Article:
Chari, S orcid.org/0000-0003-0654-6170, Balabanis, G, Robson, MJ orcid.org/0000-0001-8642-9980 et al. (1 more author) (2017) Alignments and Misalignments of Realized Marketing Strategies with Administrative Systems: Performance Implications. Industrial Marketing Management, 63 (3). pp. 129-144. ISSN 0019-8501

https://doi.org/10.1016/j.indmarman.2016.11.002

Alignments and Misalignments of Realized Marketing Strategies with Administrative Systems: Performance Implications

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Acknowledgments:

For their insightful feedback on earlier drafts of this manuscript, the authors would like to thank Professor Constantine Katsikeas and Professor Neil Morgan as well as Dr Magnus Hultman, Dr Costas Leonidou, and Dr Charalambos Saridakis.

ABSTRACT

On the basis of intended marketing strategy plans, firms design administrative systems to support strategy implementation. In increasingly turbulent business environments—characterized by complexity, scarce resources, and increasing number of competitive opportunities and threats—firms are forced to alter intended and realize emergent strategies more frequently than the ever before. The eventualities of realized marketing strategies may lead to misalignments between the strategy and the existing administrative system designed to support it. To examine performance implications of such misalignments we use Slater and Olson's (2001) taxonomy of marketing strategies. We distinguish between intended and realized plans and we propose an administrative system framework of structural (i.e., centralization, formalization, and specialization) and dynamic (i.e., interdepartmental connectedness and strategic control mechanisms) parameters for effective implementation of realized strategies. We propose three-way interactions between realized marketing strategies and the dynamic parameters of the system. Research hypotheses on performance implications and responses from 215 marketing executives show performance differences across strategy types and (mis)alignments of the administrative system. Our findings confirm three-way interactions among strategy types, interdepartmental connectedness, and control mechanisms for all realized strategy types.

Keywords: misalignment, performance, realized marketing strategy, structure, strategic control

1. Introduction

Strategy typologies and taxonomies have played an influential role in shaping strategic management thought.[1] Work incorporating classification schemes facilitates theory building and advances understanding of the strategic realities facing firms (Thorpe & Morgan, 2007). Despite the popularity of business-level strategy classifications in marketing management (e.g., Menguc & Auh, 2008; Song, Di Benedetto, & Nason, 2007), research has placed little emphasis on marketing strategy typologies or taxonomies. Few studies (e.g., Murphy & Enis, 1986; Slater & Olson, 2001) have developed marketing strategy classifications that feature marketing-related problems and even fewer have incorporated them in empirical research. For this reason, the conceptual landscape of marketing strategy remains underdeveloped.

By contrast, the interface of organizational parameters with realized (implemented) strategies has long been focal to strategic marketing research (see Varadarajan, 2010). Theory argues that performance outcomes of realized strategies are determined, partially, by how well organizational characteristics align with strategy-specific requirements (Yarbrough, Morgan, & Vorhies, 2011). In marketing strategy studies, the focus has been constrained to the alignment of either structural and/or task-specific characteristics with: detached marketing-mix components (e.g., Kabadayi, Eyuboglu, & Thomas, 2007); standardization–adaptation choices (e.g., Xu, Cavusgil, & White, 2006); or business-level strategies (e.g., Vorhies & Morgan, 2003). Despite accumulated knowledge, scholars still call for further research on organizational contingencies (see Morgan, 2012). Thus far, no study has captured how firms deploy structural and more dynamic organizational parameters collectively, within administrative systems, to facilitate the implementation of diverse marketing strategy types. An administrative system refers to the deployment of structural parameters for rationalizing strategic decisions and the

[1] Strategy typologies and taxonomies are strategy classification schemes. Typologies are conceptually extracted, whereas taxonomies are empirical.

formulation and implementation of process facilitating a firm's dynamic capacity to adapt and evolve (Dvir, Segev, & Shenhar, 1993).

Scholars (e.g., Chandler, 1962) argue that managers initially develop a strategy and then design a fitting administrative system to support their plans. However, evidence suggests firms "reinvent the strategy making process as an emergent process" (Hamel, 2009, p. 91). In increasingly turbulent marketplaces, firms are expected to blend deliberate (i.e., patterns of action realized as initially intended) and emergent (i.e., realized patterns of action not explicitly planned) strategy facets so that strategy corresponds with changing conditions (Mirabeau & Maguire, 2014). Thus, the eventualities of realized marketing strategies can bring about unintended misalignments between the implemented strategy and the supporting administrative system (Hannan, Pólos, & Carroll, 2003). These misalignments impede implementation and may result in unintended outcomes (Balogun & Johnson, 2005).

Marketing strategy and administrative system (mis)alignments can be extracted empirically and/or theoretically (Zajac, Kraatz, & Bresser, 2000). Nevertheless, the bulk of scholarly work in marketing strategy studies favors empirical techniques (e.g., profile deviation) over theoretically grounded approaches (e.g., Vorhies & Morgan, 2003). A key criticism of empirical approaches is that they fail to gain appropriate theoretical grounding and tend to be context or industry specific. Thus, the generalizability of findings is limited.

Our study's main objective is to examine alignments and unintended misalignments of realized marketing strategies with the supporting administrative system. Heeding calls for further research on marketing strategy contingencies, we develop an administrative system framework that guides the deployment of realized marketing strategies. Specifically, we propose and test a fit-as-moderation model to determine how conditional levels (i.e., high/low) of the administrative system should align with diverse realized marketing strategies for optimal performance outcomes; while we control for environmental turbulence (see Figure 1).

Insert Figure 1 about here

In addressing these issues our study contributes to the literature in multiple ways. First, contrary to previous studies (e.g., Vorhies & Morgan, 2003), we employ an applied and managerially relevant marketing strategy classification scheme to explain marketing strategy related phenomena—Slater and Olson's strategy types of: aggressive marketers (e.g., Nike and Apple), mass marketers (e.g., Microsoft), marketing minimizers (e.g., Costco), and value marketers (e.g., Samsung).[2] We contend that the use of marketing strategy taxonomies facilitates theory building and can help bring order to the conceptual landscape of marketing strategy research (Hambrick, 1984).

Second, unlike previous studies (cf., Olson, Slater, & Hult, 2005) that focused on either structural or task-specific characteristics, we posit that marketers need to rely on an administrative system comprised of a structural skeleton—including centralization, formalization, and specialization—and other dynamic components, such as strategic control mechanisms (SCMs) and interdepartmental connectedness. In fact, we reveal how SCMs and connectedness interact to facilitate the realization of marketing strategies. We assert the importance of information sharing in decision-making and argue that interdepartmental connectedness allows the results of SCMs to be communicated within the organization.

Third, to fully reflect the strategic realities facing firms, we emphasize realized marketing strategies rather than initially intended plans (see Mintzberg & Waters, 1985). We contend that the emergent nature of realized strategies provides the most meaningful basis upon which to establish performance consequences of organizational (mis)alignments. The present study provides novel insights into how realized strategies can bring about unintended misalignments between implemented strategies and the administrative system designed to

[2] In parentheses we provide living examples of firms for aggressive marketers, mass marketers, marketing minimizers, and value marketers. These examples were provided by an author of the original strategies, Prof. Eric M. Olson. We thank him for his contribution.

support intended plans. In doing so, we unveil that structural and dynamic parameters need to adapt in order to maintain an effective alignment with emergent marketing strategies. Thus, we extend the notion of strategic fit by contributing new knowledge concerning the organizational adaptation process; which is more likely to be an emergent process.

Fourth, we argue that theory on strategy contingencies has developed sufficiently to provide information for conjecturing alignment assumptions for all parameters concerned. We follow a multiple input (i.e., theoretical and qualitative) approach to fully inform realized marketing strategy–administrative system alignment conditions. To develop theory, we systematically reviewed research (i.e., 193 articles from 39 cross-disciplinary journals) over a 34-year period (i.e., 1980-2014). To improve accuracy, we complement theory-driven conditions with specifications by expert raters (i.e., qualitative input).

2. Theoretical Background

2.1 Contingency Theory and Strategic Alignment

Chandler's (1962) maxim, structure follows strategy, conjectures that managers initially design a strategy and then establish a structure to support strategy intentions (Hult et al., 2007).[3] Notwithstanding that empirical findings show that strategy or structure alone can affect performance outcomes, performance differences across firms may be better explained by considering strategy–structure fit or alignment (Zott & Amit, 2008). No single structure is applicable for all kinds of strategic tasks, weakening one-size-fits-all perspectives in favor of contingent solutions (Mintzberg, 1993).

[3] This line of argument, however, provoked the counterargument that strategy follows structure, based on the logic that managerial cognition abilities and skills mediate between structure and strategy (Zott & Amit, 2008). To shed light on this debate, a systematic longitudinal study examined the nature of the relationship between strategy and organizational parameters and found that strategy has a stronger influence on structure than vice versa (see Amburgey & Dacin, 1994). In addition, observations from case studies in the automotive industry (e.g., Honda and Toyota) concur with the original maxim (see Sako, 2004). Finally, Chandler's (1962) maxim is supported by the contingency (e.g., Donaldson, 2001) and strategic-choice (see Hult et al., 2007) theoretical paradigms, as well as by the design strategy school of thought (Mintzberg, 1990).

Contingency theory (e.g., Zajac et al., 2000) posits that "organizational performance is a consequence of fit between two or more factors; such as, the fit between organization environment, strategy, structure, systems, style, and culture" (Van de Ven, & Drazin, 1985, p. 334). From this viewpoint, organizational characteristics and strategy choices are co-dependent such that when fit conditions between strategy and its environmental context exist, performance can be optimized (e.g., Xu et al., 2006). In line with other strategy studies in marketing (e.g., Yarbrough et al., 2011), we adopt a strategic fit perspective for this study.

2.2. Marketing Strategy

A firm's marketing strategy refers to a set of integrated decisions through which firms respond to competitive conditions and accomplish organizational objectives in target markets (Griffith, 2010). Central to marketing are choices pertaining to: segmentation, targeting, allocation of marketing resources for creating, communicating and/or delivering value to customers for profit (Varadarajan 2010). Firms are faced with the need to revisit these complex decisions on an ongoing basis. It is thus surprising that research in marketing has yet to scrutinize marketing strategy formation considerations. The connotation of intended (i.e., planned) and realized strategies is rarely considered in marketing strategy studies (Chari, Katsikeas, Balabanis, & Robson, 2014). Purely deliberate or emergent strategies seem unrealistic in fast-moving business environments, as real-world strategies entail planned and emergent facets (Mintzberg, 1994; Bensaou, Galunic, & Jonczyk-Sédès, 2014). Failure to distinguish conceptually between intended and realized strategies, runs the risk of managerial overemphasis of an idealized version of strategy that does not correspond to the implemented strategy.

To advance knowledge on marketing strategy, the present study adopts Slater and Olson's (2001) taxonomy (see Appendix A for strategy type descriptions). Unlike other marketing frameworks (e.g., Murphy & Enis, 1986) that are classified narrowly on the basis of

the marketing mix, Slater and Olson's (2001) approach takes a holistic view of marketing content. Their taxonomy accounts for various, managerially relevant decisions: product-/service-line breadth (e.g., broad or narrow focus), product/service innovation and quality (e.g., innovativeness and technical sophistication of products or services), service quality (e.g., consistency in customer service), pricing (e.g., premium), distribution (e.g., selective or intensive), promotion (e.g., above or below the line activities), use of internal sales force (e.g., effectiveness of salespeople), and support to the promotion process (e.g., use specialist personnel). Further, marketing directors find this taxonomy reflective of their business unit's marketing strategy and pertinent for today's business environments.[4]

2.3. Administrative Systems

In the marketing domain, theory has long advocated that structure is an efficacious means of strategy implementation (see Vorhies & Morgan, 2003). Indeed, structures—that organize marketing activities and decision-making authority—have been linked to the ability of marketing firms to achieve sustained success by satisfying customer needs better than competitors (cf., Kirca, Jayachandran, & Bearden, 2005). We contend that a fixed structural skeleton is necessary but not sufficient when realizing emergent strategies.

In practice, firms require administrative systems that incorporate dynamic parameters—including SCMs (Simons, 1994) and interdepartmental connectedness (Jaworski & Kohli, 1993)—alongside fixed structural ones. Firms deploy SCMs to monitor and assess the progress of running strategies (Thomas & Ambrosini, 2015). Interactions among functions

[4] To assess the pragmatic relevance of the four strategy types in today's business environments, we conducted a pre-study check. The sampling frame came from LinkedIn. Using a systematic random-sampling, we contacted 250 U.S.-based marketing directors—involved with strategy making and with more than 10 years of experience. A survey link, including the strategy type descriptions, was e-mailed to the directors. They were asked to indicate which strategy type reflects their business unit's marketing strategy most precisely. In addition, they rated on a five-item, seven-point Likert-type scale (1 = "strongly disagree", 7 = "strongly agree") the accuracy of the selected marketing strategy type (see Slater & Olson, 2001). We received 100 responses. All respondents identified with a strategy that matches accurately their running marketing strategy. Finally, the average score (i.e., mean = 5.02, standard deviation = 0.47) of the accuracy scale indicates that the strategy descriptions are indeed accurate.

and specialists allow decision makers to communicate the feedback of such mechanisms, facilitating swift decisions. Thus, we posit that an administrative system of structural and dynamic parameters facilitates effective implementation.

Centralization captures the extent to which decision-making and control is concentrated at higher levels of a firm. It facilitates greater control of operations, lowers the risk of errors, and produces uniformity of actions (Matsuno, Mentzer, & Özsomer, 2002). High centralization can reduce intelligence generation and dissemination and prevent fast decision-making (Kohli & Jaworski, 1990). In contrast, decentralization allows for the interplay of diverse perspectives and knowledge resources (Claver-Cortés, Pertusa-Ortega, & Molina-Azorín, 2012). Participative decision-making may stimulate creativity and new ideas when formulating and implementing strategies (Jansen, Van Den Bosch, & Volberda, 2006).

Formalization is the degree to which standardized rules and procedures prescribe how marketing activities are performed and decision-making is governed (Vorhies & Morgan, 2003). Marketing theory specifies that formalization explicitly articulates a strategy and coordinates its implementation (Love, Priem, & Lumpkin, 2002). Formal procedures support managerial efforts to organize activities and reduce ambiguity (Claver-Cortés et al., 2012). Still, excessive formalization produces inertia and constrains exploratory problem solving (Jansen et al., 2006). Firms exhibiting low formalization are able to respond swiftly to changes and reduce the time-lag between decisions and actions (Miles & Snow, 1992).

Specialization is the degree to which marketing activities are subdivided and executed by managers possessing specialized knowledge and skills (Vorhies & Morgan, 2003). A specialized function consists of experts who direct efforts to a narrowly and well-defined set of activities. Specialization facilitates strategic planning and implementation is completed by experts (Claycomb, Germain, & Dröge, 2000). Conversely, high specialization may promote

alienation within a system. The greater the departmentalization, the more difficult it may be to disseminate intelligence and respond to market changes (Matsuno et al., 2002).

SCMs consist of purposefully designed information-based routines, controlling procedures, and reporting systems (Simons, 1994). Scholars (e.g., Mundy, 2010) contend that changes in the business environment determine the manner of deployment of SCMs. In managerial hands, SCMs are decision-making tools that organize and use flows of information to maintain or alter strategy choices. Through feedback from SCMs, managers monitor, review, and fine-tune running strategies to meet predetermined goals, facilitating the implementation of marketing strategies (Chari et al., 2014; Thomas & Ambrosini, 2015).

Interdepartmental connectedness refers to the interaction of marketing with other functions (Kohli & Jaworski, 1990). Connectedness—achieved through formal (e.g., scheduled meetings) and informal (e.g., hall talk) communications—enhances collaboration, mutual understanding, and rapport among employees (Anderson & Narus, 1984). In operational environments, connectedness facilitates organizational learning and promotes the growth of new ideas (Eng, 2006). Connectedness enables firms to disseminate and use market intelligence efficiently, a prerequisite of decision-making. Thus, it enables strategy implementation effectiveness (Chimhanzi, 2004).

3. Hypotheses Development

3.1. Performance Implications of Strategy–Administrative System (Mis)alignment

The acid test of how good a marketing strategy type is, is determined by the results it produces when realized (Katsikeas, Samiee, & Theodosiou, 2006). Performance is determined, in-part, by how well the organizational parameters aligns with strategies (Olson et al., 2005). In turbulent business settings, misalignments between the realized strategy and the administrative system initially designed to support intended plans, may result in unexpected performance

outcomes (Balogun & Johnson, 2005). Thus, organizational performance rests on a firm's ability to make strategic choices and take actions for facilitating the realization of emergent marketing strategies so as to avoid unexpected outcomes. Drawing on Hult, Ketchen, Cavusgil, and Calantone (2006), we followed a multiple inputs approach—theoretical and qualitative—to hypothesize administrative system alignment conditions (i.e., high/low levels) that are most critical to the achievement of high organizational performance for each realized marketing strategy type (see Table 1). Hereinafter, we offer theory underpinning each hypothesized effect.

Insert Table 1 about here

3.1.1 Realized Aggressive Marketer Strategy and Administrative System Interactions

Aggressive marketers are product innovators. Such firms provide high-quality innovative products, charge premium prices, place products in selective distribution channels, and communicate with customers through intensive advertising (Slater & Olson, 2001). Flexible organizational structures best promote innovation (Jansen et al., 2006). Prior research (e.g., Ireland & Webb, 2007) stresses that low levels of centralization and formalization encourage the initiation of innovation, whereas hierarchical structures are negatively related to innovation and creativity (Hatum & Pettigrew, 2006). In aggressive marketers, higher degrees of centralization and formalization may cause rigidity, limit entrepreneurial behavior and discourage innovation (Matsuno et al., 2002). Developing new product ideas requires input from specialized marketing personnel, as high degrees of specialization facilitate the initiation of exploratory innovation (Damanpour & Schneider, 2006; Kabadayi et al., 2007).

Scholarly work (e.g., Jansen et al., 2006; He & Wong, 2004) suggests that interdepartmental connectedness stimulates exploratory innovation and facilitates its implementation. Indeed, firms that allow for greater levels of cross-functional interaction and connectedness reap benefits in areas such as new product development (e.g., Wren, Souder, & Berkowitz, 2000). Thus, higher degrees of interdepartmental connectedness may benefit

explorative innovator firms like aggressive marketers. Further, as such firms rely on the capacity to observe the external environment and identify trends for exploiting market opportunities, they may benefit from the presence of scanning and reporting mechanisms. Yet, although SCMs serve to promote commitment to innovation (Zahra, Hayton, & Salvato, 2004), intense monitoring can suppress a firm's ability to successfully implement new strategic initiatives (Simons, 1994). Because monitoring procedures may stifle creativity, which is pivotal to exploratory innovations, aggressive marketers should benefit from less intense SCMs (Simons, 1994). Hence, we expect:

H1. The realization of an aggressive marketer type strategy produces higher performance when accompanied by: (a) low levels of centralization, (b) low levels of formalization, (c) high levels of specialization, (d) high levels of interdepartmental connectedness, and (e) low levels of SCMs.

3.1.2 Realized Mass Marketer Strategy and Administrative System Interactions

Mass marketers are essentially innovation followers. Such firms closely monitor competitors' actions and tactics (e.g., pricing), offer a broad product line of undifferentiated products, compete with lower prices than competitors, employ broad distribution channels, and moderately focus on promotion activities (Slater, Olson, & Hult, 2010). Innovation adoption theory posits that firms with an incremental innovation focus are likely to have more bureaucratic structures (Cardinal, 2001). Less flexible structures facilitate the implementation of exploitative innovation (Damanpour & Schneider, 2006). High degrees of centralization in decision-making support higher levels of exploitative innovation (Aug & Menguc, 2007); whereas high formalization enhances exploitative innovations through improvement of current products, services, and processes (Dyer & Nobeoka, 2000). Scholarly work also shows a positive relationship between specialization and adoption of innovation (Ireland & Webb, 2007). Scholars argue that mass marketer firms possess various specialized personnel (Slater

& Olson, 2001). Indeed, high degrees of specialization support a firm's exploitation efforts and promote the adoption of technical innovations (Damanpour, 1991).

Interdepartmental connectedness appears central to exploitative innovator firms; it allows individuals to develop a deeper understanding for refining and advancing current product offerings (Rowley, Behrens, & Krackhardt, 2000). Specifically, high degrees of connectedness may enable personnel to communicate knowledge and execute product improvements (Dyer & Nobeoka, 2000). Thus, high levels of connectedness are ideal for mass marketers. The innovation management research argues that less entrepreneurial firms rely more on information-based and reporting systems (Davila, Foster, & Li, 2009). For market followers, SCMs enable managers to fine-tune their exploitation strategies (Goktan & Miles, 2011). Such firms use higher SCMs to understand and adjust to changes and ensure that running strategy matches, if not exceeds, competitors' offerings. Thus, we predict:

H2. The realization of a mass marketer type of strategy produces higher performance when accompanied by: (a) high levels of centralization, (b) high levels of formalization, (c) high levels of specialization, (d) high levels of interdepartmental connectedness, and (e) high levels of SCMs.

3.1.3 Realized Marketing Minimizer Strategy and Administrative System Interactions

Marketing minimizers reduce the probability of failure by waiting for a product to be established in the market before introducing their improved version (Slater, Hult, & Olson, 2007). These firms pursue markets with a focused line of products, low prices, and intensive distribution, and put little effort into any marketing activities (Slater et al. 2010). Cost-conscious firms demonstrate rather mechanistic structures. An ideal structural skeleton for cost-oriented firms is centralized decision-making, formalized and routinized operating procedures, and unspecialized structures (Ward, Bickford, & Leong, 1996). Decision-making in such firms tends to be concentrated at top levels (Gosselin, 1997). Marketing minimizers place greater emphasis on efficiency than effectiveness and focus on standardized practices

(Ruekert & Walker, 1987). As Slater and Olson (2001) note, minimizers require a narrow range of specialized capabilities; the opposite (i.e., specialized structures with teams and functional allocation) is not likely to be cost efficient (Kabadayi et al., 2007).

Structures emphasizing team-based solutions to functional divisions of labor are not likely to deliver the efficiencies cost leaders require (Kabadayi et al., 2007). Indeed, low levels of cross-divisional connectedness and coordination improve internal efficiency (Pelham & Wilson, 1996). Prior research argues that achieving cross-functional involvement, interorganizational consensus, and interaction in cost-oriented firms is of little importance (Homburg, Krohmer, & Workman, 1999). Since marketing minimizers compete on a cost position, very little connectedness and coordination is required between functional teams (White, 1986). Conversely, close-fitting formal control systems—focused on cost control and specific operating goals—are appropriate for conservative strategies, like the marketing minimizer type (Chenhall & Morris, 1995). Extant research posits that firms focusing on cost efficiencies require regular monitoring to stay on track; specifically, control should be based on frequent and detailed control reports (Van der Stede, 2000). Hence, we anticipate:

H3. The realization of a marketing minimizer type of strategy produces higher performance when accompanied by: (a) high levels of centralization, (b) high levels of formalization, (c) low levels of specialization, (d) low levels of interdepartmental connectedness, and (e) high levels of SCMs.

3.1.4 Realized Value Marketer Strategy and Administrative System Interactions

Value marketers offer premium value, high-quality products—augmented by superior customer service—at comparatively higher prices than competitors (Slater & Olson 2001). Firms also employ selective distribution channels, and rely on their own sales team to communicate their propositions (Slater et al. 2010). The literature argues that centralized structures may be an impediment to service-centric firms (Boles et al., 2001). In fact, centralized decision-making is negatively associated with customer-oriented activities

designed to improve customer satisfaction (Kuada & Ruatsi, 2005). Effective customer orientation requires a broader locus of authority and demands organization-wide participation (Auh & Menguc, 2007). Previous studies (e.g., Evans, Arnold, & Grant, 1999) suggest that centralized decision-making becomes dysfunctional when personnel engage in complex roles and problem solving. In contrast, studies (e.g., Froehle, Roth, Chase, & Voss, 2000) assert that process formalization positively influences the speed of the new service development process. Also, in service-oriented firms highly formalized rules and policies guide frontline staff in their interactions with customers (Ruekert & Walker, 1987). Value marketers are also likely to adopt specialized structures; prior work has argued that customer-centered strategies require specialized employees (e.g., relationship promoters) for advancing and maintaining customer relationships (Homburg, Workman, & Jensen, 2000).

According to Mohr-Jackson (1991, p. 461), "coordinated integration of a firm's functions is creating superior value for customers and is closely linked to the customer orientation approach." Indeed, cross-functional connectedness enables employees to be more involved in the practices and activities designed to advance customer satisfaction (Pelham & Wilson, 1996). Value marketers place primary focus on collecting intelligence on current and potential customers and identifying their (un)expressed preferences (Slater et al., 2010). Value marketer firms actively use information-based routines, monitoring procedures, and reporting systems to ensure that the implemented strategy meets customer expectations (Van Veen-Dirks & Wijn, 2002). Thus, we project:

H4. The realization of a value marketer type of strategy produces higher performance when accompanied by: (a) low levels of centralization, (b) high levels of formalization, (c) high levels of specialization, (d) high levels of interdepartmental connectedness, and (e) high levels of SCMs.

3.2 Realized Marketing Strategies, Interdepartmental Connectedness and SCMs Interactions

Notwithstanding a firm's organizational behavior (e.g., innovation or competitor orientation) or strategic posture, the organization-wide generation, dissemination, and responsiveness to market intelligence is a prerequisite for financial success (Song & Parry, 2009). Interdepartmental connectedness promotes interfunctional coordination which consequently leads to open and frequent communication across firm-level functions; such a level of communication is likely to enable the dissemination of collected market intelligence (Van Raaij & Stoelhorst 2008). Thus, market knowledge dissemination comprises a key operational function of interdepartmental connectedness (Chimhanzi, 2004). We contend that such connectedness allows the results of SCMs to be communicated within an organization and facilitates swift decision making and responses when market circumstances demand it.

Prior literature on the intersection of strategy types, connectedness, and SCMs does not imply different performance effects across strategy types. We have no a priori reason to believe that such intersections will lead to stronger or weaker outcomes as this literature stream is underdeveloped. Other strategy studies (e.g., Zhong, Su, Peng, & Yang, 2014; Geyskens, Steenkamp, & Kumar, 2006) facing similar circumstances do not attempt to provide directional hypotheses for such complex moderating effects. Our study departs from these studies (e.g., Zhong, Su, Peng, & Yang, 2014) and puts forth three-way, exploratory moderating effects for realized strategy types, interdepartmental connectedness, and SCMs. In this, we posit that the association between a firm's type of realized marketing strategy and overall performance is moderated by the joint effects of connectedness and SCMs. We used our rigorous multiple input (i.e., theoretical and qualitative) approach to inform on the possible conditional levels of these joined effects. Thus, we expect:

H5. Realized aggressive marketer strategy will have its most positive effect on overall firm performance under conditions of high interdepartmental connectedness and low SCMs.

H6. Realized mass marketer strategy will have its most positive effect on overall firm performance under conditions of high interdepartmental connectedness and high SCMs.

H7. Realized marketing minimizer strategy will have its most positive effect on overall firm performance under conditions of low interdepartmental connectedness and high SCMs.

H8. Realized value marketer strategy will have its most positive effect on overall firm performance under conditions of high interdepartmental connectedness and high SCMs.

4. Research Methods

4.1. Research Context and Setting

The context of this study is large UK firms, focusing on a specific product line. We used a multi-industry research design (e.g., manufacturing, construction, wholesale, and retail trade) as it allows greater variability, reduces the likelihood of sampling bias, and enhances the generalizability of findings (Morgan, Katsikeas, & Vorhies, 2012). In line with other studies (Chari et al., 2014), we excluded service dominant firms.

4.2. Exploratory Interviews

Following an extensive review of the literature, we conducted eight in-depth, personal interviews with senior managers responsible for strategic decisions of British firms. These interviews helped us to explore and gain a deeper understanding of the focal phenomena (e.g., emergent facets of strategy) and ensured the suitability of the measures used. For instance, they were instrumental in operationalizing the marketing strategy taxonomy.

4.3 Questionnaire Development

In designing the questionnaire, we paid attention to identifying the constructs' content domains and drafting items for measurement. Our draft questionnaire was refined with supplementary personal interviews with three senior marketing managers. The interviews assisted in ensuring the workability of the survey questionnaire—that managers clearly understood all the questions and felt comfortable with its length and the time needed for its completion. The final version of the questionnaire was pretested on the basis of a pilot study of 20 firms, all of which were

excluded from the final sample. No particular problems with measures, response formats, or the workability of the questionnaire, were identified.

4.4. Data Collection, Key Informant Selection, and Survey Response

Our sampling frame was developed from the Mint Key British Enterprises Directory. We used a systematic random-sampling procedure, based on intervals of 10, to select from the directory 1000 firms for inclusion. Each firm was contacted by telephone to assess the quality of the entry; verify contact details; and locate appropriate informants by name and title. These pre-survey telephone contacts resulted in the identification of potential informants in 510 firms eligible for the study.[5] The key informants identified were directly involved with the formulation and implementation of the firm's strategy, met the informant knowledgeability requirements, and agreed to participate. The survey was mailed to all the eligible informants. We offered a summary of the key findings as an incentive to participate. Reminder postcards, follow-up telephone calls, and two additional mailings, yielded 228 responses. We excluded 11 questionnaires because of considerable missing data and another two were dropped because they failed our post hoc informant quality test. Thus, the final sample comprised 215 responses; for a response rate of 42.2%.

4.5 Validation of Informant Data

We validated our key informant data in two ways. First, our post hoc test of informant quality assessed their familiarity with, knowledge of, and confidence in providing information on, the issues addressed. A seven-point scale ranging from (1) "very low" to (7) "very high" was used in each case. We eliminated two questionnaires because they exhibited a rating lower than four,

[5] Of the remaining firms, 126 had a corporate policy precluding them from participating, 113 marketing functions were operated from headquarters abroad, 85 had ceased operations, 58 identified executives were not willing to participate, 57 were repeated entries, and 51 had incorrect details.

for one or more of these items. The average composite informant competency was 5.60, indicating that our respondents (i.e., 71.2% were marketing directors and 28.8% managers) were highly qualified to report on the issues being studied. Second, in line with other marketing strategy studies (e.g., Morgan et al., 2012), we attempted to collect data from a second key informant (e.g., CEO) in a sub-sample of the responding firms. Data were collected only on firm performance variables as marketing directors/managers are the ones with the remit of implementing marketing strategies. We collected second informant data for 20 cases. High positive correlations ($r > .70$) between the responses of the two raters for firm performance constructs support the validity of our key informant data.

4.6 Assessment of Non-response Bias

As per Armstrong and Overton (1977), non-response bias was assessed by comparing responses between survey waves. For instance, we compared early and late respondents using a t-test procedure for two independent samples. No significant differences were detected between the early and late respondents. Moreover, using secondary information on firm size we compared respondents with a random sample of 40 of non-participating companies. Again, no significant differences emerged between the two subgroups.

4.7. Measures

Measurement scales for centralization, formalization and specialization, were adopted from Olson et al. (2005) and Vorhies and Morgan (2003). Following Jaworski and Kohli (1993), we adapted a five-item scale to capture interdepartmental connectedness. The scale for SCMs was adopted from Chari et al. (2014). The administrative systems were assessed on a seven-point, Likert-type scale ranging from (1) “strongly disagree” to (7) “strongly agree”.

The original study of Slater and Olson (2001) does not provide operational measures for each marketing strategy type. Instead, the taxonomy is extracted on the basis of nine clustering dimensions, comprising the activities: product/service-line breadth, product/service innovation, product/service quality, service quality, pricing, distribution, advertising, personal selling, and support to the promotion process.[6] To capture realized aspects of the activities, we asked informants to reflect on their running (i.e., currently implemented) marketing strategy and indicate on a seven-point scale (from (1) = "not at all important" to (7) = "very important") the level of importance their firm placed on each marketing strategy activity.[7]

Firm performance is a second-order construct comprised of: profitability, customer satisfaction, and market effectiveness. Measurement scales were adopted from Vorhies and Morgan (2005). Firm performance dimensions were tapped on a seven-point scale ranging from (1) "very low" to (7) "very high". Our study also controls for the dimensions of environmental turbulence (i.e., competitive intensity, market complexity, and technological turbulence). To capture competitive intensity and technological turbulence, we adopted the scales of Jaworski and Kohli (1993). Market complexity was measured using the scale provided by Kabadayi et al. (2007). All control variables were assessed on a seven-point, Likert-type scale ranging from (1) "strongly disagree" to (7) "strongly agree".

5. Analysis and Empirical Results

5.1. Controlling for Common Method Bias(CMB)

Collecting cross-sectional data using perceptual measures from a single informant at one point in time creates the potential for CMB. We followed ex ante procedural remedies (see

[6] The original study of Slater and Olson (2001) included two more dimensions of marketing strategy, market research and segmentation/targeting. These were excluded from the study as the pre-study, exploratory interviews indicated that they do not reflect the concept of emergent marketing strategies and strategy change.

[7] Even though our study emphasizes realized rather than intended plans, for comprehensiveness purposes we also measured marketing strategies at the intended stage.

Podsakoff, MacKenzie, Lee, & Podsakoff, 2003) to limit the possibility of CMB in the data: a systematic measure development process was used to ensure the clarity of measures; scale items were mixed and appeared under separated sections in the questionnaire, preventing respondents from speculating about the study hypotheses; and the respondents were guaranteed full anonymity and prompted to answer as candidly as possible.

In addition, we ran ex post statistical tests. Drawing on prior studies (e.g., Banin et al. 2016) we followed the approach suggested by Carson (2007) and estimated a combined congeneric measurement model using a confirmatory factor analysis (CFA). The CFA included nine substantive latent factors and a single common method factor (i.e., value of marketing function).[8] The common method factor was adopted from Moorman and Rust (1999). All items were modeled to load on their theoretical constructs (latent variables), as well as on the common method factor. The process involved the estimation of four CFA models—null, trait-only, method-only, and trait-and-method—to determine the existence of CMB.

For the trait-only, items were allowed to load only to the nine correlated substantive latent factors. For the method-only, items were allowed to load only to the single latent method factor. For the trait-and-method model, items were allowed to load to both the single latent method factor and their nine substantive factors. The trait-only model had a better fit than the method-only model with a statistically significant delta chi-square ($\Delta\chi^2_{(d.f. = 37)} = 1962.26$, $p < .001$). Further, the delta chi-square test revealed that the trait-and-method model had a better fit than the trait-only model ($\Delta\chi^2_{(d.f. = 31)} = 123.04$, $p < .001$). This suggests that some CMB exists; thus, it needs to be calculated. Following the approach recommended by Widaman (1985), the variances of all the individual items were decomposed into trait, random error, and method components. The results revealed that 48.5% of the variance was accounted for by the

[8] A full congeneric measurement model including all the study's latent factors was unidentified due to the small sample. Following the suggestions of the anonymous reviewers, we included latent factors that could be identified. Specifically, we incorporated 8 strategy (i.e., product breadth and innovation, pricing, distribution, selling, promotion, product and service quality) and one administrative system parameter (i.e., formalization).

9 substantive factors, 42% by random errors, and only 9.5% by the method factor. In addition to the congeneric trait and method models, a nonconcentric model was also calculated. The noncongeneric model implies that the common method factor has the same impact to all measured items (i.e. common factor loading are constrained to be equal to each other). The variance explained by the common method factor in the noncongeneric model was even lower at 3.4%, whereas the variance explained by traits was a far larger 50.7%. Moreover, the percentage of variance due to the method factor is much less than the percentages typically found in other studies. The typical CMB found in other studies is between 16% and 27% of the variance observed (see Chin, Thatcher, & Wright, 2012). Although we cannot completely discount CMB, collectively the statistical analysis of all the techniques performed suggest that such bias does not pose a serious problem in this study.

5.2. Measure Validation

We assessed the validity of our measures using CFA. Sample size restrictions made it necessary to divide the scales into three groups for model estimation. The first CFA contained 22 items measuring the administrative system; the second CFA incorporated 34 items assessing marketing strategy activities; and the third CFA comprised 23 items tapping the second-order construct of firm performance and environmental turbulence. Each item was restricted to load on its a priori specified factor and the underlying factors were permitted to correlate (Gerbing & Anderson, 1988). The three CFAs represent a close fit to the data (see Table 2). High standardized factor loadings (> 0.59) of all items offer evidence of convergent validity. Composite reliability and average variance extracted (AVE) scores exceed required thresholds (Fornell & Larcker, 1981).

We assessed discriminant validity in two ways. First, we ran chi-square difference tests for each possible pair of constructs. Using two-factor CFA models, we compared models in

which the covariance between the two constructs was freely estimated and then constrained to unity (Gerbing & Anderson, 1988). In every pairing, the baseline model produced a better fit, and the chi-square difference between constrained and unconstrained models was significant ($p < .05$), indicating discriminant validity. Second, we examined the AVE for each latent reflective construct and compared it with the shared variance of all possible pairs of constructs (Fornell & Larcker, 1981). In all cases, the square of the correlation between two constructs was lower than their AVE estimates, which confirms discriminant validity. Measures, measurement model results, and reliability scores appear in Table 2, while Table 3 presents the correlation matrix and summary statistics of the measures.

Insert Table 2 and 3 about here

5.3. Clustering Realized Marketing Strategy Types

In line with Slater and Olson (2001), we followed a two-stage clustering procedure to verify the proposed marketing strategy types. First, we applied to the input variables Ward's hierarchical clustering algorithm. The agglomeration schedule and the dendrogram suggested a four-cluster solution. Second, we used the K-means clustering approach to assign cases to the appropriate clusters. The initial clusters' centroids were seeded to K-means clustering to obtain final cluster membership; we identified a four cluster solution of: 47 (21.9%), 67 (31.2%), 74 (34.4%), and 27 (12.6%) firms that realized an aggressive marketer, a mass marketer, a marketing minimizer, and a value marketer strategy, respectively.[9]

We tested the replication validation of the cluster solution using a split-sample procedure (Gruber, Heinemann, Brettel, & Hungeling, 2010). Results indicate acceptable levels of cluster stability and reproducibility. The statistical significance of the derived clusters was confirmed by a one-way multivariate analysis of variance (Wilks's $\Lambda = 0.09$, Wilks's F(27.00)

[9] The clustering procedures were also followed to extract and validate intended marketing strategy clusters. The final clustering solution identified that: 79 (36.7%), 73 (34%), 42 (19.5%), and 21 (9.8%) firms planned an aggressive marketer, a mass marketer, a marketing minimizer, and a value marketer strategy, respectively.

= 28.16, $p < 0.001$, $\eta^2 = 0.552$). Findings indicate that 91% of the total variation is accounted for by the between-group differences (Huberty, 1984). Further, we conducted an analysis of variance (ANOVA) to determine whether the four clusters exhibited significant differences across the clustering dimensions; we found significant differences ($p < 0.001$) across all variables. We also conducted pairwise comparison, Scheffe tests to determine which cluster differences account for the significant ANOVA result, providing evidence that each strategy cluster exhibits distinctive unique attributes. Table 4 presents the means and standard deviation scores for the nine cluster-input variables, and the findings of the ANOVA and Scheffe tests.

Insert Table 4 about here

6. Hypotheses Testing

Given that our predictor (i.e., marketing strategies) is a four-group categorical variable, analysis of covariance (ANCOVA) was employed to test the hypotheses. To appraise (mis)alignments of administrative systems, we needed to dichotomize (i.e., median split) the administrative system parameters into low and high groups (i.e., 0 = low and 1 = high). We incorporated all main effects and hypothesized interactions into a custom ANCOVA model. The model included: the higher-order construct of firm performance as the dependent variable; the categorical variables of realized marketing strategy types, centralization, formalization, specialization, interdepartmental connectedness, and SCMs as independent variables; and the external environment contingencies of environmental turbulence as covariates.[10]

The ANCOVA findings (see Table 5) show significant two-way interactions between the realized marketing strategy types and centralization ($F(3, 184) = 2.45$, $p < 0.10$),

[10] A full-factorial model design comprises all main effects and all possible factor-by-factor interactions among (n) independent variables. A full-factorial design of n = 6 fixed factors encompasses 15 first-order, 20 second-order, 15 third-order, 6 fourth-order interactions, and 1 fifth-order interaction, which constrains the explanatory power of the model. Thus, consistent with other studies (e.g., Andrews 2013), we test hypotheses using a custom ANCOVA model. In a custom-model design, nonhypothesized and nontheoretically relevant interactions are not specified (see Umesh, Peterson, McCann-Nelson, & Vaidyanathan, 1996).

formalization ($F(3, 184) = 3.54$, $p < 0.05$), specialization ($F(3, 184) = 3.58$, $p < 0.05$), and SCMs ($F(3, 184) = 7.47$, $p < 0.001$). The three-way interaction between the realized marketing strategy types, connectedness, and SCMs ($F(3, 184) = 4.10$, $p < 0.05$) was also significant. For the control variable effects, only competitive intensity ($F(1, 184) = 3.78$, $p = 0.05$) was significantly linked to performance.

Insert Table 5 about here

Follow up contrast analyses show that realized aggressive marketers may achieve higher performance when their structural skeleton comprises low centralization ($M_{low} = 5.24$, $M_{high} = 4.61$, $F(3, 184) = 6.17$, $p < 0.05$), supporting H_{1a}. In line with H_{1c}, higher performance can be reached when specialization is high ($M_{low} = 4.96$, $M_{high} = 5.50$, $F(3, 184) = 6.74$, $p < 0.05$). As predicted in H_{1e}, realized aggressive marketers are conducive to higher performance when SCMs is low ($M_{low} = 5.53$, $M_{high} = 4.93$, $F(3, 184) = 7.82$, $p < 0.05$). H_{1b} and H_{1d} were not empirically supported, suggesting that neither formalization nor interdepartmental connectedness make a difference for firms that end up realizing an aggressive strategy.

Contrast analyses also revealed that mass marketers can produce higher performance when aligned with high degrees of centralization ($M_{low} = 4.80$, $M_{high} = 5.14$, $F(3, 184) = 3.57$, $p < 0.10$), specialization ($M_{low} = 5.07$, $M_{high} = 5.38$, $F(3, 184) = 3.35$, $p < 0.10$), and SCMs ($M_{low} = 4.88$, $M_{high} = 5.57$, $F(3, 184) = 14.97$, $p < 0.001$). Thus, the hypothesized associations in H_{2a}, H_{2c}, and H_{2e} are empirically supported. Formalization and connectedness were found to be inconsequential to the performance of mass marketers; thus, H_{2b} and H_{2d} are not supported.

The contrast analysis suggested that centralization, connectedness, and SCMs do not make a difference to the performance of marketing minimizer firms; thus, H_{3a}, H_{3d}, and H_{3e} are not empirically supported. Counterintuitive to H_{3b} and H_{3c}, marketing minimizerd can achieve higher performance when they exhibit low ($M_{low} = 5.13$, $M_{high} = 4.69$, $F(3, 184) = 5.81$, $p <$

0.05) and high (M_{low} = 4.99, M_{high} = 5.32, F(3, 184) = 3.79, p = 0.05) levels of formalization and specialization, respectively. Thus, H_{3d} and H_{3e} were not empirically supported.

Further, our findings reveal that centralization, formalization, specialization, and connectedness seem to be irrelevant to performance when firms implement a value marketer strategy. Hence, $H_{4a,}$ $H_{4b,}$ H_{4c}, and H_{4d} cannot be empirically supported. As predicted in H_{4e}, the realization of a value marketer strategy is conducive to higher performance outcomes when SCMs is high (M_{low} = 4.74, M_{high} = 5.34, F(3, 184) = 4.48, p < 0.05).

The contrast analysis of the three-way interaction effects provides support to H_5, H_6, H_7, and H_8. Specifically, with high levels of connectedness, performance outcomes can be greater for aggressive marketers if SCMs is low rather than high (M_{low} = 5.90, M_{high} = 4.96, F(3, 184) = 10.30, p < 0.05). Firms that adopt a mass or value marketer type of strategy perform better if they manage to put in place a system characterized by higher connectedness and SCMs. Specifically, with high levels of connectedness the performance outcomes of mass (M_{low} = 4.90, M_{high} = 5.87, F(3, 184) = 9.99, p < 0.05) and value (M_{low} = 4.53, M_{high} = 5.39, F(3, 184) = 4.48, p < 0.05) marketers will be greater if SCMs are high rather than low. Finally, marketing minimizers could achieve better performance when connectedness is low and SCMs (M_{low} = 4.84, M_{high} = 5.32, F(3, 184) = 5.68, p < 0.05) are high rather than low.

6.1. Sensitivity Analyses

Realized strategies that emerge provide a meaningful basis for exploring the performance consequences of administrative systems (mis)alignment. However, the current paper assumes that administrative systems are designed in support of intended plans. Since intended plans drive the design of administrative systems, which in turn interact with the realized (emergent) strategies, the role of intended plans should also be examined. Thus, for robustness purposes, we ran two additional tests incorporating intended strategy facets. First, we conducted an

ANCOVA on firm performance using the planned facets of strategy. This additional analysis was performed to examine the moderating effects of the administrative system and establish that these work differently for planned and realized strategies. Second, considering that implemented strategies deviate from the initially intended plans, we performed a regression analysis to examine the moderating effects of the administrative system on the strategy deviation and firm performance association. Appendix B (i.e., supplementary analyses) provides details on estimations and results for these analyses.[11]

7. Discussion

Drawing on contingency theory and the notion of strategic fit, this study tests a fit-as-moderation model to determine (mis)alignments of realized marketing strategies with the existing supporting administrative system and performance implications. Using Slater and Olson's (2001) marketing strategy taxonomy, we apply a multiple inputs approach to extract and test empirically such (mis)alignments within a sample of 215 firms.

7.1. Implications for Theory

Our findings offer important implications for strategic and marketing management researchers. Previous strategic fit studies have employed business strategy typologies (e.g., Miles and Snow 1978) to explain marketing related phenomena. Our study acknowledges the importance of marketing strategy typologies and taxonomies in advancing theory. Contrary to prior research, we adopt an applied and managerially relevant marketing strategy taxonomy (i.e., Slater and Olson 2001) to address marketing problems; in a more effective manner than would be the case using business-level taxonomies. Thus, our study provides new insights on the conceptual landscape of marketing strategy research.

[11] We thank the anonymous reviewers for pointing us in the direction of these tests.

The present study heeds calls for further research on organizational contingencies. The dearth of studies on organizational parameters that facilitate the implementation of diverse marketing strategies limits their usability by managers. Indeed, to make marketing strategies operable we develop a framework that guides their deployment. Contrary to prior studies that have concentrated on either structural or task-specific parameters, we emphasize an administrative system comprising structural and dynamic parameters. Our study proposes how aggressive marketer, mass marketer, marketing minimizer, and value marketer strategies align with supporting administrative systems for optimal performance outcomes. Notably, we highlight which and to what extent specific structural dimensions are required (or not) for the successful implementation of diverse marketing strategies. In this context, we reveal the need of firms to run SCMs and the performance benefits of disseminating the feedback of such mechanisms inter-departmentally. Thus, the interaction effects of SCMs and interdepartmental connectedness, identified in our study, provide fresh insights on knowledge generation and dissemination) for marketing strategy implementation (see Song and Parry, 2009).

Marketing scholars have yet to scrutinize the distinction between intended and realized marketing strategies. Failure to assess strategies at the realized level runs the risk of overemphasizing a version of strategy that does not reflect any changes made to intended plans. The present study conceptualizes aggressive marketers, mass marketers, marketing minimizers, and value marketers at the intended and realized levels, and concentrates on realized aspects. Thus, our study captures the strategic reality facing firms and extends knowledge on marketing strategy-making (formation) processes (see Menon, Bharadwaj, Adidam, & Edison, 1999).

The present study demonstrates that implemented strategies encompass both planned and emergent facets. By focusing on realized strategies that emerge and are not explicitly planned, we provide new insights into how realized marketing strategies can bring about unintended misalignments with the administrative system that was designed to support

intended plans. Performance implications of such misalignments extend the notion of dynamic fit and knowledge concerning the emergent organizational adaptation process in fast-moving business settings (see Davies & Walters, 2004). We provide new insights highlighting how firms need to reconsider their administrative systems to maintain an effective alignment with emergent marketing strategies.

Further, our study extends the methodological scope of prior work on strategic alignments (e.g., Olson et al. 2005). The overwhelming majority of previous studies have overlooked the theory-driven perspective in favor of testing alignment properties empirically. Our study proposes a robust methodological approach to developing strategy–administrative system alignment conditions. Specifically, we deploy a theory-driven approach (i.e., reviewing 193 articles published in 39 cross-disciplinary journals from 1980 to 2014) that we compliment with a qualitative input step (i.e., specifications by 17 expert raters).

7.2. Implications for Practice

The results identify the necessary administrative system conditions that managers should manipulate when realizing specific marketing strategies. The study offers several managerial implications for each of the four marketing strategy types.

Aggressive Marketers. The realization of an aggressive marketer strategy requires decentralized structures, specialized personnel, and lower SCMs for higher performance. Managers should be aware that formalized routines and processes are irrelevant to performance outcomes of radically innovative firms (e.g., Apple). In addition, managers should consider adopting a bottom-up, decision-making system to encourage creativity and inside-in innovations. Decision makers in aggressive firms should also be aware that exploratory innovation requires the input of specialized personnel to set in motion new ideas (e.g., new products); which is a crucial operational parameter for entrepreneurial and innovative firms

like aggressive marketers. Further, the study findings indicate that firms realizing aggressive marketer strategies can derive advantages under high connectedness and low SCMs levels. Thus, we advise managers to support interactions across functional specialists (e.g., marketing and R&D) and promote interdivisional collaborations. However, we caution managers of innovative firms not to rely heavily on SCMs. Such dependencies can cause rigidity and suppress innovation; managers should rely on SCMs only to ensure that running aggressive strategies are responsive to the external environmental developments (e.g., new trends).

Mass Marketers. High performing, realized mass marketers require higher centralization), specialization, and SCMs. Our results suggest it would be advisable for managers of market following firms (e.g., Microsoft) to concentrate decision-making authority at the upper echelon of their firms. When realizing innovation adoption strategies, managers should consider deploying a large number of specialized personnel; their specialized skills, ideas, and knowledge on procedural facets benefit exploitation and the adoption of technical innovations. The study's findings reveal that for a high level of SCMs, mass marketers are most likely to generate better performance outcomes when connectedness is also high. Decision makers charged with formulating and implementing mass marketer strategies could derive benefit from prioritizing control mechanisms that allow observing direct competitors' strategies, resources, and capabilities. It is imperative that mass marketers manage a running strategy that matches, if not exceeds, competitors' product (service) offerings. Such competitor-oriented behaviors necessitate the organization-wide dissemination of information (Kohli & Jaworski, 1990). Thus, we recommend that managers support interactions across functional specialists and promote the wide-dissemination of competitive intelligence.

Marketing Minimizers. Decision makers advancing cost-oriented strategies need to be concerned with the level of emphasis they place on formalized rules and procedures, and specialized personnel they employ. Managers advancing such strategies follow formalized

structures to facilitate low-cost efficacy. In such firms (e.g., Costco), for instance, strategy formulation is a formal planning approach—based on a sequence of steps—that reduces the need for unnecessary and potentially costly strategy changes. Contrary to predictions, our findings show counterintuitive effects (i.e., lower than higher levels of formalization) to be more conducive to superior performance when realizing marketing minimizer strategies. Since the focus of the operations of such firms is deliberately narrow, we suggest less formalized rules and procedures when operations become more routinized and standardized.

Prima facie, cost-conscious firms could be expected to require the use of fewer specialized personnel. However, our findings revealed a misalignment as to the optimal level of specialization for minimizer firms; such strategies derive performance benefits from higher levels of specialization instead. Thus, it could be advantageous for minimizer firms to deploy specialists for identifying collaborative suppliers willing to engage in cooperative advertising and promoting their own products, or skilled in monitoring competition and identifying appropriate price points. Additionally, our findings reveal that for low levels of connectedness, marketing minimizers are most likely to generate better performance when SCMs is high rather than low. Thus, we recommend managers in marketing minimizer firms to establish SCMs that concentrate on ensuring that the running strategy remains cost-efficient and at the same time to structure their firms with less emphasis on functional divisions of labor as such approaches may result in cost-inefficiencies.

Value Marketers. Managers realizing value marketer strategies (e.g., Samsung) should note that structural parameters are irrelevant to performance outcomes for firms that advance customer service and quality, whereas such firms can derive performance advantages under high connectedness and high SCMs levels. Specifically, our findings show that for high levels of SCMs, firm performance will be higher if interfunctional connectedness is also high. As such, we urge managers in customer-oriented firms to employ monitoring and reporting

systems to ensure that the implemented strategy, which is largely emergent in nature, still fully addresses customer expectations. Decision makers in such firms should invest in information-based routines so they can constantly have access to customer intelligence and adjust plans if necessary. At the same time, we recommend that managers support the dissemination of information across functions and departments; cross-functional team members should frequently be updated on the progress of the realized strategy and outcome of information-based routines. Connectedness in executing tasks enables firms to develop and implement customer-centered behaviors and concentrate on what really matters to their customers. Managers would be best advised to integrate their firm's functions so employees (cross-functionally) are more involved in the practices designed to advance customer service, relationships, and satisfaction.

7.3. Limitations and Future Research Directions

Several study limitations result from trade-off decisions required in research of this type. First, use of a cross-sectional research design restricted us from making causal inferences. We acknowledge that we can only draw conclusions that reflect associations. Considering the long-term orientation of strategy and organizational characteristics, performance implications of fit may be best approached with longitudinal data. Further research would benefit from empirically examining such phenomena over time. Second, caution should be exercised in attempts to broadly generalize from our findings. The sample included firms from seven different industry sectors in the U.K. Replication studies using other industry groupings and country settings could fruitfully ascertain the generalizability of the current results.

Our study also raises promising research avenues. A natural extension of the study would be to incorporate additional internal parameters (e.g., strategic flexibility) to explain further (mis)alignment effects. Future work might theorize and test external environment

parameters as additional contingency variables. Although the present study's focus on realized strategies precluded strategy intentions, strategy change and its implementation remains an intriguing direction of future enquiry. Finally, research could extend the conceptualization of this study to service-dominant firms and examine realized service strategies and organizational adaptation, including particularities like processes and people.

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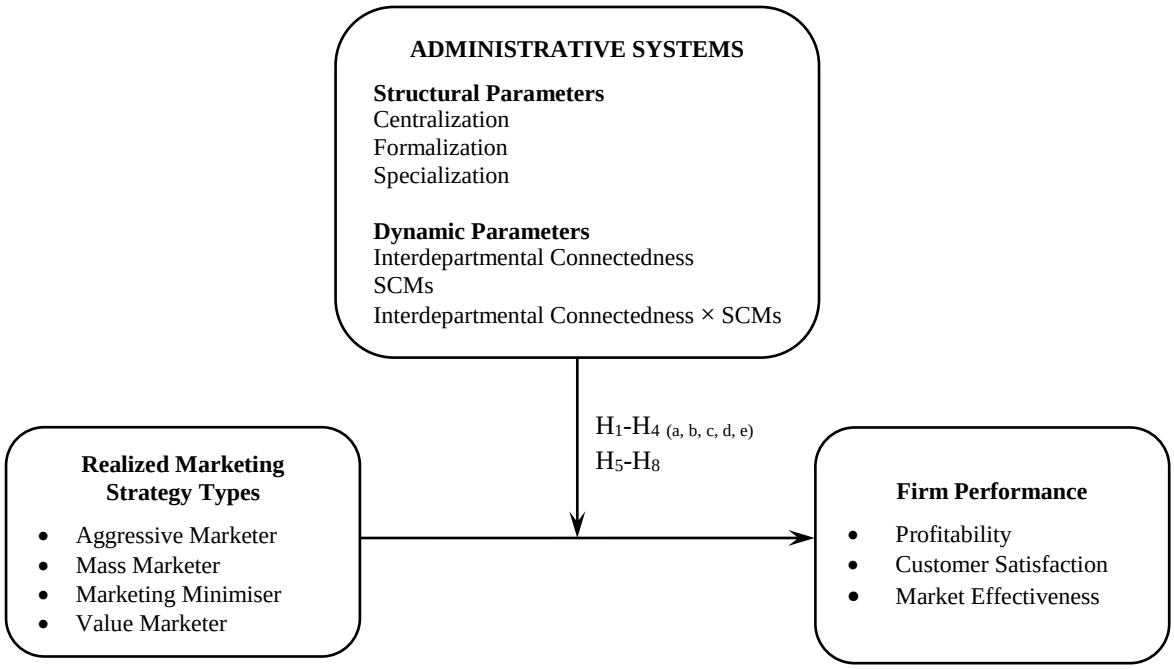
Figure 1
Conceptual framework [a]



Controls: Competitive Intensity, Market Complexity, and Technological Turbulence

[a] We propose that an administrative system framework of structural and dynamic parameters conditions the performance relevance of realized marketing strategies. On top of individual moderation effects (H_1-H_4), we posit that interdepartmental connectedness and SCMs interact (H_5-H_8).

Table 1
Strategy–administrative system alignment conditions.

	Theoretical [a]	Qualitative [b]	Average	Alignment conditions [c]
Realized aggressive marketers				
Centralization	1.00	3.16	2.08	LOW
Formalization	1.00	3.12	2.06	LOW
Specialization	7.00	5.60	6.30	HIGH
Interdepartmental connectedness	7.00	6.40	6.70	HIGH
SCMs	1.00	4.33	2.66	LOW
Realized mass marketers				
Centralization	7.00	5.16	6.08	HIGH
Formalization	7.00	5.00	6.00	HIGH
Specialization	7.00	4.36	5.68	HIGH
Interdepartmental connectedness	7.00	4.44	5.72	HIGH
SCMs	7.00	4.68	5.84	HIGH
Realized marketing minimizers				
Centralization	7.00	6.00	6.50	HIGH
Formalization	7.00	5.96	6.48	HIGH
Specialization	1.00	2.72	1.86	LOW
Interdepartmental connectedness	1.00	2.68	1.84	LOW
SCMs	7.00	4.32	5.66	HIGH
Realized value marketers				
Centralization	1.00	3.48	2.24	LOW
Formalization	7.00	4.64	5.82	HIGH
Specialization	7.00	5.52	6.26	HIGH
Interdepartmental connectedness	7.00	5.56	6.28	HIGH
SCMs	7.00	5.84	6.42	HIGH

[a] To obtain the theory-based input, we systematically reviewed the literature over a 34-year period (1980-2014). In particular, we assessed the narrative of each strategy type and extracted key representative characteristics (see Appendix A). Using computerized bibliographic databases (e.g., EBSCO, ABI, and Science Direct), we cross-checked the characteristics of each strategy against all administrative system variables. This computerized literature search provided information on journal articles; we conducted a manual bibliographic search for articles published in books. Our search identified 153 studies published in 39 leading journals across disciplines. The studies appeared most commonly in Strategic Management Journal, Journal of Marketing, and Journal of the Academy of Marketing Science. Next, we appraised the studies, dropping 27 that appeared more than once and another 3 that were editorial notes. Finally, we assessed the 123 eligible studies to identify alignment between the elements of interest. As per Hult et al. (2006) we allocate scores of 1 and 7 for low and high levels of administrative system parameters, respectively.

[b] To obtain the qualitative input we used the method of theoretical specification, which relies on ratings by expert raters (see Doty, Glick, & Huber, 1993). We initially specified on a seven-point scale (from (1) = "very low" to (7) = "very high") the alignment conditions with the authors of the original taxonomy. Another 15 expert raters were engaged subsequently to derive robust qualitative insights. The mean scores across all raters is presented here. As per, Hennig-Thurau, Groth, Paul, and Gremler (2006), we calculated the intraclass correlation coefficient (ICC) to assess the reliability amongst our raters. An ICC of .70 indicates satisfactory reliability.

[c] The average score across the theoretical and qualitative inputs is our primary metric for finalizing alignment conditions. Average scores lower than 3 and higher than 5 reflect low and high levels, respectively (see Kabadayi et al., 2007; McDaniel & Kolari, 1987). A robustness check was also conducted to corroborate the alignment levels of administrative systems with each strategy type. Specifically, using the final clustering solution, we extracted from our study sample top-performing firms for each strategy type. Using the top performers, we calculated the respective mean values for the administrative system parameters. The average score from this approach and the theoretical input result in the same alignments levels, confirming our initial assumptions.

Table 2
Measures and measurement models results.

Model 1: Administrative system	**Std. loadings** [a]
Centralization (α = 0.81)	
In the marketing organization decisions tend to be made at a high level.	0.66 (9.51)
Little action can be taken in the marketing organization until a supervisor makes a decision.	0.72 (10.50)
Even small matters have to be referred to someone with more authority for a final decision.	0.73 (10.58)
In the marketing organization any decisions a person makes has to have the boss's approval.	0.80 (11.83)
Formalization (α = 0.76)	
There is little action taken unless the decision fits with standard operating procedures.	0.66 (8.94)
Most people in the marketing organization follow written work rules when performing their job.	0.72 (10.27)
If employees wish to make their own decisions, they are quickly referred to a policy manual.	0.77 (11.12)
Individuals in the marketing organization frequently refer to it as a "bureaucracy."	0.63 (8.73)
Specialization (α = 0.74)	
Marketing personnel in this firm have very specific job responsibilities.	0.61 (7.11)
Most marketing employees have jobs that require special skills.	0.61 (7.16)
Our marketing employees are expected to be experts in their areas of responsibility.	0.89 (12.04)
Interdepartmental connectedness (α = 0.85)	
In the marketing organization it is easy to talk with virtually anyone you need to, regardless of rank or position.	0.78 (12.04)
There is ample opportunity for informal "hall talk" among individuals from different departments in the marketing organization.	0.73 (10.87)
In the marketing organization, employees from different departments feel comfortable calling each other when the need arises.	0.78 (11.97)
People around here are quite accessible to those in other departments.	0.68 (10.06)
Junior managers can easily schedule meetings with junior managers in other departments.	0.68 (10.05)
SCMs (α = 0.91)	
Our organization has feedback measures in place to ensure on-going revision of the marketing strategy.	0.86 (14.44)
Our organization has control mechanisms in place to ensure on-going revision of the marketing strategy.	0.84 (14.07)
In our organization the strategy making team has constant access to feedback during the implementation of the strategy.	0.91 (15.58)
Our organization has a system in place that allows for adjustments of plans when required.	0.79 (12.77)
Goodness-of-fit indices: $\chi^2_{(190)} = 332.74$, $p < 0.001$; NFI = 0.90; NNFI = 0.92; CFI = 0.93; RMSEA = 0.07	
Model 2: Realized marketing strategy activities	
Product line breadth (α = 0.70)	
Offer a broad product/service line.	0.79 (11.60)
Offer a focused product/service line (R).	0.79 (11.57)
Develop products/services that have broad market appeal.	0.76 (11.02)
Product innovation (α = 0.72)	
Develop innovative new products/services.	0.68 (9.00)
Utilize early adopters for new product/service ideas and feedback.	0.68 (9.01)
Achieve or maintain short time from product/service concept to introduction.	0.69 (9.16)
Product quality (α = 0.77)	
Provide products/services that have a long operating life.	0.61 (8.37)
Provide products/services with a low probability of failure.	0.60 (8.11)
Regularly increase technical sophistication of products/services.	0.61 (8.50)
Achieve or maintain superior product/service performance.	0.77 (10.76)
Service quality (α = 0.86)	
Provide service with a high degree of consistency and accuracy.	0.71 (10.71)
Respond quickly to customers' requests and problems.	0.85 (13.84)
Clearly understand and communicate with customers.	0.81 (12.83)
Provide superior post-sale service quality.	0.78 (12.22)
Develop long-term relationships with key customers.	0.65 (9.50)
Pricing (α = 0.78)	
Price below industry average (R)	0.82 (12.24)
Use price promotions and discounts (R)	0.61 (8.96)
Knowledge of competitors' pricing tactics	0.68 (9.76)
Monitoring competitors' prices and price changes	0.60 (8.90)
Using pricing skills and systems to respond quickly to market changes	0.80 (12.02)

Distribution (α = 0.82)	
Selective distribution through the best available distributors	0.89 (13.47)
Distribute through an intensive distribution system	0.72 (10.51)
Distribute through exclusive distributor that invests in specialized selling effort or unique facilities	0.73 (10.61)
Advertising (α = 0.86)	
Achieve above industry average number of impressions through advertising.	0.75 (11.51)
Generate high-quality advertising materials.	0.81 (12.63)
Use integrated marketing communications programs.	0.68 (12.79)
Use media advertising.	0.64 (10.02)
Use Web/Internet advertising.	0.65 (9.37)
Use direct mail advertising.	0.63 (9.66)
Personal selling (α = 0.74)	
Maintain high salesperson to sales manager ratio.	0.66 (8.89)
Evaluate salesperson performance based on achievement of targets or quotas	0.67 (8.94)
Evaluate salesperson performance based on accomplishment of prescribed behaviors	0.77 (10.57)
Support to the promotion process (α = 0.80)	
Provide support to customer contact personnel.	0.72 (8.61)
Use 'specialist' marketing personnel who direct their efforts to a well-defined set of activities.	0.62 (7.41)
Goodness-of-fit indices: $\chi^2_{(595)}$ = 1036.77, p < 0.001; NFI = 0.90; NNFI = 0.91; CFI = 0.91; RMSEA = 0.07	
Model 3: Market turbulence and Firm performance	
Competitive intensity ($\alpha = 0.76$)	
Competition in our industry is cutthroat	0.63 (8.36)
There are many "promotion wars" in our industry	0.75 (10.11)
Anything that one competitor can offer others can match readily	0.64 (8.42)
One hears of a new competitive move almost every day	0.63 (8.34)
Market complexity ($\alpha = 0.85$)	
In our market the number of products/brands sold is very high.	0.68 (8.87)
In our market the number of different customer segments is very high.	0.78 (11.90)
In our market the number of firms competing is very high.	0.69 (10.15)
In our market customer requirements vary very much across different customer segments.	0.66 (9.47)
In our market there is a lot of variety in products for sale.	0.65 (9.41)
In our market there is a lot of variety in terms of customers involved.	0.72 (10.58)
Technological turbulence ($\alpha = 0.85$)	
In our industry the technology is changing rapidly	0.77 (11.55)
In our industry technological changes provide big opportunities	0.78 (11.71)
In our industry a large number of new product ideas have been made possible through technological breakthroughs	0.79 (11.99)
In our industry technological developments are rather minor	0.76 (11.34)
Profitability (α = 0.88)	
Business unit profitability	0.88 [b]
Return on investments (ROI)	0.93 (18.41)
Return on sales (ROS)	0.84 (15.31)
Reaching financial goals	0.74 (12.33)
Customer satisfaction (α = 0.86)	
Customer satisfaction	0.78 [b]
Reputation among end users	0.81 (10.34)
Retaining valued customers	0.76 (9.89)
Market effectiveness (α = 0.87)	
Market share growth relative to competitors	0.67 [b]
Growth in sales revenue	0.61 (6.60)
Acquiring new customers	0.68 (7.46)
Increasing sales to existing customers	0.64 (7.14)
Firm performance (second-order factor)	
Profitability	0.63 (7.56)
Customer satisfaction	0.75 (7.84)
Market effectiveness	0.93 (8.11)
Goodness-of-fit indices: $\chi^2_{(266)}$ = 486.44 p < 0.001; NFI = 0.90; NNFI = 0.93; CFI = 0.94; RMSEA = 0.06	

[a] t-values from the unstandardized solution are in parentheses

[b] Fixed parameter

Note: α = Cronbach's alpha; (R) = Reverse item

Table 3
Correlations and summary statistics.

	Correlations [a]																			
Measures	1.	2.	3.	4.	5.	6.	7.	8.	.9	.10	.11	.12	.13	.14	.15	.16	.17	.18	.19	.20
1. Centralization	1																			
2. Formalization	0.53	1																		
3. Specialization	0.05	0.26	1																	
4. Interdepartmental connectedness	-0.19	-0.28	0.07	1																
5. SCMs	-0.11	0.07	0.38	0.12	1															
6. Competitive intensity	0.05	0.02	0.19	-0.03	0.09	1														
7. Market complexity	-0.01	-0.03	0.09	-0.07	0.07	0.27	1													
8. Technological turbulence	-0.03	0.08	0.16	0.07	0.04	0.07	0.31	1												
9. Product/service line breadth	-0.11	-0.03	0.17	0.13	0.20	0.14	0.24	0.16	1											
10. Product/service innovation	-0.02	0.06	0.13	0.17	0.22	-0.04	0.07	0.26	0.45	1										
11. Product/service quality	0.00	0.15	0.25	0.03	0.11	-0.07	0.00	0.33	0.25	0.37	1									
12. Customer service quality	-0.14	-0.08	0.09	0.23	0.19	-0.04	0.13	0.19	0.34	0.32	0.31	1								
13. Pricing	-0.06	-0.02	0.22	-0.08	0.29	0.21	0.03	0.13	0.17	0.20	0.17	0.21	1							
14. Distribution	-0.05	0.00	0.04	-0.07	0.15	0.03	0.27	0.19	0.29	0.29	0.05	0.13	0.39	1						
15. Advertising	-0.05	0.00	0.22	-0.01	0.29	0.11	0.34	0.18	0.31	0.16	0.16	0.15	0.12	0.35	1					
16. Personal selling	0.05	0.06	0.16	0.11	0.12	0.12	0.23	0.21	0.24	0.26	0.24	0.26	0.24	0.23	0.24	1				
17. Support to the promotion process	-0.06	0.06	0.18	0.08	0.26	0.14	0.23	0.16	0.22	0.24	0.21	0.42	0.17	0.21	0.38	0.48	1			
18. Profitability	0.03	0.05	0.29	0.16	0.25	0.01	0.09	0.10	0.14	0.14	0.10	0.09	0.15	-0.02	0.13	0.09	0.16	1		
19. Customer satisfaction	-0.05	0.01	0.27	0.27	0.24	-0.09	0.09	0.14	0.22	0.20	0.17	0.38	0.08	0.05	0.19	0.17	0.21	0.42	1	
20. Market effectiveness	-0.09	-0.06	0.25	0.15	0.26	-0.02	0.16	0.14	0.24	0.11	0.14	0.21	0.12	0.01	0.19	0.11	0.16	0.56	0.52	1
Summary statistics																				
Number of items	4	5	3	5	4	4	6	4	3	3	4	5	5	3	6	3	2	4	3	4
M	4.10	3.13	4.06	5.75	4.56	4.11	4.42	4.64	4.90	4.43	5.27	5.55	4.24	3.73	4.21	4.83	4.87	4.91	5.62	5.06
SD	1.32	1.16	1.07	1.04	1.29	1.29	1.28	1.28	0.96	1.26	0.99	1.03	1.03	1.13	1.38	1.00	1.23	1.11	0.81	0.87

[a] Correlations greater than |±.14| are significant at $p < 0.05$

Table 4
Cluster descriptives and multiple comparisons of means.

Clustering dimensions	Cluster 1: Realized aggressive marketers[a]		Cluster 2: Realized mass marketers[a]		Cluster 3: Realized marketing minimizers[a]		Cluster 4: Realized value marketers[a]		F-ratio[b]	Scheffe multiple comparison results					
										1-2	1-3	1-4	2-3	2-4	3-4
Product/service line breadth	5.55	(0.85)	4.65	(0.83)	4.04	(0.92)	4.84	(0.77)	25.56	**	**	**	*	n.s.	*
Product/service innovation	5.21	(1.10)	3.94	(1.00)	3.01	(0.80)	4.90	(0.99)	39.91	**	**	n.s.	*	**	**
Product/service quality	5.71	(0.84)	4.88	(0.89)	4.70	(1.29)	5.59	(0.78)	15.10	**	**	n.s.	n.s.	**	**
Customer service quality	6.05	(0.81)	5.06	(0.85)	4.84	(1.37)	6.03	(0.72)	24.78	**	**	n.s.	n.s.	**	**
Pricing	4.74	(0.96)	4.05	(0.89)	3.72	(1.13)	4.07	(1.03)	9.75	**	**	*	n.s.	n.s.	n.s.
Distribution	4.27	(1.10)	4.10	(0.64)	2.09	(0.59)	3.31	(0.96)	48.33	n.s.	**	**	**	**	**
Advertising	5.43	(0.88)	4.39	(0.85)	2.85	(1.05)	2.99	(1.04)	85.54	**	**	**	**	n.s.	n.s.
Internal sales force	5.48	(0.94)	4.38	(0.73)	4.36	(1.13)	4.92	(0.85)	21.22	*	**	**	n.s.	*	n.s.
Support to the promotion process	5.92	(0.80)	4.15	(0.88)	3.70	(1.09)	5.17	(0.96)	51.12	**	**	**	n.s.	**	**

[a] Mean scores; standard deviation values are in parentheses
[b] All F-statistics are significant at $p < 0.001$
Note: ** $p < 0.01$; * $p < 0.05$; n.s. = Not significant

Table 5
ANCOVA results on firm performance [a]

	Sum of Squares	Degrees of freedom	Mean square	F-value	Significance
Corrected model	49.50[a]	30	1.58	3.78	0.00
Intercept	175.80	1	175.80	419.75	0.00
Competitive intensity	1.58	1	1.58	3.79	0.05
Market complexity	0.38	1	0.38	.90	0.34
Technological turbulence	0.70	1	0.70	1.67	0.20
Realized marketing strategy types[b]	1.90	3	0.63	1.51	0.21
Centralization	0.24	1	0.24	0.57	0.45
Formalization	0.08	1	0.08	0.18	0.67
Specialization	0.01	1	0.01	0.03	0.87
Interdepartmental connectedness	1.17	1	1.17	2.79	0.10
SCMs	3.09	1	3.09	7.37	0.01
Realized marketing strategy types[b] × centralization	3.08	3	1.03	2.45	0.06
Realized marketing strategy types[b] × formalization	4.44	3	1.48	3.54	0.02
Realized marketing strategy types[b] × specialization	4.50	3	1.50	3.58	0.02
Realized marketing strategy types[b] × interdepartmental connectedness	0.65	3	0.22	0.52	0.67
Realized marketing strategy types[b] × SCMs	9.38	3	3.13	7.47	0.00
Interdepartmental connectedness × SCMs	0.22	1	0.22	0.53	0.47
Realized marketing strategy types[b] × SCMs ×interdepartmental connectedness	5.15	3	1.72	4.10	0.01
Error	77.06	184	0.42		
Total	5939.72	215			
Corrected total	124.56	214			

[a] $R^2 = 0.38$; Adjusted $R^2 = 0.28$
[b] The four-group categorical variable of marketing strategies

APPENDICES

Appendix A: Marketing Strategy Types Descriptions and Key Characteristics.

Marketing Strategy Type 1: Aggressive Marketers are product innovators. Such firms provide high-quality innovative products, charge premium prices, place products in selective distribution channels, and communicate with customers through intensive advertising (Slater and Olson, 2001).

Key Characteristics Keywords: entrepreneurial orientation, explorative innovation, differentiation, new-product development

Marketing Strategy Type 2: Mass Marketers are essentially innovation followers. Such firms closely monitor competitors' actions and tactics (e.g., pricing), offer a broad product line of undifferentiated products, compete with lower prices than competitors, employ broad distribution channels, and moderately focus on promotion activities (Slater et al., 2010).

Key Characteristics Keywords: market followers, innovation adoption, competitor oriented, undifferentiated products

Marketing Strategy Type 3: Marketing Minimizers reduce the probability of failure by waiting for a product to be established in the market before introducing their improved version (Slater et al., 2007). These firms pursue markets with a focused line of products, low prices, and intensive distribution, and put little effort into any marketing activities (Slater and Olson, 2001; Slater et al., 2010).

Key Characteristics Keywords: cost leadership, cost oriented, risk aversion

Marketing Strategy Type 4: Value Marketers offer premium value, high-quality products—augmented by superior customer service—at comparatively higher prices than competitors (Slater and Olson, 2001). Firms also employ selective distribution channels, and rely on their own sales team to communicate their value propositions (Slater et al., 2010).

Key Characteristics Keywords: customer oriented, customer relationship, superior customer service, service quality

Appendix B: Supplementary Analyses

ANCOVA Results of Intended Strategies

To rule out the possibility that the moderating role of the administrative system works in the same way for both planned and realized strategies, we ran an additional ANCOVA for intended strategy facets. The intended strategies ANCOVA incorporated: the higher-order construct of firm performance as the dependent variable; the categorical variable of intended marketing strategy types; administrative system parameters as fixed factors; and environmental turbulence contingencies as covariates. Table B1 highlights the findings of the intended strategies ANCOVA. Similar to the realized strategies model, the intended strategies ANCOVA highlights a direct effect for SCMs ($F(1, 188) = 4.80$, $p < 0.05$). Contrary to the realized strategies model, the intended strategies ANCOVA shows two significant interactions between the intended marketing strategy types and specialization ($F(3, 188) = 2.82$, $p < 0.05$) and interdepartmental connectedness ($F(3, 188) = 2.89$, $p < 0.05$). The control variables appear to be nonsignificant in this model. In comparison to the realized strategies ANCOVA, the intended strategies model explains a much smaller percentage of the variance of the outcome (i.e., adjusted R^2 is 12%, down from 28%). As might be expected, performance outcomes are determined by realized strategies and not intentions.

Strategy Deviation

All marketing strategy activities (i.e., product/service-line breadth, product/service innovation, product/service quality, service quality, pricing, distribution, advertising, personal selling, and support to the promotion process) were measured for the intended (i.e., level of importance of the activities when the marketing strategy was planned) and realized (i.e., level of importance of the activities when the strategy was implemented) stages. To demonstrate the gap that firms experienced between the planned and realized levels of strategy, we conducted a series of t-tests. With the exception of distribution, results show significant differences ($p < .05$) between the two stages for all strategy dimensions. The largest differences were observed for product innovation and service quality; the smallest were observed on less flexible dimensions like distribution and product line breadth.

Considering that realized strategies deviate from original plans and that the administrative system is designed on the basis of intended plans, we also examined the moderating effects of the administrative systems on the association between strategy deviation and firm performance. Strategy deviation is conceptualized as the distance occurring from the intended to the realized strategy level; it is a summated measure comprising the difference scores between the nine marketing strategy dimensions at the two levels of strategy. Table B2 reveals the findings of the regression analysis. Interdepartmental connectedness ($\beta = 0.12$, t-value = 1.66, $p < 0.10$) and SCMs ($\beta = 0.23$, t-value = 3.34, $p < 0.05$) were found to be directly related to firm performance. No such link was found for centralization, formalization, specialization, or strategy deviation. In terms of the moderating effects of the administrative system, centralization ($\beta = 0.23$, t-value = 3.05, $p < 0.05$) and specialization ($\beta = 0.13$, t-value = 1.96, $p = 0.05$) positively moderate the association between strategy deviation and firm performance; however, SCMs ($\beta = -0.15$, t-value = -2.02, $p < 0.05$) has a negative moderating effect. We did not observe a moderating effect for formalization or interdepartmental connectedness. As for the control variables, market complexity ($\beta = 0.19$, t-value = 2.62, $p < 0.05$) was found to have a significant direct effect on firm performance; whereas, competitive intensity and technological turbulence were found not to be associated with firm performance.

Table B1: ANCOVA results of intended strategy plans

	Sum of squares	Degrees of freedom	Mean square	F-value	Significance
Corrected model	37.37[a]	26	1.44	2.12	0.00
Intercept	152.59	1	152.59	224.85	0.00
Competitive intensity	0.40	1	0.40	0.59	0.45
Market complexity	1.35	1	1.35	1.98	0.16
Technological turbulence	0.41	1	0.41	0.60	0.44
Realized marketing strategy types[b]	2.75	3	0.92	1.35	0.26
Centralization	0.53	1	0.53	0.78	0.38
Formalization	0.41	1	0.41	0.60	0.44
Specialization	0.01	1	0.01	0.01	0.91
Interdepartmental connectedness	0.32	1	0.32	0.48	0.49
SCMs	3.25	1	3.25	4.80	0.03
Intended marketing strategy types[b] × centralization	1.94	3	0.65	0.96	0.42
Intended marketing strategy types[b] × formalization	0.99	3	0.33	0.48	0.69
Intended marketing strategy types[b] × specialization	5.75	3	1.92	2.82	0.04
Intended marketing strategy types[b] × interdepartmental connectedness	5.89	3	1.96	2.89	0.04
Intended marketing strategy types[b] × SCMs	1.27	3	0.42	0.62	0.60
Error	127.58	188	0.70		
Total	5515.23	215			
Corrected total	164.95	214			

[a] $R^2 = 0.23$; Adjusted $R^2 = 0.12$

Table B2: Strategy deviation and administrative system

	Step 1		Step 2		Step 3	
	B	**t-value**	**B**	**t-value**	**B**	**t-value**
Competitive Intensity (COMP)	-.07	-.99	-.08	-1.19	-.12	1.73
Market Complexity (CMPLX)	.15	1.99	.14	1.94	.19	2.62
Technological Turbulence (TECH)	.10	1.40	.09	1.33	.06	.89
Strategy Deviation (SDEV)			-.02	-.23	.00	.05
Centralization (CENTRA)			-.00	-.025	-.06	-.70
Formalization (FORM)			-.06	-.79	-.00	-.02
Specialization (SPECIAL)			.04	.62	.01	.16
Interdepartmental Connectedness (ICONN)			.11	1.59	.12	1.66
SCMs			.24	3.50	.23	3.34
SDEV × CENTRA					.27	3.08
SDEV × FORM					-.13	-1.48
SDEV × SPECIAL					.13	1.96
SDEV × ICONN					-.04	-.57
SDEV × SCMs					-.15	-2.02
Model fit						
F-Value	2.80		3.14		3.32	
R^2	0.04		0.12		0.19	
Adjusted R^2	0.03		0.08		0.13	
ΔR^2	0.01		0.04		0.06	