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Shift from Product Innovation Strategy to Marketing Innovation Strategy to Add Value to the Firm

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Abstract: This article explores the role of innovation strategies for enhancing the competitiveness of SMEs in global markets. Based on a literature review of innovation strategies, these strategies were separated into four groups: product innovation, process innovation, organizational innovation, and marketing innovation. The study focused only on the product innovation strategy and marketing innovation strategy. The empirical analysis found that Algerian enterprises adopt both a product innovation strategy and a marketing innovation strategy. There are differences regarding the relationship between the product innovation strategy and adding value to the firm compared to the relationship between the marketing innovation strategy and adding value to the firm in Algerian enterprises. Here, there are three positive relationships between product innovation strategy and adding value to the firm whereas in contrast, there are two positive relationships between marketing innovation strategy and adding value to the firm. Thus, the enterprises under study must shift from a product innovation strategy to a marketing innovation strategy, which means focusing their attention more on the latter to market their products more and faster, which allows them to add more value to the company.

Keywords: product innovation strategy; marketing innovation strategy; adding value; Algerian SMEs; SPSS analysis.

Introduction

In recent years, there has been increasing interest in small businesses' contribution to innovation-led growth and employment creation. A vast body of research demonstrates that SMEs, particularly young businesses, play an increasingly important role in the innovation system by offering new goods and adjusting current ones to meet client needs. According to this, small and medium firms represent the backbone of domestic resource mobilization (Qazi, Tahir, & Abdul, 2014, p. 161). Several studies have examined the need for and importance of process innovation for the SME sector with its significant impact on economic development either through product innovation or marketing innovation to strengthen the concerned economies. In this regard, innovation strategies were separated into four groups: product innovation, process innovation, organizational innovation, and marketing innovation. These four innovation groups are further divided into technological and non-technological. Technological innovations include product and process innovation, and non-technological ones include marketing and organizational dimensions. Since these strategies contribute significantly to the survival and sustainability of companies, it is necessary to identify and review these strategies in a clear and concise manner. Thus, this article aims to identify the product innovation strategy and marketing innovation strategy and try to know if the Algerian enterprises under study adopt these two strategies or not, we will also determine the relationship between these two strategies and adding value to the firm. The question is whether enterprises under study should shift from a product innovation strategy to a marketing innovation strategy or vice versa, which means focusing their attention more on a firm's commitment to developing

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and marketing products that are new to the firm and/or the market (product innovation strategy) or on marketing their products more and faster (marketing innovation strategy).

Theoretical literature review

Product innovation strategy

Many scholars, such as Li and Atuahene-Gima (2001), argued that product innovation is a critical strategy for new technology ventures, defined as technology-based firms eight years old or younger (Li & Atuahene-Gima, 2001, p. 1123). Where product innovation strategies are analyzed as R&D-based innovation strategies (Hervas-Oliver, Sempere-Ripoll, & Boronat-Moll, 2014, p. 873). In contrast, other researchers confirmed that a product innovation strategic posture may take several forms, such as the number of engineers, scientists, and other technical personnel employed, based on this, Li and Atuahene-Gima (2001) defined product innovation strategy as a reflection of a firm's commitment to developing and marketing products that are new to the firm and/or the market (Li & Atuahene-Gima, 2001, p. 1123). Eisenhardt and Schoonhoven (1990) and Eisenhardt and Schoonhoven (1990) as cited in Li and Atuahene-Gima (2001) confirmed that product innovation is a high-risk and resource-consuming activity. As SMEs are considered newly established firms, new technology ventures tend to have severely limited managerial and financial resources (Li & Atuahene-Gima, 2001, p. 1123).

Many researchers suggest that product innovation strategy leads to higher performance in volatile environments. According to Miller (1987), firms in dynamic environments are most likely to pursue more innovative strategies than those in stable environments. Thus, new products may even create new and turbulent market segments, because such environments require frequent product and technological changes (Miller, 1987, pp. 62-63). Covin and Slevin (1989) confirmed that small firms in volatile and hostile environments obtained higher performance from product innovation, in contrast, those in stable and benign environments (Covin & Slevin, 1989, pp. 79-83).

According to Pfeffer and Salancik (1978) as cited in Li and Atuahene-Gima (2001), product innovation strategy can be linked to resource dependence theory, which emphasizes the influence of the environment and other external pressures on how enterprises organize to compete in the marketplace, it explains why firms employ product innovation strategies as well as why such a strategy's effect on performance may be dependent upon the environment and other firm strategies (Li & Atuahene-Gima, 2001, p. 1124).

Li and Atuahene-Gima (2001) argued that the effectiveness of new technology ventures' use of a product innovation strategy may depend not only on how they manage environmental turbulence and dysfunctional competition but also on the degree of support they receive from government institutions to alleviate their resource and managerial problems. In this regard, Guo (1997) as cited in Li and Atuahene-Gima (2001) confirmed that since product innovation is a resource-consuming strategy, such support should alleviate the risks and resource constraints for new technology ventures pursuing such a strategy (Li & Atuahene-Gima, 2001, p. 1125).

Marketing innovation strategy

The introduction of a novel marketing method involving major modifications in product design or packaging, product placement, product promotion, or pricing is referred to as a marketing innovation (OECD, 2005, p. 49). According to Schubert (2010), product and process innovations are more successful than marketing innovations, which indicates that this latter complement product and process innovations rather than a substitute for them, thus, it has the potential to reduce costs or increase the willingness-to-pay (Schubert, 2010, pp. 189-190). Kamp and Parry (2017) as cited in Ungerman, Dedkova and Gurin (2018) proved that modern innovative marketing has a beneficial impact on boosting

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sales and reducing costs, and then improving competitiveness, thus, marketing innovation is identified as a search for creative and new solutions to problems and needs (Ungerman, Dedkova, & Gurin, 2018, pp. 132-133).

According to Kotler and Bes (2005) as cited in Ungerman et al. (2018), marketing innovation is founded on lateral thinking, with playfulness, boundlessness, and provocativeness as the guiding principles. Personal marketing, ambient marketing, environmental marketing, guerilla marketing, ambush marketing, buzz marketing, viral marketing, product placement, mobile marketing, event marketing, word of mouth marketing, neuromarketing, geo-marketing, behavioral marketing, and other areas of marketing innovation are all evolving (Ungerman, Dedkova, & Gurin, 2018, p. 132).

Many authors like Ungerman et al (2018) agree that innovative marketing can be divided into six main categories: 1. Key technology-based innovation - key technology-based innovation results in new and different products. 2. Innovation based on the unique transportation of common controls, 3. Innovation that addresses unmet client wants 4. Purely imaginative innovations - this form of innovative marketing frequently continues in creative activities. 5. Scientific research-based innovation and 6. Functional excellence-based innovation. There are also those who divide innovative marketing into six functions, which are: product design or packaging, product placement or channel of communication, product promotion or pricing, approach to the market, product delivery, service delivery (Ungerman, Dedkova, & Gurin, 2018, pp. 134-136). According to Aksoy and Cengiz (2016) as cited in Ungerman et al. (2018), the cases where an enterprise's technological level is low, marketing innovation is not an important factor in increasing the positive effect on a firm's performance (Ungerman, Dedkova, & Gurin, 2018, p. 136).

Adding value to the firm

Kaplan and Norton's (1992, 1996, 2007) Balanced Scorecard (BSC) approach is one foundation for a strategic management system that incorporates direct and indirect value-adding abilities. Their approach puts corporate strategy front and center, breaking down strategic goals into four perspectives that must be balanced for success (Kaplan & Norton, 1992, pp. 73-77; Kaplan & Norton, 1996, p. 11; Kaplan & Norton, 2007, p. 4): financial (growth, profitability, and risk viewed from the perspective of the shareholder), customer (creating value and differentiation from the customer's perspective), internal (priorities for business processes that create customer and shareholder satisfaction), and organizational learning and growth (climate that supports change, innovation, and growth and provides the needed training and technology). Organizations have two basic approaches for increasing economic value: revenue growth and productivity (Lindholm, Gibler, & Leväinen, 2006, p. 453). In line with Kaplan and Norton's (1992, 1996, 2007) Balanced Scorecard approach, Krumm and de Vries (2003) stated that economic value added is the "real key to creating wealth", thus, cost reduction and revenue growth are the key elements for global performance (Krumm & De Vries, 2003, p. 66). In addition, according to Burns (2002) in Lindholm et al. (2006), firms have two financial strategies for increasing shareholder value: profitability and growth (Lindholm, Gibler, & Leväinen, 2006, p. 454).

According to shareholder value theory, the firm's value is established by maximizing shareholder wealth. Thus, added value according to shareholder theory and the model proposed by Kaplan and Norton (1992, 1996, 2007) is about increasing the value of the firm, increasing profitability as a primary way to add value, improving efficiency or productivity as a means of adding value, decreasing costs, and increasing revenue or income.

Lindholm et al. (2006), confirmed that the model can be expanded using the Balanced Scorecard structure and research findings (as shareholder value theory), showing that business strategy can be comprised of two basic approaches for increasing shareholder

value, and this is what involves the financial viewpoint of Kaplan and Norton (1992, 1996, 2007) approach to Balanced Scorecard: revenue growth and profitability, where the company may desire to focus on revenue growth by expanding its franchise and/or providing more value to its customers. Alternatively, it may wish to emphasize profitability through improved cost structure and more efficient asset utilization; increasing profitability can also be accomplished through increased productivity or cost reduction, both of which have a direct and immediate impact on the firm's financial performance (Lindholm, Gibler, & Leväinen, 2006, pp. 459-468).

Cefis and Ciccarelli (2005) as cited in Lindholm et al. (2006) emphasized that another way to ensure financial performance is through innovation, and this involves the organizational learning and growth viewpoint of Kaplan and Norton (1992, 1996, 2007) approach to Balanced Scorecard (Lindholm, Gibler, & Leväinen, 2006, p. 448). Bradley (2002) asserts that although the measuring performance of knowledge work is fundamentally different from measuring the manufacture of goods, innovation is ideally considered as a process of continuous improvement, which leads to commercial success (Bradley, 2002, p. 153). According to Nonaka and Takeuchi (1995) as cited in Lindholm et al. (2006), knowledge creation leads to continuous innovation, and finally to sustainable competitive advantage (Lindholm, Gibler, & Leväinen, 2006, p. 448). Thus, according to Chesbrough (2003, p. 185), companies that do not innovate die.

According to Heskett, Sasser and Schlesinger (1997) as cited in Lindholm et al. (2006), financial performance is correlated with the creation of value and delivery of quality products and services. These, in turn, are related to employee morale, productivity, and both employee and customer satisfaction. Employee morale, productivity, and satisfaction are partially a function of the workplace environment, while customer satisfaction is part of the function of providing comfortable and functional products and services (Lindholm, Gibler, & Leväinen, 2006, p. 448).

Banker et al. (2000) show that current non-financial measures of customer satisfaction, and this what involves the customer viewpoint of Kaplan and Norton's (1992, 1996, 2007) approach to Balanced Scorecard, reflect the effect of current managerial actions that will not show up in financial performance until later, thus, can be significantly associated with future financial performance in the industry (Banker, Potter, & Srinivasan, 2000, p. 66). In this case, the quantitative measure of improved staff attitudes leads to increased customer satisfaction, which leads to increased revenue growth (Lindholm, Gibler, & Leväinen, 2006, p. 448). Maister (2001) emphasized that employee satisfaction by activating them, for example, will serve clients well, which leads to improved corporate revenues and profits (making a lot of money) (Maister, 2001, p. 17).

Based on the previous theoretical proposition, Lindholm et al. (2006), presented a summary of the definitions of value-added to the firm as follows: The added value is: supporting core business: ‘‘supporting the core business workers so that they can concentrate on doing their work.’’; Increasing the value of the firm: ‘‘increase in shareholder value (better returns to investments)’’ Or ‘‘activity or operation that increases directly or indirectly the value of the business compared to the situation where such an activity or an operation is not performed.’’; Increasing profitability or decreasing costs: ‘improving the company’s operating income.’’ Or ‘‘decreasing costs and improving efficiency.’’; Increasing revenue or income or increasing efficiency or productivity: ‘‘improving core business processes and generating revenue.’’ (Lindholm, Gibler, & Leväinen, 2006, p. 460).

Empirical literature review

Covin and Slevin (1989) found that small firms in volatile and hostile environments obtained higher performance from product innovation (Covin & Slevin, 1989, pp. 79-83). According to Kamp and Parry (2017) as cited in Ungerman et al. (2018), current

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innovative marketing has a positive impact on increasing sales and lowering expenses, hence improving competitiveness (Ungerman, Dedkova, & Gurin, 2018, p. 133). It is shown from the study of Schubert (2010), that especially marketing innovation increases the success of product and process innovations, which indicates that marketing innovations complement the product and process innovations rather than a substitute for them (Schubert, 2010, p. 191). Crepon, Duguet and Mairese (1998, p. 155) found that R&D activities increase with the market share, diversification, and size of a firm. Nickel (1996, p. 730) found a positive correlation between competition and innovative output (competition is good for factor productivity and innovation).

Bhaskaran (2006) as cited in Schubert (2010) confirmed that small and medium-sized businesses that focus on marketing innovations are lucrative and can compete with larger businesses. According to Schubert (2010), marketing innovations help to boost turnover share with new products while also lowering expenses, on average, this indicates a complementary relationship. For example, if a new product is introduced into the market, this requires adjustments to marketing; also, firms may adopt a different pricing strategy, which is marketing innovation, in the case of cost decrease. As a result, the link between marketing and product innovation is more stable. As a result, according to Schubert (2010), marketing innovations help product and process innovations succeed (pp. 190-210).

Empirical study

The hypotheses of the empirical study

In light of this literature, we can formulate the following hypotheses:
- *H1*: Algerian enterprises adopt both a product innovation strategy and a marketing innovation strategy to firm's adding value.
- *H2*: Algerian enterprises seek to achieve additional value through their innovation activities.
- *H3*: The relationship is very close between the product innovation strategy and adding value to the firm compared to the relationship between the marketing innovation strategy and adding value to the firm in Algerian enterprises, which requires them to orient their attention more (shifting) to the marketing innovation strategy to add greater value than it is.

Sample identification and data collection

The data was collected by a questionnaire that was directed at a sample of managers and their assistants, where the questionnaire was sent to a group of small and medium enterprises, at the level of the north-west and east of Algeria according to the administrative division of the National Bureau of Statistics (ONS, 2012, pp. 39-55), and that includes Bordj Bou Arreridj, Sétif, Oran, Mascara. 87 questionnaires were distributed on the basis of the number of small and medium enterprises randomly, 45 of them were retrieved, representing 51.72 % of all distributed questionnaires.

We used frequencies and correspondence analysis to analyze data, relying on previous research: Ortlieb and Sieben (2008), Brito and Sauan (2016), Bouhelal and Adouka (2021).

Methodology

In this study, we relied on a set of variables, which consisted of two types of innovation strategies: product innovation strategy and marketing innovation strategy. While the third variable represented adding value to the firm through supporting core business, increasing the firm's value, increasing profitability, or decreasing costs, increasing revenue (income), or increasing efficiency (productivity). The innovation strategy types

were measured based on the items quoted from Ungerman et al.'s (2018), and Schubert's (2010) studies. The adding value to the firm was measured based on the items quoted from Lindholm et al.'s (2006) study.

The two innovation strategy types were measured through (19 items): product innovation strategy (9 items), marketing innovation strategy (10 items). To avoid overlap between the items when concluding, we shortened these items using the coefficient of variation (the ratio of the standard deviation to the mean), where product innovation strategy was measured through (two items), marketing innovation strategy was measured through (two items). The dimensions of adding value to the firm were measured through (one item) for each one of them: supporting core business (one item), increasing the value of the firm (one item), increasing profitability, or decreasing costs (one item), increasing revenue (income) or increasing efficiency (productivity) (one item).

To measure the items of these variables, we used a Likert scale of five degrees to measure response intensity according to the following coding: from strongly disagree (1) to strongly agree (5) (Brown, 2011, pp. 10-14).

The reliability of each scale was estimated by calculating the Cronbach Alpha coefficient, which is acceptable in management and behavioral studies if they exceed the levels recommended by Nunnally (1978) as cited in Rothbard and Edwards (2003) - value of 0.70 or greater. According to Hwang (2005) and Schuessler (1971), Cronbach alpha coefficient is good if it has a value greater than 0.60 (Hwang, 2005, pp. 127-135).

Methods

We used different methods in our analysis; first: to verify the presence or absence of the two types of innovation strategies, as well as what kind of adding value to the firm is given great importance by the Algerian SMEs under study, we are based on the frequency distribution univariable. The second method was used in order to know the relationship between the two types of innovation strategies and add value to the firm to judge whether to shift from one innovation strategy to another. In order to do that correspondence analysis was applied. All analyzes were performed using SPSS 20, relying on a set of previous studies, including Ortlieb and Sieben (2008), Ortlieb and Sieben (2008), Bouhelal and Adouka (2021) and Bouhelal and Adouka (2021).

Results

Reliability analysis of items

We used the Cronbach Alpha coefficient to measure the reliability of items that measure study variables, which included two innovation strategy types (product innovation strategy and marketing innovation strategy) and adding value to the firm. The results are listed in (Table 1), where the value of Cronbach Alpha was found acceptable by Nunnally (1978).

Table 1. Reliability test results

Variables	**Cronbach Alpha**	
Innovation strategies	**Phase 1**	**Phase 2**
product innovation strategy	0,818 (9 items)	0,750 (2 items)
marketing innovation strategy	0,628 (10 items)	0,789 (2 items)
Total	0,859 (19 items)	0,877 (4 items)
Adding Value to the Firm	0,828 (4 items)	

Source: Prepared by the researchers based on SPSS 20 outputs

Through Table 1 can be noted that the results of the Cronbach Alpha Test match the minimum Cronbach Alpha acceptable in the management and behavioral studies.

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The frequency distribution of the two types of innovation strategies and the four types of adding value to the firm

The results of analyzing the data obtained from the outputs of SPSS 20 were presented as follows: the first and second hypotheses about how the two innovation strategy types are in the enterprises, and about any types of adding value to the firm are of primary importance in the Algerian SMEs under study were investigated. The results are shown in Figure 1 and Figure 2, respectively.

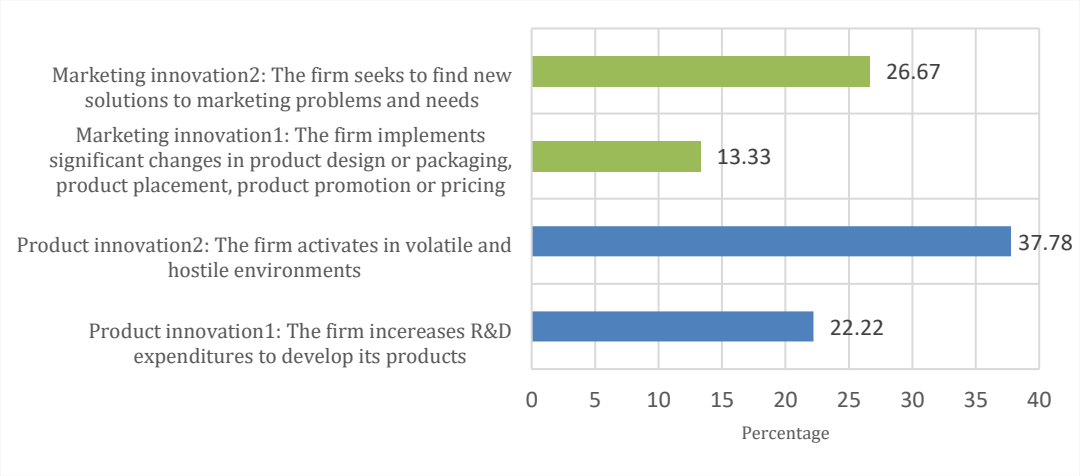

Figure 1. Frequency distribution of the two types of innovation strategies

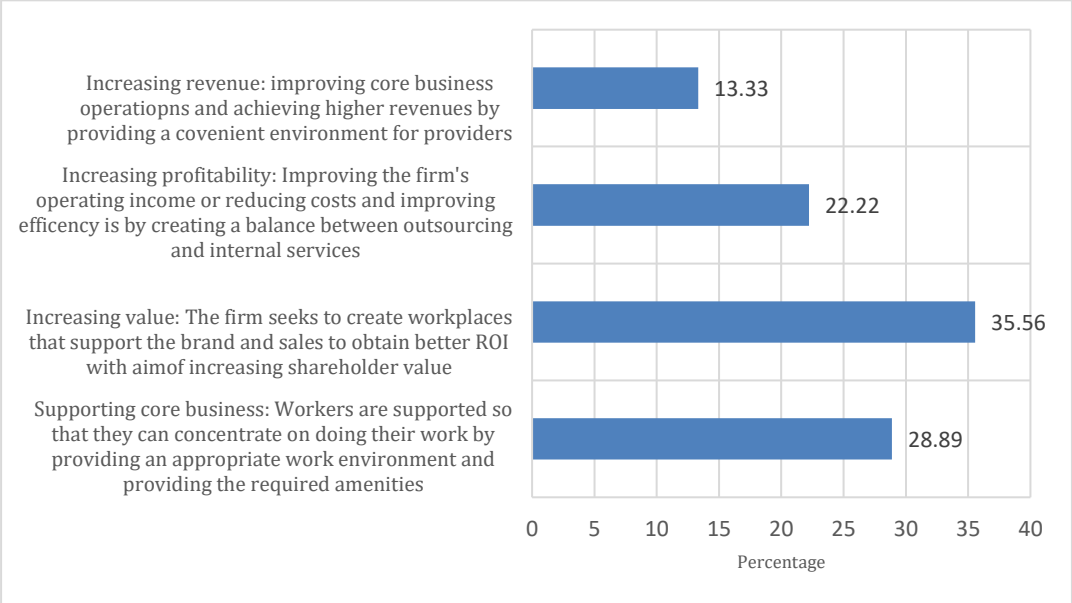

Figure 2. Frequency distribution of the adding value to the firm

The relationship between the two types of innovation strategies and adding value to the firm

The results of analyzing the data obtained from the outputs of SPSS 20 were presented in Figure 3, where w the third hypothesis was investigated in order to find out more about the relationship between the two innovation strategy types and adding value to the firm in the Algerian SMEs under study.

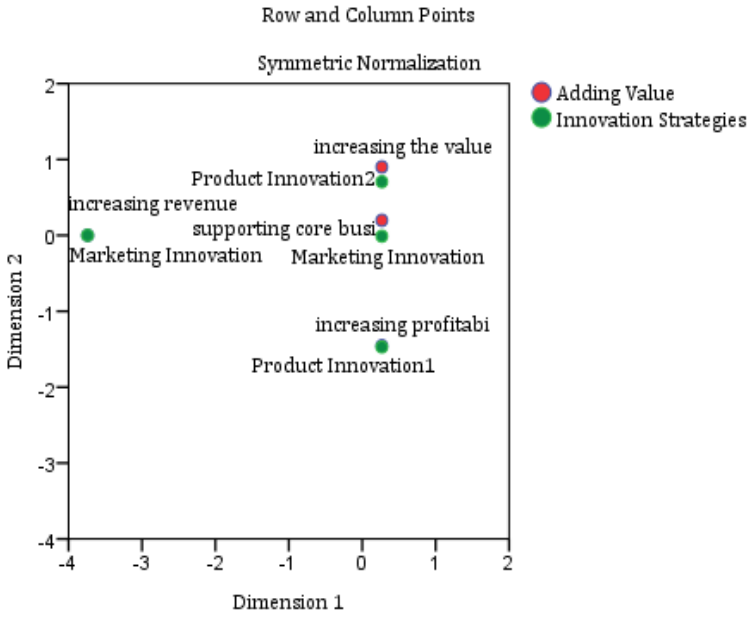

Figure 3. Correspondence Analysis Map of the Two Innovation Strategies and Adding Value to the Firm

Results analysis

Analysis of the results of the frequency distribution of the two types of innovation strategies and adding value to the firm

Through Figure 1 above, which represents the frequency distribution of the two types of innovation strategies, can be noted that all innovation strategies types have a percentage, where, the product innovation strategy2 (the second item, which means that the firm activates in volatile and hostile environments) ranked first with a frequency distribution of 37.78%, then followed by in the second place are marketing innovation strategy2 (the second item, which means that the firm seeks to find new solutions to marketing problems and needs) with a frequency distribution of 26.67%. Product innovation strategy1 (the first item, which means that the firm increases R&D expenditures to develop its products) came in the third place with a frequency distribution of 22.22%, then marketing innovation strategy1 (the first item, which means that the firm implements significant changes in product design or packaging, product placement, product promotion or pricing) came in the fourth place with a frequency distribution of 13.33%.

This allows the enterprises understudy to shift from a product innovation strategy to a marketing innovation strategy, this was a confirmation of what was stated in the study of Covin and Slevin (1989) and the study of Ungerman et al. (2018), where, they argued that the nature of the environments in which the enterprises under study are active are volatile and hostile (according to the rank of results) in which there are many problems and requirements, which always need to search for solutions to market their products continuously.

Through Figure 2 (that can be found above), which represents the frequency distribution of adding value to the firm, can be noted that the dimension of increasing the value (which means that the firm seeks to create workplaces that support the brand and sales to obtain better returns on investments with aim of increasing shareholder value) ranked the first with a frequency distribution of 35.56%, then followed by, in the second place by the dimension of supporting core business (which means that workers are supported so that they can concentrate on doing their work by providing an appropriate work environment

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and providing the required amenities) with a frequency distribution of 28.89%, while the dimension of increasing profitability (which means that improving the firm's operating income or reducing costs and improving efficiency is by creating a balance between outsourcing and internal services) has reached a percentage 22.22% of the frequency distribution in the third place. While the dimension of increasing revenue (which means improving core business operations and achieving higher revenues by providing a convenient environment for providers) ranked fourth with a frequency distribution of 13.33%. This indicates that the leaders of the enterprises under study attach great importance to increasing the value of the firm regardless of increasing profitability or revenue or supporting the core business.

As confirmation of these results, it was stated in the study of Lindholm et al. (2006) that organizations have two basic approaches for increasing economic value: revenue growth and productivity. As stated by Krumm and de Vries (2003) that economic value added is the "real key to creating wealth", thus, cost reduction and revenue growth are the key elements for global performance. Also, Burns (2002) concludes that organizations have two financial strategies for driving shareholder value: profitability and growth.

Analysis of the results of the relationship between the two innovation strategy types and adding value to the firm

Through Figure 3 (above), which represents the relationship between the two types of innovation strategies and adding value to the firm, we note that there is a positive and close relationship between product innovation strategy 2 (the second item, which means that the firm activates in volatile and hostile environments) and the two dimensions of increasing the value (which means that the firm seeks to create workplaces that support the brand and sales to obtain better returns on investments with aim of increasing shareholder value) and supporting core business (which means that workers are supported so that they can concentrate on doing their work by providing an appropriate work environment and providing the required amenities). This is what came in the study of Covin and Slevin (1989), where they confirmed that small firms in volatile and hostile environments obtained higher performance from product innovation. Also, Li and Atuahene-Gima (2001) in their study confirmed that a firm's product innovation strategic posture may take several forms, such as the number of engineers, scientists, and other technical personnel employed, thus, supporting this category greatly helps to increase the turnover share by new products.

We also note that there is a positive and close relationship between marketing innovation strategy (which means that the firm seeks to find new solutions to marketing problems and needs through implementing significant changes in product design or packaging, product placement, product promotion, or pricing) and the two dimensions of supporting core business (which means that workers are supported so that they can concentrate on doing their work by providing an appropriate work environment and providing the required amenities) and increasing revenue (which means that improving core business operations and achieving higher revenues by providing a convenient environment for providers). This result can be explained according to the study of Schubert (2010), where he emphasized that especially marketing innovation increases the success of product and process innovations that take several forms, such as the number of engineers, scientists, and other technical personnel employed, which indicates that marketing innovations complement the product and process innovations rather than a substitute for them, as Schubert (2010) confirmed that marketing innovations (e.g., firms may choose a different pricing strategy) make product and process innovations more successful.

Also, there is a positive and close relationship between product innovation strategy1 (the first item, which means that the firm increases R&D expenditures to develop its products) and increasing profitability (which means that improving the firm's operating income or reducing costs and improving efficiency is by creating a balance between outsourcing and

internal services). In this regard, Crepon et al. (1998), emphasized that R&D activities increase with the market share, diversification, and size of a firm.

Through our results, we found three positive relationships between product innovation strategy and adding value to the firm. In contrast, two positive relationships between marketing innovation strategy and adding value to the firm were found. Thus, the enterprises under study must shift from a product innovation strategy to a marketing innovation strategy, which means focusing their attention more on the latter to market their products more and faster.

Conclusion

Through our review of literature on innovation strategies, we find that innovation has become a major competitive differentiator delivering benefits to firms to create and promote business differentiation and adopt new technologies for innovation.

The innovation strategies provide a way to catalyze innovation processes so that innovation moves out of the confines of R&D labs and becomes an intrinsic part of the way firms plan their futures and implement those plans. Without innovation, many global companies could not have sustained their market leadership and profit margins.

Via collecting data on these innovation strategies, we were able to investigate the study's hypotheses, and the most important results of the study where Algerian enterprises adopt both a product innovation strategy and a marketing innovation strategy to competition and achieve added value through creating workplaces that support the brand and sales to obtain better returns on investments with aim of increasing shareholder value. As well, the relationship is very close and positive between the product innovation strategy and adding value to the firm compared to the relationship between the marketing innovation strategy and adding value to the firm in Algerian enterprises, which allows it to reconsider these two strategies to achieve greater value for the company.

We believe this study serves as a foundation for an effort to sharpen understanding of the product/marketing innovation-adding value relationship in new ventures, where we were able to show that we can increase success by shifting from product innovation strategy to marketing innovation strategy, suggesting a complementary relationship. However, despite our findings, the article suffers from three limitations for further research. First, product and marketing innovation strategies deserve to be given more attention by academia. Second, this study was limited to the variables available at the Innovation strategies Survey. More work is needed to identify firm characteristics measuring them empirically. Third, process innovation strategies should be analyzed in tandem with organizational ones. Fourth, both additional theoretical and empirical work is also needed to understand how managers make decisions on the combination of innovation activities that firms undertake. Fifth, adding value to the firm, especially regarding small firms engaging in product and marketing innovation, should not be considered limited to R&D. Finally, more empirical work is also needed to check the robustness of the results outside its temporal and spatial framework and to assess the dynamic effects of markets on firm's innovation strategies.

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