00	
Quality-based Differentiation → Brand Performance	0.28	< 0.01			0.08	
Brand Image based Differentiation → Brand Performance	0.28	0.02			0.06	
Price-based Differentiation → Brand Performance	0.00	0.49			0.00	
Undifferentiation Strategy → Brand Performance	−0.16	0.03			0.03	
Proactive Market Orientation → Brand Performance	0.21	0.03			0.03	
Responsive Market Orientation → Brand Performance	0.26	0.02			0.05	
Indirect Effects						
Proactive Market Orientation → Design-based Differentiation → Brand Performance (H6a)	−0.03	0.30	−0.19	0.06	n/a	*No*
Proactive Market Orientation → Quality-based Differentiation → Brand Performance (H6b)	0.12	0.01	0.03	0.24	n/a	Yes
Responsive Market Orientation → Brand Image based Differentiation → Brand Performance (H7a)	0.14	0.04	0.01	0.32	n/a	Yes
Responsive Market Orientation → Price-based Differentiation → Brand Performance (H7b)	0.00	0.49	−0.08	0.10	n/a	*No*
Responsive Market Orientation → Undifferentiation Strategy → Brand Performance (H7c)	−0.05	0.04	−0.12	−0.01	n/a	Yes
Controls						
Brand Type → Brand Performance	0.04	0.27			0.00	
Industry → Brand Performance	−0.12	0.04			0.02	
Organization Sales → Brand Performance	−0.03	0.30			0.00	
Competitive Intensity → Brand Performance	0.10	0.17			0.01	
Market Turbulence → Brand Performance	−0.05	0.31			0.00	
No. of Employees → Brand Performance	−0.13	0.02			0.03	
Company Age → Brand Performance	0.03	0.31			0.00	
***R-Squared to Brand Performance** (Adjusted R-Square)*	*0.568 (0.525)*					

[a] One-tailed test of significance was used for Hypotheses Testing.

relationship is partial as the direct effect between PMO and brand performance is significant (Hair Jr et al., 2016). However, design-based differentiation does not mediate the relationship between the PMO and brand performance. This lack of support for H6a is rooted in the lack of a significant association between design-based differentiation and brand performance ($p > 0.5$). Brand image-based differentiation (LL95%CI: .008, UL95%CI: .302) and undifferentiation (LL95%CI: −0.119, UL95%CI: −0.003) strategies appear to mediat the relationship between RMO and brand performance, providing support for H7a and H7c. It is important to note here that both of these mediated relationships are partial since the direct path from RMO to brand performance is significant. The direct and indirect effects of undifferentiation on brand performance are both negative. Hair Jr et al. (2016) term this sort of partial mediation as competitive mediation (or suppressor). Therefore, undifferentiation strategy seems incapable of enabling the firm to improve the softer aspects of its brand, namely brand awareness and image. Price-based differentiation did not have a significant direct association with brand performance ($p > 0.5$), ruling out its mediatory role in the relationship between RMO and brand performance. Thus, H7b was not supported.

The f-squared values were also inspected to assess the effect sizes. The effect sizes and beta coefficients seem to be aligned with each other (see Table 2). The relatively small effect sizes observed are not concerning since strong, or even moderate, levels of effect are rather uncommon in B2B literature, especially when using behavioral data (cf. Paswan, Hirunyawipada, & Iyer, 2017). Finally, Q^2 was used to evaluate the predictive relevance of the proposed model (Hair Jr et al., 2016). Q^2 examines the model's out-of-sample predictive relevance (Hair Jr et al., 2016). If Q^2 values are > 0, the structural model is considered to have predictive relevance (Mikalef & Pateli, 2017). Results of the blindfolding procedure demonstrate that design-based differentiation ($Q^2 = 0.103$), quality-based differentiation ($Q^2 = 0.101$), brand image-based differentiation ($Q^2 = 0.135$), price-based differentiation ($Q^2 = 0.084$), undifferentiation ($Q^2 = 0.039$), and brand performance ($Q^2 = 0.282$) and competitive performance ($Q^2 = 0.216$) have satisfactory predictive relevance (Henseler, Ringle, & Sinkovics, 2009).

While a majority of the findings are consistent with our hypotheses, a deeper look into the lack of mediating effects of design-based differentiation and price-based differentiation strategies suggest that both these strategies are not significantly associated with brand performance. The lack of influence by price-based differentiation is surprising, especially in a B2B context, where price is thought to play a major role in determining purchase behavior. Therefore, price-based differentiation does not necessarily profit organizations, nor does it improve the brand image/identity of an organization. This finding is also consistent with the previous empirical testing of Porter's generic strategies, where low-price strategy was found to be less effective as compared to other strategies (Banker, Mashruwala, & Tripathy, 2014). The lack of association of design-based differentiation and brand performance can be explained through the argument that design-based differentiation often involves an element of risk, which at times can be daunting to clients. While design-based differentiation is expected to improve the competitive advantage/performance of an organization over time, its immediate impact may be limited. The nonsignificant effect is, however, understandable given the cross-sectional nature of our empirical study.

The negative relationship between undifferentiation strategy and brand performance highlights the concern that a copycat strategy might not be a viable option for organizations. The longstanding concern in brand management about the lack of a distinctive position affecting the brand outcomes seem to hold in the B2B context as well. This negative association could also be influenced by our sample, which consisted only of relatively large firms (met a minimum revenue and employee threshold). As discussed previously, smaller firms are more likely to employ an undifferentiation strategy when they are growing, while larger firms may seek to develop specific competitive strategies to assert their distinctiveness.

5. Discussion

While the positive effect of market orientation on brand/firm performance is generally supported in the literature (Cano et al., 2004; Kirca et al., 2005), scholars diverge in the specification of the nomological network of constructs and identification of the underlying mechanisms that carry and/or amplify that effect. Chief among the underlying mechanisms identified thus far are innovation (e.g., Han et al., 1998), entrepreneurship (e.g., Matsuno et al., 2000), and the learning organization (Hurley & Hult, 1998). Such divergence is attributable to the conceptualization of market orientation; e.g., as part of organizational culture, as a resource with potential value and as a capability (e.g., Hult & Ketchen, 2017; Lamore et al., 2013; Murray et al., 2011). Notwithstanding these differences, there appears to be consensus that market orientation can support the development of other marketing/technological strategies and capabilities (Day, 1994; Deshpandé et al., 1993). The current study views market orientation as a resource with potential value (Barney, 1991; Murray et al., 2011) and delineates how it leads to and supports the development of positioning strategies, which in turn influence the firm's competitive advantage and performance (Ketchen et al., 2007). Specifically, we extend the current understanding by conceptualizing and empirically testing the mediatory role of positioning strategies in the relationship between market orientation and brand performance.

Contextualized in the B2B markets, our empirical study examined the interplay of proactive and responsive market orientation types (i.e., PMO and RMO) with Mintzberg's positioning strategies, as well as the associations of these constructs with brand performance. The findings provide support for most of the hypotheses pertaining to the direct and mediated relationships, with some mixed results in the latter category. In particular, results provide support for the incorporation of positioning strategies as the linkage between market orientation and brand performance.

Consistent with the strategic alignment literature (Henderson & Venkatraman, 1993; Luo & Park, 2001; Powell, 1992), we argue that firms, driven to attain superior business performance, would seek to align their internal operations with strategic configurations. PMO tends to lead the firm to explore and respond to unmet, latent customer needs. As such, PMO requires a certain degree of risk-taking on behalf of the firm as it often leads to product and/or organizational innovation (Luo & Park, 2001). These characteristics of PMO qualify it as a suitable foundation for those positioning strategies that capitalize on explorative, risky differentiation bases such as developing new products, providing specialty features/services, refining existing features/products, offering products/services in high-priced segments, enforcing strict product quality control procedures, innovating in manufacturing/service processes, securing highly trained and experienced personnel, and developing extensive customer service capabilities. Therefore, we expected firms that approach market orientation proactively to pursue design-based and quality-based differentiation strategies. Our empirical findings support these expectations.

RMO, on the other hand, is based on an exploitative learning mindset and will lead the firm to focus on creating improved solutions to existing customer needs (Herhausen, 2016). As such, RMO emphasizes efficiency and consistency in both internal operations and strategic inclinations of the firm (Lee et al., 2016). Given these characteristics, RMO comprises a suitable foundation for positioning strategies that are either focused on leveraging promotional activities to manage customer perception of the brand vis-à-vis competing brands, or on implementing cost-cutting improvements in internal and external operations of the firm in order to attain price advantages over competitors, or even on establishing the brand as a viable, low-cost alternative to incumbent brands. Therefore, we expected firms that approach market orientation reactively to pursue brand image-based and price-based strategies, in addition to undifferentiation strategy. These expectations received support from our empirical study.

The intriguing findings were the lack of association between design-based differentiation and brand performance, as well as the negative association of undifferentiation strategy with brand performance. Considering that design-based differentiation involves a fair amount of risk and uncertainty, it may not result in an immediate influence on brand performance. While brands try to balance consistency and relevance (Beverland, et al., 2015; Urde, 2016), this balance is much more difficult to execute in an ambidextrous manner (Beverland, et al., 2015). Few firms are able to represent both explorative and exploitative mindsets in a successful manner (Urde, 2016). In addition, brand managers are more inclined towards using an exploitative mindset (Lee et al., 2016). Therefore, the lack of association between design-based differentiation and brand performance is understandable, particularly, when the association is measured in a cross-sectional setting. Finally, the negative effect of undifferentiation strategy on brand performance was expected and sounds as a cautionary finding, given that several smaller B2B firms consider pursuing such a strategy. While an undifferentiation strategy can enhance firm performance in terms of revenue, the same might not be the case in terms of brand performance such as attainment of a distinctive image and awareness. It is likely that unless a firm has managed to carve a geographical niche, they are always at a disadvantage when compared to firms that have a distinctive brand position. As our brand performance also looked at the softer aspects of a brand's outcome (image and awareness), the negative association of undifferentiation strategy and brand performance is explicable.

6. Theoretical implications

This study makes important contributions to the existing literature. The primary contribution of this study is towards linking the market orientation types and brand positioning strategies employed by B2B firms. Building on literature from market orientation, the resource-based view of the firm, and organizational capabilities, this study helps uncover the role of PMO and RMO associated with the different positioning types and, subsequently, with brand performance. Specifically, we find that PMO facilitates the development of design-based and quality-based differentiation strategies while RMO facilitates the development of brand image-based differentiation, price-based differentiation, and undifferentiation strategies. This study also addresses the calls in existing literature (see Kalafatis et al., 2000; Penttinen & Palmer, 2000) to explore the possible antecedents and outcomes of positioning strategies in the B2B context. The importance of this contribution is underscored by the fact that positioning strategies have long been considered to be the lynchpin of branding and marketing strategy (Fuchs & Diamantopoulos, 2010; Kalafatis et al., 2000) and yet an organization's proclivity to use a particular type of positioning strategy has not been fully explored, especially in B2B settings.

Second, the findings of this study contribute towards understanding positioning from an analytical and process-oriented approach, as opposed to the existing image-led approach (Kalafatis et al., 2000; Penttinen & Palmer, 2000). As seen in Table 1, there is a need to delve deeper into the organizational-process viewpoint of positioning strategies, especially in the context of B2B firms. This need is exacerbated by the fact that most of the B2B firms tend to brand at the corporate level (Beverland et al., 2007). Prior studies, even in B2B markets, have often used the image-led approach for understanding positioning (He et al., 2018; Veloutsou & Taylor, 2012). The image-led approach places greater emphasis on the value enhancement process and value congruence. While useful, this approach does not focus on the internal processes and behaviors that can elicit the development of related positioning strategies. Table 1 also highlights the need to examine the organizational factors that antecede the development of positioning strategies in organizations. Taken together, this study provides B2B managers and researchers with insights into the role of an antecedent (market orientation type) in supporting different positioning strategies and their direct and indirect effects on brand performance.

Despite the growing importance of brand management in B2B markets, there is a lack of clarity surrounding the identification of positioning strategies in B2B settings. This is a derivative of the conventional viewpoint of B2B decision-making being rational, as opposed to emotional (Leek & Christodoulides, 2012), which leads to a sales-led culture. This study contributes by looking at a wide range of positioning typologies including undifferentiated or me-too positioning strategies. Our results indicate that pursuing an undifferentiation strategy may not yield ideal results for a firm, even in B2B markets. This is driven by the notion that as the threats from non-traditional competitors and disruptive technologies increase, firms need to have a distinctive image to ride an uncertain market environment (Davis et al., 2008; Fuchs & Diamantopoulos, 2010; Hatch & Schultz, 2003; Liu & Atuahene-Gima, 2018). Given that our sample was restricted to large firms and the sample size was small, these findings highlight the need for academicians to further expand this area of research.

7. Managerial implications

PMO is aligned and associated with two positioning strategies: design-based differentiation and quality-based differentiation. Since design-based differentiation was not associated with brand performance, the viable positioning strategy linked to PMO is quality-based differentiation. Indeed, the mediation involving PMO and quality-based differentiation represents direct and indirect paths that exert positive effects on brand performance. Therefore, firms that seek to meet the latent and unmet customer needs through explorative and proactive collection, dissemination, and use of market information will further benefit from a positioning strategy that differentiates them from competitors in terms of product and/or service quality. Specifically, these firms may focus on enforcing strict product quality control procedures, innovating in manufacturing/service processes, securing highly trained and experienced personnel, and developing extensive customer service capabilities. Similarly, firms that have developed quality anchored capabilities over time will benefit from approaching market orientation proactively.

Our conceptualization linked RMO with three positioning strategies: brand image-based differentiation, price-based differentiation, and undifferentiation positioning. The empirical results suggest that price-based differentiation is not associated with brand performance. Moreover, undifferentiation strategy exhibited an inverse association with brand performance. Thus, the viable positioning strategy linked to RMO is brand image-based differentiation. The mediation involving PMO and brand image-based differentiation represents direct and indirect paths that exert positive effects on brand performance. Consequently, firms whose exploitative learning mindset leads them to focus on creating improved solutions to existing customer needs will further benefit from differentiating themselves from competition in terms of brand image. Specifically, these firms may focus on leveraging promotional activities to manage customer perception of their brands vis-à-vis competing brands. Similarly, firms that are adept at brand image creation, or that operate in industries where brand image-based differentiation is imperative, will benefit from approaching market orientation proactively.

The mediation episode involving RMO and undifferentiation strategy involves a positive direct effect (RMO➔performance) and a negative indirect effect. To the extent that these results are generalizable, it can be inferred that firms that pursue undifferentiation positioning hinder their ability to fully realize the potential benefits of gathering, disseminating and responding to market and competitor information. These firms will be better off pursuing brand image anchored positioning since both direct and indirect effects involving RMO and brand image anchored positioning are positive, qualifying it as the only RMO-based mediation where both market orientation and positioning strategy appear to lead to superior brand performance.

8. Limitations and future research

While the results of this study contribute to the literature on positioning strategies in B2B markets, there are few limitations to the study. First, the study is cross-sectional and does not take into consideration the time effect. Considering that positioning effects are often lagged, it is important for future researchers to use a longitudinal approach to accurately assess the impact of positioning strategies on brand performance. Second, the study sample was restricted to organizations that had a sizeable income and a large number of employees. While this sample allowed us to examine the positioning strategies in firms where brand management function is relatively well-established, we potentially eliminated the positioning strategies better suited for the purposes of smaller firms. The nonsignificant relationships between price-based positioning, undifferentiation strategy and brand performance could possibility be driven by the fact that we excluded small firms from the sample because they are likely to follow a "me-too" strategy. Third, due to sample size restriction, we did not consider the potential differences between product and service brands in B2B segments. Considering the key differences in brand management between product and service brands (Jalkala & Keränen, 2014; Roberts & Merrilees, 2007), it becomes important for researchers to uncover these differences. Finally, this study conceptualized market orientation types as antecedents of positioning strategies. Prior research sheds light on other internal factors such as organizational climate, culture, and supporting capabilities as important factors affecting the development of the firm's competitive strategy. We would urge future researchers to include some of these antecedents to further our understanding of positioning strategies in B2B settings.

B2B positioning research is still at a nascent stage, and we offer some potential avenues for future research stemming from the findings of our study. First, industry type and its maturity level, along with the environmental factors including competitive intensity and market turbulence can have a significant effect on the type and effectiveness of positioning strategies employed by B2B firms. In addition, the differences in positioning types suitable for products and services, along with the role of environment, raise several questions for future research. For example, which positioning strategy would be appropriate in an industry marked with constant changes in customer needs? What positioning strategies are appropriate for credence-based B2B services such as consulting? Future researchers should consider delving deeper into these areas.

We also encourage future studies to consider the "customer perspective" with regard to the typologies employed in this study. As several researchers subscribe to the viewpoint that B2B decision making is rational (Leek & Christodoulides, 2011), it would be important to examine the manner in which brand image and design-based differentiation strategies influence decision-makers. Another related enquiry would be to examine the potential effects of positioning and branding on B2B relationships, i.e., the influence of positioning on the development of governance mechanisms. Finally, while Mintzberg's typology is appropriate in B2B settings, there is scope for further development in the area of emotion-based positioning types. We believe that this study should provide an impetus for more investigation using other non-conventional positioning strategies and their antecedents and outcomes in the B2B context.

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