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Beyond the Horizon: The Role of Supplier's Downstream
Marketing Capability and Technological Capability in Buyer
Adoption of Innovations

超越界限：供應商下游市場營銷能力和技術能力在顧客創
新採用中的作用

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ABSTRACT

Purpose – The purpose of this paper is to explore the influence of supplier's downstream marketing capability and technological capability on buyer's adoption intention of industrial innovations. The study also investigates the moderating effects of buyer's characteristics and relationship characteristics in the interaction between supplier's capabilities and buyer's adoption intention.

Design/methodology/approach –This dissertation consists of two studies examining the role of supplier downstream marketing capability and technological capability in promoting buyer's innovation adoption intention. The first study follows a qualitative case study method to explore why suppliers proactively innovate and how they leverage their capabilities to promote industrial buyers' adoption intention. The second study empirically investigates the role of supplier capabilities (i.e., downstream marketing capability, technological capability) in industrial buyer's innovation adoption intention through a survey design.

Findings –The qualitative case study and the empirical findings support the proposition that both supplier downstream marketing capability and technological capability contribute to buyer adoption intention (hereafter adoption for simplicity). These relationships between supplier capabilities and buyer adoption are moderated by dyadic relationship characteristics as well as by buyer features. Specifically, buyer monitoring of supplier positively moderates

the relationship between downstream marketing capability and buyer adoption, whereas the moderating effect is negative between technological capability and buyer adoption. In a similar context, the interplay between buyer trust and supplier downstream marketing capability is negative whereas the interaction between trust and technological capability on buyer adoption is positive. Revealingly, buyer dependence (unilateral) on supplier has no moderating effect on the relationships between supplier capabilities and buyer adoption. However, the post hoc analysis indicates that interdependence (joint dependence) amplifies technological capability's positive effect on buyer adoption. Finally, customer innovativeness strengthens the relationship between downstream marketing capability and buyer adoption.

Originality/value – Our research adopts a supply chain perspective to understand how supplier's innovation is diffused in the supply chain. This fills the void in the context of B2B supplier-buyer innovation diffusion. Specifically, the identification of supplier downstream marketing capability extends the traditional market orientation literature, which is limited to immediate customers and competitors. We argue that suppliers depend on intelligence of downstream market users and competitors to offer superior customer value in influencing industrial buyers' innovation adoption decision. It also informs the dynamic capability literature. Our research offers managerial implications. First, this research introduces the concept of downstream marketing capability to supplier's new product development process. Second, this research demonstrates that suppliers could leverage their capabilities to increase the feasibility of innovation in the eyes of buyers. By doing so, suppliers increase the likelihood of buyer adoption. Finally, the results offer suppliers in B2B sectors an alternative solution to the common criticism of marketing "myopia" and the "difficult-to-justify"

existence of certain marketing functions.

Keywords: Supplier-Initiated Innovation, Adoption Intention, Influence Strategy,

Downstream Marketing Capability, Technological Capability, Buyer-Supplier Relationship,

Buyer Innovativeness