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The practical application of entrepreneurial orientation

Proactiveness and competitive aggressiveness in the selling context

Soili Peltola

***Abstract*— This paper aims to offer a different approach to entrepreneurial orientation (EO) by examining how firms might practically consider EO. The intention is to shed new light on the dimensions of proactiveness and competitive aggressiveness by explicating the concrete micro-level behaviors that firms engage in as part of their EO. The empirical research material is analyzed according to the qualitative attitude approach. The material consists of interviews with salespeople in the business services sales department of a large Finnish enterprise. The analysis highlights four practical applications of the two dimensions in the selling context. These applications target behavior with either the case firm's client organizations or its competitors. The findings suggest that the ability to construct practical applications of EO and to adjust these applications according to each target group and context is an essential characteristic of firms interested in benefiting from EO.**

***Keywords*—entrepreneurial orientation, proactiveness, competitive aggressiveness, qualitative attitude approach**

I. Introduction

In recent decades, entrepreneurial orientation (EO) has received substantial conceptual and empirical attention as a potential means for existing firms to strengthen their position, growth, and economic performance in increasingly competitive business environments [1]. To deal with these demanding environments, entrepreneurial firms engage in product and service innovation, explore the unknown by undertaking risky projects, and outperform their competitors by becoming a market leader [2]. As an academic practice, EO aims to empirically measure the hypothetical entrepreneurial behavior of firms [1] [3]. The concept of EO thus treats entrepreneurship not as an attitude of individual employees, but as a characteristic connected with a firm's strategy-making process and therefore encompassing the entire firm [4] [5]. EO further underscores the upper echelon's leading role in defining, encouraging, and evaluating the entrepreneurial behavior of their organization [6]. Even though the utility of EO as a firm-level concept is widely acclaimed, the EO literature seldom explicitly discusses its practical application by individual organizational members and teams (see, however, [7] [8]). For instance, the theoretical conceptualization fails to describe how EO is applied, enacted, and sustained within practical firm operations to produce growth and other desired outcomes [9] [10].

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To shed light on this underexplored topic in EO research, the present study examines how organizations might practically consider EO. This novel approach to EO is carried out within an interpretivist research paradigm that employs a subjective perspective of organizational reality. The main goal of interpretivist studies is to describe how organizational representatives themselves perceive their firm [11] [12] [13]. Along these lines, this study gives a voice to individual members of an organization by describing in detail how they, as practitioners of EO, view EO from the perspective of their own positions, responsibilities, and work tasks in the organization. In fact, EO operationalized as a particular type of firm behavior and EO constructed in different practical circumstances and contexts represent various versions of EO that may overlap or differ. To understand these potential similarities and differences, some scholars have already recommended studying EO from the practical perspective of owners, managers, and other key actors in organizations. Miller [14], for example, recommends interviewing and asking executives and other organizational members to share their understandings of the EO dimensions and the meaning of pursuing EO to their benefit (see also [15]).

The study provides rich interpretative material about the proactiveness and competitive aggressiveness dimensions of EO. These two dimensions were chosen for evaluation because the operationalization between them remains debatable [1] and few studies have attempted to clarify their distinctiveness since Lumpkin and Dess [16] [17]. The research material of this study comes from salespeople in the business services sales department of a large Finnish enterprise that offers financial risk management services. The sales function and the empirical context of selling can be considered relevant to EO because salespeople typically operate in a position that enables them to evaluate reactions to their firms' behavior in the market.

The interpretivist research paradigm typically utilizes descriptive methodologies that illustrate how firms and organizations are regulated and maintained [11]. This study applies the principles of the qualitative attitude approach [18] [19] [20] to generating and analyzing the empirical research material. The qualitative attitude approach uses attitude statements, similar to those in quantitative attitude measures, as prompts to yield multi-faceted argumentation in interview settings. Compared to typical survey research on EO, however, the research participants of this study do not tick questionnaire boxes, but instead comment on statements about proactiveness and competitive aggressiveness, and, most importantly, elaborate on their initial views by explaining why they accept and/or reject ideas about these two dimensions. Therefore, even though exact theoretically motivated wordings

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about EO serve to formulate the interview statements, the participants are free to contest the statements and their relevance to themselves. The analysis thereafter describes what kind of versions of proactiveness and competitive aggressiveness the research participants construct in the context of their day-to-day sales endeavors and how their versions relate to the theoretically-formulated conceptualizations of the two dimensions. As a result, this nuanced interpretivist approach to EO may add new insights into the practical application of EO in organizations.

II. Proactiveness and competitive aggressiveness in the EO concept

Entrepreneurial orientation defines the firm-level entrepreneurial dispositions and behavior of organizations by foregrounding five specific dimensions: innovativeness, proactiveness, risk-taking, competitive aggressiveness, and autonomy [2] [6] [16] [17] [21]. EO typically emphasizes the behavioral aspect of entrepreneurship because it is actions (rather than dispositions or attributes) that render a firm entrepreneurial [6] [22]. Miller [2] describes the nature of firm-level entrepreneurial and non-entrepreneurial behavior as follows:

"*An entrepreneurial firm is one that engages in product-market innovation, undertakes somewhat risky ventures, and is* ***first*** *to come up with "proactive" innovations, beating competitors to the punch. A nonentrepreneurial firm is one that innovates very little, is highly risk averse, and imitates the moves of competitors instead of leading the way*." [emphasis in original, p. 771]

The earliest conceptualizations of EO [2] [21] consist of innovativeness, proactiveness, and risk-taking; the dimensions of competitive aggressiveness and autonomy were added to the construct later [17]. The original conceptualizations view proactiveness and competitive aggressiveness as interchangeable [6] [23] because outperforming one's competition is a sign of proactiveness. Lumpkin and Dess [17], however, argued for the specific inclusion of competitive aggressiveness by pointing out that competing with marketplace rivals and anticipating new opportunities in the market should be conceptually distinct from one another. In their view, proactiveness is about proactively meeting the demand in the market instead of passively following competitors whereas competitive aggressiveness is inherently about competing for this demand by reactive actions [17].

Consequently, Lumpkin and Dess [16] operationalized a more precise distinction between the two dimensions by defining proactiveness as a response to marketplace opportunities and competitive aggressiveness as a response to competitive threats. This operationalization with regard to both entrepreneurial and non-entrepreneurial firms (i.e., both extremes of the measure) and two new items included in the measure appear in Table 1. The original EO measure [2] [21], however, still continues to see extensive use in empirical research [1] [24]. Obviously, as this measure excludes the Lumpkin and Dess [16] distinction, most empirical research on EO has thus far made no use of this operationalization [24].

TABLE I. OPERATIONALIZATION OF EO

EO dimension	Operationalization of EO [16]	
	Entrepreneurial firms	***Non-entrepreneurial firms***
Proactiveness	*In dealing with its competitors, my firm*: • Typically initiates actions which competitors then respond to • Is very often the first business to introduce new products/ services, administrative techniques, operating technologies, etc. *In general, the top managers of my firm have*: • A strong tendency to be ahead of other competitors in introducing novel ideas or products (*new item*)	*In dealing with its competitors, my firm*: • Typically responds to action which competitors initiate • Is very seldom the first business to introduce new products/ services, administrative techniques, operating technologies, etc. *In general, the top managers of my firm have*: • A strong tendency to "follow the leader" in introducing new products or ideas
Competitive aggressiveness	*In dealing with its competitors, my firm*: • Typically adopts a very competitive, 'undo-the-competitors' posture • My firm is very aggressive and intensely competitive (*new item*)	*In dealing with its competitors, my firm*: • Typically seeks to avoid competitive clashes, preferring a "live-and-let-live" posture • My firm makes no special effort to take business from the competition

Proactiveness represents a forward-looking response to marketplace opportunities [16]. Proactive actions enable a firm to anticipate marketplace changes and needs and to be the first to act on them. Proactive firms introduce new trends to the market by actively shaping the demand, rather than merely reacting to it [16] [17] [25]. Shaping the client's demands involves, above all, introducing new products or services ahead of the competition. Proactiveness suggests a forward-looking perspective characteristic of a firm that has the foresight to act in anticipation of future demand in order to create change [16]. Anticipation and being ahead of the marketplace are considered beneficial to economic performance, especially in dynamic, opportunity-rich environments [16]. Some previous studies (e.g. [8] [26]) have suggested that proactiveness occupies a primary position in encouraging and enabling the other dimensions of EO. According to these views, proactiveness drives innovative and risk-taking behavior and enhances concrete, firm-level entrepreneurial activities.

Competitive aggressiveness, in contrast, is a defensive response to competitive threats [16]. Competitive moves enable a firm to forcefully secure or improve its position in the market. An aggressively competitive firm challenges its rivals directly and intensely to enter or improve its current position in the marketplace. The means of competing can be also reactive and unconventional [16] [17] and include, for example, price cutting and sacrificing short-term profitability [27]. Aggressively competitive moves positively contribute to the success of firm activities especially when competition for

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clients and resources is intense [16]. However, competitive aggressiveness may also harm long-term collaborative ventures in the market if pushed to extremes [28]. Firms with a reputation for competitive aggressiveness may even find themselves excluded from alliances based on mutual knowledge-sharing and exploitation of opportunities. Consequently, a more moderate expression of competitive aggressiveness may yield better firm performance than would drastic measures aimed at outperforming the competition [29].

To summarize, based on the Lumpkin and Dess [16] operationalization, the entrepreneurial behavior included in the proactiveness and competitive aggressiveness dimensions of EO continues to directly address competitors in the marketplace. Proactiveness represents behavior that aims to be ahead of them, whereas competitive aggressiveness represents actions that aim to aggressively undo marketplace rivals. Therefore, the operationalization of both dimensions is about dealing with competitors more than with marketplace demands even though these two aspects were initially considered equally important in distinguishing proactiveness from competitive aggressiveness [16].

From the perspective of the practical application of EO, survey operationalizations are especially important to practitioners of EO as they specify in concrete terms what entrepreneurial behavior in the organizational context signifies. EO measures are therefore the concrete standard against which practitioners in empirical EO research decide whether their firms act according to EO or whether their behavior is more conservative. The next section describes how the current survey operationalizations of EO served to construct the research design of this study.

III. Methodological approach

A. *Qualitative attitude approach*

The empirical research material is generated and analyzed according to the principles of the qualitative attitude approach [18] [19] [20], which examines an attitude as an evaluative viewpoint, either positive or negative, to a given issue in a particular social context. When taking a stand, an individual usually justifies the stand and accounts for it, even when the stand is presented conditionally or with reservations. In such argumentative rhetoric, pre-given objects of evaluation do not remain fixed and unambiguous. Compared to typical survey research on EO, the analysis proceeds beyond simple stand-taking along a pre-defined scale because rich interpretative research material gives the analyst grounds to demonstrate what exactly people evaluate when they comment on a statement presented to them, and how, on what conditions, and from what kind of positions they construct their viewpoints. To date, the qualitative attitude approach has proved useful in studying the construction of various objects of evaluation in different domains, such as SME policy implementation [30], new business activities of farmers [31], entrepreneurship policies [32], alternative food systems [33], rural development [34], and animal welfare [35].

The empirical research design of this study is founded on the central ideas included in the current EO measures about proactiveness and competitive aggressiveness. The attitude statements were formulated on the basis of both the original Miller/Covin and Slevin [2] [21] measure as well as the Lumpkin and Dess [16] distinction between the two dimensions. The interview statements introduced the central ideas of the concept of EO to the interviewees by linking the dimensions of EO to the selling activities that take place within the case firm. The statements focus on the entrepreneurial end of the EO measure (see Table 1) and thus directly suggest that the case firm's sales department acts according to the ideals of EO.

All interviews introduced several statements about the dimensions of EO and other organizational issues for the interviewees to comment. This study focuses on interviewees' argumentation about the proactiveness and competitive aggressiveness dimensions. The prompt statements about these two dimensions were formulated as follows: 1) *we anticipate clients' needs before our competitors* (proactiveness) and 2) *we compete aggressively in selling* (competitive aggressiveness). Because EO is fundamentally behavioral [6] [22], both statements address the case firm's actions in selling (i.e., the use of the verbs "to anticipate" and "to compete"). The pronoun "we" reflects the idea of subunit or departmental behavior [15]. Because all three items in the proactiveness measure (see Table 1) are formulated in relation to competitors, the corresponding interview statement also specifies the case firm's actions in similar terms ("before our competitors"). The same statement also explicitly introduces clients as targets of proactive behavior ("clients' needs"), which is in line with Lumpkin and Dess' [16] conceptualization of proactiveness as the ability to identify unmet needs in the marketplace [16] [36].

The interviews of this study aimed to produce and stimulate free and multifaceted argumentative discussion about the two dimensions of EO [19]. Congruently, in each interview, the interviewer introduced the prompt statements one by one by reading them aloud, and also presented them in written form on a sheet of paper. The interviewer did not define the ideas included in these statements, but instead permitted the interviewees to define them. The interviewer elicited clarifications from the interviewees by asking them to describe more explicitly how an argument would present itself in practice. These clarifications served to highlight the practical application of EO in the context of selling. The interviewees were also offered recapitulations of their previous views in order to encourage more profound reflections on the statements or to ensure a valid understanding of the views presented. At the end of the interviews, in order to provide the interviewees with one more opportunity to reflect on the statements, all statements were presented to the interviewees at the same time, unless they explicitly said the interview was over on their part or declared that they had nothing more to add.

The analysis proceeded from details about the material to outlining general patterns of argumentation [18]. The researcher identified different explicit stands taken towards each attitude statement together with specific arguments

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intended to reason and justify these stands. At this stage of the analysis, individual interviewees were not the primary analytical units. Different types of stands or justifications were therefore also identified within the same interview. The different stands were then classified into categories: first, according to the type of stand for each dimension of EO studied, and, thereafter, on the basis of what type of justifications were presented for each stand and who were described as targets of proactive and competitive behavior. As a result, the researcher obtained an overall view of multiple stand-justification combinations observable in the interview material. Thereafter, the analysis aimed to identify and label general patterns of argumentation evident among the detailed categories of stands and justifications on the basis of the theoretical concepts of proactiveness and competitive aggressiveness [2] [16] [17] [21].

B. *Empirical research material*

The empirical research material was collected from the business services sales function of one Finnish case firm. The case firm is a long-standing, large-scale enterprise that operates in the domestic market. The firm's business idea is to promote the economic security of its clients by producing sustainable financial risk management solutions for them. The firm offers its services to consumers, private companies, and public organizations. In 2011, it employed more than 3000 professionals and saw a turnover of over EUR 800 million.

In the research practices informed by the concept of EO, a firm's EO has traditionally been studied from the perspective of the entire organization [37] [38]. However, recent theoretical conceptualizations suggest that EO be also examined within smaller organizational subunits, different functional areas, and the hierarchical levels of a firm [15]. This study therefore addresses the business services sales department of the case firm in two of its regional centers (i.e., the metropolitan areas of Helsinki and Tampere). The sales department and the empirical context of selling can be considered relevant to EO, especially to proactiveness and competitive aggressiveness, because salespeople typically operate at the firm-market interface by, for instance, offering the outcomes of their firm's innovative efforts to the market and by having access to knowledge about competitor actions.

During the interview period, the two regional centers employed a total of 3 sales group supervisors and 27 salespersons working in their respective teams. The sales group supervisors recommended that their salespeople participate in the study, but participation was voluntary. Eventually, seven salespeople and two sales group directors participated. The material consists of a total of nine interviews held between October 2010 and January 2011. The interviews were conducted in Finnish and recorded for later transcription with the permission of the interviewees. All the excerpts presented here are translations of the original interview talk. The translations aim to maintain a clear sense of the Finnish original. In the excerpts, the interviewees are identified by codes S1–S7 (salespersons) and SV1–SV2 (sales group supervisors). The next section presents the qualitative variation in argumentation about the dimensions of proactiveness and competitive aggressiveness. The analysis covers comments from all the interviewees, although only some samples of their argumentation serve as examples.

IV. Proactiveness and competitive aggressiveness in selling

A. *Proactiveness in selling*

In general, the interviewees uniformly supported the statement about proactive behavior in selling and accepted clients as the target of this behavior. The interviewees either stated that they themselves act according to the principle described in the statement or claimed that the principle represents an ideal to which all salespeople should aspire. When talking about clients, the interviewees considered both existing and prospective clients to be equally important targets of proactive actions. The salespersons' argumentation included four different justifications in favor of proactiveness in selling. The first excerpt lays out the most common justification identified in the interviewees' talk:

"*In this business, competition is so intense that I know our competitors call our clients, if not every week, then at least every month. So if, in one matter or another, I am 'caught with my pants down' so to speak, then I have already lost my client's trust*." (S1)

According to interviewee S1, proactiveness influences existing client relationships through trust. Lack of proactiveness on the part of the salesperson leaves room for competitor actions and, as a consequence, the client realizes that the salesperson has failed to take sufficient care of the client's risk management business. Because competitors are continuously active with the case firm's clients, trust can be a casualty at any moment. If competitors suggest something to the client that the salesperson should have suggested, the missed opportunity to nurture that mutual relationship leads to an erosion of trust.

The interviewees claimed that the selling activities of the case firm were organized in a specific manner in order not to miss opportunities to anticipate client needs. The following excerpt describes this practice:

"*Well, yes. The point of our annual care meetings with the client is exactly to sense what is coming up. Obviously, there will always be surprises, but if that happened, we would have done our job poorly. At least I act so that I know what will happen with the client's business. I also believe that clients rely on our ability to do that [anticipate client needs] because they also tell me things very easily*." (S5)

As interviewee S5 noted, the salespersons would arrange annual meetings with the explicit goal of anticipating forthcoming client needs. These meetings minimize the likelihood of failing to identify important issues in the client's business that may eventually lead to a more concrete explication of services that the client may require. So, if a client's needs do go unnoticed despite specific arrangements to help identify them, the salesperson has simply done his or

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her job poorly. The interviewee also indicated that clients are willing to share their views with the salesperson because they trust the salesperson to seize the opportunity to advance the interests of the client.

The third argument in favor of the statement highlights what can result from a lack of proactiveness:

"*Well, we cannot rely on the client to always tell us things. Instead, we must simply know the client's business – and even the decision-makers that we normally have on the opposing side – very well. From all the little signals, we must know what they think and what they might need because they don't think about risk management issues all day long. Our job is to take care of our existing clients so that they first hear about important things from us. We must not leave our clients in a situation where our competitor comes and tells them about something that we should have told them. We do take advantage of our competitors' shortcomings of this type when we try to acquire new clients, but if we fall over them ourselves, a long chain of events may begin that leads to client loss.*" (SV2)

This comment contrasts with the previous one, in which clients willingly share their views with the salesperson. Interviewee SV2 pointed out that clients are typically not inclined to express their needs, but the salespersons must instead explore and explicitly articulate them for them. The interviewee underscored the importance of knowing clients so well that the salespersons can, even on the slightest signal, understand what the client requires. Taken together, both excerpts indicate that even though some clients offer their ideas to their salesperson, not all of them do. Clients therefore cannot be trusted to express their needs; the salespersons must instead identify them independently. Further, according to interviewee SV2, the case firm should be the first source of information for the client instead of one of its competitors. The case firm's failure to act ahead of its competition could initiate a long chain of events that ultimately leads to client loss.

The last justification emphasizes the role of proactiveness in creating a competitive advantage for the firm:

"*It is an extremely powerful trump card if you discover a golden thread at the client firm: something the competitor may not even have discovered, but what the client nevertheless needs. You then evoke the client's risk awareness and cover it with an appropriate service, which the competitor completely failed to notice*." (S6)

Interviewee S6 described how proactiveness can help the firm to discover unmet financial risk management needs at a prospective client. This description can be interpreted as the mirror image of the situation that interviewee S1 described in the first excerpt. Failure to identify actual gaps in risk management for an existing client seems to work to the advantage of the competitor, whether it is the case firm which acquires new clients or competitors that try to lure the firm's existing clients away from the case firm. On the contrary, the ability to anticipate or identify those gaps helps any service provider both to maintain existing client relationships and to win new clients from the competition. Proactiveness, therefore, creates competitive advantage, which allows a firm to positively stand above its competitors in the eyes of the client.

In summary, proactiveness in selling depicts, as one interviewee put it, the actions of salespeople "on the front line". It highlights the importance of nurturing long-standing client relationships through proactive behavior. Proactiveness secures a firm's business when salespeople take the best possible care of their existing and prospective clients by acting on even the slightest signals that may indicate a client's implicit needs. Competitors can be bested if the firm is always the first to satisfy these hitherto unidentified needs of their existing and potential clients.

B. Competitive aggressiveness in selling

In general, the interviewees considered competitive aggressiveness an inherent and natural feature of selling: without aggressive moves, a firm gains nothing. The interviewees did not question the significance of aggressive competition, but did interpret the concept of aggressiveness in different ways, especially when they considered it in relation to both competitors as well as existing and prospective clients.

The interviewees most often linked aggressive competition to pricing, which this first excerpt shows:

"*Aggressiveness manifests itself in pricing. In my opinion, all service providers sell certain risk management services at too low a price. That's what we call the acquisition price. When a firm has been our client for a while, we increase the price and of course sell the firm other services as well*." (S2)

Interviewee S2 indicated that all service providers in the financial risk management market often employ pricing as an important way to acquire new clients. The case firm was no exception. Some of its services were sold at unprofitable prices at the beginning of the client relationship, but these prices rose after the relationship had matured. At that point, clients were also offered new services with better margins. Stated differently, pricing that sacrifices short-term profits is an important resource for competing against rivals in the marketplace. However, the firm should be able to rapidly adjust the price in order to achieve a higher overall profitability with each new client firm.

When the interviewees viewed clients as targets of competitive actions, aggressiveness took on a different meaning, as the next justification illustrates:

"*Well, elegantly. Elegant aggressiveness, I would say. Traditional aggressiveness in expertise-based selling is not good as such, but determination is. Determination is very good, determination about what the client firm should do and how it should manage risks. It is extremely important to convey the message of determination to the client*." (S3)

Interviewee S3 stated that traditional competitive aggressiveness does not suit consultative, or expertise-based, selling, which the case firm exemplified. The interviewee claimed, however, that aggressiveness expressed in an elegant manner is perfectly acceptable. More specifically, aggressiveness in selling must be transformed into

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determination when the target is the client. As another interviewee (S4) described it, each client must explicitly understand that the case firm's salesperson knows exactly what type of risk management services the client needs in order to secure the client's business most effectively. Therefore, certainty about the right service choices represents a more fruitful manifestation of aggressiveness in selling.

Instead of aggressively pressuring the client, salespeople should take into account each client's particular situation, as the third justification highlights:

"*As I said, I proceed on the client's terms. If the client says that he is busy right now, I say, okay, let's slow down and I'll come back a bit later. I won't force the client, though. If the client says that I cannot come, I accept it*." (S4)

Interviewee S4 indicated that pushing the client represents unacceptable behavior. Salespeople should politely listen to how the client wishes to proceed and then act accordingly. Thus, elegantly determined action towards the client includes the element of respecting the client's wishes about, for instance, suitable timing. In general, the interviewees most often linked pressuring and forcing to efforts to speed up a potential client's decision-making process. Because salespeople are typically eager to close their deals, determination may occasionally result in overactive contacting that fails to properly take into account the client's own schedule.

Not all clients, however, merit the determined attention of salespeople:

"*If we have a client that we pay more to, compared to what the client pays us, well, in that case we do not compete very aggressively for that client. Rather, we guide that client firm in a controlled manner over to our competitor*." (SV1)

Interviewee SV1 indicated that profitability sets limits to which client organizations the case firm should eventually retain as its clients. Consequently, unprofitable clients remained outside the case firm's scope of interest. Instead, the salespeople carefully selected those firms that gave them sufficient margins and elegantly led the unprofitable ones over to their firm's competitors. Thus, careful targeting of determined actions towards profitable clients channels the salespersons' activities in the most optimal manner. This type of targeting controls negative aggressiveness and transfers unprofitable clients to the burden of competitors. Thus, relinquishing clients can be interpreted as a competitive move that benefits the case firm at the expense of the firm's competitors over the long term.

The last justification extends the meaning and importance of careful client selection. This argumentation depicts competitive aggressiveness as aimless over-activity towards clients:

"*Well, in one way or another, we should be able to plan our actions a little more carefully. If we don't, then we compete aggressively in selling by aimlessly shooting around. In my opinion, there is no benefit to that. If one could, even for just a moment, think carefully about how to approach a particular client, I think one could obtain much better results than with aimless over-activity. Selecting certain potential clients and developing a proper approach strategy would be far more efficient*." (S7)

Interviewee S7 emphasized that competitive aggressiveness must be pursued in a disciplined manner. The case firm should meticulously plan which potential clients to contact and how, rather than randomly attack just about any client organization. Aimless over-activity represents a waste of valuable resources and weakens the salesperson's chances of success when approach strategies are not deliberately crafted according to each potential client. Therefore, targeting the right type of clients with well-planned strategies and suggestions is important at every stage of the client acquisition and retention process.

In summary, competitive aggressiveness represents, as one interviewee put it, the actions of salespeople that "won't lie down under fire". It underscores the importance of targeting competitive moves in a determined and profitable manner. The interviewees' argumentation about competitive aggressiveness revolved around the case firm's existing and potential clients. Because even the most trustworthy client can open its risk management services to tender at any time, competitive aggressiveness must be translated into aptly timed determination about the right services that the salesperson has identified for the client on the basis of anticipated implicit needs. However, only profitable clients deserve to be pursued or retained over the long term. Therefore, besides the more traditional way of competing with prices, actions towards clients can also serve as a competitive tool to outperform rivals in the marketplace.

V. Four practical applications of proactiveness and competitive aggressiveness

Generally, the interviewees effortlessly commented on the statements presented to them. As salespersons or sales group supervisors of the case firm, they were familiar with the phenomena of proactiveness and competitive aggressiveness, and offered distinct representations of them. In addition, a considerable consensus and shared understanding of the relevance of proactiveness and competitive aggressiveness in the selling context seemed to prevail among the interviewees. They uniformly supported both statements and did not outright reject or present explicit arguments against the two statements. Therefore, proactiveness and competitive aggressiveness seemed to occupy the position of an acknowledged ideal according to which salespeople should pursue their daily sales endeavours. In fact, the interviewees either claimed that they themselves indeed conduct their everyday selling activities according to the principles described in the statements or said that the principles represent ideals that every salesperson of the case firm should follow. According to the interviewees, even though the case firm and its salespeople do not always succeed in, for example, anticipating client needs, they take these principles into account to the best of their ability.

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However, the interviewees did offer qualitatively different accounts when taking a stand on the two statements and justifying their stands. Even though the most widely-used EO measure [2] [21] describes the two EO dimensions in a certain manner, the interviewees in this study regarded them as something more. The salespeople listed several elaborated interpretations and consequences of proactiveness and competitive aggressiveness, and their argumentation depicted four different perspectives on them. A summary of the four identified argumentation patterns appears in Table 2.

TABLE II. FOUR PRACTICAL APPLICATIONS

EO dimen-sion	Pattern	Target	Justification
Proactive-ness	Competitive proactiveness	Competi-tors	Creating competitive advantage
			Standing out from the competition
	Protective proactiveness	Clients	Maintaining trust
			Organizing occasions for anticipating needs
			Sensing implicit needs and service gaps
			Avoiding client loss
Competi-tive aggres-siveness	Protective aggressive-ness	Clients	Demonstrating determination towards clients
			Respecting clients' wishes
			Selecting and retaining clients on the basis of profitability
	Competitive aggressive-ness	Competi-tors	Setting prices at an unprofitable level in client acquisition
			Guiding unprofitable clients towards competitors

The four argumentation patterns painted a more nuanced picture of the proactiveness and competitive aggressiveness dimensions in the practical context of selling. Most notably, the patterns describe the two dimensions in relation to the clients of the case firm and not only to its competition, as the concept of EO would suggest. The four patterns thus indicate that the proactiveness and competitive aggressiveness dimensions of EO target two different groups in the practical context of selling, namely competitors and clients. The interview statement about proactiveness explicitly introduced clients as targets of the case firm's selling activities and the interviewees unproblematically accepted this idea. However, the interviewees constructed a somewhat different and less straightforward interpretation of the two dimensions when they viewed clients as a target group, compared to the target group of competitors, the link to which was quite similar to what the current EO operationalization suggests [2] [21]. Stated differently, the survey operationalization of the proactiveness and competitive aggressiveness dimensions better met the interviewees' argumentation about competitors than about clients.

The two constructions linked to *competitors* in the marketplace were labeled *competitive aggressiveness* and *competitive proactiveness*. Competitive aggressiveness represents the already described forms of action towards competitors according to which rivals are overcome by aggressive moves, such as setting prospective clients' prices at unprofitable but attractive levels, and relinquishing unprofitable existing clients to competitors. Competitive proactiveness, on the other hand, translates proactiveness into a competitive tool that demonstrates on a practical level exactly how firms can initiate actions and remain ahead of their competitors. More specifically, competitive proactiveness aims to create a competitive advantage for a firm by encouraging proactive behavior towards its prospective and existing clients. Competitive proactiveness helps the firm stand out from its competition in the eyes of clients by anticipating implicit client needs on the basis of even the slightest signals. Thus, a firm can take business from its competitors by approaching its competitors' clients and identifying needs that the competitor has thus far failed to anticipate. On the other hand, competitive proactiveness towards existing clients ensures that active rivals can be bested if the firm is the first to identify implicit needs and misses no opportunities to fulfill them.

The two constructions linked to *clients* in the marketplace were labeled *protective proactiveness* and *protective aggressiveness*. They both represent novel interpretations of the proactiveness and competitive aggressiveness dimensions of EO in the practical context of selling. Protective proactiveness and aggressiveness aim both to retain profitable existing clients and to gain new desired ones. From the client's perspective, they underscore the importance of initiating and nurturing long-term client relationships through proactive and elegantly competitive behavior. In any stage of the relationship, the client can recognize the firm's determined activities that promote and advance the client's business in a trust-enhancing manner. From the firm's perspective, protective proactiveness and aggressiveness secure the firm's business by channeling the firm's activities toward carefully selected client organizations. Through these activities, the firm avoids losing profitable clients, wasting its resources, or sacrificing long-term turnover and profits.

VI. Discussion

The purpose of this study was to provide a different approach to EO by exploring how firms might practically consider EO. The aim was to shed new light on the dimensions of proactiveness and competitive aggressiveness by explicating the concrete micro-level behaviors that the research participants of this study engaged in as part of their everyday sales endeavors in one case firm. The four practical applications described in the previous section demonstrated in a concrete manner how proactiveness and competitive aggressiveness were applied to everyday sales activities not only to defend the case firm against competition both proactively and reactively, but to ensure that the case firm can acquire new clients and retain existing ones.

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As the analysis demonstrated, salespeople interpreted EO not only in relation to competitors, but also relative to clients. Therefore the main finding of this study indicates that the practical application of proactiveness and competitive aggressiveness in the selling context has two specific target groups. The theoretical conceptualizations have already defined competitors as the major targets of EO, as explicated in the operationalization of EO measures [2] [16] [21]. In the selling context of this study, however, clients were also considered an essential target group, and proactive and competitive ideals were applied to sales activities differently on the basis of these two groups. For example, the traditional manifestation of competitive aggressiveness as undoing marketplace rivals with unprofitable acquisition prices and by relinquishing poorly-performing clients represented an appropriate way of aggressively dealing with competitors. In contrast, a more discreet version of competitive aggressiveness, as the argumentation pattern of protective aggressiveness demonstrates, proved more suitable when interacting with prospective and existing client organizations. As the interviewed salespeople argued, an elegant manifestation of competitive aggressiveness better suits clients to whom salespeople need to show their expertise and determined attention.

As one important target group of EO in the practical context of selling, clients highlighted the notion of protectiveness that was present in the interviewees' argumentation about both EO dimensions. Protectiveness can be interpreted as representing a practical means by which firms can protect and shield what they have already won from the marketplace. To this end, the argumentation patterns of protective aggressiveness and proactiveness demonstrated how firms may gain, maintain, and nurture existing and prospective client relationships in their pursuit of economic success. This observation may be linked to the theoretical concept of recognizing and realizing opportunities that is widely considered the most essential element in entrepreneurship [39] [40]. Client organizations represent a distinct group of either already established or prospective opportunities in the marketplace. As the theoretical construct of pursuing opportunities suggests, firms should simultaneously engage in both taking full advantage of their established client relationships and searching for new ones that could bring in future revenue and profit (see [41] [42]). Theoretically then, the concept of EO is not only a means to instigate new economic activity (see [43]), but also to secure and renew existing economic activities. As this study demonstrated, firms can realize both on the practical level of firm operations through protective proactiveness and aggressiveness.

The present findings further suggest that the ability to construct practical applications of EO and to adjust these applications according to each target group and context is an essential characteristic of firms interested in applying EO to their benefit. The practical applications of EO translate the dimensions of EO into concrete tools and practices that firms can utilize in their pursuit of economic success in the marketplace. In this study, the core nature of proactiveness and competitive aggressiveness as operationalized in EO measures [2] [21] emerged in the interviewees' argumentation, but the two dimensions were constructed somewhat differently in the everyday context of selling. Salespeople are responsible for certain types of practical activities in their organizations and interpret EO and its dimensions as part of that particular everyday context. Consequently, different contexts and target groups may create different practical applications of EO. Obviously, EO measures underscore the similarity of all entrepreneurial firms in that the entrepreneurial behavior of one firm is uniform compared to the behavior of other entrepreneurial firms. However, on the practical level of firm operations, the behavior of firms may vary because their own individual applications of EO change according to context and target group.

In this study, the dimensions of proactiveness and competitive aggressiveness were not treated as interchangeable, as the original concept of EO however suggests [6] [23]. Even though the dimensions overlap because they both address the same target groups (i.e., competitors and clients), they both play distinct roles in the practical application of EO [16].

The most distinctive function of proactiveness on the practical level of firm operations is the specific competitive advantage it creates for firms. Academic discussions regard the overall concept of EO as a competitive advantage that leads to positive financial outcomes [1] [44]. In this study, the argumentation pattern of competitive proactiveness indicated how EO generates this advantage on a practical level (see also [26]). Competitive proactiveness represents the fundamental determinant of successful competitive moves that takes effect through clients and their needs. Beating one's competitors is the result of competitive proactiveness, not a reactive response to actions that rivals have already initiated in the market. Without competitive proactiveness, competitors cannot be defeated, but merely followed.

The distinctiveness of competitive aggressiveness in the practical application of EO relates, on the one hand, to the fact that firms must eventually resort to reactive moves if the practical competitive advantage of EO (i.e., competitive proactiveness) has not been constructed and therefore has not managed to keep competitors at bay. On the other hand, protective aggressiveness may enhance the success of competitive advantages when translated into explicitly determined, respectful, and trust-building actions towards clients. Therefore, salespeople determined to either gain or retain clients by sensing implicit needs and service gaps may, as practitioners of EO, critically contribute to the effectiveness of EO on the practical level of firm operations.

Unlike proactive behavior, however, competitive activities within firms must be controlled (see also [28]). In this study, the pursuit of profitability served as an overall practical argument against haphazard, ill-directed competitive activities that should instead be pursued in a disciplined manner without single-mindedly acting upon any opportunity that clients may seem to offer. Salespeople should therefore be able to control and adjust their everyday selling activities towards each client organization in order to ensure profitability over the long term. For instance, not all clients deserve to be pursued in a determined, proactive manner. If a client organization's

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expectations of profit fall below required levels, this client should be passed off to the firm's competitors. This finding is consistent with the basic theoretical assumption that EO is a resource-consuming orientation and should therefore not be applied uniformly in every environmental situation [21] [26]. Because profitability represents one of the most widely-used efficiency indicators of EO [24], empirical studies could measure profitability not only as a firm-level financial indicator, but also at the level of each client organization or segment in order to determine whether the pursuit of EO was in fact worthwhile. This suggestion responds to recent recommendations that EO research should focus on more proximal financial outcomes of EO, such as the success or failure of entrepreneurial projects [44].

Epistemologically, the findings of this study represent a sample of the variety of local, micro-level understandings that different salespeople constructed to make sense and evaluate proactiveness and competitive aggressiveness in the selling context. Because the findings rely on research material drawn from one case firm, they obviously cannot offer an exhaustive description of other opinions that salespeople in other business service organizations may hold. The generalization of the present findings cannot therefore follow the logic of statistical generalization. Rather, the findings from the case firm demonstrate possibilities which may also be relevant for other business service organizations with similar interaction-based selling activities. The generalizability of possibilities is a view that social scientists generally adopt to explain the validity of qualitative research in social interaction [45]. Further, because the present study focused only on the proactiveness and competitive aggressiveness dimensions of EO, the findings obviously do not address EO as a whole. Even though some conclusions on the level of the entire concept could be reached, clarifying the practical application of the entire concept of EO and the dimensions of innovativeness, risk-taking, and autonomy in various organizational contexts therefore remains a task for future empirical studies. These studies could more explicitly take into account the role of clients than what has hitherto been achieved.

In conclusion, the sales function contributes to firms' economic efforts on the practical level of sales operations by constructing contextually sensitive and target-specific practical applications of proactiveness and competitive aggressiveness, and establishing client relationships that are required to enact and sustain long-term economic behavior. The firm-level strategy-making process of EO may therefore require that each dimension of EO be translated into concrete, contextually relevant applications that serve everyday firm operations before EO can provide positive economic outcomes to its proponents. The long-term maintenance of these applications may determine how successfully firms are eventually able to apply EO to their benefit.

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