

## **Non-Market Strategy: A Contemporary Literature Review of its Application Considering the Importance of the Social, Ecological and Political Environments**

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### **Abstract**

*Despite the fact that the field of non-market strategy is gaining more attention in recent years, few researches provide a comprehensive chronology of the development and competitive advantages of non-market strategies for specific markets. It seems that combining market and non-market strategies into a single strategy, monitoring and researching emerging drivers of change within their business, social, ecological and political environment is becoming a more common goal for organizations. This study gathers the main concepts of non-market strategy as explained by scholars in different fields along the last decade. Related articles were collected from All Database of ISI Web of Science. The data collection focuses on the social science and business economic domains. This study provides a chronological list of non-market strategy concepts, valuation methods and a ISI Web of Science bibliographic analysis. The results also provide the main fields applying non-market strategies are as follows: business and economics 39%, environmental science ecology 18%, agriculture 7%, international relations 5% and government law 4%. Besides, results show a research trend from the circumstances within which non-market strategies are applied (prior to 2010) to the study of non-market strategic actions to gaining market competitiveness.*

**Keywords:** Non-market Strategy, Strategic Management, Competitiveness, Business Environment, Social Environment, Political Environment, Ecological Environment

### **1. Introduction**

Several companies along a wide range of industries invest effort in monitoring and researching emerging drivers of change in their business environment, focusing in; new technologies, events of social, economic, political and the ecological scene (Vecchiato & Roveda, 2010). Business organizations compete for their share not only in the market place, but also through efforts in the political arena aiming to manipulate regulations, laws and other institutions that govern the marketplace (Henisz & Zelner, 2003). Non-market strategy is an essential way for entities to get competitive advantage and it is becoming a relevant problem in the studies of strategic management. This field of Non-market strategy covers primarily corporate political strategy, social public and media strategy, corporate social responsibility strategy, etc. (Xie, Jin, & Jin, 2009).

Strategic organization has traditionally focused on marketplace, leaving non-market strategy mostly to scholars from the field of political economy. The concern of firms to handle opportunities and risks in the political arena is obvious due to the level of means that such companies deploy, as well as the importance of the relationship between policy environment and business behavior and performance (Henisz & Zelner, 2003). The variations and differences in corporate non-market strategies depend on organizational and environmental factors, environmental factors being the igniters for corporate non-market strategy and organizational factors the filters (Xie, et al., 2009).

With the wrong doings and questionable behavior of some organization leaders, there have been calls for various governance mechanisms to include ethic codes to guide managerial decision-making (Stevens, Steensma, Harrison, & Cochran, 2005). Years spent in education showed to be positively correlated with the chance of choosing a non-compensatory decision rule when decision making. Emotions can in a way also explain compensatory and simpler non-compensatory decision rules, which in general means that individuals can follow alternative paths to the traditional compensatory utility maximization rules (Arana & Leon, 2009). When aspiring managers try to solve non-market strategy issues with simple single-stage problems, managers prove to be very competent doing the optimal choice in their own non-market environment, but as problems become complex, they find difficulties doing the optimal choice (de Figueiredo & de Figueiredo, 2002).

## **2. General Competitiveness in Non-Market Strategy**

### **2.1. Proactive Response in Non-Market Strategy**

Nowadays companies affect their environment for better positioning using issue integration rather than adapting to it passively. Issue integration is an effective way to make a proactive response on non-market issues. Issue integration is positively related to organizational performance, therefore firm's legitimacy issue should be taking care for during organizations' influence towards institutional environment and its performance pursue (Xinming, Zhilong, & Yu, 2008).

When managers face environmental regulatory uncertainty, two integrated strategies are proposed to improve competitiveness (Fremeth & Richter, 2011):

- a) Campaigning for pragmatic and progressive policies allowing firms shape future policies on the existing environmental strengths; this strategy raises competitors' costs when competitors have yet to develop identical competencies.
- b) Consistently embracing advancing regulations and facilitating the company satisfy activists who are pressuring policymakers to force firms accommodating to higher environmental standards; this strategy let managers adapt to coming regulation at their own pace, while getting new advantages on market competencies.

### **2.2. Capabilities in Non-Market Strategy**

Political strategies can become capabilities when the firm-level political strategy is effectively configured and implemented with government and ownership structures, facilitating or restraining the organizational value creation. In an airline company study it was found how during manager's decisions in response to some particular public policy processes, political capabilities could still be created. Outcome in capability formation was moderated by the nature of the corporate ownership and the relative influence of different public and private stakeholders (Lawton, Rajwani, & Doh, 2013).

Trade remedy cases are a critical policy tool for instance, arranged to protect domestic firms from what is considered an unfair import competition. Three non-market capabilities were identified; (1) The capability to collect market and non-market intelligence, (2) The ability to build and shape the administrative record, and (3) The capability to align business practice with the countries' trade remedy institutions (Lindeque & McGuire, 2010).

### **2.3. Networking, Environment and Non-Market Strategy**

Environmental differences among countries and regions are often forgotten in strategy research, conceptualizing different types of economies; developed economies, emerging economies, institution-driven high growth emerging economies, and factor-driven high growth emerging economies. Different type of country resource environments provide firms with different country resources, factors and institutions. Companies should emphasize their right firm market and non-market capabilities as well as their corporate diversification strategy of products and regions (Wan, 2005). Policies for consumption and production have varied across countries and throughout time contributing to the regulatory uncertainty. It is important to guess how regulatory uncertainty shape firms' market and non-market strategies in its industry and to know how public-policy environment affect technological development and manufacturing (Haley & Schuler, 2011). Along this growth of non-market strategies and political capabilities of developing country multinationals, the consideration of the problem of 'liability of foreignness' in a new non-market context is also a growing issue (McGuire, Lindeque, & Suder, 2012).

Nation states, multinational companies (MNCs), non-governmental organizations (NGOs) and multilateral organizations are the participants in the international bargaining environment with their influence on their basis of power, network position, bargaining outcome preferences and motivation to influence bargaining. New observations extend this network bargaining power on coalition effects, strategies of less powerful actors leveraging more powerful allies, integration of international and domestic politics etc. (Nebus & Rufin, 2010). The rupture of business networks at the base of the socio-economical pyramid along geographic, ethnic, kinship, or religious lines present challenges for MNCs. Sensitivity to understand these differences in these communities tied by strong informal links as well as a flexibility adapting to them earning their trust and political goodwill is important. A significant local embedded situation from MNCs is needed, using intermediaries that can bond the gap between the MNCs and 'bottom of the pyramid' communities. Furthermore, with the scarcity of specialized firms at the bottom of the pyramid MNCs will need to find non-traditional partners such as NGOs, community organizations or government agencies (Rivera-Santos & Rufin, 2010).

In service sector's organizational change as well as on firm restructuring, capacities of 'peak associations' to circulate information widely among members as well as to develop strategies that allow associational expertise combined with local knowledge might also help overcoming managerial uncertainty (Culpepper, 2002). 'Value beyond the technical requirements of the task at hand' causes status positions in institutionalized domains to be particularly important. It is common to find higher status firms in the scientific knowledge domain receiving faster approvals for their products. Firm status has a significant effect on the regulatory evaluation process since regulators often rely on external quality signals such as status to solve uncertainties (Kim, 2012).

In spite of the competitive dynamics and regulatory pressures, company strategy sometimes appears to only consist of a series of small covering up investments that come from the perceptions of current and likely future market-political trends in climate change topics of carbon management. Little suggests that climate change has significantly altered the competitive field or created radical transformations in business models of some country carbon-intensive companies (Okereke & Russel, 2010). The erosion of the strong links between banks and other industrial firms in the network of a series of Swiss directorships also show the decline of non-market forms of coordination. A fine-tuning of current concept of 'coordinated market economies' is needed since there appears to be a reorientation of firms towards shareholder's interests due to investor's pressure (Widmer, 2011).

#### **2.4. Mitigation of First Mover Advantage with Non-Market Strategy**

In an example of internet related supply and user service companies, although competitor's entry barriers were lowered, previously established companies were able to get a certain source of first-mover advantages (FMAs) as result of their early entry. Nevertheless, non-market strategies could be used by rivals and other industry participants to neutralize FMAs (B. Usero & Ortiz, 2011). The prevailing conceptual framework of first mover advantage explains several market mechanisms where first movers can gain pioneering benefits, but it is incomplete failing to consider the role of political resources. First movers can successfully use non-marketing strategies, but they can also be used to neutralize them (Frynas, Mellahi, & Pigman, 2006). In a service industry study examining the competitive behavior of pioneer and follower firms it was found that followers taking more market actions than pioneers are not able to erode first-mover's advantage, nevertheless followers taking more non-market actions such as litigation and complaints are successful at taking market share from the pioneers (Belen Usero & Fernandez, 2009).

#### **2.5. Non-Market Strategies Concerning NGOs**

NGOs and activists are starting to represent a more and more important faction in a firm's non-market environment. A study explored different ways in which firms manage NGO pressure, finding examples of acquisitions, capitulation, and resistance (Spar & La Mure, 2003). NGOs resist or seek to collaborate with other NGOs or with firms to appear as legitimate actors as possible before selected third parties and as a way to access various funding sources. By contrast, firm managers interacting with these NGOs are mainly concerned achieving social stability so that their organizations can operate undisturbed (Lucea, 2010). Activists and NGOs have continuously abandoned public politics and changed to private politics adjusting practices of firms and industries. Some of the researches in this field are; (1) Type of target selection by the activists, (2) Proactive measures and reputation building by a potential target to reduce likelihood of being chosen as a target, (3) Fighting a campaign, and (4) Credible commitment (Baron & Diermeier, 2007).

## 2.6. Lobbying in Non-Market Strategy

In an interaction model among a firm, a legislature, an executive, a court and an agency, results showed that even if the agency had responsibility for implementing that public policy, the firm would lobby the legislature instead of bringing about changes in policy (Holburn & Vanden Bergh, 2002). Corporate lobbying is not agency driven and may in fact create value, firms with more entrenchment management with self-defense for anti-takeover have greater tendency to engage in lobbying activities as a non-market strategy (Mathur, Singh, Thompson, & Nejadmalayeri, 2013).

## 2.7. Non-Market Strategy in China

For Chinese companies non-market factors have influenced importantly on their competition both at home and abroad. It is important for them to learn from the experience of the west and set up Chinese enterprises' own non-market strategy system (Haiwei & Hongxia, 2007). The overall energy for conducting effective integration of market strategy with non-market strategy can be larger than that of any single strategy. Firstly or all; (1) Chinese enterprises during transition period should fully understand the idiosyncrasy and the significance of non-market strategy to enhance enterprise competitiveness, (2) In order to get an integrated effect, enterprises should actively combine non-market strategy and market strategy, (3) Companies should explore effective ways for strategy integration, and (4) Enterprises should establish an official public affair department in order to achieve combined efforts with strategic planning departments (Xie, Wang, & Zhu, 2008).

**Table 1: A Chronological Summary of the Application of Non-Market Strategies**

Concept	Description	Year and Author
<sup>1</sup> <i>Entrenchment management and lobbying activities</i>	<sup>1</sup> Firms within self-defense corporate anti-takeover environments have greater tendency to lobby.	<sup>1</sup> (Mathur, et al., 2013)
<sup>2</sup> <i>Environmental practices</i>	<sup>2</sup> Cost barriers, management attitudes, company ownership, competitiveness, investors and regulatory pressures influence environmental practices.	<sup>2</sup> (Ervin, Wu, Khanna, Jones, & Wirkkala, 2013)
<sup>3</sup> <i>Liability of foreignness</i>	<sup>3</sup> The disadvantage of being an emerging market firm or foreign company engaging in different non-market environments.	<sup>3</sup> (McGuire, et al., 2012)
<sup>4</sup> <i>Firm status</i>	<sup>4</sup> Regulators rely on external signals of quality to solve uncertainty and providing faster approval.	<sup>4</sup> (Kim, 2012)
<sup>5</sup> <i>Strategy through general social goals</i>	<sup>5</sup> Issues positively influencing the overall population's mental and physical health, employment, government revenue and global warming.	<sup>5</sup> (Azahara Mesa-Jurado, Martin-Ortega, Ruto, & Berbel, 2012; Krupnick & Burtraw, 1996; Rebitzer, Rege, & Shepard, 2008; Vagero, 1994)
<sup>6</sup> <i>Proactive response strategy</i>	<sup>6</sup> Issue integration to make proactive responses as the integrated strategies of campaigning for pragmatic progressive policies and consistently embracing advancing regulations.	<sup>6</sup> (Fremeth & Richter, 2011; Xinming, et al., 2008)
<sup>7</sup> <i>Follower strategies against first mover advantage</i>	<sup>7</sup> Litigation and complaints are successful at taking market share from pioneers.	<sup>7</sup> (B. Usero & Ortiz, 2011; Belen Usero & Fernandez, 2009)
<sup>8</sup> <i>New bargaining participants</i>	<sup>8</sup> Former; nation states, MNCs, NGOs, multilateral organizations. New; coalitions, less powerful actors leveraging more powerful allies, international and domestic policies etc.	<sup>8</sup> (Nebus & Rufin, 2010)
<sup>9</sup> <i>Base of the pyramid strategy</i>	<sup>9</sup> Earning trust and political goodwill in communities using intermediaries and non-traditional partners such as NGOs, community organizations & government agencies.	<sup>9</sup> (Rivera-Santos & Rufin, 2010)
<sup>10</sup> <i>Integration into a unique strategy</i>	<sup>10</sup> Understanding the idiosyncrasy and significance of non-market strategy and unifying it with market strategy.	<sup>10</sup> (Xie, et al., 2008)
<sup>11</sup> <i>NGOs changing to private politics</i>	<sup>11</sup> Adjusting practices of firms and industries.	<sup>11</sup> (Baron & Diermeier, 2007)
<sup>12</sup> <i>Ethic code strategy</i>	<sup>12</sup> When perceived pressure from market stakeholders an "easy to integrate in daily activities' ethic code" could be used and create an internal ethic culture that promotes positive external image.	<sup>12</sup> (Stevens, et al., 2005)
<sup>13</sup> <i>Different economic environments</i>	<sup>13</sup> Developed economies, emerging economies, institution-driven high growth emerging economies & factors-driven high growth emerging economies.	<sup>13</sup> (Wan, 2005)
<sup>14</sup> <i>Peak associations</i>	<sup>14</sup> Mayor group of interest in the area willing or not to circulate information widely or to develop strategies of associational expertise combining local knowledge.	<sup>14</sup> (Culpepper, 2002)

**Source:** Self elaboration, retrieved from all databases of Web of Science, non-market strategy, March 2014

### 3. Non-Market Valuation and Methodologies

One of the challenges in sustainable management is assigning a value or a price to a non-market element so that it can be weighted and prioritized well, contingent valuation method seems to be one of the most popular chosen approach to solve this problem (Gauthier, 2004). Nearly all environmental goods as clean air, water, fish as well as wildlife populations cannot be traded in the marketplace, the value of how much people would wish to pay for them in monetary units cannot be revealed with a price, therefore a way for assigning a value is to rely on non-market valuation methods (Ecosystem Valuation, 2014).

With the aim of offering a tool for executives involved in developing policies with a sustainable advantage, contingent valuation method is based on consumers' direct revelation in contingent scenario positions. It effectively reveals people's readiness to pay for non-market goods like more fresh air or a program of environmental preservation, previously carried out with a contingent valuation survey (Gauthier, 2004).

The method of Contingent valuation (CVM) uses questionnaires collecting the expressed preferences and assessing the willingness to pay for non-market environmental goods. US NOAA panel cautiously approved the method after receiving certain criticism for a variety of biases, pointing out that "true" valuation cannot be assessed. A study was held to analyze the three willingness to pay methods responses with:

- a) Open-ended questions (respondent is free to give any answer).
- b) Dichotomous choice questions (demanding a yes/no response regarding a set WTP bid level).
- c) Iterative bidding questions (respondent is free to move up or down from a given WTP starting point).

The level of uncertainty brought about by open-ended formats is a major thing in (CVM) needing to research more into the motivations of dichotomous and iterative responses. In Open-ended questions respondents showed significant uncertainty doing free-riding or strategic overbidding, dichotomous questions seem to experience much less uncertainty, but respondents clearly behave differently to dichotomous choice questions as opposed to open-ended formats. The iterative bidding approach presents certain of the characteristics of both other formats (Bateman, Langford, Turner, Willis, & Garrod, 1995).

In the case of coastal management, it is required the use of technical, social, political and economic tools to form a comprehensive management strategy for environmental investments, therefore it is essential that benefits and costs of environmental improvements to be monetarily identified. To calculate the environmental benefits with the improved water quality and restored marine ecosystem, Choice Experiment Method was used as a non-market valuation technique and finally, analyzing data with Multinomial Logit Model. Final outcome proved that local residents and tourists were willing to increase the payment for the improvement in water quality and marine life (Can & Alp, 2012). Using the estimates from an existing source study when non-market values are involved and to transfer them to the new context of interest is a non-market strategy that avoids high cost of doing empirical work. This practice is known as "benefit transfer" and can lead to significant overestimation or underestimation of welfare change, needing to calibrate the benefit transfer estimates of the scale value differences among dissimilar contexts (van Bueren & Bennett, 2004). 'Stochastic Games' with weakly interacting players gives us a probabilistic framework to study strategic behavior in models of non-market interactions (Horst, 2005).

**Table 2: Summary of Valuation Methods in Non-Market Strategy**

Concept	Description	Year and Author
- <i>Contingent Valuation Method</i>	- Reveals people's readiness to pay for a non-market good like more fresh air or a program of environmental preservation using a contingent valuation survey.	(Bateman, et al., 1995; Gauthier, 2004)
- <i>Choice Experiment Method</i>	- Calculating environmental benefits and willingness to pay with improved water quality or restored ecosystems.	(Can & Alp, 2012)
- <i>Benefit Transfer Method</i>	- Using estimates from an existing source and transferring them to a new context.	(Van Bueren & Bennett, 2004)
- <i>Stochastic Games</i>	- Weakly interacting players giving a probabilistic framework.	(Horst, 2005)

*Source:* Self elaboration, retrieved from all databases of Web of Science, non-market strategy, March 2014

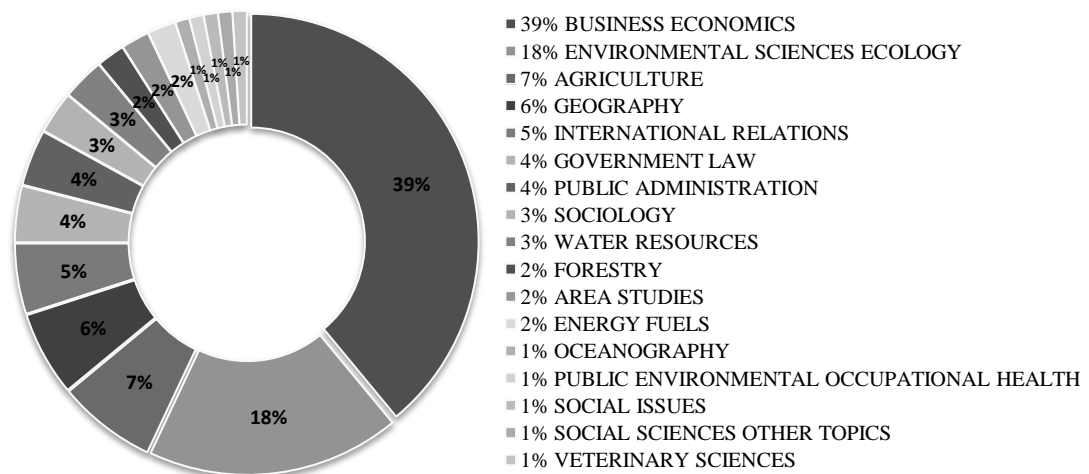
#### 4. Non-Market Strategy and Environmental Issues

Utility maximization or economic approach is mainly motivated to decrease costs and increase benefits, whereas institutional theory focuses on how external pressures from the market and non-market elements shape firm environmental efforts. Making these two frameworks complementary; cost barriers, management attitudes towards environmental stewardship, company ownership, external institutional forces including competitiveness, investor and regulatory pressures, all were found to influence a firms’ environmental attitude and pollution prevention activities (Ervin, et al., 2013).

A model of bidding behavior in ‘green auctions’ showed that bidding strategies are determined by individual farmers’ costs of implementing the conservation contracts and their thoughts about the maximum acceptable payment level, making the auction an imperfect cost revelation mechanism (Latacz-Lohmann & Van der Hamsvoort, 1998). In the process of organizational ecology in collective strategies and as examples of FM radio activists show in the US, organizations competing on the dimensions of ideology and resources should recognize themselves as members of an identity group based on their common struggle against a stronger more salient enemy (Pozner & Rao, 2006).

Institutional failures are known for climate change issues since there is neither an enforceable global accord nor market integrity. Therefore as governments are still highly involved, MNCs need to consider carefully their strategies to deal with non-market forces and their establishment in multiple institutional settings (Pinkse & Kolk, 2012).

**Figure 1: Published Article Fields in Non-Market Strategy; Percentage Ranking by Research Areas**



**Source:** Self elaboration, retrieved from Web of Science Core Collection, non-market strategy result analysis, March 2014

#### 5. Non-Market Strategy and Social Issues

From the sociological point of view strategy is not focused exclusively towards profit maximization or restricted to means-ends rationality, but to a set of corporate and personal goals that might interest several organizational stakeholders; (1) Status achieving, (2) Autonomy, (3) Innovation, (4) Identity, (5) Social capital. On the contrary, there would be important considerations on the structural, historical, and cognitive limitations impacting decision-making and upper-level management (Ruef, 2003). A study showed that financial directors could be more likely to include their company’s ‘ethics code’ into their strategic decision processes if;

- 1) They perceive pressure from market stakeholders to do so (suppliers, customers, shareholders, etc.).
- 2) They believe the use of ethics codes create an internal ethical culture promoting a positive external image for their firms.
- 3) That the code is integrated into daily activities through ethics code training programs.

Market pressure is further increased when executives do really believe that the code will build up a positive external image, and should also point out that the study did not find pressure from non-market stakeholders having a unique impact on ethics code usage (e.g., regulatory agencies, government bodies, court systems) (Stevens, et al., 2005).

There are monetary assessments considering environmental and health damages from electricity, influencing also employment, government revenue and global warming (Krupnick & Burtraw, 1996).

When water is scarce, farmers have non-market values associated with a longer term increase guarantee including price increase acceptance of 10%-20% as well as agreement to reduce average supply in 30%. Farmers in Spain for example, perceived benefits in these changes showing a predisposition for non-market measures or strategies that permit such improvement (Azahara Mesa-Jurado, et al., 2012). Many rural Madagascar households show big fluctuations in their incomes and need to rely on non-market mechanisms to adopt multi-faceted strategies and confront risks, sometimes including obtaining informal income by letting their children work (Gubert & Robilliard, 2008).

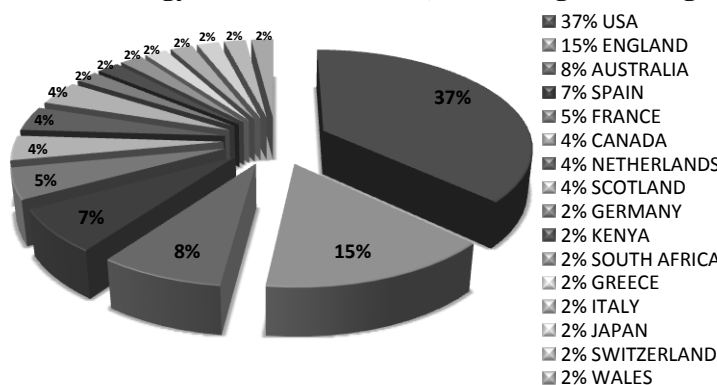
There are also non-market studies considering spouses characteristics on time devoted to leisure as child caregiving and home production of married mothers and fathers, concluding that there is little effect of one spouses' unpaid time use on parenting. Wage does not affect time use choice of parents, and spouses' leisure time appears slightly consistent with owns' leisure time (Connelly & Kimmel, 2009). Other non-market studies examined private schooling models, finding that religious private schooling type of education reduces involvement in behaviors such as teen sexual activity, arrests, use of hard drugs, smoking and marijuana use (Figlio & Ludwig, 2012).

In western countries, equity has been seen inevitably linked to non-market system of health care, reducing inequalities in health and improving the overall strategy of population's health, maintaining and improving its human capital (Vagero, 1994). On non-market or non-monetary influential activities, technology diffusion or computer-based decision support accelerate new medical knowledge diffusion when physicians cope with information overload (Rebitzer, et al., 2008).

**6. Discussion and Conclusions**

Non-market strategy literature is attracting the attention of several researchers from different fields. There has been a sudden increase of published articles in recent years. Article citation number show a continuous increase year by year (appendix a). The main fields publishing articles on non-market strategy are business economics 39%, environmental science ecology 18%, agriculture 7%, international relations 5%, and government law 4% (Figure 1). Published articles ranking by country or territories are USA 37%, England 15%, Australia 8%, Spain 7%, and France 5% (Figure 2).

**Figure 2: Non-Market Strategy Published Articles; Percentage Ranking by Country/Territories**



**Source:** Self elaboration, retrieved from Web of Science Core Collection, non-market strategy result analysis, March 2014

Main publishing journals of non-market strategy articles are as follows: California Management Review, Advances in Strategic Management a Research Annual, Environmental Resource Economics, and Journal of Business Research (appendix b). Harvard University and North Western University appear as two of the main publishing organizations (appendix c). Authors claim that the main fields in non-market strategic management are corporate political strategy, social public and media strategy and corporate social responsibility strategy. Apart from the international bargaining network which include (states, MNCs, NGOs, multilateral organizations with their basis of power, network positioning, and bargaining outcome preferences with motivation to influence those bargains), writers also consider the effects of coalitions, less powerful actors leveraging more powerful allies and international and domestic policies.

The fragmentation of business networks at the base of the socio-economical “pyramids” is said to pose challenges for MNCs requiring them to earn trust and political goodwill from small communities already tied up by strong informal links.

A significant degree of a local embedded status using intermediaries and non-traditional partners such as NGOs, community organizations or government agencies is also important in order to survive. NGOs are turning into private politics changing practices from firms and industries. Therefore proactive measures and reputation building by a potential NGO target to reduce likelihood of being aimed is important. NGOs confront or seek to collaborate with other NGOs and firms to appear as legitimate as possible before third parties, whereas firm managers when interacting with NGOs, are mainly concerned with achieving a social stability.

Scholars claim that environmental factors are the generating factors for corporate non-market strategy, challenging managers to solve complex non-market environment problems as well as monitoring drivers of change in their surroundings technologically, socially, economically, politically and ecologically. Collecting market and non-market intelligence as well as building and shaping the administrative record aligning business practices with institutions can also increase political capabilities. Political power building and influencing regulations can sometimes make institutions gain competitive advantage. Firms with more entrenched management with anti-takeover strategies for example can show a greater tendency to engage in lobbying activities as a non-market strategy. Since policies vary across countries and time contributing to uncertainty, experts also suggest that firms need to take into account environmental differences among countries such as; developed economies, emerging economies, institution-driven high growth emerging economies, and factor-driven growth emerging economies.

Finding how uncertainty shapes firm’s market and non-market strategies as well as how public policy environment affects technological and manufacturing development is critical. That is why writers also mention that making proactive responses using integrated strategies and advocating for progressive policies that shape future rules would finally result in cost pressure for competitors. Continuously embracing advancing regulations that satisfy activists while adapting to coming regulations at your own companies’ pace, proves also to be another effective way.

Some other factors to take into account for an efficient non-market strategy would be the corporate political capability of an emerging market firm or liability of foreignness in new market environment. It is also important to make sure that major groups in the area (‘peak’ associations) circulate information widely among members, willing to develop common strategies allowing associational expertise combine with local knowledge. Other experts claim that firm status has a significant effect on the regulatory evaluation process. Regulators somehow rely on external signals of quality to solve their uncertainty providing firms with status faster approval for their products. While non-market strategies can often be successful by market’s first movers (FMAs), followers taking non-market actions such as litigation and complaints can equally become successful at taking pioneer’s market share. Scholars also highly recommend getting a full understanding of the particularity and significance of non-market strategy enhancing enterprise competitiveness, adding that, market and non-market strategy should actively be integrated into a one unified strategy.

A facility’s environmental practices are usually influenced by cost barriers, management attitudes towards environmental protection, company ownership, external institutional forces, competitiveness, investors and regulatory pressures. Authors also point out that social goals should not only be considered as a means ends rationality, they also include achievement of status, autonomy, innovation, identity and social capital. Executives are prompt to integrate ethics code into their strategy if they find pressure from market’s stakeholders and when creating a positive internal culture that equally promotes positive external image. Some other non-market studies also include; monetary estimates considering environmental and health damages, farmers accepting non-market strategies when a natural resource as water is scarce and in order to cope with the agricultural risks, the time spouses devote to leisure time and child caregiving, different types of private schooling on adolescent behaviors, or reducing inequalities in healthcare to improve general population’s health or the human capital.

Though true valuation is difficult to be inferred, Contingent Valuation Method with its survey seems to be one of the most commonly used method among researchers revealing people’s willingness to pay for a non-market product or to reveal the value given to a particular natural resource program.



Other methods include the Benefit Transfer Method, which involves using value estimates from an already existing source that transfers them to a targeted context. Choice Experiment Method also provides a useful non-market evaluation technique to evaluate the willingness to pay more for the quality improvement of a natural resource (Table 2).

Results also show a research trend from the circumstances within which non-market strategies are applied (prior to 2010) to the study of non-market strategic actions to gaining market competitiveness. Further researches should focus more on how these non-market strategy concepts should be properly implemented in different market circumstances (Table 1).

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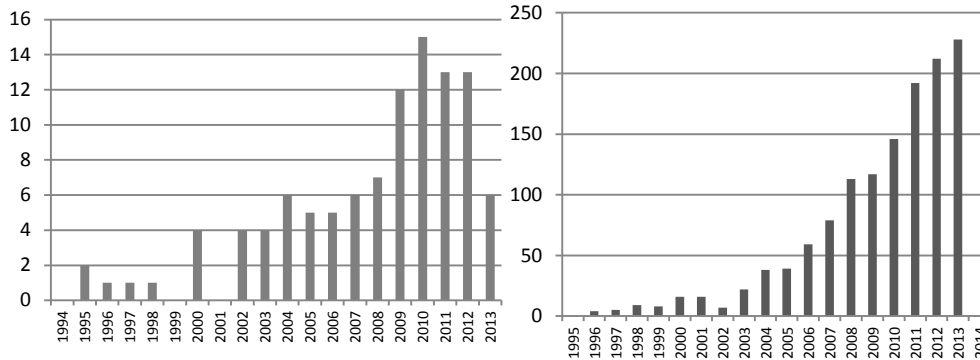
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**Appendix**

**a) Published Articles on Non-Market Strategy: Published Articles Year wise (left), Citation Number by Year (Right)**



*Source:* Self elaboration, retrieved from Web of Science Core Collection, non-market strategy citation report, March 2014

**b) Main Publishing Article Sources/Titles on Non-Market Strategy**

Source Titles	Record Count
California Management Review	5
Advances in Strategic Management a Research Annual	3
Environmental Resource Economics	3
Journal of Business Research	3
Agricultural Systems	2
Ecological Economics	2
European Journal of Industrial Relations	2
Geoforum	2
International Business Review	2
Journal of International Business Studies	2
Land Use Policy	2
Marine Policy	2
New Institutionalism in Strategic Management	2
Resource and Energy Economics	2
Revue Francaise de Sociologie	2
Strategic Management Journal	2

*Source:* Self elaboration, retrieved from Web of Science Core Collection, non-market strategy result analysis, March 2014

**c) Main Publishing Organizations on Non-Market Strategy**

Organizations	Record Count
Harvard Univ.	5
Northwestern Univ.	4
Australian Natl. Univ.	3
Egerton Univ.	3
Suffolk Univ.	3
US EPA	3
Aberystwith Univ.	2
Charles Darwin Univ.	2
Columbia Univ.	2
George Washington Univ.	2

*Source:* Self elaboration, retrieved from Web of Science Core Collection, non-market strategy result analysis, March 2014