Offensive and Defensive Competitive Marketing Strategy: The Development of Construct & Measurements

Pantri Heriyati  
*Bina Nusantara Business School*

Ign Heruwasto  
*University of Indonesia*

Sari Wahyuni  
*University of Indonesia*

Follow this and additional works at: [https://scholarhub.ui.ac.id/amj](https://scholarhub.ui.ac.id/amj)

Part of the *Marketing Commons*

**Recommended Citation**
DOI: 10.21002/amj.v2i2.1999  
Available at: [https://scholarhub.ui.ac.id/amj/vol2/iss2/3](https://scholarhub.ui.ac.id/amj/vol2/iss2/3)

This Research Article is brought to you for free and open access by UI Scholars Hub. It has been accepted for inclusion in ASEAN Marketing Journal by an authorized editor of UI Scholars Hub.
Offensive and Defensive Competitive Marketing Strategy: 
The Development of Construct & Measurements

Dr. Pantri Heriyati*, Dr. Ign. Heruwasto** and Sari Wahyuni Ph.D***

Malaysia is opening parts of its services to greater foreign participation due to globalisation. Local banks have since consolidated a decade ago and foreign banks expanding their businesses in local markets have intensified the competition. As a result, credit card adoption is getting more challenging to marketers. Hence effective marketing strategies are important. The theoretical model of the paper is based on the buyer behaviour model by Kotler and Armstrong (1999). The model identifies the major factors which influence consumer buyer behaviour and how buyer decision process affects the buyer behaviour. The paper aims to examine the effectiveness of marketing strategies in enhancing credit card adoption. A survey was conducted on 251 respondents using a survey instrument. The data collected was analyzed using a series of statistical techniques. The results of the analysis are discussed and the findings revealed that social status is an important factor associated with customers’ behaviour. This factor is also associated with sales promotions. Findings also revealed that credits cards that create social admiration are preferred.

Keywords: customer acquisition strategy, customer retention strategy, offensive and defensive marketing strategy

Introduction

Competition will become an increasingly important element in industry and firms will have to strengthen their competitive orientation. Target market selection will be based not only on the matching of consumer needs with the organizational resources, but also the magnitude of competition. Firm will also has to consider that each competition’s plan in selecting the target market and strategies meet the organization’s current and future objective. Firms also have to build strong profitable relationship with target customer. The bottom line of this issue is that markets are changing faster than marketing. These situation require superb strategy based on firm’s programs and action which is fit with the organizational structures, resources and current market requirements.

The process will lead to the production of strategic choices and strategic orientation that will be applied and run by firm in order to achieve its current and future performance (Atuahene-Gima & Murray, 2004). Strategy is widely understood as the core of firm’s activities. Strategy plays an important role to the organizational success (Burke, 1984). In addition, Gibbons, Kennealy & Lavin (2003) stated that firm’s strategy mostly concern with how to establish competitive advantage against competitor. Strategy underpins how firms obtain their best fit with their environment. This notion of fit has addressed the choices to managers of how to develop adaptability to the changing environment.

Research Problem

Rapid change of the market and business condition are more and more becoming major factor of why many customer-oriented firms facing their downturn. Firm failed to realize that market-driven strategy is an investment to

* Bina Nusantara Business School
** University of Indonesia
*** University of Indonesia

ASEAN MARKETING JOURNAL
December 2010 - Vol.II - No. 2 | 35
superior performance (Keegan & Davidson, 2003).

Former literatures suggest that firm should adopt a more relationship approach that centre in building long-term relationship with existing customer to achieve greater profitability (Johnson & Selnes, 2004, Venkatesan & Kumar, 2004; Day, 2000b; Fornell & Wernerfelt, 1988, Boyd, 1996) and to be considered as a paradigm shift in marketing (Christopher & Ballantyne, 1991; Sheth & Parvatiyar, 1995). On the contrary, literatures also emphasize that firm should aggressively seek new opportunity and create customer demand through innovation and product development before their rivals (Keegan & Davidson, 2003; Roberson, Eliashberg & Rymon, 1995).

There is a growing acknowledgement that firms are engaging both strategy approaches, apart from a small body of work, a few consideration has been paid to the implementation in conducting both types of approaches. So far, literatures in marketing competitive strategy pay less attention to address those issues (Walsh, Gilmore & Carson, 2004).

To gain understanding of the phenomena of the research problem, in-depth interviews were conducted involving four practitioners from field of businesses: telecommunication, information technology, banking and automotive industry. Telecommunication and information technology industry are in the most rapid change environment—concerning the technology, regulation and market, while on the other side, banking industry as a highly regulated industry assumed to be in a less environment turbulent. The summary discussion with the practitioners presented in section below.

The Proposed Research

Firm’s marketing strategy formulation and decision is influenced by the knowledge of firm about its market and environment. Competitions are about winning and maintaining customer. Literatures have classified business and marketing strategy into two major classifications (based on the action and reaction of the player in the competitive arena) which directed all firm activities to gain better position by repelling rivals or to protect the current position (Kotler & Singh, 1981; Hooley, Souder & Piercy, 2004).

The concept of attracting or acquiring new customer (customer acquisition strategy) and maintaining or retaining customer (customer retention strategy) are implied under the understanding of offensive and defensive marketing strategy in customer portfolio management (Johnson & Selnes, 2004). Not many literatures have contributed to the concept of offensive and defensive marketing strategies; they include Hauser & Shugan (1981); Kotler & Singh (1981); Fornell & Wernerfelt (1987, 1988); Boyd (1996); Karakaya & Dalgic (1999); Hooley, Souder & Piercy (2004); Johnson & Selnes (2004); Stenkaamp et al. (2005).

Based on phenomena and literatures, this research provides research framework of developing the construct and measurement of the concepts under offensive and defensive marketing strategy.

Contribution

This research will contribute to marketing theory and practice in two ways:

First it provides scholar and practitioner framework to investigate hence understanding the choice of competitive marketing strategy (offensive and defensive strategy). Second, it contributes to the marketing theory in regard to the development of construct in measuring customer acquisition and retention strategies.

Literature Review

The basic theory of the research is provided in Figure 1.

Theories and concepts underlying offensive strategy are presented under the work of these authors; Miles and Snow (1978 in Hambrick1983) in their work pointed that
Table 1. Summary of Practitioners’ Perspectives on Their Business and Market Environment

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>PT Jasnokom, Wireless Data Link Provider: General Manager of Commerce</td>
<td>Moderate to high level of turbulence (semi regulated market)</td>
<td>Yes, confirmed: Reason - Law of diminishing utility - more sensitive to any service flaws - To reduce risk over one provider</td>
<td>‘shifting the prospect’s need to be closer to own value proposition’ approach</td>
<td>Agreed upon contract Service maintenance plus additional relational contacts</td>
<td>Marketing and Business development department</td>
<td>Financial &amp; Market performance: customer size, number of link set up, share of wallet, size of indirect customer.</td>
</tr>
<tr>
<td>PT Perdana, SAP/ERP Implementer: Business Manager</td>
<td>Moderate to high level of turbulence (high level market)</td>
<td>Yes, confirmed: Service (highly investment) may create a natural barrier to change. Personnel plays the most important role to keep the client not to switch</td>
<td>Identifying unsatisfactory client of rival and offer solution based on the dissatisfaction component</td>
<td>Agreed upon contract Service maintenance, additional free of charge visit on monthly basis, consultancy by the phone</td>
<td>Business Manager</td>
<td>Financial measurement and market performance: market share</td>
</tr>
<tr>
<td>Bank Permata, Retail banking: Operation HR Manager</td>
<td>Moderate to stable market turbulence (highly regulated market)</td>
<td>Yes, confirmed: mostly because of more attractive interest rate offer by rival banks</td>
<td>Through the financing mechanism to push new additional customer</td>
<td>Increasing service efficiency and service convenient. Additional service that run by trial and error</td>
<td>Business Intelligent Unit (BIU)</td>
<td>CAR, revenue from customer portfolio and capital market gain, bank reputation</td>
</tr>
<tr>
<td>PT Astra International Person General Manager Management Development</td>
<td>Moderate to stable turbulence</td>
<td>Yes, confirmed: however, mostly customer is shifting or multiloyal to other firm’s own brand thus it is consider as repurchase.</td>
<td>Opening car and care down to kabupaten area. Car and Care is a showroom that sells different car types and brands of company’s brand line.</td>
<td>One stop customer service: from financing (PT Astra Sedaya Finance), repair and maintenance center (Auto 2000), to providing used car selling unit (Mobil 88)</td>
<td>Management Development Unit and implementation of CRM dedicated to the learning and identification of market factors</td>
<td>Market share and sales growth per brand and product category</td>
</tr>
</tbody>
</table>

Marketing strategic option and orientation: Business environment is about taking the firm’s competitive setting as platform strategy, by understanding the environment variables that have direct or indirect impact on firm. The strategy formulated is largely based on the market, competitor, regulation and global market influences.

Marketing strategic option and orientation: strategy is how firm adapts to the situational factors in the market, depends on the knowledge about the environment and the firm capability in getting the knowledge. The success depends on the strategy firm chooses, based on the current and potential market challenge. It is the first priority of every firm’s decision maker.

Marketing strategic option and orientation: Regulation is everything to bank’s competitive strategy. Specific issue in the market are often brought to a more serious discussion and lead to a specific strategy, program and action.

Marketing strategic option and orientation: The firm value chain is directed to the fulfillment of its strategic focus, and the highly investment on product and service directed on target (identified) segments and market. This situation creates a routine culture as a basic competitive advantage in regard to the customer-competition perspective. Organizational routine also implies to firm’s core rigidity.

for prospectors, their strategy are concerned primary on attaining growth through aggressive pursuit of new product-market opportunities with main objective to increase market share. This will require larger portion of investment on new product and marketing effort. Kotler and Singh (1981) had defined offensive strategy as confrontation strategies consist of five main strategies, included 1. Frontal attack, 2 Flanking attack, 3. encirclement attack 4.by pass strategy and 5. guerilla tactics. Offensive strategy also been focused of Fornell and Wernelfelt (1987, 1984).
1988, where they defined as strategy attempted to obtain additional customer, encourage brand switching and increase purchase frequency. The authors also link the concepts with the application in the market where In non-growth market firm should be able to attract competitors’ dissatisfied customers where there are always dissatisfied customers whom consider to switch to other brand thus advertising should be designed to attract the dissatisfied customer. Boyd (1996) has concluded that the success of offensive strategy is measured by the number of new customers a company gains at the expense of competitor. The strategy means to move the firm attention on other potential customer once the purchase is made. Offensive strategy is objected to increase the market share performance of the firm (Johnson & Sølnes, 2004; Hooley, Sounder & Piercy, 2004; Stenkaamp et al., 2005) by obtaining as many as new customers (Karakaya & Dalgic, 1999) and through winning over competitor through price promotions or advertising and also with other marketing instruments, such as launching of a new product (Stenkaamp et al., 2005).

Past literatures and studies on defensive strategy are summaries in this section. On Miles and Snow (1978 in Segev, 1987) work, they concluded that, for firm categorized as defenders, their business concentrate on maintaining position in established product-market and pay less attention on new product-market development. Where Hauser and Shugan (1983) had stated that defensive strategy is aimed to retain as response to entry of new competitors into market. In Fornerll and Wernerfelt (1987, 1988) study they defined defensive strategy as strategy focused on reducing customer exit and brand switching— or to minimize customer turn over/maximize customer retention. Further, Morgan & Hunt (1994) and Callaghan (1995) had concluded that in order to retain customer firm need to emphasize on relationship marketing as firm-customer relationship building by cultivating trust, empathy, shared value, reciprocity and bonding between firm and its existing customers as the basic of defensive strategy. Hooley, Sounder and Piercy (2004) have make connection of the application of defensive strategy to market. They concluded that firms with strong position in the market to maintain the position and protect the business that has been won. Brand names and reputation are often used to hold position or as tools in defensive strategy. Defensive strategy is particularly suitable for a business designed as cash generator for the company where that cash is needed for investment elsewhere. As defensive marketing strategy has become more profitable for companies, therefore they should allocate more resources to build more cooperative and long-lasting relationship with customer (Johnson & Sølnes, 2004).

**Methodology**

**Research Setting and Design**

This research study firms in consumer goods industry in Jakarta as field of setting due to several reasons. First, for decades, industry in many major cities in Indonesia, including Jakarta had been concentrating in primary sector which is characterized as manufacture industry with labor intensive and land intensive (Kuntjoro-Jakti, 2007). Among those manufacture industry, majority are producers serving end-user market. The future plan of Local Government of Jakarta, the capital city of Indonesia is to shift to industry with more capital-intensive and knowledge-intensive. However the dominance of industry manufactures with labor intensive and land intensive is still remain.

**Sampling Frame & Unit of Analysis**

Sample will be drawn from population representing consumer goods industry. The identification of sample of respondents will be drawn from number of database such as Yellow Pages. The sampling method is based on convenience sampling approach (Agung, 2003; Seward, 2006). The unit analysis of this research is person(s) in charge in strategic marketing development and implementation, with position ranging from manager to upper level of CEO.

**Data Collection**

The data were collected from companies located in Jakarta and its suburban area. Telephone calls were made to the top administrator of
each company to explain the purpose of the study, as well as to solicit agreement for survey participation. A total of 150 questionnaires were hand delivered or sent via email to the top administrator of each of the companies. The target respondents are CEOs or senior marketing managers. The questionnaire was administered in Bahasa Indonesia & English.

Variables Definition & Operationalization

Items in the survey instrument are developed from the literature review in previous section. In developing items to measure the construct, whenever possible it has been drawn from valid measurement provided by previous literatures. However, items are also newly developed due to its lack of valid measurement available from the previous studies. All measurements will be reviewed for content validity by pre-test study before the main study is implemented. Pre-testing helped the researcher in modifying the language suitable and rejecting items that were difficult to understand or involved unnecessary repetition (Hamsal, 2006). The Cronbach’s coefficient alpha used to measure scale reliability for each constructs (Churchil, 1979).

Basically, each construct is measured by a multi-item scale in a five anchored point scale that is beneficial by its simplicity and

<table>
<thead>
<tr>
<th>Variable</th>
<th>Definition</th>
<th>Dimensions</th>
<th>Items (measurement: 5 point scale)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offensive Strategy</td>
<td>activity aimed at increasing the size of customer base by attracting, acquiring and gaining as many as new customer and objected to increase market share (Hauser &amp; Shugan, 1983; Johnson &amp; Selnes, 2004; Davidson &amp; Keegan, 2004)</td>
<td>Firm’s Product development effort (Vohbies &amp; Harker, 2000; Davidson &amp; Keegan, 2003): firms effort in product/service development involving organizational formal structure, financing and level of personal skill to support the activity</td>
<td>1. Our product development efforts are more oriented to customer needs than those average competition 2. We invest more in R&amp;D compare to average competitor 3. Our R&amp;D is supported by high skilled team 4. R&amp;D is an important function in our organization’s structure 5. Our product development is an ongoing process</td>
</tr>
<tr>
<td>New/modified product launched (Bradley, 2003; Roberson, Eliashberg &amp; Rymon, 1995; Slater &amp; Narver, 1994): defined as new product launched relative to other competitors in principal served market over the past year</td>
<td>1. We frequently launch new/modified product launch each year compare to average competitor 2. The rate of product success each year is higher than average competitor 3. We always develop new product according to trend in the market 4. It is important to launch new product each on every year. 5. We try our new product always receive good response from the customer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer attraction program (Fornel &amp; Wernelfelt, 1987, 1988; Camamero, Martin &amp; Gutierrez, 2005): defined as activities primary focused on attracting and winning new customer. It include quality, warranty and advertising</td>
<td>1. We offers good service warranty of it products and service 2. Our product offered higher quality than average competitor 3. We do aggressive advertisement to attract customer 4. We spend more on advertising than average competitor. 5. We do aggressive promotions to attract customer. 6. We spend more on promotion than average competitor 7. Our pricing approach is more competitive than competitors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Competitor orientation (Narver &amp; Slater, 1990): seller understand the short-term strength and weakness and long term capabilities and strategies of both key current and potential competitors</td>
<td>1. We respond rapidly to competitor’s action 2. Our salespeople share competitors information 3. Our top managers discuss competitors’ strategies 4. we are able to anticipate and act on future trend quickly 5. To seek and fill market opportunity is our competitive advantage</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
easiness to master. In using the subjective approach, respondents asked to indicate his or her preferences on the given statements. The variable: Offensive and defensive Strategy are all measured using multi-item scale. Bellow section provide the flow of survey research and the variable operationalization of offensive and defensive marketing strategies in table format.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Definition</th>
<th>Dimensions</th>
<th>Items (measurement: 5 point scale)</th>
</tr>
</thead>
</table>
| Customer Retention Strategy           | activities that concentrate on post-purchase activities aimed at satisfying and maintaining firm’s existing customer objected to profitability (Fornel & Wernerfelt, 1987, 1988; Morgan & Hunt, 1994; Johnson & Selnes, 2004) | Personal Communication (Sorce & Edwards, 2004; Sin et al., 2002, Morgan & Hunt, 1994): formal and informal sharing of meaningful and timely information between seller and buyer. Communication also acts as glue that hold them together | 1. We communicate personally to our customers.  
2. Customer can show discontent through communication  
3. We can communicate openly/honestly  
4. We allocate time to communicate with our customer  
5. We have dedicated line to communicate with customer |
| Firm-customer’s Trust Development     | (Berry, 1983; Berry & Parasuraman, 1991; Morgan & Hunt 1994) defined as a willingness to rely on an exchange partner in whom one has confident. | 1. We try to trust each other  
2. Our customer give reliable inputs  
3. According to our past relationship, my company try to think our customers are trustworthy | 1. We try to trust each other  
2. Our customer give reliable inputs  
3. According to our past relationship, my company try to think our customers are trustworthy |
| Firm-customer’s Bonding Development   | defined as the dimension of a business relationship that result in two parties; the buyer and seller acting in unified manner toward a desired goal (Cross & Smith, 1995; Callaghan, 1995; Tse et al., 2004) | 1. We rely on each other to reach our objectives  
2. We both try to establish a long-term relationship  
3. We work in close co-operation | 1. We rely on each other to reach our objectives  
2. We both try to establish a long-term relationship  
3. We work in close co-operation |
| Customer Complaint Management         | defined as firm’s specific function to manage the dissatisfied customer in such manner that its negative and harmful effects on firm are minimize (Fornel & Wernerfelt, 1987, 1988) | 1. Firm provide customer service department  
2. Firm add customer complaint function in the formal organization’s structure  
3. Firm train employee to deal with customer complaint  
4. Firm provide compensation for customer whose claimed are constructive | 1. Firm provide customer service department  
2. Firm add customer complaint function in the formal organization’s structure  
3. Firm train employee to deal with customer complaint  
4. Firm provide compensation for customer whose claimed are constructive |
| Switching Barriers                    | (Bruhn, 2003; Sorce & Edwards, 2004) defined as firm create barriers to ensure customer dependence on the firm and that the related profits are secured over the time period involved. | 1. Customer are contractually bound to the firm  
2. Firm provide discount for repeat buyers  
3. Firm rewards repeat buyers  
4. Own product/brand has a unique benefit which competitor don’t have | 1. Customer are contractually bound to the firm  
2. Firm provide discount for repeat buyers  
3. Firm rewards repeat buyers  
4. Own product/brand has a unique benefit which competitor don’t have |

**Result and Discussion**

**Validity & Reliability Test**

The data from main survey study are tested regarding to meet the construct validity and measurement reliability. The simple statistic analysis with SPSS software has conclude that
### Table 4. Reliability and Validity: Offensive Strategy

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Code</th>
<th>α (reliability)</th>
<th>Validity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong> Product Development Effort</td>
<td></td>
<td>0.693</td>
<td></td>
</tr>
<tr>
<td>Our product development efforts are more oriented to customer needs than those average competition</td>
<td>APD1</td>
<td>0.650</td>
<td>Valid</td>
</tr>
<tr>
<td>We invest more in R&amp;D compare to average competitor</td>
<td>APD2</td>
<td>0.662</td>
<td>Valid</td>
</tr>
<tr>
<td>Our R&amp;D is supported by high skilled team</td>
<td>APD3</td>
<td>0.754</td>
<td>Valid</td>
</tr>
<tr>
<td>R&amp;D is an important function in our organization’s structure</td>
<td>APD4</td>
<td>0.660</td>
<td>Valid</td>
</tr>
<tr>
<td>Our product development is an ongoing process</td>
<td>APD5</td>
<td>0.645</td>
<td>Valid</td>
</tr>
<tr>
<td><strong>2</strong> New/modified Product Launched</td>
<td>0.753</td>
<td>0.707</td>
<td>Valid</td>
</tr>
<tr>
<td>We frequently launch new/modified product launch each year compare to average competitor</td>
<td>APL1</td>
<td>0.841</td>
<td>Valid</td>
</tr>
<tr>
<td>It is important that the rate of product success each year is higher than average competitor</td>
<td>APL2</td>
<td>0.578</td>
<td>Valid</td>
</tr>
<tr>
<td>We always develop new product according to trend in the market</td>
<td>APL3</td>
<td>0.685</td>
<td>Valid</td>
</tr>
<tr>
<td>It is important to launch new product each on every year.</td>
<td>APL4</td>
<td>0.750</td>
<td>Valid</td>
</tr>
<tr>
<td>It is important that our new product always receive good response from the customer</td>
<td>APL5</td>
<td>0.802</td>
<td>Valid</td>
</tr>
<tr>
<td><strong>3</strong> Customer Attraction Program</td>
<td>0.893</td>
<td>0.775</td>
<td>Valid</td>
</tr>
<tr>
<td>We offers good service warranty of products</td>
<td>AAP1</td>
<td>0.660</td>
<td>Valid</td>
</tr>
<tr>
<td>Our product offers higher quality than average competitor</td>
<td>AAP2</td>
<td>0.742</td>
<td>Valid</td>
</tr>
<tr>
<td>We do aggressive advertisement to attract customer</td>
<td>AAP3</td>
<td>0.629</td>
<td>Valid</td>
</tr>
<tr>
<td>We spend more on advertising than average competitor</td>
<td>AAP4</td>
<td>0.629</td>
<td>Valid</td>
</tr>
<tr>
<td>We do aggressive promotions to attract customer</td>
<td>AAP5</td>
<td>0.629</td>
<td>Valid</td>
</tr>
<tr>
<td>We spend more on promotion than average competitor</td>
<td>AAP6</td>
<td>0.629</td>
<td>Valid</td>
</tr>
<tr>
<td><strong>4</strong> Competitor Orientation</td>
<td>0.767</td>
<td>0.636</td>
<td>Valid</td>
</tr>
<tr>
<td>We respond rapidly to competitor’s action</td>
<td>ACO1</td>
<td>0.737</td>
<td>Valid</td>
</tr>
<tr>
<td>Our salespeople share competitors information</td>
<td>ACO2</td>
<td>0.728</td>
<td>Valid</td>
</tr>
<tr>
<td>Our top managers discuss competitors’ strategies</td>
<td>ACO3</td>
<td>0.685</td>
<td>Valid</td>
</tr>
<tr>
<td>we are able to anticipate and act on future trend quickly</td>
<td>ACO4</td>
<td>0.827</td>
<td>Valid</td>
</tr>
<tr>
<td>To seek and fill opportunity is our competitive advantage</td>
<td>ACO5</td>
<td>0.665</td>
<td>Valid</td>
</tr>
</tbody>
</table>

Source: Primary data

### Table 5. Reliability and Validity: Defensive Strategy

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Code</th>
<th>α (reliability)</th>
<th>Validity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong> Personal Communication</td>
<td>RCM1</td>
<td>0.813</td>
<td></td>
</tr>
<tr>
<td>We communicate personally to our customers.</td>
<td></td>
<td>0.789</td>
<td>Valid</td>
</tr>
<tr>
<td>We can show our discontent to each other through communication</td>
<td>RCM2</td>
<td>0.825</td>
<td>Valid</td>
</tr>
<tr>
<td>We can communicate openly/honestly</td>
<td>RCM3</td>
<td>0.742</td>
<td>Valid</td>
</tr>
<tr>
<td>We allocate time to communicate with our customer</td>
<td>RCM4</td>
<td>0.629</td>
<td>Valid</td>
</tr>
<tr>
<td>We have dedicated line to communicate with customer</td>
<td>RCM5</td>
<td>0.629</td>
<td>Valid</td>
</tr>
<tr>
<td><strong>4</strong> Customer Complaint Management</td>
<td>RCOM1</td>
<td>0.875</td>
<td></td>
</tr>
<tr>
<td>Firm provides customer service department</td>
<td></td>
<td>0.872</td>
<td>Valid</td>
</tr>
<tr>
<td>Firm adds customer complaint function in the formal organization’s structure</td>
<td>RCOM2</td>
<td>0.840</td>
<td>Valid</td>
</tr>
<tr>
<td>Firm trains employee to deal with customer complaint</td>
<td>RCOM3</td>
<td>0.907</td>
<td>Valid</td>
</tr>
<tr>
<td>Firm provide compensation for customer whose claimed are constructive</td>
<td>RCOM4</td>
<td>0.796</td>
<td>Valid</td>
</tr>
<tr>
<td><strong>5</strong> Switching Barrier</td>
<td>RSW1</td>
<td>0.686</td>
<td></td>
</tr>
<tr>
<td>Customer are contractually bound to the firm</td>
<td></td>
<td>0.566</td>
<td>Valid</td>
</tr>
<tr>
<td>Firm provides more discount for repeat purchase</td>
<td>RSW2</td>
<td>0.885</td>
<td>Valid</td>
</tr>
<tr>
<td>Firm rewards repeat buyers</td>
<td>RSW3</td>
<td>0.888</td>
<td>Valid</td>
</tr>
<tr>
<td>Own product/brand has a unique benefit which competitor don’t have</td>
<td>RSW4</td>
<td>0.479</td>
<td>Valid</td>
</tr>
</tbody>
</table>

Source: Primary data
all the construct and items intended to measure the offensive and defensive strategy have met with requirement to be valid and reliable. Bellow tables provide the alpha score and loading score for both for offensive and defensive strategy. This analysis involving level dimension and factor, therefore Table 6 and Table 7 provide factor analysis test in item or factor level. Whereas Table 8 show the second order factor analysis where the test run from dimension level to variable level.

### Conclusions

To conclude, the methodology of this research involved two approaches, qualitative and quantitative approach. Qualitative approach consisting of exploratory research in the first stage of this research is done in order to capture the phenomena of the choice of marketing strategy. The qualitative method is involving two focus group discussions, the first is objected to refine the questionnaire and the second FGD is objected to generate from the practitioner perspectives the comprehensiveness and understanding of the result of statistical analysis. The quantitative approach of this research followed several stages, including:

a. Variable definitions and operationalization
b. Pres-testing the questionnaire (qualitative and survey based pre-testing)
c. Main field survey
d. Test of validity and reliability

From the main field survey involving 150 companies from consumer goods industry, the analysis and the finding of this study has shows that constructs in measuring both offensive and defensive strategy have met with the validity and ratability criteria to be concluded as valid and reliable. Therefore offensive strategy is measure 4 dimensions, namely New Product Development Effort, New or modified Product launch, Competitor orientation and Customer Attraction Program. Defensive strategy is measured by 3 dimensions, namely Personal Communication, Customer Complaint Management and Switching Barrier. Therefore, this study is hopefully would contribute in marketing theory domain by providing the constructs in measuring both offensive and defensive marketing strategy and further could contribute in practical field by providing guidelines for manager in their attempt to apply each and or both strategies according to their strategic marketing objective in order to achieve greater performance in this current competitive market environment.
References


Hambrick, Donald C., (1983), Some Test of the Effectiveness and Functional Attributes of Miles and Snow’s Strategic Type, Academy of Management Journal, Vol. 26, p. 5.


