<CT>Factor Market Myopia: A Driver of Factor Market Rivalry

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<ABT>Abstract

<ABTXT>As customer expectations grow and companies across industries face extreme marketplace pressures, unexpected or, rather, unintended battles for resources and inputs can arise. This intense competition over inputs of production and services is called factor market rivalry. While previous work has discussed factor market rivalry and some potential mitigation strategies from its ill effects, one may wonder why factor market rivalry induces such extreme competition among firms for similar resources. Obviously materials with constrained supplies contribute to factor market rivalry, but the current research suggests that factor market rivalry is further caused by factor market myopia (FMM). FMM stems from viewing the sources of

resources too narrowly or becoming fixated on a singular input when substitutes may exist. Developing the concept of FMM and contextualizing the idea in generalizable theory are the primary contributions of the current research.

<KW>Keywords

<KWTXT>Factor-market rivalry; factor-market myopia; marketing myopia; competitive blind spots

<1>Introduction

At the most fundamental level, for-profit firms succeed based on attaining a competitive position that results in superior financial performance (Porter 1991). Firms strive to provide a product or service that customers find valuable and that can also be sold or delivered profitably. To achieve their goals, firms must coordinate a number of moving parts. Among the most important of these parts are the resources needed for the production of goods and the delivery of services. These may be created internally, sourced internally, or sourced externally from suppliers. Regardless of the source, firms use these resources as conduits to aid in providing customers products or services more effectively and efficiently (Schwieterman and Miller 2016).

This process means that the control of resources, or at least access to them, is a critical and continual challenge most firms face. Globalization and the streamlining of corporate focus has had an intense impact on competition (Prahalad and Ramaswamy 2013). More parties now fight over resources while fewer individual firms control the resources necessary for good production or service delivery (Ellram, Tate, and Feitzinger 2013). The result is that the need for resources overlaps across organizational borders, but supply is more constrained. The competition over these resources has been termed "factor market rivalry" (Markman, Gianiodis, and Buchholtz 2009).

Factor market rivalry is an important area for exploration because competition for resources often comes from outside the realm of direct competition in customer markets (Schwieterman and Miller 2016). Competition for resources such as scarce raw materials, suppliers' innovations, and transportation capacity occurs between firms across many industries (Bell et al. 2012; Ellram, Tate, and Feitzinger 2013; Pulles et al. 2014). Factor market rivalry can often induce surprise when firms realize that companies they did not consider as competitors take or gain access to needed resources more readily than they can. One must question why firms remain shocked when other companies, direct competitors or not, secure resources that both firms require.

The current research utilizes the concept of factor market rivalry to develop a new concept termed "factor market myopia" (FMM), which develops when the sources of a firm's resources are defined too tightly or the solution to particular needs is thought of too narrowly. The concept of FMM is developed from combining Levitt's (1960) "marketing myopia" paradigm along with Zajac and Bazerman's (1991) notion of competitive blind spots stemming from strategic decision making and competitor analysis.

This article contributes to the literature because it extends the discussion of factor market rivalry since it helps explain why some firms are ill-prepared for factor market rivalry, and for the reason that it focuses conceptual development on the idea of making supply chains more effective and efficient over time through the breakdown of myopic blinders when it comes to needed resources or capabilities for firm functioning. We present the idea of FMM as a common element in factor market rivalry and the prevalent cause of surprise at the outcomes that factor market rivalry can produce. In the instance of FMM, firms may not always give proper consideration to all the elements impacting their access to needed resources.

This article begins with an overview of past factor market rivalry research. Following that overview is an introduction of FMM with an example of FMM from the factor market rivalry that can be induced over competing for human resources. Further, FMM is contextualized theoretically with a review of the competitive blind spots and marketing myopia literatures. A series of propositions follows to examine organizational factors that may impact the presence of FMM. The desire is to provide organizational factors so firms can either avoid FMM or at least be cognizant that FMM may exist in certain competitive settings. Finally, suggestions are offered about the next steps to move the new concept of FMM forward.

<1>Factor Market Rivalry

The idea of competition is not new. Individuals, businesses, communities, organizations, non-profit entities, and even universities have been competing over various things for years. Where factor market rivalry differentiates itself from simple competition in end-product markets or fighting over a limited customer base is that it looks at needed inputs for production or service delivery as battles for resource positions (Markman, Gianiodis, and Buchholtz 2009). Factor markets exist so firms may acquire the resources necessary to operate their businesses (Barney 1986). How a firm combines its needed resources, and the intrinsic characteristics of these resource endowments, is what can drive a firm’s competitive advantage and thus firm performance (Peteraf 1993).

Acute factor market rivalry does not occur for every needed input an organization requires. For one, certain resources may be in abundant supply. Alternatively, the fight for certain resources may be so known or unique that the base for competition over them is apparent. Additionally, highly specialized or customized resources inherently limit the factor market rivalry over them because the value from these inputs can only be derived from a few or even one company (Dierickx and Cool 1989). Although factor market rivalry can exist across a number of inputs, it seems to intensify for those factors that are common, face a constrained supply, and can be deployed across a number of industries or used in a number of settings (Dyer, Cho, and Chu 1998; Ellram, Tate, and Feitzinger 2013).

From a supply chain management perspective battles have been noted for firms in various industries fighting over the same scarce raw materials, new technologies or innovation, and transportation capacity (Bell et al. 2012; Grawe, Daugherty, and Ralston 2015; Pulles et al. 2014). Schwieterman and Miller (2016) offered a renewed look at factor market rivalry in supply chain management research. The authors noted that research in the domain of factor market rivalry remains in its nascent stages with few specified examples in the supply chain literature. Pulles et al. (2014) detailed a scenario in which a Dutch multinational in the retail industry shared relationships, stemming either from heavy order volume or through general behavior, with suppliers that influenced the allocation of limited inputs from those suppliers to the Dutch retailer. Enhancing resource allocation from suppliers can be critical in the retail industry because of the known sharing of suppliers among retail competitors. Bell, Autry, and Griffis (2015) offered a similar example of the supply-side factor market rivalry. The authors noted that factor market rivalry can actually act as an offensive weapon, which they term “supply chain interdiction,” to either delay, divert, disrupt, or destroy a competitor’s resource endowment.

While factor market rivalry obviously allows for the notion that competition exists between firms in similar industries producing or delivering similar goods or services, potentially more damaging is that competition across factor markets can also be present between firms in dissimilar industries or dissimilar product markets (Chen and Miller 2015). Markman, Gianiodis, and Buchholtz (2009) spoke of an example in which firms were competing for a similar technology but did not share a common product market. In their example, the rivals shared asymmetric motivations for securing the technology and were initially unaware of the competitive threat each posed. Ellram, Tate, and Feitzinger (2013) discussed organizations from various industries offshoring operations to Asian markets. While these organizations were not rivals in the same product market, these companies became factor market rivals as they began to compete for access to the limited transportation capacity in the geographic region stemming from limited infrastructure and sheer volume constraints. What was unique about the situation is that the companies did not foresee becoming factor market rivals. A failure to comprehend the notion that manufacturers in an area, even though they may not share the same end product markets, may compete over the same shipping resources seems shortsighted. How do firms continue to be blindsided by the actions of other companies not originally seen as rivals in factor markets (Schwieterman and Miller 2016)? The answer may lie in FMM.

<1>Factor Market Myopia

FMM is defining the sources of a firm’s resources too tightly or the solution to needs thought of too narrowly. FMM is born from marketing myopia (Levitt 1960) and literature on competitive blind spots (Zajac and Bazerman 1991). The pursuit of limited resources is sometimes a competitive necessity. It is not unreasonable to think that firms may desire the same set of resources, which helps to form factor market rivalry. However, past research has shown that companies are sometimes surprised by other organizations they did not originally perceive as factor market rivals desiring the same factor market resources either for a similar, or different, purpose (Ellram, Tate, and Feitzinger 2013; Markman, Gianiodis, and Buchholtz 2009; Schwieterman and Miller 2016). It is this unexpected realization of competitors that further contributes to factor market rivalry. Being caught unawares, in this instance through FMM, exacerbates factor market rivalry.

Identifying when FMM may be present builds off past work that has not fully distinguished between organizations with a myopic view of factor market rivals vis-à-vis organizations with a full view of their factor market rivals. This identification also permits noting the instances and circumstances when FMM can be prevented. An important aspect of this analysis is that FMM moves away from the valuable, rare, inimitable, nonsubstitutable (VRIN) framework view of resources developed by Barney (1991). Ellram, Tate, and Feitzinger (2013) adopted a similar view of moving away from VRIN resources in their analysis of factor market rivalry in supply chains. The resources involved in FMM may have any combination of VRIN characteristics or none of them, although scarcity must arise to some extent for FMM or factor market rivalry to occur. As several authors have pointed out, too much reliance on the VRIN carries its own risks, including what Johnston (2009) referred to as self-concept specificity. Too much focus is in itself a form of FMM.

When conceptualizing FMM, certain instances of factor market rivalry are better explained. The current research offers a specific example to help fully explain the instances where FMM can further exaggerate factor market rivalry. We apply FMM in the ever-present case of factor market rivalry for labor. Human resources, labor in economic terms, have become a source of factor market rivalry (Ellram, Tate, and Feitzinger 2013), especially as jobs have become more complex and demand more training. It is not a sufficient strategy to simply go where there are many people and unemployment is high. This approach overlooks the need to develop human capital or to acquire employees already able to perform these increasingly complex jobs. Recent work on factor market rivalry in supply chains suggests that human resources may be the factor that elicits the most competition (Balmer 2011; Ellram, Tate, and Feitzinger 2013). That also means that it may be the most strongly affected by FMM.

Overlapping supply chains will inspire increasingly intense rivalry for valuable, if commonplace, resources. FMM is likely to affect which networks an organization chooses to join, where it chooses to participate, and how it relates to other members of the overlapping supply chains. One of the obvious effects of factor market rivalry is that supply chains will often overlap in unexpected ways, assuming rivalry for these factor markets. Organizations face quandaries. If, for example, they choose locations where truck drivers are abundant, other firms are likely to make that choice as well; truck drivers may also have choices of other jobs in those environments. So competition for a specific skill set may increase but so will competition for people who have not only that skill set but other skill sets that are equally employable. The truck driver might choose to work in a warehouse or to do construction work.

The trend of many firms is to focus on core competencies, creating jobs that are specific to certain firms (Handley and Benton 2012). This trend creates a division of labor in which jobs seem specialized, possibly leading firms to believe that people filling those jobs are somewhat locked in to those positions. This perspective and tight division of labor may actually act as a hindrance to firms. Clearly the jobs are specialized, and the employees holding those jobs may have certain certifications. But the employees are still free to look for and seek out other positions whether they are similar or not. The view that labor is either (a) inexhaustible or (b) too specialized contributes to challenges a firm faces when there is a labor shortage for whatever reason. We believe these views, as it relates to any factor of production, are actually specific examples of FMM.

As such, human capital will increasingly become scarce across extended supply chains. Evidence suggests shortages in human resources for supply chain purposes are already occurring. Driver turnover research, commonplace in the United States in the years since deregulation, is now taking place in Germany and elsewhere (Sersland and Nataraajan 2015). This is only one example of a problem long recognized in one place becoming a problem in another. The same elements can be seen in ocean shipping, the airline industry, and manufacturing. Hohenstein, Feisel, and Hartmann (2014) underscored the need to recognize the shortage in a systematic literature review on human resource management research in supply chain research. This scarcity, too, will intensify factor market rivalry.

These ideas—labor is inexhaustible, specialization in labor prevents job switching, and labor is scarce—are tied together by the idea of FMM. That is, the impact of each of these conditions on an organization will be worsened if the organization takes a myopic view. If rivalry intensifies but companies fail to recognize the source of the intensity, then they are likely to plan poorly in dealing with the shortage. If the shortage of human capital itself worsens, then a myopic view may distort channels for communication with potential employees, distort the characteristics of a potential recruit, or eliminate from consideration whole categories of potential employees because they are essentially invisible.

The current research is motivated to understand why FMM occurs. Practical contribution is provided to managers by showing that a failure to consider multiple factors of decisions can prove foolish. Decisions need to be well thought out and fully evaluated (Handley 2012). Simply making a decision because it is cheaper than the current alternative is short-sighted. While cost-based decisions do occur and sometimes work out, consideration should be given to multiple facets around strategic choices (Closs and Bolumole 2015).

Theoretically, there is still work to be done when understanding myopia in decision making. The current work offers theoretical contextualizing of myopia in factor markets to assist in explaining what firm characteristics may contribute to, or mitigate, the effects of FMM (Craighead, Ketchen, and Cheng 2016). Our discussion begins with a review of the concepts of marketing myopia and competitive blind spots.

<1>Marketing Myopia

Marketing myopia has been described as “defining your business too narrowly” or giving the wrong answer to the question, “What business am I in?” (Balmer 2011; Levitt 1960). Businesses overlook threats and opportunities if they define themselves too narrowly. The railroad industry provided Levitt’s initial example and the example where he explained the negative effects of myopia. He argued that the industry mistakenly identified itself as being in the railroad industry when it should have defined itself as being in the transportation industry. The narrow view led railroad executives to concentrate on the product, on operational efficiency, utilization, and time schedules. Railroads also focused on the customers who were buying their services, not the ones who used to buy them, or the ones who might buy if asked. They ignored former customers and prospective customers alike. For railroads, this meant losing mail to the airlines, passengers to the airlines, high-value freight to motor carriers, low-value freight to water carriers, and so on.

Johnston (2009) developed three specific ideas that extend marketing myopia in the realm of strategy: capability myopia, boundary myopia, and self-concept specificity. Capability myopia is the failure of a firm to see itself as a bundle of competencies that can be reconfigured generatively in the light of new circumstances. Boundary myopia is the inability of a firm to overcome an insular view of its capabilities and use outside resources to close capability gaps, or to exploit the existence of potential network organizations. Self-concept specificity is the inability to apply acquired knowledge outside its preconceived boundaries. Johnston pointed out the paradox associated with asset specificity and agility—that being thoroughly adapted to the current environment may inhibit the organization's ability to adapt to the new environment that will inevitably come along. That is, having the specific assets to operate in one environment may well work against the ability to work in another (Gligor and Holcomb 2012).

Hertz (2006) examined specific cases related to overlapping supply chains and the myopia that may occur. Her work took both a theoretical and an empirical look at the potential damage that might be done as a focal supply chain becomes more integrated. She found that supply chain integration brings with it the potential for myopia that overlooks the potential impact on other supply chains that share some part of a network of organizations. Hertz described a circumstance in which two Volvo divisions, Volvo Truck and Volvo Car, shared some supply chain activities, but not others. Volvo Car needed to improve and narrow its supply chain, and did so successfully, but it put Volvo Truck in the difficult position of having to find and develop new supply chain relationships and practices. She cited this as an example of myopia, failing to see the full implications of changes in one supply chain for another, overlapping chain.

Myopia can lead to the misconstruction or misperception of markets, the failure to notice competition, and the failure to notice customer behavior (Levitt 1960). Conceptualizing things too narrowly can lead a firm to overlook key details (Stock 2002). This is also the case in factor markets. FMM constrains a firm's view of the sources of a firm's resources or limits the possible outcomes for a firm because needs are thought of too narrowly. As a result, competitive blind spots are created that impact the ability of a firm to battle in the marketplace.

<1>Competitive Blind Spots

Oversights in decision making can create blind spots that hinder a firm's ability to reap expected competitive outcomes of strategic decisions or, worse yet, the ability to effectively compete in the marketplace (Zajac and Bazerman 1991). As such, one must try to understand how blind spots for firms develop. One potential reason blind spots are created is due to the nature of how a firm perceives the competitive environment in which the firm exists (Danneels 2003).

When a firm perceives a competitive environment in a certain manner, the firm extracts information and cues to help bring order to the environment. These pieces of information and cues allow a firm to take decided action that is enacted upon the environment through strategic choices or operational decisions (Daft and Lengel 1986; Weick, Sutcliffe, and Obstfeld 2005). When expected outcomes of, or competitive responses to, decisions match the actual outcomes of or responses to decisions, competitive blind spots are not created. However, a confirmatory bias may be created because a firm's perception of the competitive environment matched the actions of the competitive environment. Alternatively, a firm may enact a strategic choice or operational decision based on its perception of the competitive environment, but a firm may truly either not know potential outcomes of the competitive decision or at least feel multiple outcomes are possible. In this regard, competitive blind spots can be created but the deleterious effects of the blind spots are not immediately confirmed. If firms are aware of the competitive blind spot, action can still be taken to either explore the resulting outcome and potentially even exploit it (Andriopoulos and Lewis 2008). If the blind spot is not recognized, negative effects clearly can occur. Finally, a competitive blind spot can be created when a firm enacts action because of its perception of the competitive environment, and the resultant outcome is in no way related to the expected outcome.

Another manifestation of competitive blind spots is the attention granted by a firm to competitive decisions a firm wishes to make. There are limitations on the amount of resources available for accessing, interpreting, processing, and leveraging knowledge for business purposes (Grawe, Autry, and Daugherty 2014). These limitations, also known as absorptive capacity, prevent firms from making fully reasoned decisions (Zahra and George 2002). This is because there are boundaries around firm decision makers to actually make decisions from limited knowledge, varied knowledge processing, selective attention to the competitive environment, and incomplete preferences (Simon 1997; Gavetti, Levinthal, and Ocasio 2007). However and wherever restraints on the inputs to decisions originate, the risk of those decisions not fully achieving desired outcomes increases.

Constrained limits on decisions can help decisions be made (Walsh 1995). While the act of actually doing something is good, it is the attention paid around that decision that helps to ensure if the action will lead to intended consequences. Enough of the “right” information must be considered to lead to an effective decision (March 1991). Many reasons exist as to why firms fail to consider enough of the right information, but one main reason may be a myopic view of the information present. In our case, FMM poses a serious threat to a firm and furthers the negative effects of factor market rivalry.

<1>Proposition Development

Arguably, one of myopia's most deleterious effects is stagnation. Myopia, a tightly defined view of something, can cause either inaction or an inability to see different answers to a single question. Perhaps the first step in breaking myopia is to literally have something (i.e., someone or some unit—time) to signify it is time to take the step of looking for alternatives. Is there another way of doing something? Smartphone screens were plastic due to industry standards until Steve Jobs looked for something different (Aamoth 2013). Jobs looked to a strengthened glass because he wanted something more scratch resistant while also offering better optical quality. While glass was going to be more expensive than a typical screen, Jobs was willing to make this tradeoff because he thought customers would prefer the glass screen and the glass screen would make the iPhone look better.

One may find that in certain cases, myopia leads people, or firms, to act a certain way because they always have. This is an issue firms need to recognize and steps need to be put in place to prevent this happening. As such, the first proposition directly addresses this point:

<H1>Proposition 1: Firms should take deliberate action to break down, or actively question, myopic views of factor inputs.

Factor market rivalry is an issue that results when a demanded input faces some constrained supply. Ellram, Tate, and Feitzinger (2013) discussed factor market rivalry in various Asian markets when it comes to logistics capacity. The authors noted a number of firms from various industries relocated to Asia because of lower overall production costs. The problem many firms faced after relocation was that a limited logistics infrastructure slowed the shipment of goods to destinations globally. In this instance, firms were attracted by lower production costs but did not foresee other issues that arose. If one firm may value lower production costs, it stands to reason that other firms may also find this situation attractive. While firms may recognize that an area may become a production hub, do they also understand that other services will be needed because of this, for example the shipment goods that are produced? As Ellram, Tate, and Feitzinger noted, some firms did not or did not fully assess the current capabilities of the logistics infrastructure surrounding the production area. The singular focus of being attracted to an area with low production costs made the firms not fully appreciate the constraints that may exist on other services that, while potentially not strategic in nature to the firm, are obviously still required for customer satisfaction.

Due to transportation capacity constraints some firms relocated to other areas in Asia for production (Ellram, Tate, and Feitzinger 2013). Obviously the costs to such a strategy are high. Do companies truly value the facility location decision from all necessary facets? Could firms look to make alternative investments in transportation capacity instead of relocating? Should firms even relocate from an original location? Firms must recognize that factor market rivalry may shrink the time span that a given geographic region is attractive as other firms look for the same advantages the original firm is hoping to experience (Tate et al. 2014). In this case FMM necessitates action that may not have needed to occur if the firms fully considered everything involved with potential decisions.

<H1>Proposition 2: FMM intensifies factor market rivalry through failure to consider all impacts of selected decisions or choices.

A specific application of FMM may result after a firm has recently diversified its product or service offering. Some diversification efforts bring a firm to compete in a business environment for which it is not very familiar (Penrose 1959). As such, an extreme lack of knowledge exists not only on the consumer side of the business but also on the input side (Zahra and George 2002). With a limited knowledge base, a firm may underappreciate the alternative uses for the resource base required for the recently acquired business. The competitive blind spot created may result in FMM. Therefore the following proposition is offered:

<H1>Proposition 3: FMM may result from a firm's diversification efforts into a business or industry outside the firm's main area of expertise.

Alternatively, FMM may also result when a firm outsources functions of production or service delivery to another provider. Capability loss is the extent to which an outsourcing initiative resulted in the loss of internal operational capabilities associated with an outsourced business process (Handley 2012). When a firm outsources activities to another organization, not only does a firm "lose" that activity, that firm can also "lose" the ability to perform, understand, and effectively manage that activity (Ellram, Tate, and Billington 2008). As employees are reassigned, terminated, or resign themselves, the knowledge of that activity moves further and further away from the outsourcing firm. That movement means understanding the sources, and uses, of the resources and capabilities required to perform that outsourced activity is also lost. Surprise may result when an outsourced provider talks about the limited supply of a necessary, but noncore, resource base.

<H1>Proposition 4: FMM can result from outsourcing activities and the capability loss associated with the outsourcing initiative.

However, certain firm characteristics may contribute to minimizing FMM. Previous experience can be a key factor in learning how to mitigate potential challenges (Simon 1997). When firms encounter problems, their response can be to change routines or structures to avoid those problems in the future (Cyert and March 1963). When firms have previously suffered the consequences of factor market rivalry, and more specifically FMM, steps may be enacted to prevent experiencing those effects again.

<H1>Proposition 5: FMM is less likely to occur within an organization that has already experienced it before than an organization which has never experienced FMM.

Finally, larger firms have more resources to devote to environmental scanning (Chen 1996). Larger firms may also have a need to work with a larger base of suppliers. As such, larger firms, based on environmental scanning and the knowledge of a wider array of suppliers, may gain knowledge as to alternative uses of key resources. This can break down a myopic view of those resources.

<H1>Proposition 6: FMM is less likely to occur for larger firms that spend resources scanning the external environment

Proposition 7: FMM is less likely to occur for larger firms with an enhanced base of suppliers.

<1>Conclusion

Factor market myopia, a narrow view of resource sources and users, seems to be a cause of factor market rivalry because firms define their resources too tightly and do not look outside the box when it comes to inputs which face a constrained supply. A narrow view of resource sources and users may lead firms to miss potential competitors to resource positions or negative consequences to strategic decisions.

A prime example of FMM could be a recent report from the *Wall Street Journal* that trucking companies have decreased the truck driver workforce by 3,400 since the start of the year (Chao 2016). The report notes that the layoffs stem from lower than expected demand for trucking services. Obviously the layoffs have a business reason, but the philosophy of laying off truck drivers by firms, when a long-term severe driver shortage has been noted, may be a response rooted in FMM. When drivers are laid off, they are receiving a signal that their occupation is not as valuable as others who do not get laid off regularly. Companies and their bottom lines may wish to work on a month-to-month basis, but people probably do not. As such, if the need for transportation capacity in the form of truck drivers arises again, the valuable commodity may not be there. Business decisions are challenging and the answers are complex. Firms have a responsibility to their shareholders, but they must remain viable for the long-term as well. As such firms wishing or wanting above normal returns must have better foresight than their rivals (Kunc and Morecraft 2010). The true test of FMM is not in how a firm acts but in what a firm "sees" that causes action. The answer to FMM may be to see or consider more.

Proponents of bounded rationality may scoff at the notion of the answer to a problem as being "see more." We understand that and appreciate the limits as to what people can consider before taking action but, returning to the example of HR and FMM, an answer can be delineated. Firms should utilize their HR departments as an arm to support corporate strategy, not simply as a functional area that legitimizes the hiring and termination of employees. An HR representative can provide valuable insight as to what trends are in a given occupation, understanding if current business needs for a job represent a short-term blip in business or a long-term trend towards a new way of doing something. HR should be involved in the layoff of truck drivers at a strategic level to understand if this is a good or bad idea for the long-term health of the business. HR can be a strategic asset to a firm and needs to be utilized as such. We are arguing not for the ballooning of organizations but for a utilization of what a firm already has to support the long-term strategic plan of an organization. As such, FMM can be prevented or lessened if viewed through a number of different lenses.

While the current research serves to establish FMM as a practical business issue that deserves managerial attention, more work must be done to further understand the concept. Several directions exist for future research. First, a series of propositions was offered that can be turned into actionable hypotheses with answers provided from empirical survey research. The empirical research can be driven by looking at the impact firm strategy has on a firm's FMM and the resultant impact of this FMM. Specifically, firm diversification or outsourcing decisions would seem to influence FMM in some way. Alternatively, empirical research could determine if there are any firm specific factors (i.e., firm size, number of suppliers, operations, and so on) that impact FMM.

A second direction of research could see the perceived competitive tension of firms researched and analyzed to see the effect on FMM (Chen 1996; Schwieterman and Miller 2016). The premise of the current article is that FMM exacerbates factor market rivalry. Are there levels of competition, as well as levels of awareness of competition, that help prevent FMM from originating? One possible way to identify this answer would be to analyze announcements and news reports for information related to specific factor inputs. The impact that these announcements have can be judged based on input price changes or known supply constraints. The factor input announcements or the price changes/supply constraints could then be connected to specific instances of companies noting them in additional press releases or earnings reports. Mentions of these factor inputs connected to words like "shock" or "surprise," or words with similar connotations, could indicate instances of FMM.

Finally, what characteristics of factors lend themselves to being looked at myopically? Tangible or actual characteristics of a factor can be obvious contributors to FMM. What role do geographic, political, and industry characteristics of a factor play on either enhancing, or lessening, FMM? For example, brick-and-mortar retail outlets in the United States have a number of regulations and legislation surrounding commerce. Did these rules around physical retail commerce impact FMM when online retailing was developed and similar legislation did not exist? A detailed survey or series of executive interviews may help provide the answer.

Factor market rivalry is going to exist. Companies will compete for inputs. However, the intent of the current work is to introduce the idea of FMM. The idea is born from integrating the literature on marketing myopia and competitive blind spots to better explain certain instances of factor market rivalry. Factor market rivalry represents a challenge for practitioners, but the main contention of this work is that FMM further contributes to factor market rivalry. Scholars and practitioners must work together to discover more about, and find ways to mitigate, FMM.

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