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## **DOCTORAL DISSERTATION**

ANTECEDENTS AND CONSEQUENCES OF INTEGRATED MARKETING  
COMMUNICATIONS (IMC): TESTING A THEORETICAL MODEL FROM FIRMS'  
AND CUSTOMERS' PERSPECTIVES IN SPAIN AND BELARUS

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*To my mother...*

*... and to all readers of this Thesis is dedicated.*

## **Acknowledgements**

The following around 100 pages are the result of the extreme driving during almost three years of my life.

Writing this Acknowledgement a few days before the Thesis Deposit I ask myself which feelings I have? Honestly, the moment is full of adrenaline. This track of my life is shifting to the history opening possibilities for new routes. It has started and finished fast.

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*Vera Petrovna Butkouskaya*  
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## Abstract

The topic of the Doctoral Dissertation is in the field of Marketing and in the specific area of Integrated Marketing Communications (IMC). The Thesis consists of three interrelated parts, which study: the antecedents and consequences of the IMC concept from the company point of view, the IMC concept as a mediator and factors influencing on its implementation effectiveness, and, IMC based on the customer perception.

Enhanced by advancement in technologies, the growth of competition and uncertainty in the market, the concept of IMC evolved from a simple instrument of tactical coordination to a dynamic marketing capability. Its evolution and deeper involvement in managerial processes determine the need for the review and better understanding. Based on the dynamic capabilities theory, IMC, when combined with the right strategy, can bring a competitive advantage to the firm and positively affect its performance. However, previous researchers suggest that companies may face barriers while implementing the IMC. First, endogenous factors, enclosing the effects related to internal business management. Second, exogenous factors related to the external environmental effects. Additionally, taking into consideration the existence of a direct relationship between the strategic antecedents of IMC and company performance, we suggest the mediation effect of IMC. Finally, in spite of the customer-centric approach to the IMC concept, researchers have been mainly focused on analysing it from a managerial point of view, overlooking the understanding of customer opinion about IMC.

Thus, we address three interrelated objectives. **Chapter 1** focuses on analyzing the strategic antecedents of the IMC concept and its consequences for company performance (customer, marketing, financial) under the moderating effect of the economy type. **Chapter 2** aims to analyse the existent moderating and mediating effects in the IMC theoretical model. **Chapter 3** studies IMC customer-based perception, its strategic antecedents and consequences on post-purchase customer behaviour (satisfaction, word-of-mouth recommendations, and repurchase intention) from an inter-country perspective.

To test theoretical models, we conduct companies and customer surveys in Belarus and Spain. Drawing from institutional and cultural dimensions theories, for the data collection process we selected two economical and culturally different countries, a transition economy (Belarus) and a developed economy (Spain).

The data analysis suggests that market orientation positively influences on IMC in both transition and developed economies, but the effect of technology orientation on IMC is only significant in the developed economy. IMC directly affects customer and market performance, but the direct effect of IMC on financial performance is not significant in any of the two economies analysed.

The analysis of moderating effects shows that company size and manager's profile moderate the relationships in the theoretical model, whereas the economic system does not. The moderating effect of the organisational structure is only significant in the developed economy. In addition, in a transition economy, IMC mediates only the relationships between market orientation and customer and market performances. In a developed economy, both marketing and technology orientation have indirect effects on company performance through IMC.

The results of customer survey analysis suggest that technology orientation positively affects the IMC customer-based perception, but customer orientation has no effect. However,



customer and technology orientations have indirect effects on post-purchase behaviours through IMC, but only in Spain. Furthermore, IMC positively affects customer satisfaction, which in turn positively influences WOM and repurchase intention. However, WOM has no impact on repurchase intention. In addition, the cross-cultural comparison reveals differences, indicating that only in a more market-oriented economy as Spain IMC affects WOM and repurchase intention. These relationships are fully mediated by customer satisfaction in Belarus and partially in Spain.

Implications of these findings for researchers and managers are further discussed, as are the limitations.

**Keywords:** *dynamic marketing capabilities; strategic orientation; integrated marketing communications; organizational performance; IMC factors; IMC customer-based perception; post-purchase customer behaviour; transition economy; inter-country analysis.*

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## Introduction

The topic of the Doctoral Dissertation is in the field of Marketing and in the specific area of Integrated Marketing Communications (IMC). The Thesis consists of three interrelated parts, which study: the antecedents and consequences of the IMC concept from the company point of view, the IMC concept as a mediator and factors influencing on its implementation effectiveness and IMC based on the customer perception.

Over the past three decades, IMC has received considerable attention in marketing and management literature (Kumar *et al.*, 2016). Enhanced by new technologies and the growth of competition in the marketplace, the concept of IMC evolved from a simple instrument of tactical coordination of promotional tools to a complex strategic process (Mihart, 2012). Despite the long period of research in the field, the IMC concept continues to generate debate, discussion, and in some cases, misunderstanding (Einwiller and Boenigk, 2012; Ewing, 2009; Kitchen and Schultz, 2009; Kliatchko, 2008; Kliatchko and Schultz, 2014). Therefore, IMC is still considered as a topic of research priority (Kumar *et al.*, 2016). Its evolution due to innovations and technological changes (Mulher, 2009), as well as deeper involvement in managerial processes inside companies (Schulz and Schultz, 1998), determines the need for a review and better understanding (Kliatchko and Schultz, 2014). Based on the dynamic capabilities theory perspective (Teece, 2007; 2014), IMC, as a cross-functional integration process (Duncan and Moriarty, 1998), can be an important marketing capability of a company. This capability can help to utilize company's resources and assets in a better way to resist environmental changes (Makadok, 2001; Morgan *et al.*, 2009). This capacity can be enhanced with managerial orchestration guided by a good strategy (Teece, 2014). Specifically, IMC, as a company dynamic capability, can facilitate the value and stock of strategic orientation assets (Makadok, 2001). These relationships enhance the firm's competitive advantage and can be a significant driver of its organisational performance (Morgan *et al.*, 2009; Theodosiou *et al.*, 2012).

There are several empirical studies regarding relationships between strategic orientation and IMC (Morgan *et al.*, 2009; Mulhern 2009). In particular, market orientation (MO), as an important market-based asset, influences IMC (Reid *et al.*, 2005). Technology orientation (TO) has also an impact on IMC, driven by the recent changes in technologies and the transformation from traditional to digital marketing assets (Kitchen, 2016; Mulhern, 2009). However, there is still no clear understanding of IMC's role in the transformation of companies' market and technology capabilities into a sustainable competitive advantage and its influence on performance (Peltier *et al.*, 2013; Reinold and Tropp, 2012).

The analysis of the literature also suggests the existence of direct relationships between strategic antecedents of IMC and performance (Low, 2000; Mulhern, 2009; Reid *et al.*, 2005; Schultz, 2003; Vorhies and Morgan, 2005). It means that, in addition to the direct effect of company strategic orientation on the performance (Gatignon and Xuereb, 1997), due to the cross-functional integration process, MO and TO may have an indirect positive effect on company performance (Morgan *et al.*, 2009; Theodosiou *et al.*, 2012). In this case, additionally to the direct effects, the mediation effect of IMC should be analysed.

However, a number of researchers suggest that companies may face barriers while implementing the IMC (Christensen *et al.*, 2008; Christensen and Cornelissen, 2011; Low, 2000; Reid, 2005.). Several factors that may influence the effective implementation of IMC.

These factors, which drive or hinder the achievement of a certain level of integration, allow gathering them into two large groups (Porcu et al., 2012). First, *endogenous factors* enclose the effects related to human resources (Einwiller and Boenigk, 2012), interdepartmental communications (Kim *et al.*, 2004; Reid, 2005), company heterogeneity, such as business size, typology/sector/industry (Low, 2000; Reid, 2005), and other variables related to business management (Christensen *et al.*, 2008; Christensen and Cornelissen, 2011; Schultz and Schultz, 2003). Second, *exogenous factors*, which are the level of competition in the market (Low, 2000; Reid, 2005), economic and institutional environment in which the organisation operates (Kim *et al.*, 2004) and the cultural differences between countries (Hofstede, 1993).

A literature review suggests several differences in the IMC implementation process depending on company size. These differences may occur because companies of different size vary in their structure and level of formalization (Einwiller and Boenigk, 2012). In addition, they tend to differ in the amount, scope and level of complexity of marketing communications (Low, 2000). Previous research of the IMC concept mainly focuses on large companies, although small and medium-sized enterprises (SMEs) are considered very important in the development of all types of economies (Einwiller and Boenigk, 2012; European Commission 2017). That is why additional research about SMEs and the comparison of IMC effectiveness between small, medium and large companies is needed (Einwiller and Boenigk, 2012; Low 2000).

Existing literature also suggests several differences between B2B and B2C companies in managing communications. B2B companies compared to B2C, tend to put more attention on the quality of the service, personalisation, time-control, and building long relationships with the exchanging of larger amounts of money (Garber and Dotson, 2002). Apart, B2B companies are also successful in the implementation of innovations and new technologies, not only for their products and services but also in the marketing communications activities (Garber and Dotson, 2002; Valos *at al.*, 2015). So, the way IMC should be implemented and applied in B2C and B2B companies and also the IMC impact on performance may be different, which requires additional analysis (Garber and Dotson, 2002; Hall and Wickham, 2008).

Company's profiles are also different depending on organisational structures (Olson *et al.*, 2005; Ruekert *et al.*, 1985; Zahay *et al.*, 2014). It, in turn, affects the IMC implementation and the process of cross-functional integration (Olson *et al.*, 2005). Thus, it is interesting to study the way in which strategic decisions together with IMC practices fit the objectives of increasing performance in companies with different organisational structures.

The literature review suggests that a marketing communications manager can be a key success factor for the company and drive the potential competitive advantage, and, as a result positively influence the final performance (Einwiller and Boenigk, 2012; Hofstede, 1993; Kitchen *et al.*, 2004). Managerial decisions strongly depend on their professionalism and cultural background (Cornelissen and Lock, 2001; Hofstede, 1993). Therefore, there is a need for the analysis of the influence of manager's profile on IMC practices implementation and effectiveness (Christensen *et al.*, 2008; Cornelissen and Lock, 2001; Wightman, 1999).

As an important part of a company marketing strategy, the IMC concept is well accepted by marketing specialists (Kliatchko and Schultz, 2014). In addition, the previous research agrees on the need for further study of the antecedents and consequences of the IMC concept (Einwiller and Boenigk, 2012; Hofstede, 1993; Zahay *et al.*, 2014). However, being customer-centric (Kliatchko, 2008), IMC concept highlights the need for having accurate and

detailed information about customer needs, motivation, attitude and actions (Danaher and Rossiter, 2011; Kushwaha and Shankar, 2013; Mihart, 2012). This information is very relevant for companies' survival and development in a fast-changing and competitive economic system (Kliatchko and Schultz, 2014). The evidence of new technologies and social networks bring an opportunity for making marketing communications interactive and the possibility to collect a large amount of customer information (Mulhern, 2009). IMC practices of interactive dialogue with prospects and the understanding of customer needs give the company information to improve goods and services and positively influences customer performance. This impact is the result of the customer receiving a consistent message from a variety of communication channels (Danaher and Rossiter, 2011; Low, 2000). Therefore, it is important to understand the customer opinion about the integration of marketing communications (Peltier *et al.*, 2003).

Sensing of market changes and being customer oriented as a part of the company strategy transfers IMC into a dynamic marketing capability. IMC, together with a good strategy, can bring a competitive advantage to the firm (Morgan *et al.*, 2009; Mulhern, 2009; Teece, 2014).

However, as previous studies of the IMC concept are mainly based on the analysis of manager's' opinion, the topic of IMC customer-based perception is still open for further research (Peltier *et al.*, 2003; Šerić *et al.*, 2014).

New technologies and new practices in marketing have a big effect, not only on customer perception of marketing communications but also on consumer behaviour. They influenced from the way consumers communicate and learn about products and offerings in multichannel marketing, and, how they shop and buy (Darley *et al.*, 2010; Kim and Lennon, 2008), to their evaluation and post-purchase behaviour (Mugge *et al.*, 2010; Prendergast *et al.*, 2010). As previous consumer behaviour research has focused primarily on buying behaviour, less is understood about the consumer-product relationship during ownership, even though the post-purchase behaviour plays an important role in customer retention (Mihart, 2012; Mugge *et al.*, 2010; Prendergast *et al.*, 2010). Thus, the changes in the environment in which companies communicate with their customers create the necessity to study interactions between customer-based IMC perception and consumer behaviour at all the stages of the decision-making process and post-purchase behaviour (Mihart, 2012; Payne and Flow, 2005). As well as, it is the need to analyse the relationships between the elements of the post-purchase behaviour (satisfaction, word-of-mouth (WOM) recommendations and repurchase intention) (Payne and Flow, 2005; Peltier *et al.*, 2013).

The *dynamic capabilities theory* emphasises the need for sensing and recognising market and technology changes in business environments and using this knowledge as a capability for companies' asset transformation towards sustainable competitive advantages (Teece 2007, 2012). However, as *institutional theory* states, uncertainty has even a greater influence on companies' market behaviour, which varies depending on environmental conditions (Scott, 1987; 2008). As an example, a company it is supposed to have fewer marketing efforts in transition economies than in developed economies; therefore, in this case, the importance of dynamic capabilities and strategic orientation relationships can be underestimated (Deshpande *et al.*, 2012). Furthermore, as mentioned before, some authors suggest that environmental factors, such as the level of competition or economic changes, can influence the IMC concept and implementation (Kim *et al.*, 2004; Low 2000; Reid *et al.*, 2005). It means that companies should build their marketing communications with



stakeholders in a different way depending on external factors, which in turn can affect customer IMC perception (Kim *et al.*, 2004). Nonetheless, there is a lack of research about the moderating effect of the economy type on the relationships between strategic orientation, IMC, and performance (Kim *et al.*, 2004). Additionally, *Hofstede's cultural dimensions theory* suggests that academic research on marketing and management should be undertaken with cross-cultural perspective, because cultural dimensions may influence both managerial decisions and customer behaviour. Thus, the further advancement of the academic disciplines and generalisation of the results requires that the validity of the theories and models be examined in cross-cultural settings (Hofstede, 1993; Streenkamp, 2001). For that reason, we conduct our research in two different countries (Spain and Belarus).

This Doctoral Dissertation will consist of three interrelated parts with its own objectives, which will cover the study of the concept, the antecedents and consequences, influencing factors, and customer perception of IMC in an inter-country context.

The main **objective** of **Chapter 1** is to clarify the theoretical background of the IMC concept as a dynamic capability, linking it with strategic orientation and organisational performance under the moderating effect of the economy type. Following the objective of the research, we examine the following important but unsolved questions: 1. How does strategic orientation influence on IMC? 2. How does IMC influence on organisational performance? 3. How does the economy type (transition or developed economy) influence on the relationships between strategic orientation, IMC, and organisational performance?

**Chapter 2** has **objective** to identify and analyse the possible mediating and moderating effects in the IMC theoretical model in an inter-country context. The four main research questions are the following: 1. Does IMC mediate the relationship between strategic orientation and organizational performance? 2. Which are the main factors influencing the IMC implementation effectiveness? 3. Do these factors moderate the relationships in the IMC antecedents and consequences for the theoretical model? 4. How do these effects vary in countries with different economy types or different cultural characteristics?

The **objective** in **Chapter 3** is studying the antecedents and consequences of IMC from a customer perspective in an inter-country context. The goal is to answer the following research questions: 1. What are the main customer-based antecedents of IMC? 2. What are the consequences of IMC on customer post-purchase behaviour? 3. What are the relationships between the different elements of post-purchase customer behaviour (satisfaction, WOM recommendations and repurchase intention)?

Based on the research objectives mentioned before, in **Chapter 1**, we first briefly report the theoretical background and review the relevant literature to support our theoretical assumptions. Next, we describe the methodology used to test the model and specify the different economic contexts selected for the multi-group analysis. Then, we introduce the results of the data collection, model measurement and multi-group analysis of the moderating effect of the economy type. The paper concludes with a discussion of the theoretical and practical implications and future research lines.

We start Chapter 2 with a literature review and discussing the hypothesis about mediation and moderation effects to be tested. After, we present the description of the sample; the method used, and present the main results of data analysis. Then, we provide a discussion and conclusions with theoretical and practical implications of obtained results. We finish with a short list of research limitations and future research directions.

Following the research objectives, **Chapter 3** starts with a brief literature review of the main IMC customer-based antecedents and consequences and a description of the main elements of customer post-purchase behaviour. Then, the process of data collection and analysis is presented. After, the main results are reported. The article finalises with a discussion, conclusions, and some recommendations for future research.

Answering the research questions, Chapter 1 will shed light on the current situation of the IMC concept as a dynamic marketing capability from a multidisciplinary both marketing and management perspectives and will expound the IMC's influence on three organisational performance criteria, namely customer, marketing, and financial performance. Additionally, the adoption of the institutional theory in analysing the dissimilarity between strategic orientation, IMC, and performance under the moderating effect of the economy type gives an additional value to generalising results in an inter-country context. From a practical point of view, understand how being market and technology-oriented may enhance IMC effectiveness and move the company towards competitive advantage in the market may help managers to make a better strategic marketing decision. As well, further analysis of IMC influence on organisational performance sheds light on understanding the company's strategic behavioural influence on performance in the context of uncertainty. Additionally, the inter-country analysis will give further knowledge to understanding how marketing strategies can be applied having in mind to the moderating role of economy type.

The research presented in **Chapter 2** contributes to the IMC theory by covering the gap of applying endogenous and exogenous factors as moderators in an IMC theoretical model. From a practical perspective, a better understanding of how these factors influence on the IMC implementation can help managers to take better decisions depending on company's and manager's characteristics in an inter-country environment.

**Chapter 3** mainly contributes to the literature in some additional aspects. First, from a theoretical perspective, this study adds value to the understanding of the IMC concept and its antecedents and consequences, from a customer point of view. And, second, it also contributes to the consumer behaviour theory research by analyzing and better understanding the relationships between different elements of post-purchase behavior, such as customer satisfaction, WOM recommendations, and repurchase intention (Darley *et al.*, 2010; Godfrey *et al.*, 2011; Hellier *et al.*, 2003; Mittal and Kamakura, 2001). Furthermore, the inter-country approach is an important contribution to generalising results under the requirements of a cross-cultural marketing and management study (Hofstede, 1993; Steenkamp, 2001). From a managerial point of view, the study of IMC strategic antecedents can help managers to make better decisions and improve marketing strategies to achieve competitive advantages (Mihart, 2012). Moreover, understanding the relationships between IMC and post-purchase customer behaviour can help knowing customers better and enable the development of a comprehensive theory of customer retention (Kumar and Venkatesan, 2005), which as a result, can be applied by managers to positively influence customer performance (Darley *et al.*, 2010).

A brief summary of the research questions, theoretical frameworks, research design and key findings, which appear in each of the three Chapters, are presented in Table 1.1.

**Table 1.1.** Dissertation approach

Chapter	One	Two	Three
<b>Research Questions</b>	<ol style="list-style-type: none"> <li>1. How does strategic orientation influence on IMC?</li> <li>2. How does IMC influence on organisational performance?</li> <li>3. How does the economy type (transition and developed economy) influence the relationship between strategic orientation, IMC, and organisational performance?</li> </ol>	<ol style="list-style-type: none"> <li>1. Does IMC mediate the relationship between strategic orientation and company performance?</li> <li>2. Which are the main factors influencing the IMC implementation effectiveness?</li> <li>3. Do these factors moderate the relationships in the IMC antecedents and consequences theoretical model?</li> <li>4. How do these effects vary in different economy types or different cultural characteristics?</li> </ol>	<ol style="list-style-type: none"> <li>1. What are the main customer-based antecedents of IMC?</li> <li>2. What are the consequences of IMC influence on customer post-purchase behaviour?</li> <li>3. What are the relationships between the different elements of post-purchase customer behaviour? (satisfaction, WOM recommendation, and repurchase intention)?</li> </ol>
<b>Theoretical Framework</b>	<ul style="list-style-type: none"> <li>• Dynamic capabilities theory.</li> <li>• Institutional theory.</li> </ul>	<ul style="list-style-type: none"> <li>• Dynamic capabilities theory.</li> <li>• Institutional theory.</li> <li>• The Hofstede's cultural dimensions theory.</li> </ul>	<ul style="list-style-type: none"> <li>• Customer behaviour theory.</li> <li>• Institutional theory.</li> <li>• The Hofstede's cultural dimensions theory.</li> </ul>
<b>Research Design</b>	<ul style="list-style-type: none"> <li>• Quantitative study.</li> <li>• A survey from 267 Spanish and 308 Belarusian companies.</li> <li>• Structural Equation Modeling (SEM)</li> <li>• Multi-group analysis.</li> </ul>	<ul style="list-style-type: none"> <li>• Quantitative study</li> <li>• A survey from 267 Spanish and 308 Belarusian companies.</li> <li>• Structural Equation Modeling (SEM)</li> <li>• Multi-group analysis.</li> </ul>	<ul style="list-style-type: none"> <li>• Quantitative study.</li> <li>• A survey from 369 Spanish and 382 Belarusian customers.</li> <li>• Structural Equation Modeling (SEM)</li> <li>• Multi-group analysis.</li> </ul>
<b>Key Findings</b>	<ul style="list-style-type: none"> <li>• The difference in contributions of strategic orientation to IMC (MO has a positive effect, and TO has no effect on IMC).</li> <li>• The variation in these relationships across countries with different economy types.</li> <li>• A positive effect of IMC on customer and market performance.</li> <li>• No effect of IMC on financial performance.</li> </ul>	<ul style="list-style-type: none"> <li>• The indirect effect of strategic orientation on performance through IMC depends on the type of country.</li> <li>• A moderation effect of firm's size and firm's structure on the relationships in the IMC theoretical model.</li> <li>• A moderation effect of manager's profile.</li> <li>• A moderation effect of the type of economy on previous relationships</li> <li>• No moderation effect of company type on the relationships in the IMC theoretical model.</li> </ul>	<ul style="list-style-type: none"> <li>• The difference in the contributions of strategic orientation on IMC, from the customers point of view (CO has no influence and TO has a positive influence on IMC).</li> <li>• An indirect effect of CO and TO through IMC on the elements of post-purchase behaviour.</li> <li>• A strong positive effect of IMC on customer satisfaction.</li> <li>• A strong positive effect of customer satisfaction on repurchase intention.</li> <li>• No effect of WOM on repurchase intention.</li> <li>• The significant moderating effect of the economy and cultural country differences on the relationships between IMC and WOM, and IMC and repurchase intention.</li> <li>• A mediation effect of customer satisfaction on these relationships, full mediation in Belarus, and, partial in Spain.</li> </ul>
<p><b>Notes:</b> CO=Customer Orientation, TO=Technology Orientation, WOM=Word-of-Mouth, strategic orientation=Strategic Orientation, IMC=Integrated Marketing Communications, MO=Market Orientation.</p>			

**Chapter 1.**  
Strategic orientation, integrated marketing communications  
and performance

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## Chapter 1. Strategic orientation, integrated marketing communications and performance

### 1.1 Introduction

Even after three decades, the concept of integrated marketing communications (IMC) is still considered as a topic of research priority (Kumar *et al.*, 2016). Its evolution, due to innovations and technological changes (Mulher, 2006) as well as deeper involvement in managerial processes inside companies (Schulz and Schultz, 1998), determines the need for a review and better understanding (Kliatchko and Schultz, 2014). Based on the dynamic capabilities theory perspective (Teece, 2007; 2014) IMC, as a cross-functional integration process (Duncan and Moriarty, 1998), can be an important marketing capability of a company, which can help it to utilize resources and assets in a better way to resist environmental changes (Makadok, 2001; Morgan *et al.*, 2009). This capacity can be enhanced with managerial orchestration guided by a good strategy (Teece, 2014). Drawing on the dynamic capabilities literature, we propose that the adoption of a strategic orientation (strategic orientation) as a company asset (Menguc and Auh, 2006) advances the development of dynamic marketing capabilities. In addition, IMC, as a firm dynamic capability, in turn, can facilitate the value and stock of strategic orientation assets (Makadok, 2001). These relationships enhance the firm's competitive advantage and can be a significant driver of organisational performance (Morgan *et al.*, 2009; Theodosiou *et al.*, 2012).

There are several empirical studies related to the relationships between strategic orientation and IMC (Morgan *et al.*, 2009; Mulhern, 2009). In particular, market orientation (MO), as an important market-based asset, influences IMC (Reid *et al.*, 2005). Technology orientation (TO) has also an impact on IMC, driven by the recent changes in technologies and the transformation from traditional to digital marketing assets (Kitchen, 2016; Mulhern, 2009). However, there is still no clear understanding of IMC's role in the transformation of firms' market and technology capabilities into a sustainable competitive advantage and its influence on organizational performance (Peltier *et al.*, 2013; Reinold and Tropp, 2012).

Under the conditions of global competition and deep uncertainty (Augier and Teece, 2009), the dynamic capabilities theory emphasises the need for sensing and recognising market and technology changes in business environments and using this knowledge as a capability for companies' asset transformation towards achieving sustainable competitive advantages (Teece, 2007). However, as institutional theory states, uncertainty has a great influence on companies' market behaviour, which varies depending on environmental conditions (Scott, 1987; 2008). As an example, it is supposed to have fewer marketing efforts in transition economies than in developed economies; consequently, the importance of dynamic capabilities and strategic orientation relationships can be underestimated (Deshpande *et al.*, 2012). Furthermore, some authors suggest that environmental factors, such as the level of competition or economic changes, can influence the IMC concept and its implementation (Kim *et al.*, 2004; Low 2000; Reid *et al.*, 2005). Nonetheless, there is a lack of research about the moderating effect of the economy type on the relationship between strategic orientation, IMC and firm's performance (Kim *et al.*, 2004).

Chapter 1 reports the results of a research with the main objective of clarifying the theoretical background of the IMC concept as a dynamic capability, linking it with strategic orientation and organisational performance under the moderating effect of the economy type.

We examine the following important but unsolved questions: 1. How does strategic orientation influence on IMC? 2. How does IMC influence on organisational performance? 3. How does the economy type (transition or developed economy) influence on the relationship between strategic orientation, IMC and organisational performance? Answering these questions will shed light on the current situation of the IMC concept from a multidisciplinary marketing and management perspectives and expound the IMC's influence on three organisational performance criteria, namely customer, marketing, and financial performance. Additionally, the adoption of the institutional theory in analysing the dissimilarity between strategic orientation, IMC, and performance under the moderating effect of the economy type gives an additional value to IMC inter-country research. Furthermore, from a practical point of view, a better understanding of companies' behaviour in the context of uncertainty will help managers in making better strategic decisions.

Based on the research objective, we first briefly report the theoretical background and review the relevant literature to support our theoretical assumptions. Next, we describe the methodology used to test the model and specify the different economic contexts selected for the multi-group analysis. Then, we introduce the results of the data collection, model measurement, and multi-group analysis of the moderating effect of the economy type. The paper concludes with a discussion of the theoretical and practical implications and future research lines.

## 1.2 Theoretical framework

### 1.2.1 Dynamic capabilities theory

In a fast-moving business environment, open to global competition with deep uncertainty, rather than simple heterogeneity in companies' resources and assets, a sustainable advantage requires dynamic capabilities (Augier and Teece, 2009; Teece, 2007). Dynamic capabilities are 'strategic' and distinct from ordinary capabilities, which enable the company to perform its current activities efficiently (Teece, 2014). Three clusters of activities represent the strategic orientation of dynamic capabilities: (1) sensing (identification and assessment of an opportunity); (2) seizing (mobilisation of resources to address an opportunity and to capture value from doing so); and (3) transforming (continued renewal) (Teece, 2007). Therefore, dynamic capabilities, by layering on top of ordinary capabilities, enable companies to implement new strategies to reflect future market and technology changes by combining and transforming the available assets in new and different ways, which can bring them a sustainable competitive advantage (Makadok, 2001; Teece, 2007; 2014).

### 1.2.2 IMC as a dynamic marketing capability

The concept of IMC is widely discussed in the literature, and there are several approaches to its definition evaluation (Muñoz-Leiva *et al.*, 2015). *The inside-out approach* with poor consumer orientation, representing IMC as the integration of the elements of marketing communication to make them speak in 'one voice' (Nowak and Phelps, 1994). *The outside-in approach* with an active attempt to understand and integrate information about customers' needs by means of what, when, and how (through which channels), which defines IMC as a 'business process' (Schultz and Schultz, 1998). *The cross-functional strategic approach*, as an evaluation of the 'business process' definition, derived from the communication-based view theory (Duncan and Moriarty, 1998), which assumes that the integration of marketing

communications should take place within the areas of marketing that concern the whole company's activities (planning, organizing, managing and control) at the corporate level and communications with all the stakeholder groups (customers, partners, distributors, etc.) (Christensen *et al.*, 2008).

Based on the levels of IMC implementation proposed by Schultz and Schultz (1998), Kliatchko (2008) reviewed and brought together all the approaches and defined IMC as a stakeholder-centric concept of the cross-functional process of integration of the following components: *content* (adapting unique, relevant, and consistent content to the recipient via information-based technology); *channels* (using connected strategic management to integrate all the possible brand touchpoints that stakeholders come into contact with); *stakeholders* (taking a stakeholder-centred, outside-in perspective with a special focus on consumers); and *result* (IMC's ultimate goal is to produce measurable results that fit with the company strategy). Kliatchko (2008) supported the cross-functional approach defining IMC as a 'business process' and mentioned the need for integration of all levels of a company's activities. In recent years, more authors have considered that integration should involve the corporate level of communications with stakeholder groups (Balmer and Greyser, 2006; Christensen *et al.*, 2008; Christensen and Cornelissen, 2011; Kerr and Patti, 2015). Consequently, in this research, in addition to the four components proposed by Kliatchko (2008), we consider a cross-functional process of integration of marketing communications at the corporate level as an important separate component of the IMC concept (Table 1.2).

**Table 1.2.** Components and levels of integration of the IMC concept

Components	Level of integration	References
<b>Content</b>	'One voice', message content integration	Duncan and Moriarty (1998); Kliatchko (2008); Kliatchko and Schultz (2014); Low (2000); Schulz and Schulz (1998)
<b>Channels</b>	Marketing communications' integration, coordination, and consistency	Duncan and Moriarty (1998); Kliatchko (2008); Kliatchko and Schultz (2014); Low (2000); Schulz and Schulz (1998)
<b>Stakeholders</b>	Integration of customer information in databases, application of IT	Duncan and Moriarty (1998); Kliatchko (2008); Kliatchko and Schultz (2014); Schulz and Schulz (1998)
<b>Results</b>	Integration of result and strategy	Balmer and Greyser (2006); Kerr and Patti (2015); Kliatchko (2008); Schulz and Schulz (1998)
<b>Process</b>	Cross-functional integration of business processes up to corporate level of communications	Balmer and Greyser (2006); Duncan and Moriarty (1998); Kerr and Patti (2015); Kliatchko (2008); Kliatchko and Schultz (2014); Low (2000)

Following the idea of cross-functional integration of marketing communications, IMC can be considered as a dynamic marketing capability, which can lead to a competitive advantage (Makadok, 2001; Morgan *et al.*, 2009; Vorhies and Morgan 2005) and positively influence the company's performance (Reid, 2005; Reinold and Tropp, 2012).

### 1.3 Literature review

#### 1.3.1 Strategic orientation and IMC

Vorhies *et al.* (2009) specified that marketing communications, as a specialised marketing capability, as well as their integration, can be a significant driver of market effectiveness and competitive advantage. In addition, as already noted, a dynamic capability is the capacity to utilise resources to perform a task or an activity against the environmental changes (Teece, 2014). To obtain a certain level of competitive advantage, dynamic capabilities require

managerial orchestration guided by a good strategy (Teece, 2014). In that sense, a firm's strategic orientation is considered as an asset or a company-level resource (Menguc and Auh, 2006; Zhou *et al.*, 2005). Drawing on this literature, the present study proposes that the adoption of a specific strategic orientation advances the development of important marketing capabilities that in turn enhance organisational performance (Theodosiou *et al.*, 2012). Adopting the behavioural perspective of MO (Kohli and Jaworski, 1990) and extending it to the strategic orientation concept it consists of the generation, dissemination and responsiveness of market intelligence, which is focused on customers, competitors, or environmental changes (Cadogan *et al.*, 1999; Jaworski and Kohli, 1993). Market-oriented firms constantly collect relevant market information, share the information with other departments and other decision-makers throughout the organisation, and quickly respond to the changes in the market (Kohli and Jaworski, 1990). Despite MO providing firms with a source of competitive advantage (Narver and Slater, 1990; Reid *et al.*, 2005), there is little understanding of how this market-based asset is deployed to achieve a competitive advantage. MO as a market-oriented set of behaviours can be a precursor for building the potential value of IMC as a marketing capability (Ketchen *et al.*, 2007; Morgan *et al.*, 2009). From the dynamic capabilities theory perspective, we examine MO as a key market-based asset (Morgan *et al.*, 2009) and IMC as a key market-relating deployment mechanism (Peltier *et al.*, 2013; Reinold and Tropp 2012). From that, the following hypothesis is derived:

**H1:** Market orientation has a positive effect on IMC.

The exogenous market pressure of technology changes and the rapidity of innovation, as well as the great impact of transformation from traditional to digital media on the practices of marketing communications, cannot be ignored by market-oriented companies (Kitchen and Proctor, 2015; Morgan *et al.*, 2009; Mulhern, 2009). The critical MO function of capturing and applying information about customers' current and future needs and the competition in the market underwent a technology orientation (TO) as a way of looking at and responding to the changing market circumstances (Kitchen, 2016). Although both MO and TO encourage the development of new ideas, the key difference lies in how and where the new ideas originate (Trainor *et al.*, 2011). While MO represents a customer-based philosophy (Trainor *et al.*, 2011), TO is the philosophy of a 'technological push', which represents a company's capability of recognizing and adapting to emerging technologies, investing more in research and development, and applying new technology within the organization (Gatignon and Xuereb, 1997; Trainor *et al.*, 2011; Zhou *et al.*, 2005). This view suggests that linking customers with new technologies and innovation implementation within the firm (Zhou *et al.*, 2005) is a key and critical component of the conceptualization of companies' marketing capabilities (Trainor *et al.*, 2011), in particular, in IMC (Mulhern, 2009; Teece, 2014). Accordingly, we posit that:

**H2:** Technology orientation has a positive effect on IMC.

### 1.3.2 IMC and performance

From the literature analysis, it is apparent that the measurement of IMC outcomes can be divided based on the influence of the levels of integration on performance (Reid 2005) as



follows: *operational*, the improvement of interdepartmental coordination and «one voice» communications (Beard, 1996; Cornelissen *et al.*, 2001); *campaign*, the synergy effect of the communication mix (Cornelissen and Lock, 2000); *customer impact and related assets*, brand equity and customer-based brand equity (Ambler *et al.*, 2002; Rust *et al.*, 2004); *market impact and position-related*, market share and market growth, customer price changes perception (Ambler *et al.*, 2002; Duncan and Moriarty, 1997); and *financial impact and impact on the firm value* (Rust *et al.*, 2004).

Given the lack of empirical research on the relationship between IMC and various performance outcomes, it is too early to specify an exact relationship between them. Nevertheless, as IMC can give a company an additional competitive advantage in the market (Morgan *et al.*, 2009; Vorhies and Morgan, 2005), from a strategic perspective IMC has been hypothesized to provide benefits to market performance (Duncan and Moriarty, 1998; Low, 2000; Reid *et al.*, 2005; Schultz, 2003) and financial performance (Vorhies and Morgan, 2005). Therefore, we posit:

**H3:** IMC has a positive effect on customer performance (CUP).

**H4:** IMC has a positive effect on marketing performance (MP).

**H5:** IMC has a positive effect on financial performance (FP).

### 1.3.3 The moderating effect of the economy type

The business environment, being complicated by the dynamics of change and competition, is producing a degree of uncertainty that cannot be ignored (Teece, 2014). Companies that attempt to ignore or deny environmental factors place themselves at a competitive disadvantage (Theodosiou *et al.*, 2012). Teece (2007, 2014) considered the implication of environmental uncertainty in the application of dynamic capabilities. Several environmental factors are described in the literature that may drive or hinder the achievement of a certain IMC level. They can be presented as the level of competition, marketing activeness, the technological turbulence of a specific market or region, and cultural differences (Kim *et al.*, 2004; Low 2000; Reid, 2005; Theodosiou *et al.*, 2012). Transition economies make a particularly good laboratory for understanding the dynamics of market evolution and evaluating the impact of the economy type on marketing capabilities and IMC (Djankov and Murrell, 2000). Extensive price and trade liberalisation, the loss of traditional markets, and mass privatisation have resulted in competition growth (Makhija, 2003; Svejnar, 2002;), forcing companies to adapt and transform their assets and resources to survive in uncertain environmental conditions (Estrin, 2002; Peng, 2003).

Institutional theory supports the relationships between dynamic external factors and processes inside the organisations and specifies that company behaviour may vary depending on the institutional environment in which it operates (Scott, 2008). In particular, the economic environment influences the strategic orientation level, which means that companies start to be more strategically oriented with the growth of the competition in the market (Gatignon and Xuereb, 1997; Shinkle *et al.*, 2013).

Facing a high level of competition, companies must be more active in collecting market information to respond to competitors' actions (Gatignon and Xuereb, 1997; Murray *et al.*, 2011). The level of competition is indicated not only by the number of competitors but also by the intensity of marketing activeness used by companies to gain a market share (Jaworski

and Kohli, 1993; Murray *et al.*, 2011; Slater and Narver, 1994). That is why it is important to involve MO as an instrument to obtain market information for understanding the external environment as an essential part of strategic planning and the application of dynamic capabilities (Teece, 2007; Trainor *et al.*, 2011).

In contrast, the level of competition is lower in transition economies than in developed (Estrin, 2002). When customers do not have many product alternatives, the effect of MO and its importance is not so remarkable (Murray *et al.*, 2011; Shinkle *et al.*, 2013; Trainor *et al.*, 2011). Specifically, post-socialist countries of the former Soviet Union have a lower level of MO (Peng, 2003). It happens because the Soviet economy had inflexible central planning with a complex degree of vertical integration, fixed target customers, a low degree of openness to external trade, and, as a result, no need for MO and marketing activeness (Blanchard and Kremer, 1997). As MO enables companies to monitor competitors' actions and develops marketing capabilities to create a competitive advantage, its low level in transition economies causes a lack of up-to-date information about competitive and market changes, and negatively influences the implementation of IMC practices (Trainor *et al.* 2011).

Companies with different levels of MO have various perceptions of the environment. As a result, they react to changes in the market and competition differently (Gatignon and Xuereb, 1997; Murray *et al.*, 2011; Shinkle *et al.*, 2013). By responding to marketplace changes in fast and dynamic environments, market-oriented companies deal with greater uncertainty and take greater risks than less market-oriented companies take in transition economies (Jaworski and Kohli, 1993; Murray *et al.*, 2011). However, even when taking higher risks, they have better market information gathering and processing abilities that allow them to learn about changes quickly and accurately. It provides a superior knowledge of customers' needs, market potential, and competition, which facilitates the improvement of companies' marketing activities, in particular IMC, and, as a result, the development and launching of a competitive advantage (Murray *et al.*, 2011; Teece, 2007). Therefore, we expect that:

**H1a:** The positive effect of MO on IMC is lower in transition economies than in developed economies.

As mentioned before, actual information about the market is critical for companies' competitive advantage (Teece, 2007). Using new media and database marketing, technology-oriented companies apply IMC practices to create an interactive two-way dialogue with customers and obtain up-to-date market information (Mulhern, 2009; Peltier *et al.*, 2003; Zhou *et al.*, 2005). However, in transition economies such as the post-Soviet countries companies maintain a low level of marketing activeness (Deshpandé *et al.*, 2012; Peng 2003). This causes a loss of market information about current technological changes and underestimating the importance of TO (Pakko, 2002; Shinkle *et al.*, 2013) because of the lower quality of marketing communications in transition economies (Trainor *et al.*, 2011), the effect of TO on IMC should be weaker. Therefore, we hypothesise:

**H2a:** The positive effect of a technology orientation on IMC is lower in transition economies than in developed economies.

In highly competitive environments under conditions of uncertainty, companies are particularly sensitive to implementing capabilities that enhance organisational performance (Teece, 2007; Trainor *et al.*, 2011). In a new economic environment, companies in transition economies face competition and must be responsible for their own profits and losses (Djankov and Murrell, 2002). Although improved company performance must be at the heart of any successful transition from a command to a market-oriented economy, because of ownership changes after privatisation, companies in transition economies first need restructuring through changes in objectives and strategies (Deshpandé *et al.*, 2012). That is why the reallocation of resources and the reviewing of the capabilities because of the market and technological changes, as well as the improvement of company performance, work faster in owner-management companies, which are more typical of developed economies than of transition economies (Djankov and Murrell, 2002). Based on this, we suggest that the type of the economy moderates the relationship between IMC and organisational performance:

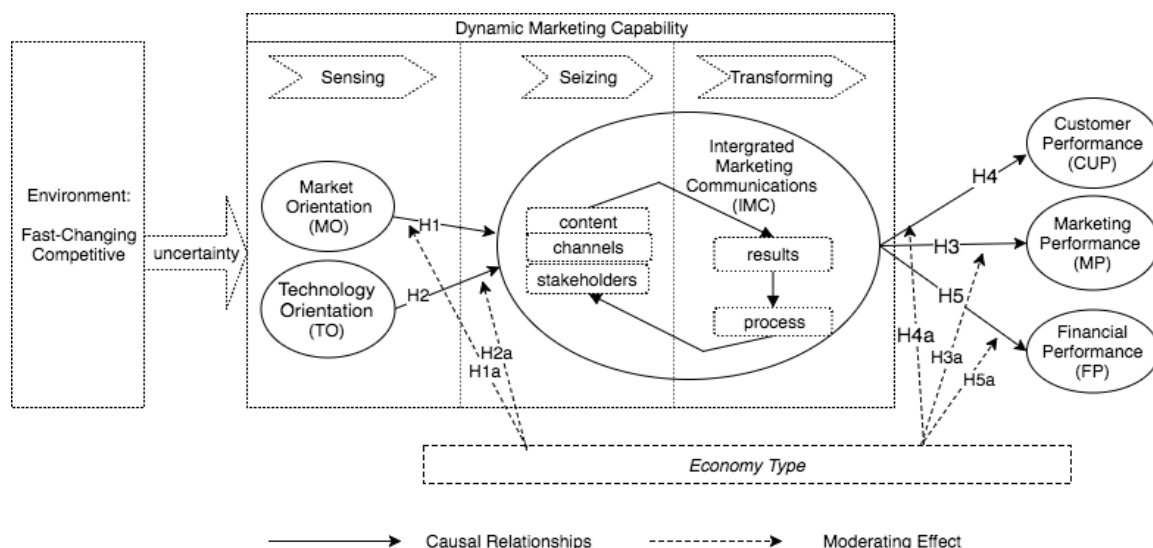
**H3a:** The positive effect of IMC on customer performance is lower in transition economies than in developed economies.

**H4a:** The positive effect of IMC on market performance is lower in transition economies than in developed economies.

**H5a:** The positive effect of IMC on financial performance is lower in transition economies than in developed economies.

Based on the mentioned above, we created a theoretical model of strategic orientation, IMC, and organisational performance relationships in different types of environment (Figure 1.1).

**Figure 1.1.** A theoretical model of IMC antecedents and consequences



## 1.4 Methodology

### 1.4.1 Context: Belarus vs. Spain

To obtain preliminary insights into the moderating effect of the type of the economy on the relationships between strategic orientation, IMC, and performance, research data were collected from two countries, namely Belarus and Spain. The selection of the countries followed what could be referred to as the convenience sampling procedure, with the aim of collecting data from radically different types of economies (Laukkanen *et al.*, 2013).

*Belarus* represents a transition economy with a low market orientation. It is a former Soviet Union country with central planning before 1990 (Makhija, 2003; Svejnar, 2002). The fall of the Soviet Union triggered the end of traditional economic processes, and the loss of main consumers, shocks of price liberalization, and sharp growth in prices for raw materials and energy resources. It revealed the technology weakness of the economy and, above all, a general lack of preparedness of the country's institutions and society for the market system of relations (Svejnar, 2002).

*Spain* represents a developed economy for which a high level of competition, market orientation, and up-to-date technologies is typical (Svejnar, 2002). According to the information from the International Monetary Fund report (World Economic Outlook Database, October 2016), Spain has the fourteenth-largest economy by nominal GDP in the world, the fifth-largest economy in the European Union, and the fourth-largest economy in the Eurozone, based on nominal GDP (Gross Domestic Product) statistics, and it is the twelfth largest exporter in the world and the sixteenth-largest importer.

Comparing the scales of economies based on GDP, Belarusian economy (0.047 trillion \$) is much smaller than Spanish (1.23 trillion \$) (WorldBank Data, 2016). Also, the annual percentage of spending on marketing per GDP is much higher in Spain (0.54%) than in Belarus (0.17%) confirming the differences in market activeness between two countries mentioned before (Marketing.by, 2016; Statista, 2017).

However, based on the Index of Economy Freedom 2017 created by The Heritage Foundation and The Wall Street Journal two economies are not so much far from each other. Belarus with 58.6 points (13.82% less than average European index) has 104 place out of 180 in Overall rating considered as “mostly unfree” economy. However, it has significant growth in 9.8 points to compare to previous years. Spain has 69 place out of 180 with 63.6 (6.47% less than average European index) considered as “moderately free” economy. It demonstrates that the economic situations in Spain and in Belarus are not so dramatically different to make ridiculous comparing these two countries. Thus, the range of differences in marketing activities between two countries allows for a rigorous test of the cross-national applicability of the research instrument and construct.

Although the use of only two data points (i.e. countries) limits the possibilities of theory testing, at the same time it can enable new insights to be generated and guide theory development (Cadogan, 2010).

### 1.4.2 Data collection and sample profile

Primary data for testing the hypothesis were obtained from a survey of marketing managers from two different countries (Spain and Belarus). To create as representative a sample as possible and get generalised results different parameters of both companies and top manager's profiles were fixed. To achieve the presence of the main population of the selected countries

in the sample, we used the Sabi digital database in Spain (Informa Spain) and the BusinessBelarus digital database in Belarus (Yellow Pages).

To control for business type and company heterogeneity, we also collected data on each firm as primarily a B2B or B2C company and used total employee numbers as an indicator of company size.

To control for industry and firm heterogeneity, we also collected data on competitive intensity using Jaworski and Kohli's (1993) scale, dummy-coded each firm as primarily a service or manufacturing business, and used total employee numbers as an indicator of firm size.

The companies, chosen for the survey, varied by industry, business size and type, and, the size of marketing department (Table 1.3). The profiles of top managers taking part in the survey as well varied by age, gender, the level of education and if their previous education was related to marketing or not (Table 1.4).

**Table 1.3.** A dataset of companies

	Number of respondents			Number of respondents	
	Belarus	Spain		Belarus	Spain
<b>Industry</b>			<b>Business size (number of employees)</b>		
Agriculture	8	15	Micro (<10)	28	34
Construction	21	35	Small (<50)	63	50
Production	147	108	Medium (<250)	77	63
Retail	28	46	Large (<=1000)	42	50
Service	104	63	Enterprise (>1000)	98	70
<b>Total</b>	<b>308</b>	<b>267</b>	<b>Total</b>	<b>308</b>	<b>267</b>
<b>Business type</b>			<b>The size of marketing department</b>		
B2B	168	143	Marketing specialist	84	50
B2C	130	109	Marketing department	217	182
<b>Total</b>	<b>308</b>	<b>252</b>	<b>Total</b>	<b>301</b>	<b>232</b>

**Table 1.4.** The profile of top managers taking part in the survey (number of respondents)

Gender		Age			Education			Marketing education		Total
male	female	<=25	26-45	> 46	No high education	High education	Master and higher	Yes	No	
<b>Belarus</b>										
181	143	34	235	39	14	259	35	224	84	<b>308</b>
<b>Spain</b>										
109	158	28	197	42	12	207	48	212	55	<b>267</b>

The questionnaire was originally created in English and then translated into the other languages (Spanish for Spain and Russian for Belarus), and back-translated with no wording issues identified. A pre-test of the questionnaire was held in Belarus and Spain among both marketing managers and researchers. After the pre-test, the questionnaire was sent to respondents by e-mail. All the participants were assured about the anonymous of their personal information and responses. The survey achieved a 15.5% response rate. The final data set includes 308 companies in Belarus and 267 companies in Spain.

## 1.5 Measurement

To measure the main components of the model we used existing and well-accepted scales from the literature (Table 1.5). For measuring MO, we used the scale from Matsuno, Mentzer and Rentz (2000) based on the original scale by Jaworski and Kohli (1993) which representing MO as the dynamic construct. TO was measured based on the scale from Gatignon and Xuereb (1997) that put a lot of emphasis on the analysis company strategic orientation with the influence of innovations and technology changes. The scales to measure IMC was used from the research of Lee and Park (2007) and Balmer (2001) to consider the corporate level of IMC. CP, MP and FP were measured by the scales from the research of Vorhies and Morgan (2005) in which the relationships between marketing capabilities and organizational performance are analyzed based on the dynamic capabilities theory.

Each of the relevant constructs in the model was measured with a five-point Likert scale (from 1 “Totally disagree” to 5 “Totally agree”) (Appendix A).

Based on the data from the top-managers survey, to test the causal hypothesis in the model we used variance-based structural equation modelling (SEM) using partial least squares (PLS). First, the assessment of the reliability and validity of the measurement model was applied (section 1.4.3), and second, the assessment of the structural model (section 1.4.4).

**Table 1.5.** Literature sources for the development of measurement scales

Model component	Literature source
MO (Market Orientation)	Matsuno, Mentzer and Rentz (2000) based on Jaworski and Kohli (1993)
TO (Technology Orientation)	Gatignon and Xuereb (1997)
IMC (Integrated marketing communications)	Based on Lee and Park (2007) and Balmer (2001)
CUP (Customer Performance)	Vorhies and Morgan (2005)
MP (Market Performance)	Vorhies and Morgan (2005)
FP (Financial Performance)	Vorhies and Morgan (2005)

### 1.5.1 Data analysis

Variance-based structural equation modelling (SEM) using partial least squares (PLS) was conducted to assess the measurement and structural model and for multi-group analysis. This method is accepted as a key multivariate statistical technique to estimate cause-effect relationships between constructs in international marketing research (Hair *et al.*, 2012b; Henseler *et al.*, 2009, 2012) and across different groups of respondents, in particular across countries (Henseler *et al.*, 2016). Each of the relevant constructs in the model was measured with a five-point Likert scale, which is well accepted in the literature.

The SmartPLS 3.0 software was used to analyse the data. The stability of the estimates was tested via a bootstrap resampling procedure (5000 sub-samples). The two-step PLS model analysis approach by Anderson and Gerbing (1988) was applied: first the assessment of the reliability and validity of the measurement model and second the assessment of the structural model. Additionally, three-step analysis of the measurement invariance of composite models (MICOM) by Henseler (2016) was run as an important procedure before the multi-group analysis.

### 1.5.1.1 Reliability and validity assessment

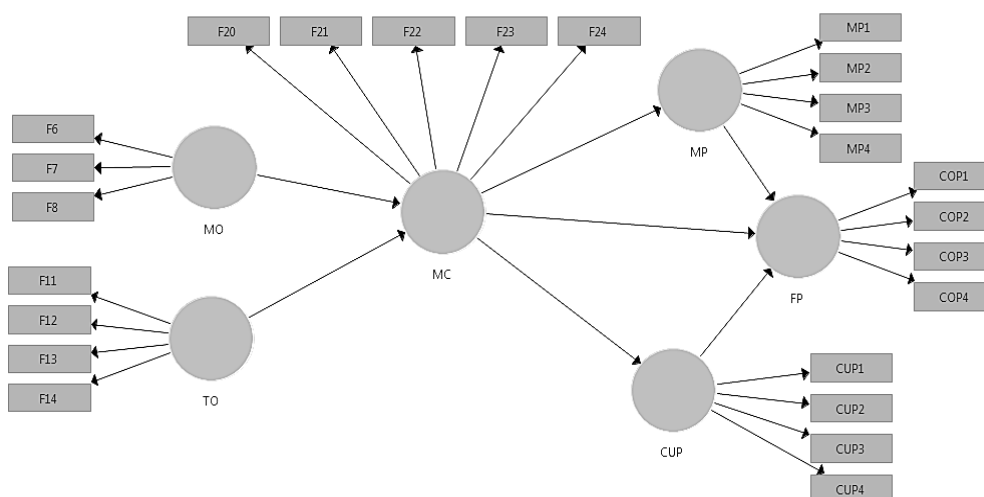
The *reliability and validity assessment* process was performed based on the criteria of internal reliability (Fornell and Larcker, 1981; Terblanche and Boshoff, 2008), convergent validity (Anderson and Gerbing, 1988; Cronbach, 1971), and discriminant validity (Fornell and Larcker, 1981). All the items in the measurement model fulfil the critical criteria, and the adequacy of the instrument is supported (Tables 1.6, 1.7).

To analyse the reliability of the constructs, we first conducted an exploratory factor analysis (EFA) with SPSS software. The consideration of multiple items for each construct increases constructs reliability (Terblanche and Boshoff, 2008). Using EFA, and considering the different items for each construct, we found that only one dimension appeared for all constructs. Therefore, EFA confirmed the unidimensionality of the constructs considered in the model. The item-total correlation, which measures the correlation of each item with the sum of the remaining items that constitute the scale, is above the minimum of 0.3 recommended by Nurosis (1993) for all constructs in the sample used.

To evaluate the adequacy of the instrument, this research fulfilled the criteria of internal reliability, convergent validity and discriminant validity. The Cronbach's alpha and composite reliability (CR) ensure the reliability of scales. Most of the Cronbach's alpha scores in this study were above the recommended value of 0.7 for scale robustness (Nunnally, 1978), but for those that did not reach the limit, at least the CR exceeded the threshold of 0.7 recommended by the same author. Moreover, average variance extracted (AVE) was also calculated for each construct, resulting in AVEs greater than 0.5 (Fornell and Larcker, 1981). Therefore, the ten scales demonstrate acceptable levels of reliability.

Content validity is a characteristic of items that are representative and drawn from an established literature (Cronbach, 1971). Convergent validity is verified by analysing the factor loadings and their significance. The individual item loadings in our model are higher than 0.5, and the average of the item-to-factor loadings are higher than 0.7 (Hair *et al.*, 1998; 2006). Also, we have checked the significance of the loadings with a re-sampling procedure (500 sub-samples) for obtaining t-statistic values. They are all significant ( $p < .05$ ). This finding provides evidence supporting the convergent validity of the indicators (Anderson and Gerbing, 1988) (Figure 1.2, Table 1.6).

**Figure 1.2.** Measurement Model



**Table 1.6.** Internal consistency and convergent validity

Items	Belarus			Spain		
	Factor loading	t-value*	$\alpha$ ; CR; AVE	Factor loading	t-value*	$\alpha$ ; CR; AVE
<b>Market Orientation</b>						
Market intelligence generation	0.837	44.973	0.841; 0.903; 0.756	0.911	80.995	0.826; 0.934; 0.826
Market intelligence dissemination	0.895	83.707		0.878	54.735	
Market intelligence response	0.875	86.974		0.936	124.315	
<b>Technological Orientation</b>						
New products technologies	0.830	24.627	0.865; 0.900; 0.693	0.853	48.743	0.836; 0.953; 0.836
Rapidity of technologies integration	0.850	22.605		0.925	104.325	
Developing new technologies	0.815	13.869		0.940	114.679	
<b>Integrated Marketing Communications</b>						
Content	0.796	32.953	0.899; 0.925; 0.712	0.937	108.730	0.839; 0.963; 0.839
Channels	0.872	63.323		0.881	67.602	
Stakeholders	0.830	49.818		0.897	69.894	
Strategy	0.799	31.570		0.918	95.230	
Process	0.917	75.860		0.924	88.310	
<b>Customer Performance</b>						
CUP1	0.767	23.594	0.873; 0.913; 0.724	0.957	189.019	0.854; 0.959; 0.854
CUP2	0.873	57.695		0.911	59.182	
CUP3	0.907	74.022		0.921	80.268	
CUP4	0.851	44.645		0.953	131.981	
<b>Marketing Performance</b>						
MP1	0.879	56.979	0.885; 0.920; 0.742	0.910	67.640	0.873; 0.965; 0.873
MP2	0.878	81.241		0.975	169.553	
MP3	0.898	86.632		0.890	53.101	
MP4	0.786	25.283		0.945	66.056	
<b>Financial Performance</b>						
COP1	0.882	68.085	0.869; 0.912; 0.721	0.925	88.200	0.803; 0.942; 0.803
COP2	0.762	29.181		0.942	150.613	
COP3	0.854	42.442		0.843	58.179	
COP4	0.891	81.853		0.928	104.643	

**Notes:**  $\alpha$  – Cronbach's alpha, AVE - Average Variance Extracted, CR - Composite Reliability, t-value\* - t-value bootstrap.

*Discriminant validity* indicates the extent to which a given construct is different from other latent variables. This research adopted Fornell and Larcker's (1981) criteria of discriminant validity to examine whether the square root of the AVE for each construct exceeds the correlation shared between the construct and other constructs in the model. As shown in Table 1.7, all diagonal values exceeded the inter-construct correlations, thereby demonstrating the adequate discriminant validity of all constructs.



**Table 1.7.** Discriminant validity of the theoretical construct measures

Belarus							Spain						
	COP	CUP	MC	MO	MP	TO		COP	CUP	MC	MO	MP	TO
COP	0.849						COP	0.934					
CUP	0.731	0.851					CUP	0.880	0.924				
IMC	0.264	0.408	0.844				IMC	0.682	0.763	0.916			
MO	0.244	0.495	0.606	0.869			MO	0.703	0.802	0.830	0.909		
MP	0.656	0.726	0.266	0.457	0.861		MP	0.819	0.827	0.703	0.763	0.896	
TO	0.533	0.538	0.303	0.475	0.541	0.832	TO	0.814	0.777	0.634	0.617	0.718	0.914

**Notes:** MO – Marketing Orientation, TO – Technological Orientation, IMC – Integrated Marketing Communications, CUP – Customer Performance, MP – Market Performance, COP – Company Performance. Diagonal elements are the square root of the average variance extracted (AVE) between the constructs and their measures. Off-diagonal elements are correlations between constructs.

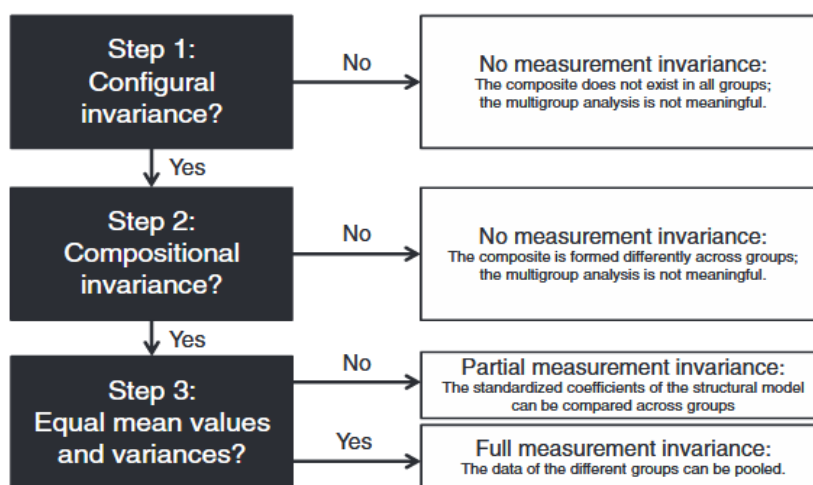
**1.5.1.2 Multi-group analysis for country economy type difference**

To test whether the relationships in the model are significantly different in transition and developed economies, and, as well to analyse other moderating effects, we, first run the measurement invariance of composite models (MICOM) analysis, and, then the multi-group analysis (MGA).

Measurement invariance is an important and crucial issue before conducting multi-group SEM analyses. By establishing measurement invariance, researchers ensure that dissimilar group-specific model estimations do not result from distinctive content and the meanings of the latent variables across groups. In SmartPLS 3 we use permutation routine to conduct PLS-SEM measurement invariance assessment suggested by Henseler, Ringle and Sarstedt’s (2016) (Ringle, Wende and Becker, 2015). Thereby, we can substantiate those significant differences in the group-specific PLS-SEM results do not stem from differences in the constructs across groups.

When using PLS-SEM, MICOM requires three-step approach (Figure 1.3) analysing following elements: (1) configural invariance, (2) compositional invariance, and (3) the equality of composite mean values and variances (Henseler *et al.*, 2016).

**Figure 1.3.** Interpretation of MICOM analysis



Source: Hensler *et al.* (2016).

Step 1 includes the configural invariance assessment and requires an inspection of the model set-up, the selected settings and other things that do not involve a statistical test. Running MICOM in SmartPLS usually automatically establishes configural invariance (Step 1).

In Step 2 compositional invariance is analysed. SmartPLS returns permutation-based confidence intervals based on which we can determine if a composite has correlations in Group A and Group B that is significantly lower than one ( $c > 1$ ). If not, the composite does not differ much in both groups and compositional invariance has been established.

Finally, in Step 3, we can make a decision about partial or full measurement invariance. Permutation-based confidence intervals for the mean values and the variances allow assessing if a composite's mean value and its variance differ across groups.

As for the model measurement in both countries, we used the same variables, therefore we move to the assessment of STEP 2 and 3. The results STEP 2 and 3 of the MICOM analysis presented in Table 1.8. The results of STEP2 show that no of correlations ( $c$ ) are significantly different from 1. So, the hypothesis of composite invariance is supported for all components. The mean difference assessment showed no significant results between 2 groups which mean that all components have Equal mean values. But, the analysis of variance showed significant differences in the case of MO, MP, CUP and FP. Based on mentioned above, we can make conclusions about partial invariance existence. In this case data from 2 groups cannot be pooled and multi-group analysis can be established (Henseler *et al.*, 2016).

**Table 1.8.** Results of STEP 2 and 3 MICOM for 2 groups data (Belarus and Spain)

	STEP1	STEP 2			STEP 3a		STEP3b		Measurement invariance
	Configural invariance	p	5.00%	Compositional invariance	Mean Difference Permutation p-value	Equal mean values	Variance Difference Permutation p-value	Equal variance	
MO	Yes	1.000	0.999	Yes	0.549	Yes	0.072	No	Partial
TO	Yes	0.999	0.998	Yes	0.474	Yes	0.418	Yes	Full
IMC	Yes	1.000	0.999	Yes	0.819	Yes	0.885	Yes	Full
CUP	Yes	1.000	1.000	Yes	0.348	Yes	0.098	No	Partial
MP	Yes	1.000	1.000	Yes	0.977	Yes	0.050	No	Partial
FP	Yes	1.000	1.000	Yes	0.322	Yes	0.000	NO	Partial

**Notes:** MO – Marketing Orientation, TO – Technological Orientation, IMC – Integrated Marketing Communications, CUP – Customer Performance, MP – Market Performance, FP –Financial Performance.

To test whether the relationships in the model are significantly different in transition and developed economies, and as well to analyse other moderating effects, we run an MGA. In this procedure, the PLS model is analysed and interpreted in two stages for the two groups as the global model.

First, the model was run separately for each subgroup (see the results of Chapter 2). Second, the multi-group path coefficient differences were examined based on an unpaired samples t-test with the group-specific model parameters using the standard deviations of the estimates resulting from bootstrapping (Chin, 2000; Keil *et al.*, 2000).

The Blindfolding technique was used to calculate de Q2 and Bootstrap to estimate the precision of the PLS estimates. Thus, 500 samples sets were created in order to obtain 500 estimates for each parameter in the PLS model for each group. As all values of R2 exceed the

0.1 value and all Q2 are positive for both groups, the relations in the models have predictive relevance.

Second, the multi-group path coefficient differences were examined based on the procedure suggested by Keil *et al.* (2000) and Chin (2000). These authors suggest applying an unpaired samples t-test to the group-specific model parameters using the standard deviations of the estimates resulting from bootstrapping. The parametric test uses the path coefficients and the standard errors of the structural paths calculated by PLS with the samples of the two groups, using the following expression of t-value for multigroup comparison test (1) (see Chin, 2000) (m=group 1 sample size and n=group 2 sample size):

$$t = \frac{\beta_{group\ 1} - \beta_{group\ 2}}{\sqrt{\frac{(m-1)^2 \times SE_{group\ 1}^2 + (n-1)^2 \times SE_{group\ 2}^2}{(m+n-2)} \times \sqrt{\frac{1}{m} + \frac{1}{n}}}} \quad (2.1)$$

This statistic follows a t-distribution with m+n-2 degrees of freedom. The subsample-specific path coefficients are denoted as  $\beta$ , the sizes of the subsamples as m and n, and the patch coefficient standard errors as resulting from bootstrapping as SE.

The assessment of predictive ability and hypothesis testing of structural model presented in Table 1.9.

## 1.6 Results

### 1.6.1 Results of the structural model analysis

To assess the predictive ability of the structural model we followed the approach proposed by Falk and Miller (1992) that the R2 value (variance accounted for) of each of the dependent constructs exceed the 0.1 value. The R2 values of the dependent variables are higher than the critical level mentioned. Another test applied was the Stone-Geisser test of predictive relevance (Q2). This test can be used as an additional assessment of model fit in PLS analysis (Stone, 1974; Geisser, 1975). Models with Q2 greater than zero are considered to have predictive relevance (Chin, 1998). In our case, Q2 is positive for all predicted variables. The goodness of fit of our model (GoF) is 0.233 for Belarus and 0.375 for Spain, which exceeds the cutoff value of 0.1 for small effect sizes of R2, as suggested by Tenenhaus *et al.* (2005).

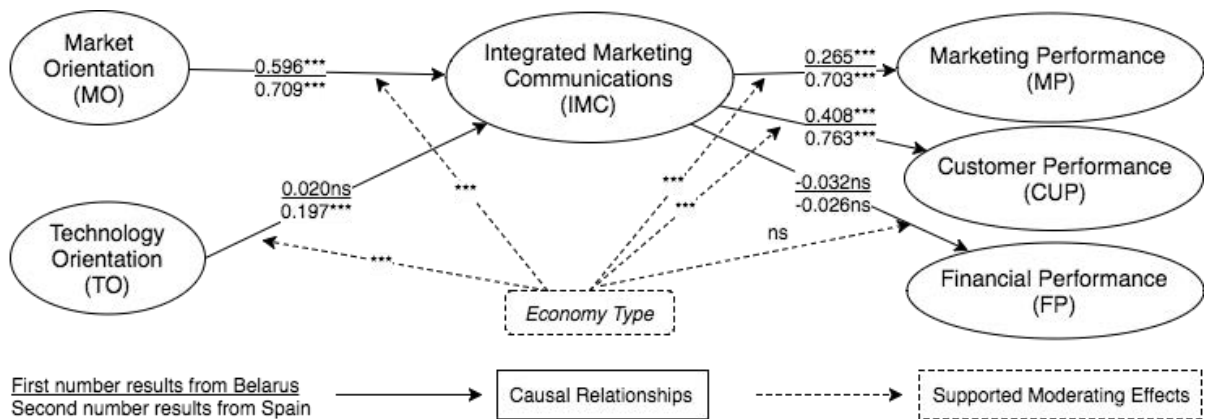
Consistent with Chin (1998), bootstrapping (500 resamples) was used to generate t-values. Support for each general hypothesis can be determined by examining the sign and statistical significance of the t-values (Table 1.9). Figure 1.4 shows a representation of the hypotheses, the path coefficients and the levels of significance both for Belarus and for Spain, which allows a better understanding of the structural model.

**Table 1.9.** The results of hypothesis testing

H	Path	Belarus		Spain	
		$\beta$	t-value (bootstrap)	$\beta$	t-value (bootstrap)
H1	MO → IMC	0.596	14.563***	0.709	20.448***
H2	TO → IMC	0.020	0.397 <sup>ns</sup>	0.197	4.716***
H3	IMC → CUP	0.408	8.795***	0.763	27.223***
H4	IMC → MP	0.266	5.879***	0.703	18.951***
H5	IMC → FP	-0.032	0.834 <sup>ns</sup>	-0.026	0.528 <sup>ns</sup>

**Notes:** MO – Marketing Orientation, TO – Technological Orientation, IMC – Integrated Marketing Communications, CUP – Customer Performance, MP – Market Performance, COP – Company Performance.  $\beta$ = Standardized Path Coefficients \*\*\*p<0.01; \*\*p<0.05; \*p<0.1; ns=not significant; R<sup>2</sup>>0.1; Q<sup>2</sup>>0; GoF: Belarus=0.233 and GoF: Spain=0.375.

**Figure 1.4.** Structural model results analysis with significant moderating effects



Note: \*\*\* $p < 0.01$ ; \*\* $p < 0.05$ ; \* $p < 0.1$ ; ns=not significant;  $R^2 > 0.1$ ;  $Q^2 > 0$ ;  $GoF_{Belarus} = 0.233$  and  $GoF_{Spain} = 0.375$ .

The results of the structural model show that strategic orientation contributes differently to IMC and further that the relationships vary across economy types. In both transition and developed economies, MO has a direct and positive effect on IMC (H1:  $\beta_{Belarus} = 0.596$ ,  $p < .01$  and  $\beta_{Spain} = 0.709$ ,  $p < .01$ ). In addition, while the direct effect of TO on IMC is positive and significant in the developed economy, the effect is not significant in the transition economy (H2:  $\beta_{Belarus} = 0.020$ ,  $p > .1$  and  $\beta_{Spain} = 0.1966$ ,  $p < .01$ ). Thus, **H1** is supported, but **H2** is rejected.

Related to IMC’s influence on organizational performance, the results indicate that IMC has a positive effect on market performance (H3:  $\beta_{Belarus} = 0.2665$ ,  $p < .01$  and  $\beta_{Spain} = 0.7032$ ,  $p < .01$ ) and customer performance (H4:  $\beta_{Belarus} = 0.408$ ,  $p < .01$  and  $\beta_{Spain} = 0.762$ ,  $p < .01$ ) in both transition and developed economies. Therefore, **H3** and **H4** are supported. However, there is no relationship between IMC and financial performance (H5:  $\beta_{Belarus} = -0.032$ ,  $p > .1$  and  $\beta_{Spain} = -0.026$ ,  $p > .1$ ), so **H5** is not supported.

**1.6.2 Multi-group analysis (moderating effect of the economy type)**

The result of MGA of country moderating effect is presented in Table 1.10. Also, the significant effects demonstrated on Figure 1.4.

**Table 1.10.** Significant moderating effects of economy type

	Path	Group 1 Belarus		Group 2 Spain		t[mgp]	p
		$\beta$	t-value (bootstrap)	$\beta$	t-value (bootstrap)		
H1a	MO → IMC	0.596	14.837	0.709	19.397	-2.073	0.039
H2a	TO → IMC	0.020	0.425	0.197	4.417	-2.637	0.009
H3a	IMC → CUP	0.408	8.702	0.763	26.679	-6.230	0.000
H4a	IMC → MP	0.266	5.734	0.703	18.429	-7.157	0.000

Notes: MO=Market Orientation; TO=Technologic Orientation; IMC – Integrated marketing Communications; CUP=Customer performance; MP=Market Performance; FP=Financial Performance.  $\beta$  = Standardized Path Coefficients. \*\*\* $p < 0.01$ ; \*\* $p < 0.05$ ; \* $p < 0.1$ ; ns=not significant.

The results of the multi-group analysis suggest that the type of the economy moderates the relationship between MO and IMC. The relationship between MO and IMC is stronger in

a developed economy than in a transition economy (H1a:  $\beta_{\text{Spain}}=0.7092$  and H2a:  $\beta_{\text{Belarus}}=0.5962$ :  $p<0.05$ ); therefore, **H1a** is supported. Moreover, the relationship between TO and IMC is only significant in Spain (H2a:  $\beta_{\text{Belarus}}=\text{ns}$  and H2a:  $\beta_{\text{Spain}}=0.1966$ ,  $p<0.01$ ); thus, **H2a** is also supported

Furthermore, based on the results, the type of the economy moderates the effects of IMC on customers and on marketing performance, and these relationships are stronger for a developed economy, so, **H3a** and **H4a** are supported (H3a:  $\beta_{\text{Belarus}}=0.4084$ ,  $p<0.01$  and H3a:  $\beta_{\text{Spain}}=0.7629$ ,  $p<0.01$ ; H4a:  $\beta_{\text{Belarus}}=0.2655$ ,  $p<0.01$  and H4a:  $\beta_{\text{Spain}}=0.7033$ ,  $p<0.01$ ). However, there is no influence of the economy type on the relationship between IMC and financial performance, so **H5a** is not supported.

## 1.7 Discussions and conclusions

By producing a better multidisciplinary understanding of the IMC concept the under moderating effect of the economy type, this study contributes to the IMC literature and managerial practice.

First, it adds value to the IMC concept research by viewing IMC from the wide perspective of the marketing and management literature not only as a tool for communications integration but also as a dynamic marketing capability with a strong link to company strategy. The analysis of strategic orientation as an antecedent of IMC supports the suggestion about the positive influence of MO on IMC in both countries selected for the analysis. Thus, it confirms that collecting dynamic market information about changes in customer needs and preferences can be an important asset in the application of IMC capability. Interestingly, contrary to our expectations, the positive effect of TO on IMC was supported only in the developed economy, and not supported in the transition economy. The absence of the TO influence on IMC in a transition economy can be explained by the underestimating the importance of implementing new technologies and innovations in marketing practices (Pakko, 2012; Shinkle et al. 2013). As in transition economy, a process of economic transformation puts companies in new conditions of higher competition they search for the new ways of improving their products overlooking the need of investment in new technologies in marketing (Trainor et al., 2011). As a result, in transition economies a lower quality of practices related to MO and TO cause a company to lose up-to-date market information, slowing the process of IMC as a dynamic marketing capability development and implementation inside the organisation, and as a consequence lose their competitive advantage.

Second, this research expounds the knowledge about how applying IMC practices influences three organisational performance criteria, namely customer, marketing, and financial performance. The results prove the positive effect of IMC on customer and market performance in both countries chosen for the analysis. However, opposite to expectations, the effect of IMC on FP was not supported in both countries. It can be explained by the fact that the top-manager in marketing department may not have enough information to give an objective response to the survey questions related to the company financial results. While the direct effect of IMC on FP is not supported it can be a positive indirect effect of IMC on FP though CP and MP.

Third, referring to the lack of research carried out on the IMC concept in an international context (in terms of using the type of economy as a moderator), the explanatory

approach adopted here adds a new and relevant dimension to the research on the IMC concept from an institutional theory perspective. Furthermore, it helps to generalise the results of the theoretical model analysis. It demonstrates that in conditions of uncertainty created by the competitive and fast-changing environment of developed economy strategic orientation (in particular, MO and TO) has a positive effect on IMC implementation. However, while in a transition economy with a low level of market orientation the effect of MO on IMC is weaker and TO has no significant effect on IMC compared to a developed economy. It supports the previous suggestion about the moderating effect of economy type on the relationships between strategic orientation and IMC (Gatignon and Xuereb, 1997; Shinkle *et al.*, 2013). The results confirm that in transition economies, in which most companies have less experience and practice in being strategically oriented than companies in developed economies, the effect of MO and TO on IMC is weaker. Furthermore, the hypotheses about the moderating effects of the economy type on the relationship between IMC and CP and MP were also supported.

From a *managerial perspective*, the results of strategic orientation influence on the IMC effectiveness analysis demonstrates the high importance of the information about market changes in these relationships. It means that being market-oriented and having additional information about current customer needs and preferences can be successfully applied in improving company communications. However, being technology-oriented and further application of new technologies in marketing practices does not necessarily have an impact on IMC. Further analysis of IMC impact on performance demonstrates the positive effect of integration on customer and market performance. Sending personalized messages through channels more preferred by stakeholders results in a better overall evaluation and satisfaction of the company's communication, and as a result on customer performance (Cornelissen *et al.* 2001). Improving customer communications help in building long-term relationships with target groups which further positively affects MP (market share and growth) by improving customer-based brand equity (Schulz *et al.* 2004). However, from a practical perspective, it is important to consider that IMC has no direct effect on financial performance. Which means that companies should not consider IMC as a direct instrument improving the company's financial results. Nevertheless, the possible indirect IMC influence on the financial performance is still the question of future studies.

Going deeper into the analysis of the results we can see the significant higher effect of MO and TO on IMC effectiveness in developed and market-oriented economies, while in transition economies the effect of new technologies in marketing practices are underestimated. It supports the suggestion that implementation of IMC should base on different strategic approaches in economies of different types. Developing marketing strategies in economies with a high level of competition, managers should put more attention on sensing about customer needs and applying new technologies, such as interactive dialogue with customers to seize the companies' communications in accordance with customer preferences and transform them continuously towards competitive advantage. In this way, under the conditions of uncertainty, the information from MO and TO can be used for successful IMC implementation. Referring to transition economies, it is important to consider that for the moment the TO is not applied to improve IMC effectiveness, and also the importance of MO is underestimated. As a result, the IMC positive effect on customer and market performance is much lower than in developed economies. It demonstrates the need for searching other opportunities to get a competitive advantage and improve organizational

performance in transition economies. Thus, economy type moderating effect analysis demonstrates that the process of IMC implementation as a dynamic marketing capability is not the same in different economy types. The advantages of IMC are more obvious in developed economies comparing with transition economies. These results may help managers to understand the differences in IMC implementation and prevent from making mistakes during the decision-making process within different economy types and can be specifically useful for global companies applying differentiated marketing strategies.

### ***Limitations and future research***

This article has several limitations, which create possibilities for future research. First, in the model, we considered only MO and TO as important company strategic assets that influence IMC and are widely recognised in the literature. Future research can consider other strategic orientations as antecedents of IMC, such as brand orientation or learning orientation. Second, the analysis of the model developed in the paper did not support a direct relationship between IMC and financial performance. Nevertheless, there is a suggestion that perhaps the relationship between IMC and financial performance can be mediated by market or customer performance. This conceptualization provides a rich insight into how IMC might be linked to various performance measures (Reid *et al.*, 2005). Third, the analysis of the moderating effects of the economy type on the relationships of our model was based on data from only two countries, Spain and Belarus. For future research, it could be interesting to analyse the same model with data from additional countries, including transition and developed economies, to ensure the richness of the results and hence potentially contribute to the theoretical development aspects of the paper. Fourth, in this research only the moderating effect of the economy type, as an exogenous factor, was analyzed. For future research additional endogenous moderators can be considered, including factors related to human resources' and managers' profile (Einwiller and Boenigk, 2012), interdepartmental communications (Kim *et al.*, 2004; Reid, 2005), company heterogeneity (business size, typology/sector), and other variables related to business management (Anderson and Gerbing, 1988; Low, 2000; Reid, 2005).

**Chapter 2.**  
The mediating and moderating effects  
in the IMC theoretical model

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## Chapter 2. The mediating and moderating effects in the IMC theoretical model

### 2.1 Introduction

During the past three decades, the research in the field of IMC extended over the topics analyzing the IMC concept, its main components, the analysis of antecedents of IMC, and its influence consequences on the company performances (Mihart, 2012). Researchers covered many gaps, but IMC concept is still considered as a topic of research interest, especially taking into consideration the fast-changing conditions in today's environment (Kumar et al., 2016; Morgan et al., 2009). In Chapter 1 of the Thesis, we have discussed the IMC concept evolution from a tactical coordination of marketing activities to a dynamic marketing capability. In addition, in Chapter 1, based on a literature review we have analysed the theoretical model of IMC strategic antecedents and its consequences to company performance (customer performance, market performance and financial performance). Research findings confirmed the suggestions that strategic orientations can be considered as a precursor for developing dynamic marketing capabilities and implementing them in the form of IMC which bring company an additional competitive advantage in the market, and as a result, positively influence company performance (customer, market and financial performance) (Morgan et al., 2009; Theodosiou et al., 2012). Additionally to the relationships presented in the IMC theoretical model, there is some previous research which shows the effect of strategic orientation on the performance (Low, 2000; Mulhern, 2009; Reid et al., 2005; Schultz, 2003; Vorhies and Morgan, 2005). In this case, IMC can mediate mentioned relationships, which means that the influence of strategic orientation on performance can be improved through IMC (Morgan et al., 2009; Theodosiou et al., 2012).

Apart from the research, which focuses on IMC concept, its components, antecedents and consequences, several authors mention the importance of analyzing factors, which may influence the process of IMC implementation effectiveness (Hofstede, 1993; Kim *et al.*, 2004; Low, 2000; Reid, 2005). These factors, that drive or hinder the achievement of a certain level of integration allows gathering them into two large groups (Porcu *et al.*, 2012). First, the *endogenous factors* enclose the effects related to human resources (Einwiller and Boenigk, 2012), interdepartmental communications (Kim *et al.*, 2004; Reid, 2005), company heterogeneity, such as business size, typology/sector/industry (Low, 2000; Reid, 2005), and other variables related to business management (Christensen *et al.*, 2008; Christensen and Cornelissen, 2011; Schultz and Schultz, 2003). Second, the *exogenous factors*, which are the level of competition in the market (Low, 2000; Reid, 2005), economic and institutional environment in which the organisation operates (Kim *et al.*, 2004), and the cultural differences between countries (Hofstede, 1993).

A literature review suggests that the IMC implementation process may vary depending on firm's size. This variation may be caused, for example, by the complexity or a number of marketing communications (Low, 2000), or the level of company's formalisation (Einwiller and Boenigk, 2012; Evatt *et al.*, 2005). Previous research on the IMC concept mainly focuses on large companies, although small and medium enterprises (SMEs) are considered very important in all types of economies (Einwiller and Boenigk, 2012; European Commission 2017). That is why additional research about the comparison of IMC effectiveness in small, medium and large companies is still needed (Einwiller and Boenigk, 2012; Low, 2000).

In addition, analysis of the literature suggests several differences between B2B and B2C companies in managing communications. B2B companies, if to compare to B2C, tend to put more attention on the quality of the service, personalised services, time-control, and building long relationships with the exchange of large amounts of money (Garber and Dotson, 2002). Apart, B2B companies are also successful in the implementation of innovations and new technologies, not only for their products and services but also in the marketing communications activities (Garber and Dotson, 2002; Valos *et al.*, 2015). So, the way IMC should be implemented and applied in B2C and B2B companies, and also IMC impact on performance may be different, thus it requires additional analysis (Garber and Dotson 2002; Hall and Wickham 2008).

The company's profiles are also different in the organisational structures (Olson *et al.*, 2005; Ruekert *et al.*, 1985; Zahay *et al.* 2014). This, in turn, affects the IMC implementation, and the way, in which strategic decisions together with IMC practices fit the objectives of increasing performance, so there is a need for further study (Olson *et al.*, 2005).

Apart from company's heterogeneity characteristics, the literature suggests that the professionalism of the communicational manager can be a success factor and potential driver for competitive advantage as his decisions have a direct influence on the company behaviour. As a result, positively influence the company final performance (Einwiller and Boenigk, 2012; Hofstede, 1993; Kitchen *et al.*, 2004). Even more than the competencies, the cultural differences between the environments in which managers grew up influence on the managerial decisions (Cornelissen and Lock 2001; Hofstede, 1993). It means that the manager's profile may influence on the IMC practices implementations (Cornelissen and Lock, 2001). Therefore, there is a need for the analysis of the manager competencies in charge of it, the marketing education on the IMC effectiveness (Christensen *et al.*, 2008; Wightman, 1999).

These investigations in the literature confirm or reject different hypothesis about internal and external factors influence, but in general, they are consistent with the need of these factors to be applied in the analysis of the IMC concept (Einwiller and Boenigk, 2012; Christensen *et al.*, 2008; Low, 2000; Olson *et al.*, 2005; Wightman, 1999).

As mentioned in Chapter 1, the conditions of uncertainty and global competition in the market have great influence on the company's market behaviour, which also varies depending on environmental conditions, what is also supported by institutional theory (Scott, 1987; 2008). Additionally, from cultural dimensions theory, countries cultural differences should be taken into consideration in marketing and management research (Hofstede, 1993). Therefore, in the analysis of factors which may influence IMC effectiveness the cultural and economic differences should be taken into consideration (Hofstede, 1993; Scott, 1987; 2008).

The objective of this Chapter is, therefore, to identify and analyse the possible indirect and moderating effects in the IMC theoretical model in an inter-country context. The research questions are the following: 1. Does IMC mediate the relationships between strategic orientation and company performance? 2. Which are the main factors that may moderate the relationships between the antecedents and consequences of IMC? 3. How do these effects vary in countries with different economy types or different cultural characteristics?

We start with the literature review and suggest the hypothesis about mediation and moderation effects to be tested. After, we provide the description of the data collection and analysis process and present the main results. Then, we provide discussion and conclusions

with possible theoretical and practical implications of the obtained results. We finish the Chapter 2 with short limitations and future research discussion.

The research presented in this Chapter covers the gap of applying the different factors that influence the IMC antecedents and consequences model analysis. First, it contributes to the IMC concept research. Second, it brings additional understanding of how internal and external factors influence the IMC implementation in an inter-country contest, which can be used by managers in the decision-making process, and as a result can help to improve company strategies implementation and have a positive influence on the performance (Augier and Teece, 2009; Deshpandé *et al.*, 2012; Gatignton and Xuereb, 1997).

## 2.2 Literature review

### 2.2.1 IMC as a mediator

As mentioned before, we group as the endogenous factors those internal characteristics, which are related to the company's profile. These factors may influence the IMC implementation and its effectiveness, and as a result, moderate the relationships in the IMC theoretical model. In this research we will focus on the following characteristics of company's profile: company size (small, medium and large), company type (B2B or B2C), and organizational structure, in particular the part, related to marketing activities (if in charge of marketing is only one specialist or marketing department).

#### 2.2.1.1 *The moderating effect of company size*

The previous research in the field of marketing and corporate communications mainly focused on large companies, while there is little research on small and medium-size companies with a number of employees lower the 250 (Einwiller and Boenigk, 2012). This is unfortunate, considering that small and medium-sized enterprises (SMEs) are considered important in of all types of economies (Einwiller and Boenigk, 2012). SMEs are an essential source of the job, innovative and entrepreneurial spirit, and competitiveness, forcing general improvement in the market (European Commission 2017). Also, the results of Low (2000) suggest that small companies are more successful in integration. It can be explained by the simplicity of their communication activities if compared to large companies. From the other hand, small companies are more likely to practice IMC because they target fewer market segments and use fewer communicational messages (Low, 2000). The results are the same when controlling for other important variables, such as industry, performance, and managerial experience.

There is also a suggestion in the literature, that different size companies have different levels of formalisation of communications activities, which can influence IMC practices (Einwiller and Boenigk, 2012). For example, Ashford and Shani (2003) found a formal communicational function only in 16% of the micro business. And, from the results of Evatt *et al.* (2005), companies get more formalised when they reach the number of 20 or more employees. The low level of formalisation in small companies may negatively influence on the communicational integration functions (Evatt *et al.*, 2005). Based on these suggestions, we propose the following hypothesis about the moderating effect of company size.

**H3:** Firm's size moderates the relationships between the antecedents and consequences of IMC, the relationships being stronger for bigger firms than for smaller ones.

**H3a:** Firm's size moderates the relationship between MO and IMC.

**H3b:** Firm's size moderates the relationship between TO and IMC.

**H3c:** Firm's size moderates the relationship between IMC and MP.

**H3d:** Firm's size moderates the relationship between IMC and CUP.

**H3e:** Firm's size moderates the relationship between IMC and FP.

### 2.2.1.2 *The moderating effect of company type*

Literature review analysis shows that the previous effort to specify the boundaries in the implementation of IMC practices within a company mainly focused on the consumer-oriented companies (B2C markets) analysis (Hall and Wickham, 2008; Valos et al., 2015). As the impact of globalization and changes in the markets affects business-to-business (B2B) companies, several authors put attention on the importance to consider the IMC potential role in B2B markets (Garber and Dotson, 2002; Hall and Wickham, 2008; Kitchen and Schultz, 2003). When compared to B2C relationships, B2B customers behave differently, are motivated by different things and buy differently (Garber and Dotson, 2002; Greenglass, 2000). Business customers use group decision-making practices, have maximising behaviour, but more often take chances with unknown products or services, because they don't spend their own money (Rieck, 2000). The three main attributes of B2B relationships are responsiveness, competence and reliability. So, in managing B2B communications, if to compare to B2C, companies tend to put more attention on the quality of the service, personalised services, time-control, and building longer relationships, where larger amounts of money being exchanged (Garber and Dotson, 2002). Apart, B2B companies are also successful in the implementation of innovations and new technologies, not only for their products and services but in marketing communications activities (Garber and Dotson, 2002; Valos et al., 2015). Therefore, the way IMC should be implemented and applied in B2C and B2B companies is different (Hall and Wickham, 2008). In addition, that adoption of IMC practices in the B2B sector can be higher, what can cause a different impact of IMC on performance (Garber and Dotson, 2002). Based on previous considerations we propose the following:

**H4:** The industry type moderates the relationships between the antecedents and consequences of IMC, the relationships being stronger for B2B companies than to B2C.

**H4a:** The industry type moderates the relationship between MO and IMC.

**H4b:** The industry type moderates the relationship between TO and IMC.

**H4c:** The industry type moderates the relationship between IMC and MP.

**H4d:** The industry type moderates the relationship between IMC and CUP.

**H4e:** The industry type moderates the relationship between IMC and FP.

### 2.2.1.3 *The moderating effect of organisational structure*

Company's profiles are also different in the organisational structures (Olson et al., 2005; Ruekert et al., 1985; Zahay et al., 2014;). Organisational structure of marketing activities depends on other company's characteristics, such as size, type of business or target market (Ruekert et al., 1985). This, in turn, affects the IMC implementation and the way in which strategic decisions together with IMC practices fit the objectives of increasing performance

(Olson *et al.*, 2005). In addition, based on the place of marketing activities in the organisational structure, they can be managed by the marketing department, individual specialist or can be under the responsibility of a specialised marketing agency (Kitchen *et al.*, 2004). The corporate component of IMC mentions that in order to get a higher level of IMC the management of marketing communications should be concentrated under one specialist (Christensen *et al.*, 2008). Several authors suggest some barriers in successful IMC implementation in companies with complicated marketing department structure that may affect the company performance (Kitchen *et al.*, 2004). Thus, we hypothesise the following:

**H5:** Firm's organizational structure moderates the relationships between the antecedents and consequences of IMC, the relationships being stronger for companies in which marketing communications activities are managed by one specialist than by several people.

**H5a:** Firm's organizational structure moderates the relationship between MO and IMC.

**H5b:** Firm's organizational structure moderates the relationship between TO and IMC.

**H5c:** Firm's organizational structure moderates the relationship between IMC and MP.

**H5d:** Firm's organizational structure moderates the relationship between IMC and CUP.

**H5e:** Firm's organizational structure moderates the relationship between IMC and FP.

#### **2.2.1.4 The moderating effect of manager's background**

The literature review suggests that the professionalism of the manager, whose decisions have a direct influence on the company behaviour, may influence the IMC practices implementation (Cornelissen and Lock, 2001; Hofstede, 1993). Therefore, the IMC effectiveness directly depends on the profile of the specialist in charge of it, for example, the type of manager's education, a marketing education or other types of education (Christensen *et al.*, 2008; Wightman, 1999). It supposes that specialised marketing competencies give the manager a theoretical background which can help him in making specific decisions and positively influence firm's marketing communications effectiveness (Cornelissen and Lock, 2001; Kitchen *et al.*, 2004a). Under the influence of the business globalisation and increasing price and performance pressure (Lombriser *et al.*, 2007), the professionalism of the communicational manager can be a success factor and a potential driver for competitive advantage, and, as a result positively influence the company final performance (Einwiller and Boenigk, 2012; Kitchen *et al.*, 2004).

Even more than the competencies, the cultural differences between the environment in which managers were growing influence managerial decisions (Cornelissen and Lock, 2001; Hofstede, 1993). This influence is deeply studied by Hofstede (1993), who suggests that managerial practices cannot be applied the same in countries with different cultural dimensions. Taking into consideration the average age of a manager (around 32-35 years old), he finished his first level of high education 12-15 years ago. In case of Belarus, it means that today's managers reviewed their education in the Soviet Union, during a period of low market-oriented economy, where there was no need for integrating marketing and management subjects in the educational programs, or, just after the collapse of Soviet regime, when the programs were only under the reviewing (Fogel, 1990). Regarding capitalist countries educational system, the education in marketing communications with the emphasis on integrating has already a big history. But, nevertheless, as in European educational system

students have opportunity to choose the subjects they want to study by their own, future marketing communication practitioners tended to lose a big part of conceptual important basic managerial subjects, which causes in their future fail to manage IMC in real life (Christensen *et al.*, 2008; Wightman, 1999). Several authors support the suggestion that one of the biggest problems for IMC implementation is the lack of marketing communication specialists with the broad skills and knowledge (Christensen, 2008; Cornelissen and Lock, 2001; Kitchen *et al.*, 2004a, 2004b). Based on mentioned before we hypothesise the following:

**H6:** Manager's profile moderates the relationships between the antecedents and consequences of IMC, the relationships being stronger for companies where managers have competencies in marketing than for the others.

**H6a:** Manager's profile moderates the relationship between MO and IMC.

**H6b:** Manager's profile moderates the relationship between TO and IMC.

**H6c:** Manager's profile moderates the relationship between IMC and MP.

**H6d:** Manager's profile moderates the relationship between IMC and CUP.

**H6e:** Manager's profile moderates the relationship between IMC and FP.

#### 2.1.1.1. The exogenous factors affecting IMC

The *exogenous* factors, which may influence the IMC implementation, are mainly related to external environment and cannot be influenced by the company. Based on the literature analysis, they can be grouped as the following: level of competition in the market (Low, 2000; Reid, 2005), economy type and institutional environment (Kim *et al.*, 2004), and the cultural differences influence (Hofstede, 1993).

As mentioned in Chapter 1, the conditions of global competition and deep uncertainty (Augier and Teece, 2009), push companies to be more strategic oriented and use IMC as dynamic marketing capability to get an additional competitive advantage in the market (Teece, 2007). However, as institutional theory states, uncertainty has a great influence on companies' market behaviour, which varies depending on the environmental conditions (Scott, 1987; 2008). And, the results in Chapter 1 show that companies have fewer marketing efforts in transition economies than in developed economies; as a consequence, the importance of dynamic capabilities and strategic orientations can be underestimated (Deshpande *et al.*, 2012).

Cultural dimensions theory specifies the need to consider differences between countries (Hofstede, 1993). It states that management process inside organisations is mainly based on managers, who are human, with cultural specific background and from a specific economic environment. Their decisions depend a lot on the background in which they grew up. When taking decisions inside the organisation their personal perceptions influence a lot on the type of management they perform. As a result, due to cultural and economic differences, the relationships in the model proposed in this research may vary among different countries. Thus, we hypothesise the following:

**H7:** Country economic and cultural differences moderate the relationships between the antecedents and consequences of IMC.

**H7a:** Country economic and cultural differences moderate the relationship between MO and IMC.

**H7b:** Country economic and cultural differences moderate the relationship between TO and IMC.

**H7c:** Country economic and cultural differences moderate the relationship between IMC and MP.

**H7d:** Country economic and cultural differences moderate the relationship between IMC and CUP.

**H7e:** Country economic and cultural differences moderate the relationship between IMC and FP.

## 2.3 Methodology

### 2.3.1 Data collection and sample profile.

For data analysis, we used the same samples from Belarus and Spain as in Chapter 1 of the Thesis. As mentioned before, in order to generalise the final results, we included in the survey questions related to Company and Manager Profile (Appendix B).

To identify any potentially induced variance, we controlled for the effects of gender and age, education and position of the respondents by including in the sample for each country the replies of top-managers with the higher education of the different age, both male and female. For the analysis of top-manager competence moderating effect, we collected information about their previous education in marketing.

To control for business type, industry and company heterogeneity, we also collected data on each company as primarily a B2B or B2C company and used total employee numbers as an indicator of company size (Jaworski and Kohli, 1993). We also obtained data about the organizational structure of the company (marketing department). Moderators were converted into dichotomous variables by splitting the scale at the sample median, thereby defining two categories, which facilitates comparisons between groups with high and low measurement values (MacCallum *et al.*, 2002).

### 2.3.2 Measurement

The detailed information about the constructs in the theoretical model, as well as the model measurement, are presented in Chapter 2. The scales to measure the constructs were adapted from previous studies and measured by multiple five-point items Likert-type scales (see Appendix A, Table A.1).

As mentioned in Chapter 2, a structural equation modelling (SEM), specifically partial least squares (PLS), was proposed to assess the measurement and structural model. We have used this technique because is more appropriate for exploratory research and studies with small sample sizes (Fornell and Bookstein, 1982), and because the PLS algorithm shows greater convergence in its simplicity, offering fewer restrictions on the sample size and data normality (Chin *et al.*, 2003). In addition, Reinartz *et al.* (2009) note that PLS is more appropriate when the number of observations is below 250, as in our case.

The SmartPLS 3.0 software was used to analyse the data. The stability of the estimates was tested via a bootstrap resampling procedure (5000 sub-samples). The two-step PLS model analysis approach by Anderson and Gerbing (1988) was applied: first, the assessment of the reliability and validity of the measurement model, and second, the assessment of the structural model. The three-step analysis of the measurement invariance of composite models

(MICOM) by Henseler (2016) was run as an important procedure before the multi-group analysis.

### 2.3.3 Data analysis

In order to obtain generalised results, in the primary data set were presented 5 groups of companies, based on the number of employees (see Chapter 1). For the measuring of company size moderating effect, we joined them into 3 main groups (Table 2.1). In this procedure, we followed several steps.

*First*, during multi-group analysis between each of the 5 groups (in total 10 multi-groups tests have been run for each country). There were no significant differences found between group 4 and 5 in both countries, so, for the mean of further data analysis and interpretation of the results, we joined this 2 groups: named “Large” (companies with more than 250 employees). As well, there were no significant differences ( $p < 0.05$ ) found between “Micro” and “Small” companies, and we joined them in one group named “Small”. *Second*, based on the definition of small and medium enterprises (SMEs) given by the European Commission (2017). *Third*, from the suggestions of Einwiller and Boenigk (2012) those companies with a different number of employees have different levels of formalisation, which may influence on IMC practices.

**Table 2.1.** Three groups of companies based on the number of employees for moderating effect of company size analysis

	<i>Belarus</i>	<i>Spain</i>
1 - Small (<50)	91	84
2 – Medium (<250)	77	63
3 - Large (<250)	140	120
<b>Total</b>	<b>308</b>	<b>267</b>

As mentioned before, for the mean of data collection and analysis we group as the endogenous factors those internal characteristics, which are related to the company’s profile: company size (small, medium and large), company type (B2B or B2C), and organizational structure, in particular, the part related to marketing activities (if in charge of marketing is only one specialist or marketing department).

**Note.** The assessment of the reliability and validity of the measurement model presented in Chapter 1 (Section 1.4.3).

To analyse *indirect effects* of antecedents on the consequences through IMC we used the suggestion from Santos-Vijande *et al.* (2013) to follow the procedures from Preacher and Hayes (2008) and Shrout and Bolger (2002), and the Sobel test (Sobel, 1986) analysis to measure the statistical significance of the mediating effects evident in the conceptual model

To test the *moderating effects* in the model, we run a multi-group analysis. In this procedure, the PLS model is analysed and interpreted in two stages for each of the moderating effects selected for the analysis. First, the model was run separately for each sub-group. Second, the multi-group path coefficient differences were examined based on an unpaired samples t-test with the group-specific model parameters using the standard deviations of the estimates resulting from bootstrapping (Chin, 2000; Keil *et al.*, 2000).

During the first step, the Blindfolding technique was used to calculate de  $Q^2$  and Bootstrap to estimate the precision of the PLS estimates. Thus, 5000 samples sets were



created in order to obtain 5000 estimates for each parameter in the PLS model for each group. To move to the second step of multi-group analysis for each of the sub-group results we checked if the  $R^2$  exceeds the 0.1 value and all  $Q^2$  were positive for both groups. If so, the relations in the models have predictive relevance and we can move to next stage.

Second, the multiple-group path coefficient differences were examined based on the procedure suggested by Keil *et al.* (2000) and Chin (2000). These authors suggest applying an unpaired samples t-test to the group-specific model parameters using the standard deviations of the estimates resulting from bootstrapping. The parametric test uses the path coefficients and the standard errors of the structural paths calculated by PLS with the samples of the number of groups, using the following expression of t-value for multiple-group comparison test (2.1) (see Chin, 2000) ( $m$ =group 1 sample size and  $n$ =group 2 sample size):

$$t = \frac{\beta_{group\ 1} - \beta_{group\ 2}}{\sqrt{\frac{(m-1)^2}{(m+n-2)} \times SE_{group\ 1}^2 + \frac{(n-1)^2}{(m+n-2)} \times SE_{group\ 2}^2}} \times \sqrt{\frac{1}{m} + \frac{1}{n}} \quad (2.1)$$

This statistic follows a t-distribution with  $m+n-2$  degrees of freedom. The subsample-specific path coefficients are denoted as  $\beta$ , the sizes of the subsamples as  $m$  and  $n$ , and the patch coefficient standard errors as resulting from bootstrapping as  $SE$ .

**Note.** The assessment of *predictive ability* and hypothesis testing of structural model presented in Chapter 1 (Section 2.5).

## 2.4 Results

### 2.4.1 Mediation effects analysis

The results of mediation effects in the IMC antecedents and consequences theoretical model in Belarus and Spain are presented in Table 2.2.

**Table 2.2.** Significant indirect effects in IMC theoretical model

	Indirect effect	Sobel z-value	Sobel test, t-value	Sign. Level (two-tailed)
<b>Belarus</b>				
MO → CUP	0.244	0.028	8.691	0.000
MO → MP	0.157	0.027	5.687	0.000
<b>Spain</b>				
MO → CUP	0.494	0.039	12.690	0.000
MO → MP	0.465	0.040	11.757	0.000
TO → CUP	0.176	0.040	4.340	0.000
TO → MP	0.166	0.039	4.201	0.000
<b>Notes:</b> MO=Market Orientation; TO=Technology orientation; IMC=Integrated Marketing Communications; CUP=Customer performance; MP=Market Performance; FP=Financial Performance.				

The results presented in Table 2.2 suggest that in Belarus, through IMC, MO has a significant indirect effect on CUP (0.242,  $p < 0.000$ ) and MP (0.155,  $p < 0.000$ ). These indirect effects are also significant in Spain, where IMC cause the increase of MO total effect on CUP (0.495,  $p < 0.000$ ) and on MP (0.466,  $p < 0.000$ ). Furthermore, though in Belarus there were no other indirect effects found, in Spain, the results show the significant indirect effect of TO on

company performance through IMC. In particular, TO has an indirect effect on CUP (0.173,  $p < 0.000$ ), and MP (0.163,  $p < 0.000$ ) through IMC.

## 2.4.2 Multi-group analysis

### 2.4.2.1 The results of the analysis of the moderating effects of company size

The results of the multi-group analysis are presented in Table 2.3.

**Table 2.3.** Results of company size moderating effects based on the number of employees (small (S), medium (M) and large (L) companies)

Path	Moderating effects (p-value)			<50 (small=S)			50-250 (medium=M)			>250 (large=L)		
	S vs. M	S vs. L	M vs. L	$\beta$	t-value <sup>b</sup>		$\beta$	t-value <sup>b</sup>		$\beta$	t-value <sup>b</sup>	
<b>Belarus</b>												
MO → IMC	0.057	0.702	0.191	0.414	6.649	***	0.546	10.243	***	0.465	5.951	***
TO → IMC	0.003	0.117	0.000	0.176	1.530	ns	0.481	9.238	***	0.006	0.058	ns
IMC → CUP	1.000	0.000	0.646	0.749	19.081	***	0.422	5.068	***	0.460	6.763	***
IMC → MP	0.997	0.000	0.014	0.662	15.969	***	0.454	7.670	***	0.183	0.905	ns
IMC → FP	0.983	0.005	0.559	0.534	7.725	***	0.205	1.139	ns	0.250	2.037	**
<b>Spain</b>												
MO → IMC	1.000	0.992	0.344	0.673	10.85	***	0.288	5.145	***	0.343	2.755	***
TO → IMC	0.000	0.002	0.969	0.200	2.435	**	0.729	15.113	***	0.487	4.088	***
IMC → CUP	0.548	0.380	0.318	0.818	22.333	***	0.813	24.474	***	0.833	32.846	***
IMC → FP	0.385	0.025	0.050	0.642	9.347	***	0.670	10.871	***	0.786	22.760	***
IMC → MP	0.992	0.995	0.599	0.840	29.658	***	0.714	19.003	***	0.696	13.620	***

**Notes:** MO=Market Orientation; TO=Technology orientation; IMC=Integrated Marketing Communications; CUP=Customer performance; MP=Market Performance; FP=Financial Performance.  $\beta$ = Standardized Path Coefficient. t-value<sup>b</sup> - t-value (bootstrap). \*\*\* $p < 0.01$ ; \*\* $p < 0.05$ ; \* $p < 0.1$ ; ns=not significant.

The results show the significant moderating effect of company size on several relationships in the IMC theoretical model in both countries (Belarus and Spain). First, the effect of strategic orientation (MO and TO) on IMC varies among small and medium-size companies. In Belarus, the effect of MO on IMC is significant ( $p < 0.057$ ) and higher in medium-size companies (0.546,  $t = 10.243$ ) than in small firms (0.414,  $t = 6.649$ ), and the effect of TO on IMC is also higher ( $p < 0.003$ ) in medium-size companies (0.481,  $t = 9.238$ ) compared to small (0.176,  $t = 1.530$ ). In Spain, the influence of TO on IMC also differs between small and medium-sized companies, it is higher in medium (0.729,  $t = 15.113$ ) than in small firms (0.2,  $t = 2.435$ ) with 99% confidence. No other significant differences between small and medium-size companies were found in both samples.

Regarding differences between small and large companies in Belarus, company size moderates the relationship between IMC and organizational performance. IMC has a significantly higher influence on company performance in small companies compared to large in Belarus (CUP:  $p < 0.000$ ; MP:  $p < 0.005$ ; FP:  $p < 0.000$ ). But, in Spain only the relationship between IMC and FP ( $p < 0.025$ ), and TO and IMC ( $p < 0.020$ ) are significantly different. In contrast to Belarus, in Spain, the effect of IMC on FP is lower in small companies than in large (0.642,  $t = 10.871$  vs. 0.786,  $t = 22.760$ ), and the effect of TO on IMC is also lower in small firms compared to large ones (0.200,  $t = 2.425$  vs. 0.487,  $t = 4.088$ ).

When comparing medium and large companies in Belarus, the main influence of company size is found on the relationship between IMC and MP ( $p < 0.014$ ), and between TO and IMC ( $p < 0.000$ ). These relationships are only significant for medium-size companies. But,

in Spain, there is only one significant difference in the IMC-FP relationship ( $p < 0.05$ ), which is lower in medium-size companies compared to large ( $0.67, t = 9.347$  vs.  $0.786, t = 22.760$ ).

Thus, the hypothesis about the moderating effect of company size on the relationships in the theoretical model is supported in both economy types.

#### 2.4.2.2 The results of the moderating effect of company type

The results of the multi-group analysis are presented in Table 2.4. They show no significant moderating effect of company type on the relationships in the model in both transition and developed economies. Thus, the hypothesis about the moderating effect of company type is rejected in both economies.

**Table 2.4.** Results of multi-groups analysis of the moderating effect of company type

	$\beta$ -diff (  B2B -B2C  )	p-value (B2B vs. B2C)
<b>Belarus</b>		
MO → IMC	0.052	0.237
TO → IMC	0.072	0.759
IMC → CUP	0.181	0.988
IMC → MP	0.196	0.991
IMC → FP	0.231	0.979
<b>Spain</b>		
MO → IMC	0.121	0.934
TO → IMC	0.045	0.687
IMC → CUP	0.072	0.922
IMC → MP	0.202	0.998
IMC → FP	0.062	0.820

Notes: MO=Market Orientation; TO=Technology orientation; IMC=Integrated Marketing Communications; CUP=Customer performance; MP=Market Performance; FP=Financial Performance.  $\beta$ = Standardized Path Coefficient.

#### 2.4.2.3 Results of the moderating effect of organisational structure

The results of the multi-groups analysis are presented in Table 2.5.

**Table 2.5.** Results of the moderating effect of the organisational structure

	$\beta$ -diff (   marketing department vs. specialist  )	p-Value (marketing department vs. specialist)					
<b>Belarus</b>							
IMC → CUP	0.074	0.198					
IMC → FP	0.074	0.74					
IMC → MP	0.126	0.917					
MO → IMC	0.095	0.117					
TO → IMC	0.185	0.953					
<b>Spain</b>							
Path	Moderating effect (p-value)	Marketing Specialist		Marketing Department			
		$\beta$	t-value <sup>b</sup>	$\beta$	t-value <sup>b</sup>		
IMC → CUP	0.687	0.647	12.204	***	0.679	18.682	***
IMC → FP	0.618	0.556	6.464	***	0.584	14.096	***
IMC → MP	0.000	0.767	19.034	***	0.538	11.38	***
MO → IMC	0.673	0.589	12.244	***	0.622	10.37	***
TO → IMC	0.001	0.398	6.88	***	0.108	1.42	ns

Notes: MO=Market Orientation; TO=Technology Orientation; IMC=Integrated Marketing Communications; CUP=Customer performance; MP=Market Performance; FP=Financial Performance.  $\beta$ = Standardized Path Coefficient. \*\*\* $p < 0.01$ ; \*\* $p < 0.05$ ; \* $p < 0.1$ ; ns=not significant. t-value<sup>b</sup> - t-value (bootstrap).

The results show no significant moderating effect of the organisational structure on the relationships in the theoretical IMC model in Belarus. However, there is a significant effect on the IMC-MP relationship in Spain ( $p < 0.000$ ), which suggests that IMC influence on MP is higher when one specialist is responsible for marketing communications activities compared to a marketing department (0.767,  $t = 19.034$  vs. 0.538,  $t = 11.380$ ). Thus, the hypothesis about organisational structure moderating effect on the relationships in the theoretical model is only supported by in Spain.

#### 2.4.2.4 Results of the moderating effect of managers' profile

The results of the multi-group analysis are presented in Table 2.6.

**Table 2.6.** The analysis of multi-group analysis for the moderating effect of manager's profile (Marketing education, YES vs. NO Marketing education)

H		Moderating effect	YES			NO		
			p-value	$\beta$	t-values	$\beta$	t-values	
<b>Belarus</b>								
H1	MO $\rightarrow$ IMC	0.995	0.539	10.49	***	7.189	10.37	***
H2	TO $\rightarrow$ IMC	0.078	0.110	1.847	*	0.801	1.42	ns
H3	IMC $\rightarrow$ CUP	1.000	0.42	8.343	***	17.925	18.682	***
H4	IMC $\rightarrow$ MP	1.000	0.182	3.981	***	31.351	11.38	***
H5	IMC $\rightarrow$ FP	0.777	0.277	4.459	***	3.91	14.096	***
<b>Spain</b>								
H1	IMC $\rightarrow$ CUP	0.002	0.711	22.795	***	0.85	24.814	***
H2	IMC $\rightarrow$ FP	0.000	0.612	13.128	***	0.867	38.751	***
H3	IMC $\rightarrow$ MP	0.000	0.645	14.475	***	0.859	32.93	***
H4	MO $\rightarrow$ IMC	0.979	0.66	15.824	***	0.243	1.127	ns
H5	TO $\rightarrow$ IMC	0.009	0.212	3.835	***	0.652	3.374	***
<b>Notes:</b> t[mgp] = t-value for multi-group comparison test; $\beta$ = Standardized Path Coefficient. MO – Market Orientation, TO – Technology Orientation, IMC – Integrated Marketing Communications, CUP – Customer performance, MP – Market performance, FP – financial performance. *** $p < 0.01$ ; ** $p < 0.05$ ; * $p < 0.1$								

The analysis of the moderating effect of manager's competencies shows significant differences in the relationship between TO and IMC both in Belarus ( $p < 0.078$ ) and Spain ( $p < 0.009$ ). In the case of Belarus, TO influences IMC (0.110,  $t = 1.847$ ) only when the manager has a marketing education, but this effect is not significant in companies where the manager has no marketing education. But in Spain, the influence of TO on IMC is stronger when the manager does not have education in marketing (0.212,  $t = 3.835$  vs. 0.652,  $t = 3.374$ ). In addition, the results in Spain show the significant moderating effect of manager's competencies in the relationship between IMC and organizational performance (CUP:  $p < 0.002$ ; MP:  $p < 0.000$ ; FP:  $p < 0.000$ ). All these relationships are stronger when the manager has no marketing education.

Thus, the hypothesis about the moderating effect of manager's profile on the relationships in the theoretical model is supported in both economy types, Spain and Belarus.

## 2.5 Discussions and conclusions

Additionally, to direct relationships in the IMC antecedents and consequences model measured in Chapter 1 of the Thesis, the results of IMC *mediating effect analysis* suggest

several indirect effects. First, in both transition and developed economies, MO has an indirect influence on customer and market performance, which supports the previous suggestions (Cadogan *et al.*, 1999; Kohli and Jaworsky, 1990; Reid *et al.*, 2005). Apart from this, in a developed economy, TO has indirect effects on customer and market performances through IMC. It confirms the suggestion that strategic orientation together with the implementation of IMC and developing dynamic marketing capabilities, gives the company a competitive advantage, and, as a result, a positive influence on its performance (customer and market) (Peltier *et al.*, 2013; Reinold and Tropp, 2012).

The results of the analysis of the moderating effect of company size in a transition economy do not support the suggestion that a low level of formalisation may influence on the IMC implementation effectiveness when comparing small and medium-size companies. Even the opposite, it shows that in small companies IMC tends to have a higher influence on firm's performance (customer, marketing and financial) compared to large. This can be explained by the legacy of a centrally planned economy and the small level of firms' marketing activeness in the past (Makhija, 2003; Svejnar, 2002). In a transition economy, small and medium-sized companies compared to big can be more flexible and faster in the process of IMC implementation. However, in big firms with the difficult organizational structure, the cross-functional integration process may meet barriers from the involvement of more people responsible for making managerial decisions (Einwiller and Boenigk, 2012). However, small companies are less capable of gathering information about the market in technologic changes compared to medium size companies, which is suggested by a lower influence of strategic orientation on IMC for firms in a transition economy. One more interesting difference in a transition economy is that TO has a strong significant influence on IMC in medium-size companies and no effect in large companies. The same is true for the relationship between IMC and market performance.

In contrast to the post-Soviet transition economy of Belarus, in Spain, there are less significant moderating effects of company size on the relationships in the model. They are more remarkable related to medium size companies to compare to small and large. First, in contrast to Belarus, in Spain IMC tends to have more effect on FP in medium-size firms compared to small, which partly supports the suggestion that the level of formalisation can prevent an effective implementation of IMC in small companies (Einwiller and Boenigk, 2012; Evatt *et al.*, 2005). In addition, TO has a lower impact on IMC in small firms compared to medium and large in a developed economy. It can be related to the fact that innovation and technologies are less applied in small companies because of their high costs (Mulhern, 2009). Additionally, the effect of IMC on FP is higher in large companies compared to small, which can suggest that a cross-functional process of integration can be an effective instrument for performance improvement (Duncan and Moriarty, 1998), especially in larger companies where more people are involved in managerial processes.

In general, contrary to our expectations, in a transition economy small and medium-sized companies tend to be more successful in IMC implementation practices compared to large companies, which are mainly represented by big government plants, who are still under the influence of the past central planning system and are less flexible than small companies. However, in a developed economy, as expected, size matters in another way; bigger companies may have more resources and a higher level of formalisation which positively influence on IMC implementation.

From a practical point of view, knowing better about differences between strategic orientation and IMC, as well as between IMC and organizational performance in small, medium and large companies can help managers to apply strategic decisions more correctly (Einwiller and Boenigk, 2012; Laukkanen *et al.*, 2013). Inter-country results clarify the important differences between transition and developed economies, which can be taken in consideration by local and international company's managers.

The result of data analysis for firms in a transition and in a developed economy did not support the hypothesis that company *type* (B2B or B2C) moderates the relationship between both strategic orientation and IMC and IMC and performance. It means that the results obtained from the analysis of the model in Chapter 1 do not depend on the type of business (B2B or B2C), which from a practical point of view can help in a better application of IMC practices in companies of different profiles.

The results of the analysis of the effects of *organisational structure* showed no significant moderating effects on the model in the transition economy of Belarus, however in Spain the organisational structure moderates the relationship between IMC and MP, which is significantly stronger in companies where marketing activities are under the responsibility of a marketing specialist instead of a marketing department. This supports the suggestion that effectiveness of integrated communications is higher when they are managed and controlled by the same person who has the responsibility and control for the whole scope of marketing communications within the organization (Christensen *et al.*, 2008).

The results of the further analysis of the moderating effect of *manager's profile* demonstrate that the competencies related to marketing education moderate the relationship between TO and IMC. In the case of a transition economy, this relationship is only significant when the manager has a marketing education. In a developed economy, it is significant in both cases, but are stronger when the manager has no marketing education. Moreover, in a developed economy manager's profile moderates the relationship between IMC and firm's performance (customer, market and financial). The same, the IMC influence is stronger when the manager does not have previous marketing education. It can be explained because of the narrow-focused capitalist educational system with a lack in the study of general concepts of the company work process. As a result, it causes an inability of marketing communications managers to implement their knowledge in practice and integrate into other organizational processes in the company (Fogel, 1990; Kitchen *et al.*, 2004; Wightman, 1999). In contrast, companies in a transition economy, where in general there is a lack of specialized marketing education during the period of receiving a university degree (Fogel, 1990), managers decide to get an extra education by their own. Normally it happens after they have faced with the real practical problems during their professional career. In this case, their decisions are deliberated. The wish of extra knowledge to improve their competencies demonstrates the interest to have a better understanding of the external environment needs and more interest in following up-to-date technologies.

Cultural differences and economic differences analysis presented in this research have a theoretical contribution to the IMC concept literature, opening a wider perspective on understanding the differences between countries (Hofstede, 1993). From a practical point of view, companies with international strategies may apply this knowledge in order to improve their planning under the environmental factors influence.

### ***Limitations and future research***

There are several limitations in the research regarding the factors, which may have an influence on the IMC implementation and moderate the relationships in the model. First, related to company type analysis, we were not able to measure the industry influence because with the aim of having more generalised results we chose 5 different industries for the analysis (agriculture, construction, production, retailer and service companies). Because of this in the final sample, there were not enough respondents from each industry for doing a multi-group analysis and studying the industry moderating effect. Thus, for future research, the type of industry comparison can be applied. Regarding organisational structure analysis in our samples only were represented companies who manage marketing communications by their own. That is why we were not able to analyse if there were any differences in the IMC effectiveness when company use an agency to manage marketing communications. Thus, for future research, the analysis of differences in IMC effectiveness between marketing specialist, marketing department and an agency can be conducted.

## **Chapter 3.**

Customer perception of the integrated marketing  
communications (IMC) concept:

Testing a theoretical model in an inter-country context

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## **Chapter 3. Customer perception of the integrated marketing concept (IMC): Testing a theoretical model in an inter-country context**

### **3.1 Introduction**

Over the past three decades, integrated marketing communications (IMC) has received consideration as a topic of research priority (Kumar *et al.*, 2016). Enhanced by new technologies and the growth of competition in the marketplace, the concept of IMC evolved from a simple instrument for tactical coordination of promotional tools to a complex strategic process (Mihart, 2012). Today, the IMC concept is well accepted by marketing specialists as an important part of a company marketing strategy (Kliatchko and Schultz, 2014). However, for successful implementation of IMC practices companies need up-to-date information about customer preferences and market changes (Murray *et al.*, 2011; Teece, 2007). Being customer-centric (Kliatchko, 2008), IMC concept highlights the need for having accurate and detailed information about customer needs, motivation, attitude and actions (Danaher and Rossiter, 2011; Kushwaha and Shankar, 2013; Mihart, 2012). This information is very relevant for companies' survival and development in a fast and competitive economic system (Kliatchko and Schultz, 2014).

The evidence of new technologies and social networks bring an opportunity for making marketing communications interactive and the possibility to collect a large amount of customer information (Mulhern, 2009). It transfers marketing into the era of "digital marketing" or "data-based marketing" (Peltier *et al.*, 2003; Prendergast *et al.*, 2010; Zahay *et al.*, 2004). IMC practices of interactive dialogue with prospects and the understanding of customer needs give the company information to improve goods and services and positively influence on customer performance. This impact is the result of the customer receiving a consistent message from a variety of communication channels (Danaher and Rossiter, 2011; Low, 2000). Therefore, it is important to understand customer opinion about the integration of marketing communications (Peltier *et al.*, 2003). As previous studies of the IMC concept are mainly based on the analysis of managers' opinion, the topic of IMC customer-based perception is still open for further research (Peltier *et al.*, 2003; Šerić *et al.*, 2014).

Multichannel marketing refers to the practice of simultaneously offering customers information, goods, services and support through two or more synchronised channels (Rangaswamy and Van Bruggen, 2005). It creates the necessity of marketing communications integration (Peltier *et al.*, 2003). New technologies and new practices in marketing have a big effect, not only on customer perception of marketing communications but also on consumer behaviour. They influence how consumers communicate and learn about products and offerings in multichannel marketing and how they shop and buy (Darley *et al.*, 2010; Kim and Lennon, 2008), to their evaluation and post-purchase behaviour (Mugge *et al.*, 2010; Prendergast *et al.*, 2010). As previous research on consumer behaviour has focused primarily on buying behaviour, less is understood about the consumer-product relationship during ownership, even though the post-purchase evaluation plays a significant role in customer retention (Mihart, 2012; Mugge *et al.*, 2010; Prendergast *et al.*, 2010). Thus, the changes in the environment in which companies communicate with their customers create the necessity to study interactions between customer-based IMC perception and consumer behaviour at all stages of the decision-making process and post-purchase behaviour (Mihart, 2012; Payne and Flow, 2005; Peltier *et al.*, 2013). It also highlights the need to study the relationships between

the elements of the post-purchase behaviour (satisfaction, word-of-mouth (WOM) recommendations and repurchase intention) (Mihart, 2012; Payne and Flow, 2005; Peltier *et al.*, 2013).

Sensing of market changes and being customer oriented as a part of company's strategy transfer IMC into a dynamic marketing capability. IMC together with a good strategy can bring a competitive advantage to the company (Morgan *et al.*, 2009; Mulhern, 2009; Teece, 2014). Under the conditions of global competition and deep uncertainty, the *dynamic capabilities theory* emphasises the need for sensing and recognising market and technology changes in business environments and using this knowledge as a capability for companies' asset transformation towards sustainable competitive advantage (Augier and Teece, 2009; Teece, 2007, 2014). However, as institutional theory states (Scott 1987, 2008), uncertainty has a significant influence on companies' market behaviour, which varies depending on the environmental conditions, such as the level of rivalry or the type of economy. It means that companies should build their marketing communications with stakeholders in a different way depending on external factors, what in turn can affect customer IMC perception (Kim *et al.*, 2004). Additionally, *the Hofstede's cultural dimensions theory* suggests that scientific research on management and marketing should be undertaken with cross-cultural perspective, because cultural dimensions may influence both managerial decisions and customer behaviour. Thus, the further advancement of the academic disciplines and generalisation of the results requires that the validity of the theories and models be examined in cross-cultural settings, (Hofstede, 1993; Steenkamp, 2001). That is why we conduct our research in two different countries (Spain and Belarus).

Based on the mentioned above, the principal objective of this research is studying the main strategic antecedents of the customer based IMC and the key consequences on post-purchase behaviour in an inter-country context. We want to answer the following research questions: 1. What are the effects of a strategic orientation on customer-based IMC? 2. What are the consequences of the customer based IMC on post-purchase behaviour? 3. What are the relationships between the different elements of post-purchase customer behaviour (satisfaction, WOM recommendations and repurchase intention)?

From a theoretical perspective, this study adds value to the understanding of the IMC concept, its strategic antecedents, and its consequences from a customer point of view, and it contributes to the consumer behaviour theory research (Darley *et al.*, 2010; Voss *et al.*, 2010). In addition, the analysis of customer satisfaction, WOM recommendations and repurchase intention give a better understanding of the relationships between the different elements of post-purchase behaviour (Hellier *et al.*, 2003; Mittal and Kamakura, 2001). Furthermore, the inter-country approach is a significant contribution to generalising results under the requirements of a cross-cultural marketing and management study (Hofstede, 1993; Soares *et al.*, 2007; Steenkamp, 2001).

From a managerial point of view, the study of IMC strategic antecedents can help managers to make better decisions and improve company's marketing communications strategies to achieve competitive advantages (Mihart, 2012). Moreover, understanding the relationships between IMC and post-purchase customer behaviour can help to know customers better and enable the development of a comprehensive theory of customer retention (Kumar and Venkatesan, 2005). As a result, it can be applied by managers to positively influence customer performance (Darley *et al.*, 2010).

Following the research objectives, the paper starts with a brief literature review of main IMC customer-based antecedents and consequences and a description of the main elements of customer post-purchase behaviour. Then, the process of data collection and analysis is presented. After, the main results are reported. The article finalises with a discussion, conclusions, and some recommendations for future research.

## 3.2 Theoretical framework

### 3.2.1 IMC as a dynamic marketing capability

Over the past three decades, the IMC has received considerable attention, both in the marketing and in the management literature, and is still considered a research priority topic (Kumar *et al.*, 2016). During this period, the IMC concept has been evaluated from a simple instrument of tactical coordination of promotional tools to a complex strategic business process (Mihart, 2012; Muñoz-Leiva *et al.*, 2015; Schultz and Schultz, 1998).

Nowadays it is well accepted by marketing scholars that the process of cross-functional integration of marketing communications, together with a good strategy, can bring the company a competitive advantage in the market (Morgan *et al.*, 2009; Teece, 2014; Vorhies and Morgan, 2005). In a fast-moving business environment, open to global competition and with deep uncertainty, IMC can be considered as a dynamic marketing capability (Augier and Teece, 2009; Morgan *et al.*, 2009; Teece, 2007). Dynamic capabilities are 'strategic', and distinct from ordinary capabilities, which are mostly related to performing current activities effectively (Teece, 2014). Three clusters of activities represent the strategic orientation of dynamic capabilities: (1) sensing (identification and assessment of an opportunity); (2) seizing (mobilization of resources to address an opportunity and to capture value from doing so); and (3) transforming (continued renewal) (Teece, 2007). Therefore, IMC enables companies to reflect the sensing of future changes in technologies and customer preferences by combining and transforming the available assets and knowledge in new and different ways (Teece, 2007, 2012; Vorhies *et al.*, 2009). Moreover, it may positively influence customer performance (Reid, 2005; Reinold and Tropp, 2012).

### 3.2.2 Consumer behaviour theory

There are three main perspectives in consumer behaviour studies: decision-making, experiential and behavioural (Holbrook and Hirschman, 1982; Mowen, 1988; Schmitt, 1999). Decision-making perspective measures steps in the decision-making process through which target markets move; experiential perspective measures customer's affective response to company's activities, and behavioural perspective measures the characteristics of the environment which can influence the target market (Mowen, 1988). Being interested in customer evaluation of company-transferred communications, we base our research on an experiential perspective, which measures post-purchase affective states, such as satisfaction, WOM recommendations, and repurchase intention (Mowen, 1988).

## 3.3 Literature review

### 3.3.1 Strategic antecedents of IMC customer-based perception

One of the objectives of the IMC concept is to search for the most appropriate and efficient combination of channels through which persuasive programs can be used to build

relationships with customers and other stakeholders (Kliatchko, 2008). IMC synthesise elements of the communication mix so that the strength of one channel is used to offset the weakness of others; that is how the synergy between different communication channels is created to put forward a single unified position (Danaher and Rossiter, 2011; Kitchen and Schultz, 1999).

Market-oriented firms constantly collect relevant market information, share the information with other departments and other decision-makers throughout the organisation, and quickly respond to the changes in the market (Kohli and Jaworski, 1990). Customer orientation, as a part of market orientation, provides firms with up-to-date customer information (Narver and Slater, 1990). Being customer-centric (Kliatchko, 2008), IMC concept highlights the need of having accurate and detailed information about customers' needs, motivation, attitude and actions (Danaher and Rossiter, 2011; Kushwaha and Shankar, 2013; Mihart, 2012). This information is very relevant for companies' survival and development in a fast and competitive economic system (Kliatchko and Schultz, 2014). It is also supported by the dynamic capabilities theory, which states that sensing of market changes and being customer oriented are the parts of company strategy which can transfer IMC into a competitive advantage (Teece 2007; 2014). From that, the following hypothesis is derived:

**H1:** Customer orientation has a positive influence on IMC customer-based perception.

The evidence of new technologies and social networks gave marketers new digital channels for communication with target customers. It transferred marketing into the era of “digital marketing” or “data-based marketing” (Peltier *et al.*, 2003; Prendergast *et al.*, 2010; Voss *et al.*, 2010; Zahay *et al.*, 2004). These channels bring an opportunity for making marketing communications interactive and give the possibility to collect a large amount of consumer information. Considering that up-to-date information about customers and markets is critical for the implementation of IMC as a dynamic marketing capability, these changes have a great impact on marketing communications (Kitchen, 2016; Mulhern, 2009; Teece, 2007).

The exogenous market pressure of technology changes and the rapidity of innovation cannot be ignored by customer-oriented companies (Kitchen and Proctor, 2015; Morgan *et al.*, 2009). Customer orientation and IMC practices of interactive dialogue with prospects and consumers give the company information to improve goods and services as a way of responding to the changing market and technology circumstances (Kitchen, 2016). Both customer and technology orientation encourage the development of new ideas (Trainor *et al.*, 2011). Customer orientation, as a part of market orientation strategy, represents a customer-based philosophy (Trainor *et al.*, 2011). In its turn, technology orientation is the philosophy of a ‘technological push’ (Zhou *et al.*, 2005). It represents a company’s capability of recognizing and adapting to emerging technologies, investing more in research and development and applying new technology within the organization (Gatignon and Xuereb, 1997; Trainor *et al.*, 2011). This view suggests that linking customers’ needs with new technologies and innovation implementation within the firm is a key and critical component of the conceptualization of companies’ dynamic marketing capabilities (Trainor *et al.*, 2011; Zhou *et al.*, 2005), and in particular IMC (Mulhern, 2009; Teece, 2014). Accordingly, we posit that:

**H2.** Technology orientation has a positive influence on IMC customer-based perception.

### **3.3.2 IMC and consumer behaviour**

Vorhies *et al.* (2009) specified that marketing communications, as a dynamic marketing capability, as well as their integration, can be a significant driver of market efficiency and competitive advantages. This suggestion is also supported by others authors who base their research on the dynamic capabilities theory (Morgan *et al.*, 2009; Peltier *et al.*, 2013; Reinold and Tropp, 2012). The impact of marketing communications integration has resulted in the customer receiving a consistent message from a variety of communication channels that positively effects on customer evaluation of company-transferred communications (Danaher and Rossiter, 2011; Low, 2000). However, new technologies and new practices in marketing communications affect not only customer perception of IMC but also consumer behaviour. It influences from how consumers communicate and learn about products and offerings in multichannel marketing, and how they shop and buy (Darley *et al.*, 2010; Kim and Lennon, 2008), to their evaluation and post-purchase behaviour (Mugge *et al.*, 2010; Prendergast *et al.*, 2010).

Based on the literature review, we can highlight the following concepts concerned with customer post-purchase evaluation of company communications: (1) satisfaction (Ha and Perk, 2005; Hellier *et al.*, 2003; Oliver, 1980; Yi and La, 2004), (2) word-of-mouth (WOM) (Prendergas *et al.*, 2010) and (3) repurchase intention (Hellier *et al.*, 2003; Mihart, 2012; Šerić *et al.*, 2014).

#### **3.3.2.1 Satisfaction**

Originally, satisfaction has been defined by Oliver (1980) as the contentment of customers with respect to their prior purchasing experience with a product or service. In contemporary marketing, it is argued that customer satisfaction not only depends on the emotional component but also includes a cognitive component (Ha and Perks, 2005; Oliver, 1993). In this case, an emotional component is the result of customer's evaluation of purchase experience and consists of emotions, such as happiness, surprise, and disappointment (Ha and Perks, 2005; Oliver, 1993; Yu and Din, 2001). Moreover, a cognitive component refers to customer's evaluation of the information adequacy perceived from the complex of marketing communications in comparison to customer's expectations (Anderson and Srinivasan, 2003; Ha and Perks, 2005). In other words, if the information perceived from an advertising message is equal to their expectations, customers will perceive satisfaction on the post-purchase evaluation (Mihart, 2012). In this case, positive communication experience should improve customer satisfaction (Reid, 2005; Šerić *et al.*, 2014), thus:

**H3:** IMC customer-based perception has a positive influence on satisfaction.

#### **3.3.2.2 WOM (word-of-mouth)**

Initially, WOM was perceived as being even more reliable and trustworthy than firm-generated communications (Arndt, 1967). Nowadays, WOM can be communicated not only face-to-face, but consumers are also turning to the internet as an information source, and, with the evidence of social media, they get more ability to share the experiences, opinions and

knowledge with others (Mulhern, 2009; Owen and Humphrey, 2009). As a result, audiences are no longer just receivers of media content but are simultaneously creators of the content through texts, pictures, videos, music, and so on. Real-time content is creating due to interactivity, response, and conversation (Belch and Belch, 2014; Kliatchko, 2008). For marketers, WOM presents not only better opportunities for transferring messages using new channels, such as social networks, but also interactive communication with customers (Mulhern, 2009; Prendergast *et al.*, 2010). Transferring IMC practices towards digital media communications positively impacts on WOM company-customer communications (Mulhern, 2009; Owen and Humphrey, 2009). Thus, we hypothesise the following:

**H4:** IMC customer-based perception has a positive influence on WOM.

### 3.3.2.3 *Repurchase intention*

Repurchase intention can be defined as the individual's judgment about buying a designated product/service again from the same company (returning buyers), considering his current situation, likely conditions and previous purchase experience (Hellier *et al.*, 2003). Since it is accepted in the literature that intention can predict behaviour (Chandon *et al.*, 2005), from a company point of view, customer retention (or repurchase) is an important part of customer performance analysis and behaviour research (Hellier *et al.*, 2003). Customer's repurchase decision often depends on a general assessment of the experience of company communication (Hellier *et al.*, 2003; Mittal and Kamakura, 2001). That is why several studies consider the predictive validity of repurchase intention to analyse IMC impact on post-purchase behaviour from a customer point of view (Hellier *et al.*, 2003; Mihart, 2012; Mittal and Kamakura, 2001). Based on the mentioned above, we propose that:

**H5:** IMC customer-based perception has a positive influence on repurchase intention.

### 3.3.3 **Interactions between elements of post-purchase behaviour**

Literature review shows that consumer behaviour research mainly focuses on the study of customer decision-making process of buying a product or a service. Less information is published related to the post-purchase stage of consumer behaviour (Mihart, 2012; Mugge *et al.*, 2010; Prendergast *et al.*, 2010). Several studies mention that there are relationships between the different post-purchase behaviour elements (Mihart, 2012; Payne and Flow, 2005; Peltier *et al.*, 2013).

The concept of cumulative satisfaction recognises that customers rely on their entire experience of communication with the company when forming intentions and making repurchase decisions (Ha and Perks, 2005; Oliver, 1980). Thus, cumulative evaluations should better predict customers' intentions and behaviours, such as WOM recommendations behaviour (Spreng *et al.*, 1995) and repurchase intention (Olsen and Johnson, 2003; Voss *et al.*, 2010).

**H6:** Satisfaction has a positive influence on WOM.

**H7:** Satisfaction has a positive influence on repurchase intention.

Several studies have considered the relationship between WOM and customer behaviour (Prendergast *et al.*, 2010). WOM presents numerous opportunities for marketers, not only as a direct effect of customer experience but also as an instrument of impact on post-purchase behaviour (Trusov *et al.* 2009). Marketing researchers have shown that WOM may have an impact on consumer decision-making process and behaviour (Ha and Perk, 2005; Lau and Ng, 2001; Prendergast *et al.*, 2010). Thus, the following hypothesis is proposed:

**H8:** WOM has a positive influence on repurchase intention.

### 3.3.4 The country difference effect

Business environment, being complicated by the dynamics of change and competition, is producing a degree of uncertainty that cannot be ignored by companies in the application of dynamic capabilities (Teece, 2014; Theodosiou *et al.*, 2012). Environmental factors mentioned in the literature, which may drive or hinder the achievement of a certain IMC level, are the following: the level of competition, marketing activeness, technological turbulence of a specific market or region and cultural differences (Kim *et al.*, 2004; Low, 2000; Reid, 2005; Theodosiou *et al.*, 2012). In particular, the economic environment influences the strategic orientation level, which means that companies start to be more strategically oriented with the growth of the competition in the market (Gatignon and Xuereb, 1997; Shinkle *et al.*, 2013). In addition, in highly competitive environments under conditions of uncertainty, companies are especially sensitive to implementing capabilities that enhance organisational performance (Teece 2007, 2012; Trainor *et al.*, 2011). Institutional theory supports the relationships between dynamic external factors and processes inside the organisations and specifies that company behaviour may vary depending on the institutional environment in which it operates (Scott, 2008). It means that companies build their communications with stakeholders in a different way under the environmental factors influence, which in turn may affect customer perception in IMC.

Additionally, the cultural dimensions theory also specifies the need to consider differences between countries (Hofstede, 1993). It states that management process inside organisations is mainly based on managers, who are human, with cultural specific background and from a specific economic environment. Their decisions depend a lot on the situation in which they were growing. When taking decisions inside the organisation their personal perceptions influence a lot on the type of management they perform. From another part of the company, customer's relationships are also based on humans, which may have different cultural backgrounds and be from various economic environments. As a result, due to cultural and economic differences, the relationships previously proposed in this research may vary depending on the context. Thus, we hypothesise the following:

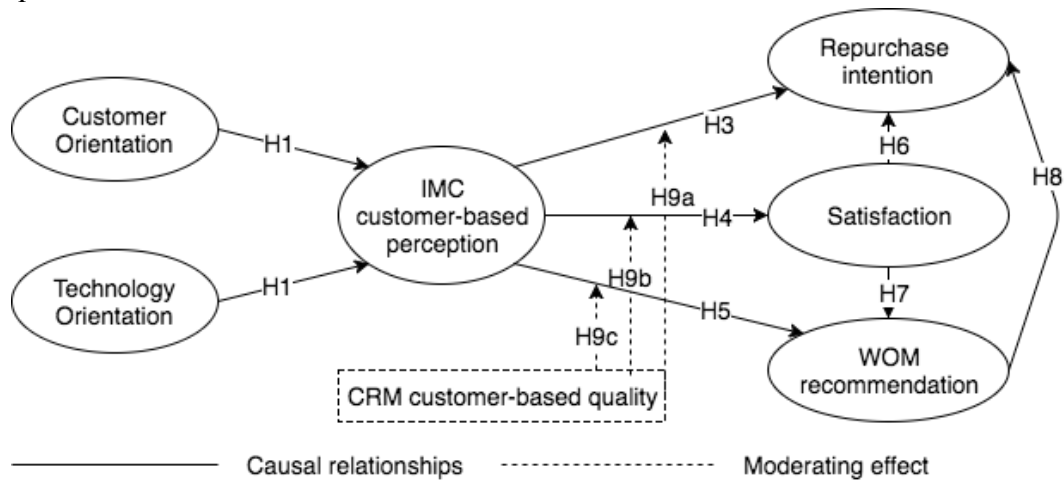
**H9:** The economic and cultural country differences moderate the direct relationships proposed in the theoretical model.

### 3.3.5 Theoretical model

Based on the assessment of IMC as a dynamic marketing capability, which with the influence of customer and technology orientation can positively influence on customer post-purchase

behaviour, we built a theoretical model of IMC customer-based antecedents and consequences (Figure 3.1).

**Figure 3.1.** Theoretical model of IMC customer-based perception, antecedents and consequences



### 3.4 Data collection and analysis

#### 3.4.1 Context: Belarus vs. Spain

To obtain preliminary insights into the moderating effect of the country on the different relationships in the model we have collected data from two countries, namely Belarus and Spain. The selection of the countries followed what could be referred to as a convenience sampling procedure, with the aim of collecting data from countries of different types of cultural and economic backgrounds (Hofstede, 1984, 1993; Laukkanen *et al.*, 2013). Although the use of only two data points (i.e. countries) limits the possibilities of theory testing, at the same time it can enable new insights to be generated and guide theory development (Cadogan, 2010).

*Belarus* represents a post-soviet transition economy with a low market orientation. Both cultural and economic development of the country was influenced by former Soviet Union central planning system in part of which Belarus was before 1990 (Kuzio, 2001; Makhija, 2003; Svejnar, 2002;). The fall of the Soviet Union had influence both on economic and cultural life. The process of liberalisation, openness to the new markets, appearance competition and a wider variety of goods and services influenced on the country's society, making it move forward to the market system of relationships (Svejnar, 2002). However, for the transition economy a lower level of market-orientation and rivalry in the market is typical (Svejnar, 2002).

*Spain* represents a developed capitalist economy for which a high degree of competition, market orientation and up-to-date technologies is typical (Svejnar, 2002). Spain has a developed economy, which is quite stable during recent years. From the International Monetary Fund report, it is the fourteenth-largest economy by nominal GDP in the world, the fifth-largest economy in the European Union, and the fourth-largest economy in the Eurozone. Based on nominal GDP statistics, and it is the twelfth largest exporter and the sixteenth-largest importer in the world (World Economic Outlook Database, October



2016). Also, Spain has a good level of living, what is supported by the information from Eurostat (report 2016).

Different studies suggest that cultural differences exist between Belarus and Spain (Buil *et al.*, 2008; Hofstede, 1984; Ksenzova and Ksenzov, 2015; Kustin, 2006; Rees and Miazhevich, 2009). According to Hofstede's cultural framework (Hofstede, 1984), because of the more stable recent economic situation, Spain should have a lower power distance and uncertainty avoidance than Belarus. Also, Spain is a little more individualistic and masculine than Belarus, although the differences between these countries in the last dimensions are small (Naumov and Puffer, 2000).

### 3.4.2 Data collection

Data for the model measurement and hypothesis testing was collected from a customer's survey. To make the sample in each country representative and to fix parameters, which may influence the results, we have selected the population of different age, gender, and education, both employed and unemployed and not at the moment of conducting the survey (Table 3.1). Moreover, as suggested by several researchers (Low, 2000; Reid *et al.*, 2005), to reduce the influence of the industry, the questionnaire was performed in 3 industry types: services (mobile operators, fuel stations and banking services), production (toothpaste producer and producer of cell phones), and retail (supermarkets, electronic stores and fashion stores). The results of the industry effect showed no significant differences in any of the two countries selected for the analysis.

**Table 3.1.** The sample

		<i>Belarus</i>	<i>Spain</i>
	<b>Total</b>	<b>382</b>	<b>369</b>
<b>Gender</b>	Male	172	153
	Female	210	206
<b>Age</b>	< 25	107	103
	26-45	159	171
	> 45	116	95
<b>Education</b>	School or college	102	98
	University, Master, PhD or equivalent	280	261
<b>Employment</b>	Yes	289	274
	No	93	95
<b>Industry</b>	Service	116	102
	Production	109	121
	Retail	157	146

**Notes:** responses after data validation are eliminated from the statistics.

The questionnaire for the survey was previously adapted and pretested in each country. At the beginning of the questionnaire, respondents were asked to choose the brand from a proposed industry which they were more familiar with, or they had purchased during the last 12 months. The industry was suggested to the respondents randomly. From that, all the remaining questions in the questionnaire were related to the brand initially chosen.

### 3.4.3 Measurement

To measure the main components of the model, we adopted existing and well-accepted scales from the literature. This review helped to guarantee the content validity of the scales. As most of those scales were designed for managers and not for consumers, some of the questions in the scales had to be adapted to conduct the customer survey (Table 3.2).

**Table 3.2.** Literature sources for the development of measurement scales

VARIABLE	INDICATOR	Belarus		Spain	
		FACTOR LOADING	ROBUST T-VALUE*	FACTOR LOADING	ROBUST T-VALUE*
<b>CO</b>		<b><math>\alpha = 0.814</math>; CR=0.890; AVE=0.858</b>		<b><math>\alpha = 0.825</math>; CR=0.750; AVE=0.505</b>	
	CO1 =V2	0.789	19.961	0.791	13.484
	CO2 =V3	0.739	16.141	0.572	8.551
	CO3 =V4	0.766	14.234	0.750	12.225
<b>TO</b>		<b><math>\alpha = 0.806</math>; CR=0.768; AVE=0.525</b>		<b><math>\alpha = 0.824</math>; CR=0.787; AVE=0.552</b>	
	TO1 =V6	0.708	18.809	0.716	11.287
	TO2 =V7	0.710	14.449	0.757	11.987
	TO4 =V11	0.755	16.435	0.755	11.133
<b>IMC</b>		<b><math>\alpha = 0.807</math>; CR=0.795; AVE=0.500</b>		<b><math>\alpha = 0.803</math>; CR=0.798; AVE=0.500</b>	
	IMC1 =V12	0.721	14.627	0.595	6.609
	IMC2 =V13	0.733	15.107	0.689	7.156
	IMC4 =V15	0.698	11.788	0.748	9.972
	IMC5 =V16	0.652	10.949	0.781	13.252
<b>CS</b>		<b><math>\alpha = 0.870</math>; CR=0.848; AVE=0.651</b>		<b><math>\alpha = 0.905</math>; CR=0.896; AVE=0.741</b>	
	CS1 =V21	0.787	17.951	0.854	12.804
	CS2 =V22	0.843	19.006	0.885	13.731
	CS3 =V23	0.790	21.356	0.843	13.006
<b>WOM</b>		<b><math>\alpha = 0.810</math>; CR=0.806; AVE=0.581</b>		<b><math>\alpha = 0.902</math>; CR=0.905; AVE=0.760</b>	
	WOM1 =V25	0.784	16.315	0.827	12.304
	WOM2 =V26	0.755	17.35	0.871	12.869
	WOM3 =V27	0.748	22.394	0.915	15.781
<b>RPI</b>		<b><math>\alpha = 0.817</math>; CR=0.790; AVE=0.653</b>		<b><math>\alpha = 0.886</math>; CR=0.822; AVE=0.698</b>	
	RPI1 =V28	0.785	19.758	0.800	11.962
	RPI2 =V29	0.831	21.156	0.870	15.379

**Notes:**  $\alpha$  - Cronbach's Alpha; CR - Composite Reliability; AVE - Average Variance Extracted. Robust goodness of fit index:  
 • Belarus: Satorra-Bentler  $\chi^2$  (120 degree of freedom, df) = 229.2350;  $\chi^2/df=1.910$ ; NFI= 0.879; NNFI= 0.913; CFI=0.932; RMSEA=0.050.  
 • Spain: Satorra-Bentler  $\chi^2$  (120 degree of freedom, df) = 209.0553;  $\chi^2/df=1.742$ ; NFI= 0.885; NNFI= 0.925; CFI=0.941; RMSEA=0.050.

We also tested their face validity with a variation of the Zaichkowsky (1985) method, in which a panel of experts qualified each item as clearly, somewhat, or not representative of the construct of interest. We retained those items that achieved a high level of consensus among the experts (Lichtenstein *et al.*, 1990). Final indicators are presented in the study questionnaire (see Appendix). Each of the relevant constructs in the model was measured with a 5-point Likert scale (from 1 “Totally disagree” to 5 “Totally agree”).

Based on the data collected from the customers' survey, we tested the causal hypothesis in the model using covariance-based SEM (Structural Equation Modelling) analysis. First, the assessment of the reliability and validity of the measurement model was applied. Second, we

made the assessment of the structural model and hypothesis testing. Finally, multigroup analysis of samples from the two different countries (Belarus and Spain) was held.

### 3.4.4 Assessment of the measurement model

The first measures validation step consisted of an exploratory *analysis of reliability and dimensionality*. The Cronbach's alpha indicator (minimum value 0.7; Nunnally, 1978), item-to-total correlation (minimum value 0.3; Nurosis, 1993), and principal components analysis provide the assessments of the initial reliability and dimensionality of the scales. Therefore, three items (CO4, CO5 and IMC3) were eliminated to improve the scale. After that, all items were adjusted to the required levels, and a single one factor was extracted from each scale.

To assess *measurement reliability and validity*, a confirmatory factor analysis (CFA) containing all multi-item constructs in our framework was estimated with EQS 6.1 (Bentler, 1995), using the robust maximum likelihood method. First, a raw data screening showed evidence of non-normal distribution (Mardia's coefficient normalised estimate = Belarus: 36.12 Spain: 30.91), the recommendation of Hu *et al.* (1992) for correcting the statistics rather than using a different estimation model has been followed. Robust statistics will be provided (Satorra and Bentler, 1988). Then, definitive scales' refinement was based on the methodology of "Development of Structural Models" (Hair, Black, Babin, Anderson and Tatham, 2006). This technique consists of eliminating items, which do not match any of the three criteria proposed by Jöreskog and Sörbom (1993). The weak convergence criterion means removing indicators which do not have significant factorial regression coefficients; the strong convergence criterion means removing insubstantial indicators, i.e., those with standardised coefficients of less than 0.5 (Steenkamp and Van Trijp, 1991; Hildebrandt, 1987). As a result, three items (TO3, CS4 and RPI3) were eliminated for not matching some of the proposed criteria, based on the Jöreskog and Sörbom (1993) suggestion to remove the indicators which contribute least to explanation of the model. The results of the final CFA for each of two countries (Belarus and Spain) are reported in Table 3.3.

**Table 3.3.** Internal consistency and convergent validity of the theoretical construct measures

Variable	Literature source
Customer orientation (customer-based) (CO)	Adapted from Narver and Slater (1990)
Technology orientation (customer-based) (TO)	Adapted from Gatignon and Xuereb (1997)
IMC (customer-based perception)	Šerić, Gil-Saura and Ruiz-Molina (2014) (a scale based on Lee and Park 2007)
Customer satisfaction (CS)	Hellier, Geursen, Carr and Rickard (2003)
Word-of-mouth (WOM)	Bush, Martin and Bush (2004)
Repurchase intention (RPI)	Hellier, Geursen, Carr and Rickard (2003)

The re-specified measurement model provides a good fit to the data based on a number of fit statistics (see Table 3.3 notes). First, *the ratio between the value of the chi-square and the number of degrees of freedom* is less than 3 for the two countries (Marsh *et al.*, 1988). In addition, although *the Normed-Fit Index (NFI)* value was a little lower than the commonly accepted value of over 0.90 both for Belarus and Spain, the other indicators show values greater than the recommended 0.9 on *the Non-Normed-Fit Index (NNFI)* and *the Comparative Fit Index (CFI)* for all the two countries. In addition, *the Root Mean Square of Error Approximation (RMSEA)* took values less or equal to 0.05, which is indicative of an acceptable fit (Bentler, 1995; Bentler and Bonett, 1980; Hair *et al.*, 2006). Therefore, the re-

specified measurement model was accepted as the study's "final" measurement model, and a number of tests were conducted to assess its reliability and validity.

*Reliability of the constructs* demonstrates the high internal consistency of the constructs (Table 3.3). In each case, Cronbach's alpha exceeded the 0.7 recommendation of Nunnally and Bernstein (1994). *Composite reliability* (CR) represents the shared variance among a set of observed variables measuring an underlying construct (Fornell and Larcker, 1981). Generally, a CR of at least 0.6 is considered desirable (Bagozzi, 1994). This requirement is met for every factor in each country. *Average Variance Extracted* (AVE) was also calculated for each construct, resulting in AVEs greater than 0.5 (Fornell and Larcker, 1981). Therefore, the six scales demonstrate acceptable levels of reliability.

*Construct validity* was verified by assessing the convergent validity and discriminant validity of the scale (Vila *et al.*, 2000). *Convergent validity* indicates whether the items that compose a determined scale converge on only one construct. It was tested by checking whether the factor loadings of the confirmatory model were statistically significant (level of 0.01) and higher than 0.5 points (Sanzo *et al.*, 2003; Steenkamp and Geyskens, 2006). Moreover, the average of the item-to-factor loadings is greater than 0.7 (Hair *et al.*, 2006). In addition, we used the Average Variance Extracted (AVE) to contrast convergent validity. Fornell and Larcker (1981) have suggested that adequately convergent validity measures should contain less than 50% error variance (AVE should be 0.5 or above). Results were satisfactory, as shown in Table 3.4.

*Discriminant validity* verifies if a determined construct is significantly distinct from other constructs that are not theoretically related to it. Evidence of this validity was provided in two ways (Table 3.4). First, none of the 95 percent confidence intervals of the individual elements of the latent factor correlation matrix contained a value of 1.0 (Anderson and Gerbing, 1988). Second, the shared variance between pairs of constructs was always less than the corresponding AVE (Fornell and Larcker, 1981).

**Table 3.4.** Discriminant validity of the theoretical construct measures

<i>Belarus</i>						
	<i>CO</i>	<i>TO</i>	<i>IMC</i>	<i>CS</i>	<i>WOM</i>	<i>RPI</i>
<i>CO</i>	0.59	[0.58,0.73]	[0.32,0.54]	[0.59,0.77]	[0.52,0.69]	[0.58,0.75]
<i>TO</i>	0.43	0.53	[0.35,0.57]	[0.51,0.69]	[0.61,0.77]	[0.53,0.72]
<i>IMC</i>	0.18	0.21	0.49	[0.49,0.70]	[0.40,0.63]	[0.45,0.68]
<i>CS</i>	0.47	0.36	0.35	0.65	[0.72,0.81]	[0.68,0.78]
<i>WOM</i>	0.37	0.48	0.26	0.59	0.58	[0.63,0.76]
<i>RPI</i>	0.44	0.39	0.32	0.53	0.48	0.65
<i>Spain</i>						
	<i>CO</i>	<i>TO</i>	<i>IMC</i>	<i>CS</i>	<i>WOM</i>	<i>RPI</i>
<i>CO</i>	0.51	[0.55,0.79]	[0.57,0.77]	[0.57,0.77]	[0.56,0.73]	[0.58,0.76]
<i>TO</i>	0.45	0.55	[0.46,0.71]	[0.54,0.75]	[0.50,0.72]	[0.55,0.76]
<i>IMC</i>	0.45	0.34	0.50	[0.36,0.62]	[0.46,0.69]	[0.46,0.70]
<i>CS</i>	0.45	0.41	0.24	0.74	[0.7,0.81]	[0.73,0.84]
<i>WOM</i>	0.42	0.37	0.33	0.57	0.74	[0.66,0.79]
<i>RPI</i>	0.45	0.43	0.34	0.62	0.52	0.76

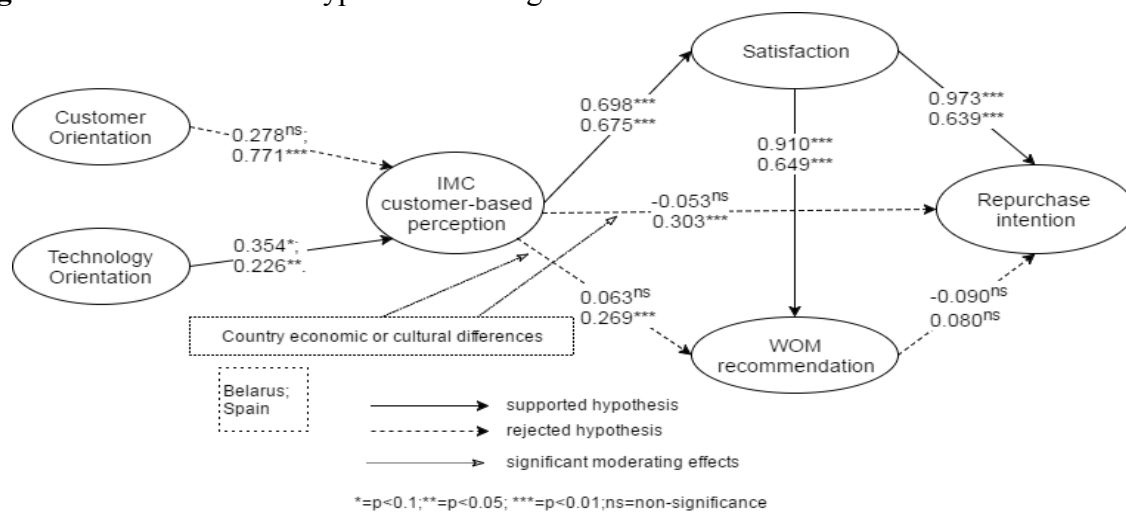
**Notes:** The diagonal represents the AVE, while above the diagonal the 95 percent confidence interval for the estimated factors correlations is provided, below the diagonal, the shared variance (squared correlations) is represented. CO=Customer Orientation; TO=Technological Orientation; IMC=Integrated Marketing Communications; CS=Customer Satisfaction; WOM=Word-of-Mouth recommendations; RPI=Repurchase Intention.

Based on these criteria we concluded that the measures in the study provided sufficient evidence of reliability, and convergent and discriminant validity. Thus, the revised measurement model was retained as the study's final measurement model.

### 3.4.5 Structural model analysis

With the objective of testing the proposed hypotheses, we developed a structural equations model. The results are reported and depicted in Table 3.6 and Figure 3.2, respectively. The overall fit of the model is acceptable because the goodness of statistics is satisfactory, with the  $\chi^2/df$  ratio lower than 3.0.

**Figure 3.2.** Results of the hypotheses testing



The results show that customer orientation has a positive influence on IMC perception in Spain, but not in Belarus. Thus, **H1** is rejected. However, **H2** is supported, as the positive impact of technology orientation on IMC is consistent in both Spain and Belarus with a significantly level 5% and 10% respectively. Regarding the effect of IMC on customer post-purchase behaviour, there is a positive effect of IMC on customer satisfaction in both countries, with a significantly high level (1%), so **H3** is supported. However, **H4** and **H5** are rejected, since a positive relationship was found between IMC and word-of-mouth and between IMC and repurchase intention in Spain, but not in Belarus

Regarding the relationships among the different elements of post-purchase customer behaviour, there are strong positive influences of customer satisfaction on word-of-mouth recommendation and repurchase intention in the two countries, with a high level of significance (1%). So **H6** and **H7** are supported. However, there is not a significant positive effect of word-of-mouth on repurchase intention neither in Belarus not in Spain. Thus, **H8** is rejected.

### 3.4.6 Inter-country analysis

The moderating effect of country economic and cultural differences is very common in inter-country marketing and management research (Hofstede, 1993; Kim *et al.*, 2004; Low, 2000; Reid *et al.*, 2005; Scott, 1987, 2008). A multigroup analysis between samples from two different countries (Belarus and Spain) was performed to check if there are any country moderating effects on the relationships in the model.

Once the validity and reliability of the scales were confirmed, we had to assure the *measurement invariance* of the measurement instrument to compare the groups (Hair *et al.*, 2006). In our case, the differences that could exist between the ratings given by the scales in Belarus and Spain could be the result of real differences between the countries or due to systematic errors produced by the way persons in different countries respond to certain items. As Horn (1991) proposed, “without evidence of invariance of the measurement instrument, the study conclusions would be weak” (p. 119).

To analyse the invariance of the measurement instrument, we followed three steps that correspond to the three invariance levels.

STEP 1: To evaluate the **loose cross-validation** or **single group solution**. In other words, the least demanding equivalence form, estimating the CFA in each one of the three samples, separately. A good fit in all two groups is required. This requirement was fulfilled during analysis (summarised in Table 3.5, in the rows of simple group solutions).

STEP 2: To check that the factorial structure (number of factors) is the same in the two samples, which is called **equal form** or **factor structure** or **configurational invariance**. The method is very similar to the previous one, the difference being that instead of estimating the model of each sample separately, a multi-group estimation is carried out. In other words, the model is estimated simultaneously in the two groups. This is the model that will serve as a basis for checking if the restrictions that are incorporated deteriorate the adjustment or not.

We check how the chi-squared and the degrees of freedom are the sums of the two previous ones (see Table 3.5). And, while they are still significant, the rest of the robust indicators show that it is more than reasonable to assume the same factorial structure in the three samples (RMSEA=0.052; CFI=0.950; NNFI=0.936).

STEP 3: To check the invariance of the factorial loadings (also called **equal factor loadings** or **metric invariance**), which implies that it would be reasonable to assume that in the two samples the factorial loadings that join each factor with its indicator is the same. In other words, we make sure that the concepts have been measured in the same way in two cases.

As our model is not distributed as a normal model, we use the Satorra-Bentler chi-squared ( $S-B\chi^2$ ). To be able to compare the chi-squared of STEP 2 (*equal form*) and 3 (*equal factor loadings*), and to analyse if the fit of the new model is not significantly worse, we must make some corrections (Satorra and Bentler, 2001). For this, as we also did when evaluating the nomological validity, in the scales validation stage, we used SBDIFF software developed by Crawford and Henry.

**Table 3.5.** Measurement invariance test

Model	S-B $\chi^2$	$\chi^2$ †	g.l	Dif.	$\Delta$ g.l	p	RMSEA	SRMR†	CFI	NNFI
				S-B $\chi^2$ ‡						
<b>Single group solution (Belarus n=382; Spain n=369)</b>										
<i>Belarus</i>	229.24	340.384	120				0.056	0.048	0.909	0.913
<i>Spain</i>	209.06	288.625	120				0.054	0.051	0.905	0.925
<b>Measurement invariance (n=751)</b>										
Equal form	438.95	629.049	240				0.052	0.050	0.912	0.929
Equal factor loadings	454.73	655.508	258	17.031	18	0.521	0.051	0.073	0.917	0.934

The result of the chi-squared ( $\chi^2$ ) difference test presented in Table 3.5 (dif. S-B $\chi^2$  (36) = 54,075, ns) shows that there are no significant differences in the path relationships between Belarus and Spain. It means, we can move to STEP 4. To reveal which path estimates varies between the two groups of countries and which do not, we calculate the statistical differences path by path (Table 3.6).

**Table 3.6.** Structural model results and hypotheses testing for the multi-group country analysis

H	Path	Multigroup Model‡										
		Belarus				Spain				Country moderator effect		
		Standardised path coefficients		Robust t value	Standardised path coefficients		Robust t value	$\Delta \Delta S-B\chi^2$ ( $\Delta g.l.=2$ )	p	ns	R	
H1	CO → IMC	0.278	ns	1.468	0.771	***	5.363	2.570	0.109			
H2	TO→IMC	0.354	*	1.792	0.226	**	2.102	0.311	0.577	ns	S	
H3	IMC→CS	0.698	***	7.492	0.675	***	5.888	0.008	0.930	ns	S	
H4	IMC→WOM	-0.053	ns	-0.631	0.303	***	2.995	4.971	0.026	**	R	
H5	IMC→RPI	0.063	ns	0.583	0.269	***	2.781	3.049	0.081	*	R	
H6	CS→WOM	0.910	***	10.534	0.649	***	6.852	2.123	0.145	ns	S	
H7	CS→RPI	0.973	***	11.256	0.639	***	4.549	0.406	0.524	ns	S	
H8	WOM→RPI	-0.090	ns	-0.126	0.080	ns	0.564	0.189	0.664	ns	R	

Notes: \*= $p<0.1$ ; \*\*= $p<0.05$ ; \*\*\*= $p<0.01$ ; ns=non-significant. S=supported; R=rejected. CO=Customer Orientation; TO=Technological Orientation; IMC=Integrated Marketing Communications; CS=Customer Satisfaction; WOM=Word-of-Mouth recommendations; RPI=Repurchase Intention.  
Model fit: ‡ S-B $\chi^2$  (df=402)=916,165;  $\chi^2 = 1251,115$ ; RMSEA=0.055; SRMR=0.073; CFI=0.915; NNFI=0.903; NFI=0,896.

The results of the multigroup country analysis for Belarus and Spain in Table 3.6 show significant differences in the relationships between IMC and WOM (H4<sub>Belarus</sub>: not significant and H4<sub>Spain</sub> 0.303,  $p<0.01$ ), and, between IMC and PRI (H5<sub>Belarus</sub>: not significant and H5<sub>Spain</sub>: 0.583,  $p<0.01$ ).

### 3.5 Analysis of the indirect effects (mediation effects)

To analyse indirect effects in the theoretical model the suggestion from Santos-Vijande *et al.* (2013) was used to follow the procedures from Preacher and Hayes (2008) and Shrout and Bolger (2002). The Sobel test (Sobel, 1986) was applied to measure the statistical significance of the mediating effects evident in the conceptual model. Table 3.7 presents the indirect and total (direct plus indirect) effects in the theoretical model analysed, and Sobel test shows which of them are significant. As well, the conclusions about full or partial mediation are made. It should be mentioned that we have measured indirect effect only for those relationships in which both direct paths of the indirect effect is significant. The results do not demonstrate any indirect effect of customer and technology orientation on the elements of post-purchase behaviour through IMC in Belarus. However, in Spain both customer and technology orientation have significant indirect effects through IMC on customer satisfaction (0.520 and 0.152), WOM (0.565 and 0.167) and repurchase intention (0.516 and 0.699).

Additionally, the results show the significant mediation effect of customer satisfaction on the relationships between IMC and WOM, and between IMC and repurchase intention in both countries: full mediation in Belarus, and partial mediation in Spain. It means that in the case of Belarus customer satisfaction totally removes the effect of IMC on WOM, and on repurchase intention, and, in Spain, it reduces the positive direct effects.

**Table 3.7.** Indirect, total and mediation effects in the causal model

	Model Path	Direct effect (DE)	Indirect effects (IE)	Sobel z-value	Total effects (DE+IE)	Sign. Level (two-tailed)	Mediation/ Indirect effect
<b>Belarus</b>							
TO-CS	<i>through IMC</i>						
	H2*H3		0.248	1.851		ns	No
TO-WOM	<i>through IMC and CS</i>						
	H2*H3*H6		0.225	1.844		ns	No
TO-RPI	<i>through IMC and CS</i>						
	H2*H3*H7		0.241	1.847		ns	No
IMC- RPI	<i>through CS</i>	0.063 <sup>ns</sup>			0.679	***	Full mediation
	H3*H7		0.679	5.653			
IMC - WOM	<i>through CS</i>	-0.053 <sup>ns</sup>			0.635	***	Full mediation
	H3*H6		0.635	6.894			
<b>Spain</b>							
CO-CS	<i>through IMC</i>				0.520	***	Indirect effect
	H1*H3		0.520	6.274			
CO-WOM	<i>through IMC</i>				0.565	***	Indirect effect
	H1*H4; H1*H3*H5		0.233; 0.332	6.505			
CO-RPI	<i>through IMC and CS</i>				0.516	***	Indirect effect
	H1*H5; H1*H3*H7		0.184; 0.332	6.437			
TO-CO	<i>through IMC</i>				0.152	***	Indirect effect
	H2*H3		0.152	2.365			
TO-WOM	<i>through IMC</i>				0.167	***	Indirect effect
	H2*H4; H2*H3*H6		0.068; 0.099	2.377			
TO-RPI	<i>through IMC and CS</i>				0.157	***	Indirect effect
	H2*H5; H2*H3*H7		0.060; 0.097	2.373			
IMC- RPI	<i>through CS</i>	0.269 <sup>***</sup>			0.699	***	Partial mediation
	H3*H7		0.430	5.154			
IMC -WOM	<i>through CS</i>	0.303 <sup>***</sup>			0.794	***	Partial mediation
	H3*H6		0.491	5.372			
Notes: *= $p<0.1$ ; **= $p<0.05$ ; ***= $p<0.01$ ; ns=non-significant. CO=Customer Orientation; TO=Technological Orientation; IMC=Integrated Marketing Communications; CS=Customer Satisfaction; WOM=Word-of-Mouth recommendations; RPI=Repurchase Intention.							

### 3.6 Conclusions, discussions and implications

Providing a better multidisciplinary understanding of the IMC concept in an inter-country context this research contributes to academic research and managerial practice by improving the knowledge about the IMC concept, its antecedents and consequences.

First, the study of firm's strategic orientation (customer and technology) as an antecedent of IMC customer-based perception adds value to the research of the IMC concept from the customer point of view. In contrast to earlier findings made using the company perspective (Morgan et al., 2009; Theodosio et al., 2012), here, from a customer perspective, no direct effect of customer orientation on IMC was found. It means that knowing customers better and, based on it, the personalization of the communicational message does not influence on how customers perceive this message through multiple communicational channels and neither on overall IMC perception. Regarding technological orientation, as was expected, its influence on IMC is supported in the inter-country context. Second, the current study of the relationships between IMC and the stages of customer post-purchase evaluation adds new knowledge to the theory of customer behaviour (Darley et al., 2010; Voss et al., 2010). Primarily, the results obtained from the two countries support previous findings of a positive effect of IMC on customer satisfaction (Anderson and Srinivasan, 2003; Ha and Perks, 2005). It confirms the proposition that sending a common message through all communicational channels helps customers to understand it better. As a result, it avoids the situation when customer expectations about the satisfaction of purchasing a product (or service) exceed the reality (Reid, 2005; Šerić et al., 2014).



However, the hypotheses proposed about IMC influence on WOM and repurchase intention interestingly were supported only in the country with the higher level of marketing development of the two analysed (Spain). The inter-country analysis showed that this difference is statistically significant, which means that economic and/or cultural differences between countries moderate the IMC-WOM relationship, as well as the relationship between IMC and repurchase intention. Therefore, the results confirm the suggestion that the integration of company's communication with customers can improve their intention to recommend company's goods and/or services and make purchases again (Mulhern, 2009; Owen and Humphrey, 2009). However, it likely works only in countries with a high level of competition in the market and with a highly-differentiated offer, because in economies with less competition in the market and a less differentiated offer, as transition economies, there is no effect of IMC on WOM and repurchase intention.

In addition, customer orientation itself does not influence directly on IMC but it has a significant indirect effect on the elements of post-purchase customer behaviour (satisfaction, WOM and repurchase intention) through IMC in a more market-oriented economy as Spain. Also in Spain technology orientation has indirect effects on post-purchase behaviour. However, in a transition economy as Belarus indirect effects are not confirmed. It supports the suggestion that being strategically oriented together with the implementation of IMC practices brings the company an additional competitive advantage and positively influences on performance (Morgan *et al.*, 2009; Reinold and Tropp, 2012). However, in a transition economy with a low market orientation, the mentioned effect is not significant, which can be explained by the influence of a previous central planned economy and as a consequence, less experience of marketing communications in the past (Makhija 2003; Svejnar 2002).

The discovered discrepancy in the results between Spain and Belarus can be explained by economic and cultural differences. First, transition economies tend to have a lower level of competition in the market and less market-orientation (Svejnar, 2002). Therefore, these differences in the external environment influence on company's behaviour and its strategic orientation (Scott, 2008; Shinkle *et al.*, 2013). Second, post-soviet countries are characterised by low levels of experience with marketing communications. It is related to the fact that in communist countries with centrally planned economies and a limited offer of products and services in the market, it was no need for companies to develop marketing communications with customers (Makhija 2003). As a result, both the IMC implementation experience in companies and the level of IMC perception by customers is low. Moreover, even under the changes due to the economic transition process, the influence of the past is still significant (Kuzio, 2001). Therefore, for the moment, the importance of IMC is still underestimated.

A third interesting finding is the mediating effect of customer satisfaction on the IMC-WOM relationship and the relationship between IMC and repurchase intention. The identified effect contributes to a better understanding of the IMC influence on post-purchase behaviour. Whereas in a developed economy like Spain, customer satisfaction has a partial mediation effect on the mentioned relationship, and reduces the influence of IMC on WOM and repurchase intention, in the transition economy of Belarus, it has a full mediation effect, and, removes the influence of IMC on WOM and repurchase intention. It supports the suggestions about the low level of IMC perception by customers in Belarus. In addition, a possible explanation for this might be that highly competitive environments push companies to search for new ways of building long-term customer relationships. Improving customer relationships results in a better customer assessment of IMC (Ha and Perks, 2005; Oliver, 1980). Satisfied

customers tend to be more loyal to the company, which in turn improves their perception of IMC and as a result, its effect on repurchase intention (Garbarino and Johnson, 1999). However, in transition economies as Belarus, where the rivalry level is clearly lower, there is no environmental push on companies, no need for firms to implement additional communicational activities towards customers, and, thus no positive effect of IMC on repurchase intention is found (Makhija 2003; Svejnar 2002).

Fourth, the study enables the development of a comprehensive theory of customer post-purchase behaviour and the relationship between its elements (satisfaction, WOM, and repurchase intention). As expected, the results support the strong relationship between customer satisfaction and WOM, as well as between customer satisfaction and repurchase intention, which is also confirmed in an inter-country context. It means that satisfied customers tend to be more loyal to the brand, and as a result, tend to recommend it more. As well, the past positive experience has a positive influence on repurchase intention. In this case, it does not matter the country considered.

Contrary to expectations, the direct effect of WOM on repurchase intention was not confirmed (Ha and Perk, 2005; Prendergast *et al.*, 2010). It might be explained by the configuration of the theoretical model suggested for the analysis. As well, the concept of cumulative satisfaction suggests that intention tends to be better predicted by a cumulative assessment of all the elements of customer post-purchase evaluation together (satisfaction, WOM, and repurchase intention) than only by its individual elements (Ha and Perks, 2005; Voss *et al.*, 2010). In addition, there is no mediating effect of WOM on the IMC-repurchase intention relationship, as WOM has no direct influence on repurchase intention in both countries.

Finally, the inter-country perspective analysis contributes to the IMC concept research by generalising the results and getting deeper in understanding the differences in the theoretical model between the countries (Hofstede, 1993).

From a managerial point of view, the study of IMC strategic antecedents suggests that applying up-to-date technologies and an interactive dialogue with customers can help to improve the customer perception of the company's communication activities, which in turn may positively influence on post-purchase evaluation processes and repurchase intention. In addition, the evidence of customer and technology orientation indirect effects on customer post-purchase behavior through IMC in Spain, confirms that IMC can be used as a dynamic marketing capability to improve the company's competitive advantage in a high market-oriented economy (Mihart, 2012). However, the absence of these effects in a transition economy demonstrates the lack of IMC practices perception by customers and suggests that companies should search for other ways to affect customer post-purchase behaviour.

Additionally, the results discussed may help the companies to get closer to understanding how customers evaluate IMC and how a positive influence on the behaviour can be created and managed (Darley *et al.*, 2010). Firstly, the detected positive relationships between IMC and satisfaction in both countries highlight the importance of IMC practical implementations. It means that companies can apply IMC to positively influence on the customer purchase evaluation and to improve customer satisfaction with ownership of goods or services. In addition, the research results suggest that satisfied consumers are very likely to have higher intention to recommend a brand positively and to repurchase it again. In this case, the application of integration in communication with the customer and its positive influence on customer satisfaction can help companies to improve customer relationships, and

positively influence on customer retention (Kumar and Venkatesan, 2005). However, it is important to highlight that, based on the research results, WOM itself does not influence on repurchase intention. In building long-term relationships with customers, companies should put attention on the customer's cumulative assessment of all the elements of the customer post-purchase evaluation together (satisfaction, WOM, and repurchase intention) better than only its individual elements (Ha and Perks, 2005; Voss *et al.*, 2010). Thus, the study of the relationships between the elements of customer post-purchase evaluation sheds light on the customer post-purchase behaviour and may help managers to understand customers better, and, as a result, positively influence on customer performance (McDonald *et al.*, 2001; Hoeffler and Keller, 2002).

Regarding the discovered differences in the IMC-WOM relationship, and between IMC and repurchase intention, in the inter-country context, this knowledge may be useful for companies applying international strategies within the framework of understanding intercultural and economic development differences between countries (Hofstede, 1984, 1993; Streenkamp, 2001). Apart, managers should consider that customer satisfaction is an important mediator of these relationships. In a developed economy, customer satisfaction partly reduces the positive effects of IMC on WOM and repurchase intention, and in a transition economy, these effects completely vanish. That means that customer satisfaction should be always under the attention and be managed carefully.

#### ***Limitation and future research***

This study has several limitations, which create possibilities for future research. First, the number and the scope of controlled parameters in the respondent's profile can be increased. The samples for the presented research in two countries were controlled to have respondents of the same age and gender range, the same level of education, both employed and unemployed. Thereby, for future research, parameters characterising customer's current financial situation can be additionally fixed, for example, the current and expected level of income of the respondents, the average buying ability, and price sensibility. In addition, the parameters related to customers' individual characteristics such as motives, value, lifestyle, and personality may have an influence on the IMC perception and evaluation processes (Darley *et al.*, 2010). So, they can also be controlled in future research. Furthermore, the likely circumstances that influence on the customer decision making processes, such as expected switching cost, can be taken into consideration (Hellier *et al.*, 2003).

Second, the characteristics of the brands chosen for the survey or customer's specific brand preferences and attitude can be applied to the model. In the current study, brands were mainly presented by the type of products or services of everyday use from different categories. In addition, the results were controlled for the moderating effect of industry type. However, for future research, it can be interesting to analyse the customer point of view regarding products or services from different categories as they may influence customer choice (Phau and Meng Poon, 2000). Goods and/or service attributes can be grouped based on the frequency of use, a period of use, the cost, level of differentiation, or product type (tangible, physical or information).

In addition, future research can continue to discover the differences in customer-based IMC perception and its influence on the post-purchase behaviour under the cultural and economic influence of the inter-country environment. In this case, such social influences as a culture, reference group and family can be further considered (Darley *et al.*, 2010).

## CONCLUSIONS

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## Conclusions

As the main part of the Doctoral Dissertation, the general vision of IMC and its current state is presented.

Based on the analysis of the main gaps in IMC as a theoretical discipline and practical perspective we figured out three main lines of IMC research to follow: IMC concept and its antecedents and consequences from the company point of view, factors influencing on IMC implementation effectiveness, and IMC customer-based perception.

Following the IMC research lines mentioned above, **Chapter 1** was devoted to clarifying the theoretical background of the IMC concept as a dynamic capability linking it with strategic orientation and organizational performance in an inter-country environment. Accomplishing the main objective of Chapter 1 we built the theoretical model of IMC antecedents and consequences with the moderating effect of the economy type. The relationships in the theoretical model were analyzed based on the data collected from top-managers' survey using PLS-SEM. In addition, a multi-group analysis was used for the moderating effect examination.

The results obtained in Chapter 1 show that strategic orientation contributes differently to IMC, and, further, that the relationships vary across economy types. As being expected, MO has a direct and positive effect on IMC in both transition and developed economies. While in addition, in contrast to the proposed hypotheses, the relationship between TO and IMC is significant only in a developed economy, which rejects the hypothesis proposed about the positive effect of TO on IMC. It can be explained due to the fact that in transition economies innovation and technologies are less applied because of their high costs (Mulhern, 2009).

Related to IMC's influence on organizational performance, the results indicate that IMC has a positive effect on market and customer performance, both in transition and developed economies, as we have previously hypothesized. But, differently to our expectations, the relationship between IMC and financial performance is not supported in any of the two economies analysed. It may happen because of the mediation effect of customer and market performance on the mentioned relationship. Also, it might be the result of IMC influencing on financial performance not directly but through the market and customer performance.

Focusing interest on the results of the multi-group analysis they suggest that the type of economy moderates the relationship between MO and IMC. As expected, this relationship is stronger in a developed economy than in a transition economy. Moreover, the relationship between TO and IMC is only significant in a developed economy, as we expected. Additionally, the type of economy moderates the effects of IMC on marketing and customer performance, and these relationships are stronger in a developed economy, as it was previously suggested. However, in contrast to the hypothesis proposed, the influence of the economy type on the relationship between IMC and financial performance is not supported. As in the case of direct relationships, it can be explained by the model configuration.

**Chapter 2** aimed to identify and analyze the possible mediation and moderating effects of the IMC theoretical model in an inter-country context. Following the research goal of Chapter 2, the mentioned effect was analyzed based on the data collected from the top-managers survey, the same used for the analysis in Chapter 1, by means of multi-group analysis.

The result of the IMC *mediating effect analysis* presented in Chapter 2 suggests that, in accordance with expectations, MO has an indirect influence on customer and market performance through IMC in both transition and developed economies. However, in contrast to the hypothesis proposed, the indirect effect of MO on FP through IMC, and the effect of TO on company performance through IMC is supported only in a developed economy. It can be explained by the fact that in transition economies the importance of IMC is underestimated due to the legacy of a centrally planned economy and a low level of marketing activity (Svejnar, 2002; Makjiha, 2003).

In general, the results of the data analysis from a developed economy standpoint support the hypothesis that *company size moderates* the relationships in the IMC theoretical model, and that in bigger companies these relationships are stronger. This suggestion is also supported in transition economies while analysing the relationships between strategic orientation and IMC. But, in contrast to previous suggestions, in a transition economy small and medium size firms tend to be more successful in IMC practices implementation if compared to large companies. It means that differently to the hypothesis proposed, in bigger companies IMC has a lower effect on company performance. It can happen because large companies are still mainly represented by big government manufacturing plants, which still are under the influence of the past central planning system and are less flexible than small firms (Svejnar, 2002).

The results of the data analysis in transition and developed economies did not support the suggestion that *company type* (B2B or B2C) may moderate the relationship both between strategic orientation and IMC, and between IMC and organizational performance. It means that the results obtained from the analysis of the model in Chapter 1 are working the same in a different type of business.

The results of the analysis of the effect of the *organisational structure*, differently to our propositions, showed no significant moderating effect on the direct relationships of the model in the transition economy represented by Belarus. It can be explained by the low emphasis in marketing practices inside the company organizational structure in transition economies (Svejnar, 2002). On the contrary, in a developed economy, the organisational structure moderates the influence of IMC on marketing performance, which partly supports our proposition. The influence of IMC on marketing performance is significantly stronger in companies where only one marketing specialist is responsible for marketing activities in comparison to companies with a marketing department.

The results of the analysis of the moderating effect of *manager's profile* based on competencies related to their previous specialized marketing education in a transition economy demonstrate that the relationship between TO and IMC is only significant when the manager has marketing education, which supports the hypothesis proposed. But, in contrast to our expectations, in a developed economy, the relationship between TO and IMC is stronger when the manager has no marketing education. As well, in a developed economy manager's profile moderates the relationship between IMC and organizational performance (customer, market and financial). But, in contrast to the hypothesis proposed, the influence of IMC is stronger when the manager does not have specialized marketing education (Fogel, 1990; Wightman, 1999; Kitchen *et al.*, 2004). In the case of a transition economy, the results may be explained because managers who did not get a specialised marketing knowledge at the university improved their competencies from getting further education (Fogel, 1990). Thus,

they tend to have a better understanding of the needs of the external environment and more interest in following up-to-date technologies.

Finally, the main goal in **Chapter 3** was to study the IMC concept from customer opinion in an inter-country context. Based on this main goal, a theoretical model of customer-based antecedents and consequences of IMC was built. The analysis of the model was based on the data collected from two customers' surveys with SEM analysis. In addition, the moderating effects of economic and cultural differences were examined with a multi-group analysis.

The results of **Chapter 3** show that, in contrast to earlier findings obtained from the company's perspective (Morgan *et al.*, 2009; Theodosio *et al.*, 2012), here, from a customer's perspective, no direct effect of customer orientation on IMC was found. It means that knowing customers better and, based on it, the personalization of communicational messages does not influence on how customers perceive this message through multiple communicational channels and neither on the overall IMC perception. Regarding technological orientation, as expected, its influence on IMC is supported in the inter-country context.

Concerning the IMC influence on customer satisfaction, the results obtained from the two countries support previous findings of a positive effect of IMC on customer satisfaction (Anderson and Srinivasan, 2003; Ha and Perks, 2005). Thus, it confirms the proposition that sending a consistent advertising message through all communicational channels helps customers to understand it better. Better understanding in turn positively influences on the overall satisfaction from the purchased goods/services (Reid, 2005; Šerić *et al.*, 2014).

However, the hypotheses proposed about the IMC influence on WOM and repurchase intention interestingly were only supported in the country with the higher level of marketing development of the two analysed (Spain). Moreover, the inter-country analysis showed that this difference is statistically significant, which means that economic and/or cultural differences between countries moderate the IMC-WOM relationship, as well as the relationship between IMC and repurchase intention. Therefore, the results confirm the proposition that the integration of company's communications with customers can improve their intention to recommend company's goods and/or services and make purchases again (Mulhern, 2009; Owen and Humphrey, 2009). However, it is likely that it works only in developed economies, with a high level of competition in the market and with a highly-differentiated offer, because in transition economies, with less competition and a lower differentiated offer there is no effect of IMC on WOM and on repurchase intention.

In addition, despite customer orientation itself does not influence directly on IMC, in a more market-oriented economy as Spain it has a significant indirect effect on the elements of post-purchase customer behaviour (satisfaction, WOM and repurchase intention) through IMC. Also, in Spain technology orientation has indirect effects on post-purchase behaviour. However, in a transition economy as Belarus indirect effects are not confirmed. It supports the suggestion that being strategically oriented together with the implementation of IMC practices bring the companies an additional competitive advantage and positively influences on performance (Morgan *et al.*, 2009; Teece, 2014; Vorhies and Morgan, 2005; Reinold and Tropp, 2012). On the contrary, in transition economies with low market orientation, the mentioned effect is not significant, which can be explained by the influence of the legacy of the centrally planned economic system and less experience on marketing communications (Makhija, 2003; Svejnar, 2002).

The differences identified in the results between Spain and Belarus can be explained because of economic and cultural reasons. First, transition economies tend to have a lower level of competition in the market and less market-orientation (Svejnar, 2002). Therefore, these differences in the external environment influence company's behaviour and its strategic orientation (Scott, 2008; Shinkle *et al.*, 2013). Second, post-soviet countries are characterised by low levels of experience with marketing communications. It is related to the legacies of a centrally planned economy and a limited number of products and services offered in the market. Because of this, it was no need for companies to develop marketing communications with customers (Makhija, 2003; Svejnar, 2002). As a result, in these economies the firms' experience on IMC implementation and the level of IMC perception by customers are low. Moreover, even under the changes due to the economic transition process, the influence of the past is still significant (Kuzio, 2001). For that reason, the importance of IMC is still underestimated.

The interesting finding is the mediation effect of customer satisfaction on the IMC-WOM relationship, and the relationship between IMC and repurchase intention. Whereas in a developed economy like Spain, customer satisfaction has a partial mediation effect on the mentioned relationship, and weakens the influence of IMC on WOM and repurchase intention, in the transition economy of Belarus it has a full mediation effect and removes the influence of IMC on WOM and repurchase intention. It supports the suggestions about the low level of IMC perception by customers in Belarus. Also, a possible explanation for this result might be that highly competitive environments push companies to search for new ways for building long-term customer relationships. Improving customer relationships results in a better customer assessment of IMC (Ha and Perks, 2005; Oliver, 1980). Satisfied customers tend to be more loyal to the company, which in turn improves their perception of IMC and as a result, its effect on repurchase intention (Garbarino and Johnson, 1999). However, in transition economies as Belarus, where the rivalry level is clearly lower, there is no environmental push on companies, no need for firms to implement additional communicational activities towards customers, and consequently, no positive effect of IMC on repurchase intention is found (Makhija, 2003; Svejnar, 2002).

As expected, the results support the strong relationship between customer satisfaction and WOM, as well as between customer satisfaction and repurchase intention, which is also confirmed in an inter-country context. It means that satisfied customers tend to be more loyal to the brand, and as a result tend to recommend it more. As well, the past positive experience has a positive influence on repurchase intention. In this case, it does not matter the country considered.

Contrary to our expectations, the direct effect of WOM on repurchase intention was not confirmed in this study (Ha and Perk, 2005; Lau and Ng 2001; Prendergast *et al.*, 2010). It might be explained by the configuration of the theoretical model suggested for the analysis together with the concept of cumulative satisfaction. It means that intention tends to be better predicted by a cumulative assessment of all the elements of customer post-purchase evaluation together (satisfaction, WOM, and repurchase intention) than by only its individual elements (Ha and Perks, 2005; Voss *et al.*, 2010). As well, there is no mediating effect of WOM on the IMC-repurchase intention relationship, as WOM has no direct influence on repurchase intention in both countries.

### ***Theoretical contributions and practical implications***



Providing a multidisciplinary understanding of the IMC concept in the inter-country context, the research presented in the Doctoral Dissertation makes several contributions to the IMC theoretical literature and to managerial practice by covering detected research gaps.

First, **Chapter 1** sheds light on the current situation of the IMC concept from the wide perspective of the marketing and management literature, not only as a tool for marketing communication managers but also as an important dynamic marketing capability on the corporate level. In particular, it suggests that strategic orientation assets, namely MO and TO, are important antecedent conditions for a successful IMC implementation, which, on its side, is a valuable marketing capability used for asset and resource orchestration and for creating a sustainable competitive advantage. Also, this research expounds the knowledge about how applying IMC influences three organisational performance criteria, namely customer, marketing, and financial performance. Our results support the idea that the integration of marketing communication activities positively influences on customer and marketing performance.

From a managerial point of view, the study of IMC strategic antecedents can help companies to improve their marketing communications based on the correct strategic decisions (Mihart, 2012; Teece, 2007, 2014). These findings suggest managers that in order to achieve a better administration of resources and capabilities in dynamic market situations of uncertainty it is important to be market and technology oriented and to sense the information about current market changes and customer needs. Having accurate and detailed information about customer preferences and applying this information when taking marketing decisions facilitates the process of seizing company's communications in the form of what, when and how (through which channels) address customers. Moreover, an application of new technologies in marketing communications facilitates interactive dialogue with the customer and brings the company even more information, which through the cross-functional integration process, can be used by the company to transform IMC towards a sustainable competitive advantage. Furthermore, the results presented in Chapter 1, provide a better understanding of managerial decisions related to strategic planning and marketing integration processes, and give an important insight into the understanding of how IMC as a dynamic marketing capability together with a good strategy can create an additional competitive advantage for the company and positively influence on organizational performance. They show the existence of a positive effect of IMC on customer and market performance. However, from a practical perspective, it is important to consider that IMC has no direct effect on financial performance, and therefore companies should not consider IMC as a direct instrument for improving firms' financial results. Nevertheless, the possible indirect influence of IMC on financial performance is still the question of future studies.

The results of **Chapter 2** suggest, that the ability to implement the IMC in order to get a sustainable competitive advantage depend on the several endogenous and exogenous factors which influence the IMC implementation effectiveness. Applying these factors as moderators in the analysis of the IMC theoretical model brings an additional contribution to the IMC concept development.

From the practical point of view, it brings a deeper understanding of the barriers which companies may face during the process of IMC implementation. It may help managers to adopt strategic decisions more properly taking into consideration the differences in company's characteristics (Einwiller and Boenigk, 2012; Laukkanen *et al.*, 2013).

Additionally, the analysis of customer-based antecedents and consequences of IMC presented in **Chapter 3** brings extra value to the IMC concept research from the customer point of view. First, the study of firm's strategic orientation (customer and technology) as an antecedent of IMC customer-based perception adds value to the research of the IMC concept from the customer point of view. Second, the study of the relationships between IMC and the stages of customer post-purchase evaluation adds new knowledge to the theory of customer behaviour (Darley *et al.*, 2010; Voss *et al.*, 2010). Third, the findings of the mediation effect of customer satisfaction on the IMC-WOM relationship and the relationship between IMC and repurchase intention contribute to better understanding the IMC influence on post-purchase behaviour. Fourth, the study enables the development of a comprehensive theory of customer post-purchase behaviour and the relationship between its elements (satisfaction, WOM, and repurchase intention).

From a managerial point of view, the study of IMC strategic antecedents suggests that applying up-to-date technologies and interactive dialogue with customers can help to improve the customer perception of company's communication activities, which in turn may positively influence on post-purchase evaluation processes and repurchase intention. Additionally, the evidence of the indirect effects of customer and technology orientation on customer post-purchase behavior through IMC in Spain confirms that IMC can be used as a dynamic marketing capability to improve the company's competitive advantage in a developed economy (Mihart, 2012; Morgan *et al.*, 2009; Teece, 2014; Vorhies and Morgan, 2005). However, the absence of these effects in a transition economy suggests the lack of IMC practices perception by customers, and suggests that in these economies companies should search for other ways to affect customer post-purchase behaviour.

The results discussed may help a company to get closer to understanding how customers evaluate IMC and how a positive influence on the behaviour can be created and managed (Darley *et al.*, 2010). Firstly, the positive relationship identified between IMC and satisfaction in both countries highlights the importance of the IMC practical implementation. If the company sends a consistent message through multiple communication channels it facilitates the process of understanding the message by customers. As a result, it positively influences on the customer purchase evaluation and satisfaction. The research also suggests that satisfied consumers are very likely to have a higher intention to positively recommend the brand and to repurchase it again. In this case, the application of an integration of communications with the customer and its positive influence on customer satisfaction can help companies to improve customer relationships, and positively influence on customer retention (Kumar and Venkatesan, 2005). However, it is important to highlight that WOM itself does not influence on repurchase intention. In building long-term relationships with customers, companies should put attention on the customer's cumulative assessment of all the elements of customer post-purchase evaluation together (satisfaction, WOM, and repurchase intention) rather than its individual elements (Ha and Perks, 2005; Voss *et al.*, 2010). Thus, the study of the relationships between the elements of customer post-purchase evaluation sheds light on the customer post-purchase behaviour and may help managers to understand customers better, and as a result, positively influence on customer performance (Hoeffler and Keller, 2002; McDonald *et al.*, 2001).

Finally, referring to the lack of research carried out on the IMC concept in an *inter-country context* (in terms of using the type of economy as a moderator), the explanatory approach adopted here adds a new and relevant dimension to the research on the IMC concept

from an institutional theory perspective. It presents an inside understanding of the differences in the relationships between strategic orientation, IMC, and organisational performance in both transition and developed economies from a company point of view, revealing a significant moderating effect of the economy type on the stated relationships. Also, the inter-country perspective analysis contributes to the IMC customer-based concept research by generalising the results and getting a deeper understanding of the differences between the two countries in the theoretical model based on the customers' opinion (Hofstede, 1993).

From a practical perspective, an understanding of the inter-country differences when implementing IMC prevents managers from making mistakes during the decision-making process in a dynamic international context of different economy types. Regarding the differences identified in the IMC-WOM relationships, and between IMC and repurchase intention, this information may be useful for companies when applying international strategies within the framework of understanding intercultural and economic development differences between countries (Hofstede, 1984; 1993; Streenkamp, 2001). In addition, managers should consider that from the customer point of view satisfaction is an important mediator of these relationships. In a developed economy, customer satisfaction partly decreases the positive effects of IMC on WOM and repurchase intention, and in a transition economy these effects completely vanish. That means that customer satisfaction should be always under the attention and be managed carefully.

As a **final conclusion**, the study presented in this Thesis contributes to the IMC concept research and analysis both from company and customer points of view. Joining together the previous research in the both strategic management and communicational marketing it sheds light on the current stage of the IMC, not only as an instrument of tactical coordination of marketing tools but also as a strategic process of cross-functional integration of company communications up to corporate level. It demonstrates how IMC as a dynamic marketing capability together with the right strategy can bring the company a competitive advantage in a fast and competitive environment, and as a result, positively affect organizational performance. Additionally, it reviews several factors, which may drive or hinder the achievement of a certain level of integration, affect the IMC effectiveness and because of that, need to be considered during the implementation of IMC. Furthermore, going deeper in the research of the IMC influence on customer performance, this study additionally contributes to the customer post-purchase behaviour research, as well as the analysis of relationships between its elements. It shows the importance of customer satisfaction as a mediator between the transferring of IMC effectiveness to building successful customer relationships. Furthermore, based on the inter-country analysis, this research highlights the important and significant differences in the relationships analysed due to economic and cultural dissimilarities between countries. It contributes to generalizing the results of the study and apply them to international managerial practices.

### ***Limitation and future research***

The present research has several limitations, which create possibilities for future research. First, the limitations of the IMC theoretical model research in **Chapter 1**. In the IMC theoretical model, we considered only MO and TO as important firm's strategic assets that influence on IMC and are widely recognised in the literature. Future research can consider other strategic orientations as antecedents of IMC, such as brand orientation or learning orientation. Also, the analysis of the model developed in the paper did not support a direct

relationship between IMC and financial performance. Nevertheless, there is a suggestion that perhaps the relationship between IMC and financial performance can be mediated by market or customer performance. This conceptualization provides a rich insight into how IMC might be linked to various performance measures (Reid *et al.*, 2005). Moreover, the analysis of the economy type moderating effect in the relationships of our model was based on data from only two countries, Spain and Belarus. For future research, it could be interesting to analyse the same model with data from additional countries, including transition and developed economies, to ensure the richness of the results and hence potentially contribute to the theoretical development aspects of the research. Fourth, in this research, only the moderating effect of the economy type was analyzed as an exogenous factor. Thus, for future research additional endogenous moderators can be considered, including factors related to human resources' and managers' profile (Einwiller and Boenigk, 2012), interdepartmental communications (Kim *et al.*, 2004; Reid, 2005), company heterogeneity (business size, typology/sector), and other variables related to business management (Christensen *et al.*, 2008; Christensen and Cornelissen, 2011; Low, 2000; Reid, 2005).

Second, regarding limitations of mediating and moderating analysis in **Chapter 2**, primarily, we were not able to measure the industry influence. Following the idea of generalising the results, we chose 5 industries for the analysis (agriculture, construction, production, retailer, and service companies). However, in the final sample, there were not enough respondents from each industry for doing multi-group analysis. So, for future research, the industry comparison can be applied. Furthermore, organisational structure analysis was done only for companies who manage marketing communications by their own. That is why we were not able to analyse if there are any differences in IMC effectiveness when the company uses an external agency to manage marketing communications. Thus, for future research, the analysis of differences in IMC effectiveness between marketing specialist, marketing department and communications agencies can be conducted.

Third and regarding limitations in the Chapter 3 corresponding to the IMC analysis from a customer point of view. To start with, the number and the scope of controlled parameters in the respondent's profile can be increased. The samples for the presented research in two countries were controlled to have respondents of the same age and gender range, the same level of education, and both employed and unemployed. Thereby, for future research, parameters characterising customer's current financial situation can be additionally fixed, for example, the current and expected level of income of the respondents, the average of buying ability and price sensibility. Also, the parameters related to customer's individual characteristics such as motives, value, lifestyle, and personality may have an influence on the IMC perception and evaluation process (Darley *et al.*, 2010), so, they can also be controlled in future research. Furthermore, the likely circumstances that may influence the customer decision-making process, such as expected switching cost, can be taken into consideration (Hellier *et al.*, 2003).

The characteristics of the brands chosen for the survey or customer's specific brand preferences and brand attitude can be applied in the model as well. In the current study, brands were mainly presented by the type of products or services of everyday use from different categories, and the results were controlled considering the moderating effect of industry type. However, in future research, it can be interesting to analyse the customer's point of view regarding products or services from different categories, as they may influence customer's choice (Phau and Meng Poon, 2000). Goods and/or service attributes can be

grouped based on the frequency of use, a period of use, the cost, level of differentiation, or product type (tangible, physical or information).

In addition, future research can continue to analyse the differences in customer-based IMC perception and its influence on the post-purchase behaviour under the cultural and economic influence of a multi country environment. In this case, such social influences as the culture, reference group and family can be further considered (Darley *et al.*, 2010).

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## Appendix

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## Appendix A. Top-managers survey.

The constructs used in Chapter 1 of the Thesis were measured by multiple items five-point Likert-type scales. The survey questions are presented in Table A.1.

**Table A.1.** Items included in the model

Items	Variables	Reference
<p>Please, indicate your level of agreement or disagreement concerning your perceptions related to your company's marketing communications from 1 ("strongly disagree") to 5 ("strongly agree").</p> <p><b>Market orientation =MO</b> (<math>\alpha</math>; CR; AVE: Belarus 0.826; 0.934; 0.826, and, Spain 0.841; 0.903; 0.756)</p>		
<b>Market Intelligence Generation</b>	<p>MO1.We meet with customers at least once a year to find out what products/services they will need in the future.</p> <p>MO2.We do a lot of in-house market research.</p> <p>MO3.We are slow to detect changes in our customers' product preferences. *</p> <p>MO4.We poll end-users at least once a year to assess the quality of our products/services.</p> <p>MO5.We are slow to detect fundamental shifts on competition, technology or regulations. *</p> <p>MO6.We periodically review the likely effect of changes in our business environment (e.g., regulations) on customers.</p>	<p>Matsuno, Mentzer and Rentz (2000) based on Jaworski and Kohli (1993)</p>
<b>Market Intelligence Dissemination</b>	<p>MO7.We have interdepartmental meetings at least once a quarter to discuss market trends dissemination and developments.</p> <p>MO8.Marketing personnel in our company spend time discussing customers' future needs with other functional departments.</p> <p>MO9.When something important happens to a major customer or market, the whole company knows about it in a short time.</p> <p>MO10.Data on customer satisfaction are disseminated at all levels in our company on a regular basis.</p> <p>MO11.When one department finds out something important about competitors, it is slow to alert other departments. *</p>	
<b>Market Intelligence Response</b>	<p>MO12. It takes us forever to decide how to respond to competitor price changes.*</p> <p>MO13.For one reason or another we tend to ignore changes in our customers' product or service needs.*</p> <p>MO14.We periodically review our product/service development efforts to ensure that they are in line with what customers want.</p> <p>MO15.Several departments get together periodically to plan a response to changes taking place in our business environment.</p> <p>MO16.If a major competitor were to launch an intensive campaign targeted at our customers, we would implement an immediate response.</p> <p>MO17.The activities of the different departments in this business unit are well coordinated.</p> <p>MO18.Customer complaints fall on deaf ears in this business unit.*</p> <p>MO19.Even if we came up with a great marketing plan, we probably would not be able to implement it in a timely fashion.*</p> <p>MO20.When we find that customers would like us to modify a product or service, the departments involved make concerted efforts to do so.</p> <p style="text-align: center;">*- inverted items.</p>	

Continuation Table A.1

Items	Variables	Reference
<b>Technology orientation=TO</b> ( <i>α</i> ; CR; AVE: Belarus 0.836; 0.953; 0.836, and, Spain 0.865; 0.900; 0.693)		
<b>Technologies in New Products Development</b>	TO1.Our company uses sophisticated technologies in its new product development. TO2.Our new products are always at the state of the art of the technology. TO5.Our company has built a large and strong network of relationships with suppliers of technology equipment.	Gatignon and Xuereb (1997)
<b>The Rapidity of Technologies Integration</b>	TO7.Our company is very proactive in the development of new technologies. TO8.Our company has an aggressive technology patent strategy. TO12.Our company is very proactive in the construction of new technical solutions to answer users' needs.	
<b>Developing New Technologies</b>	TO3.Our company has better industrial methods than the competition. TO6.We have a better competitive knowledge than our competitors. TO11.Our company is always the first one to use a new technology for its new product development.	
<b>Generating New Product Ideas</b>	TO4.Our company has the wit and the capacity to build and to market a technology breakthrough. TO9.Relative to our competitors, our new products are more ambitious. TO10.Relative to our competitors, our research and development programs are more ambitious.	
<b>Integrated marketing communications = IMC</b> ( <i>α</i> ; CR; AVE: Belarus 0.839; 0.963; 0.839, and, Spain 0.899; 0.925; 0.712)		
<b>Content</b>	MC1.Our company carefully examines whether our intended message is consistently delivered through all communications tools and channels (e.g., advertising, publicity, packaging, direct mail, POP display, banner, and website). MC2.Our company maintains consistency in all visual components of communication (e.g., trademarks, logos, models, and colour). MC3.Our company maintains consistency in all linguistic components of communication (e.g., slogans and mottos). MC4.Ensuring a consistent brand image is one of the most important goals of our marketing communications program. MC5.Our company does not alter the brand image, even as its context changes, but maintains its consistency from the long-term perspective.	Based on Lee and Park (2007) and Balmer (2001)
<b>Channels</b>	MC6.Our marketing communications strategy differentiates the buyer and the user if the two are not the same. MC7.Our company carefully deliberates whether creating more than two target customer groups is desirable. MC8.The issue of whether to maintain a single brand image or to create multiple brand images of the product is thoroughly discussed in our company. MC9.Our marketing communications strategy is based on a close scrutiny of the stages of the customers' buying process such as brand awareness, information search, showroom visit, and purchase. MC10.Our company employs the marketing communications tools that are most appropriate for each stage of the consumers' buying process.	
<b>Stakeholders</b>	MC11.Our marketing communications activities are designed to induce customer's actions (e.g., telephone order, phone inquiry, showroom visit, and returning a prepaid postcard). MC12.Our company follows up on consumer responses to our marketing communications activities (e.g., mailing fliers and/or coupons to those who participated in the company-sponsored events and made a phone inquiry after seeing our advertisements). MC13.Our company sees to it that the consumer information that is generated in the course of marketing communications activities are complied. MC14.Our company integrates customer information collected or generated from different divisions into a unified database.	

Continuation Table A.1

Items	Variables	Reference
<b>Strategy</b>	<p>MC15. Our company actively carries out marketing communications activities, which strengthen the relationship with existing customers (e.g., running a customer consultation office, sending birthday cards).</p> <p>MC16. Our company emphasises that maintaining and strengthening relationships with existing customers is as important as expanding the market share by recruiting new customers.</p> <p>MC17. Our marketing communications strategy places heavy emphasis on generating continuous business from our existing customers by enhancing their satisfaction level.</p> <p>MC18. Our company makes efforts to generate a continuous flow of profits from individual customers in the long run by solidifying relationships with them.</p>	
<b>Process</b>	<p>MC19. In our company managers from different departments communicate with each other.</p> <p>MC20. In our company, we create long-term communications with both internal and external stakeholders (consumers, partners, employees and other).</p> <p>MC21. In our company different marketing communications tools for one product are planned by the same manager.</p> <p>MC22. Our company creates corporate brand equity, company identity and reputation of the organisation.</p>	
<i>Measurement compare to main competitors from 1 (much worse than competitors) to 5 (much better)</i>		
<b>Customer performance=CP</b>		
<i>(<math>\alpha</math>; CR; AVE: Belarus 0.854; 0.959; 0.854; Spain 0.885; 0.920; 0.742)</i>		
<p>CP1. Customer satisfaction.</p> <p>CP2. Delivering value to your customers.</p> <p>CP3. Delivering what your customers want.</p> <p>CP4. Retaining valued customers.</p>		<p>Vorhies and Morgan (2005)</p>
<b>Market performance=MP</b>		
<i>(<math>\alpha</math>; CR; AVE: Belarus 0.803; 0.942; 0.803; Spain 0.873; 0.913; 0.724)</i>		
<p>MP1. Market share growth relative to competitors.</p> <p>MP2. Growth in sales revenue.</p> <p>MP3. Acquiring new customers.</p> <p>MP4. Increasing sales to existing customers.</p>		<p>Vorhies and Morgan (2005)</p>
<b>Financial performance=FP</b>		
<i>(<math>\alpha</math>; CR; AVE: Belarus 0.873; 0.965; 0.873, and, Spain 0.869; 0.912; 0.721)</i>		
<p>FP1. Company unit profitability.</p> <p>FP2. Return on investment (ROI).</p> <p>FP3. Return on sales (ROS).</p> <p>FP4. Reaching financial goals.</p>		<p>Vorhies and Morgan (2005)</p>

## Appendix B. Survey questions about Company and Manager Profiles.

In Table B.1 presented the questions related to Company and Manager's profiles used in a top-manager survey conducted during data collection process for Chapter 1 and 2 of the Thesis.

**Table B.1.** Survey questions about Company and Manager Profiles

Company's profile	
Size	Please, choose the size of your company based on the number of employees. Company category      Employees Enterprise      > 1000 Large      < 1000 Medium < 250 Small      < 50 Micro      < 10  Do you have a marketing department in your company?      Yes      No If not do you have any marketing specialists in your company? Yes      No  How many people work at marketing department?      ____
Target market	Please, select the type of your company based on the target market: <input type="radio"/> B2B (business-to-business) <input type="radio"/> B2C (business-to-customer) <input type="radio"/> Other (please, specify) _____
Industry	Please, choose your industry: Agriculture, forestry and fishing Construction Manufacturing Wholesale and retail trade Services
Manager's profile	Please, enter your information (confidentiality is guaranteed):  Age:      ____ years  Gender:      male      female  Education: Education      Area School High education      Marketing Master and Higher      Economy and Business administration Other (please, specify):  Your position? Top manager in marketing Specialist in marketing Other NOT related to marketing



## Appendix C. Customer survey.

The measurement constructs and the customer survey questions are presented in Table C.1.

**Table C.1.** Items included in the model

Items	Variables	Reference
<i>Please indicate from 1 to 5 your level of agreement or disagreement with the following statements related to the company's Brand chosen in the previous question (from 1 "Totally disagree" to 5 "Totally agree"):</i>		
<b>Customer orientation (customer-based) =CO</b> <i>(<math>\alpha</math>; CR; AVE: Belarus 0.814; 0.890; 0.858, and, Spain 0.825; 0.750; 0.505)</i>		
CO1. (Brand) is strongly committed to your needs. CO2. (Brand) products/services create value for you. CO3. (Brand) is interested in what products/services you will need in the future. CO4. (Brand) satisfy your needs. CO5. (Brand) sends you surveys to assess the quality of their products and services. CO6. (Brand) supports you with after-sales service.		Adapted from Narver and Slater (1990)
<b>Technology orientation (customer-based) =TO</b> <i>(<math>\alpha</math>; CR; AVE: Belarus 0.806; 0.768; 0.525, and, Spain 0.824; 0.787; 0.552)</i>		
TO1. (Brand) new products are always at the state of the art of the technology. TO2. Relative to other brands, (Brand) new products are more ambitious. TO3. (Brand) is very proactive in the construction of new technical solutions to answer my needs. TO4. (Brand) is always the first one to use a new technology for its new product development.		Adapted from Gatignon and Xuereb (1997)
<b>Integrated Marketing Communications (customer-based perception) = IMC</b> <i>(<math>\alpha</math>; CR; AVE: Belarus 0.807; 0.795; 0.500, and, Spain 0.803; 0.798; 0.500)</i>		
<b>Consistency through the Communication Tools and Channels</b>	IMC1. (Brand)'s intended message is consistently delivered through all communications channels (e.g., advertising, packaging, direct mail, banner and website)	Šerić, Gil-Saura and Ruiz-Molina (2014) (a scale based on Lee and Park, 2007)
<b>Visual consistency of the message</b>	IMC2. (Brand) maintains consistency in all visual components of its communication (e.g., trademarks, logos, models and colour)	
<b>Linguistic Consistency of the message</b>	IMC3. (Brand) maintains consistency in all linguistic components (e.g., slogans) of communication in all media.	
<b>Brand image Consistency</b>	IMC4. (Brand) has a consistent brand image.	
<b>Long-term Consistency</b>	IMC5. (Brand) does not alter the brand image, even as its context changes, but maintains its consistency from the long-term perspective.	
<b>Customer satisfaction = CS</b> <i>(<math>\alpha</math>; CR; AVE: Belarus 0.870; 0.848; 0.651; Spain 0.905; 0.896; 0.741)</i>		
CS1. My decision to purchase product/service from (Brand) was a wise one. CS2. I feel good about my decision to purchase (Brand)'s product/service. CS3. I am pleased that I purchased product/service exactly from (Brand). CS4. If someone asks me, I would positive response about (Brand).		Hellier, Geursen, Carr and Rickard (2003)
<b>Word-of-mouth = WOM</b> <i>(<math>\alpha</math>; CR; AVE: Belarus 0.810; 0.806; 0.581, and, Spain 0.902; 0.905; 0.760)</i>		
WOM1. I say positive things about (Brand). WOM2. I recommend (Brand) to someone who seeks my advice. WOM3. I recommend (Brand) to my friends and relatives.		Bush, Martin and Bush (2004)
<b>Repurchase intention =RPI</b> <i>(<math>\alpha</math>; CR; AVE: Belarus 0.817; 0.790; 0.653; Spain 0.886; 0.822; 0.698)</i>		
<b>Repeat Purchase Intention</b>	RPI1. I will purchase the (Brand) again.	Hellier, Geursen, Carr and Rickard (2003)
<b>Repurchase Probability</b>	RPI2. It is a high probability that I will purchase exactly (Brand).	
<b>Repurchase Intention</b>	RPI3. I intend to purchase more of (Brand).	

## Appendix D. Control of CRM level moderating effect

The results of the CRM (Customer relationship management) moderating effect analysis for Belarus and Spain presented in Tables D.1.

**Table D.1.** Hypotheses testing for moderating effect of CRM (Belarus, Spain)

H	Path	CRM low			CRM high			CRM moderating effect	
		$\beta$		Robust <i>t</i> value	$\beta$		Robust <i>t</i> value	$\Delta S-B\chi^2$ ( $\Delta g.1.=1$ )	p
<i>Belarus</i>									
H3/H3a	IMC → CS	0.674	***	5.787	0.564	***	3.134	0.979	0.322 ns
H4/H4a	IMC → WOM	0.073	ns	0.684	-0.232	**	-2.072	3.827	0.050 **
H5/H5a	IMC → RPI	0.011	ns	0.093	0.090	ns	0.080	0.465	0.495 ns
<i>Spain</i>									
H3/H3a	IMC → CS	0.648	***	3.291	0.455	***	3.056	3.787	0.051 *
H4/H4a	IMC → WOM	0.311	**	2.152	0.296	**	2.537	0.735	0.391 ns
H5/H5a	IMC → RPI	0.312	*	1.864	0.072	ns	0.686	2.759	0.097 *

**Notes:** \*\*\* $p < 0.01$ ; \*\* $p < 0.05$ ; \* $p < 0.1$ ; ns=non-significance.  $\beta$ = Standardized Path Coefficient.

## Appendix E. Control of the industry moderating effect

The results of the industry moderating effect analysis in Table E.1 show no significant differences between industries in countries selected for the research.

**Table E.1.** The results of the industry moderating effect analysis

H	Path	Total model†			Multi-group Model‡											
					Service		Producer		Reseller		Industry moderating effect					
		$\beta$	Robust <i>t</i> value		$\beta$	Robust <i>t</i> value	$\beta$	Robust <i>t</i> value	$\beta$	Robust <i>t</i> value	$\Delta \Delta S - B\chi^2$ ( $\Delta g.1.=2$ )	<i>p</i>				
	<i>Belarus</i>															
H1	CO → IMC	0.278	ns	1.468	0.739	**	2.426	-0.15	ns	-0.485	0.209	ns	0.728	0.421	0.81	ns
H2	TO → IMC	0.354	*	1.792	-0.120	ns	-0.465	0.981	**	2.373	0.307	ns	0.969	0.676	0.71	ns
H3	IMC → CS	0.698	***	7.492	0.646	***	4.008	0.902	***	5.237	0.555	***	3.817	4.151	0.13	ns
H4	IMC → WOM	-0.050	ns	-0.631	-0.180	ns	-1.428	0.133	ns	0.418	0.019	ns	0.207	0.581	0.75	ns
H5	IMC → RPI	0.063	ns	0.583	-0.09	ns	-0.342	-0.470	ns	-0.934	0.204	*	1.809	1.764	0.65	ns
H6	CS → WOM	0.910	***	10.534	0.907	***	7.161	0.878	***	2.671	0.943	***	6.720	0.442	0.80	ns
H7	CS → RPI	0.973	***	11.256	0.936	ns	1.102	-0.180	ns	-0.343	-0.130	ns	-0.152	2.955	0.23	ns
H8	WOM → RPI	-0.090	ns	-0.126	-0.35	ns	-0.336	0.954	***	4.325	0.950	ns	1.046	2.511	0.29	ns
	<i>Spain</i>															
H1	CO → IMC	0.771	***	5.363	0.740	***	3.524	0.687	***	4.123	0.627	ns	1.326	1.125	0.63	ns
H2	TO → IMC	0.226	**	2.102	0.144	ns	0.811	0.366	**	2.057	0.450	ns	1.212	1.145	0.71	ns
H3	IMC → CS	0.675	***	5.888	0.633	***	4.277	0.611	***	2.676	0.742	ns	1.344	4.275	0.12	ns
H4	IMC → WOM	0.303	***	2.995	0.116	ns	1.235	0.625	***	2.625	0.399	ns	1.006	1.025	0.75	ns
H5	IMC → RPI	0.269	***	2.781	0.197	**	2.184	0.284	*	1.650	0.901	**	2.129	2.265	0.35	ns
H6	CS → WOM	0.649	***	6.852	0.840	***	6.884	0.271	*	1.935	0.597	**	2.458	0.408	0.78	ns
H7	CS → RPI	0.639	***	4.549	0.693	***	2.624	0.545	***	4.799	0.981	ns	1.471	3.101	0.28	ns
H8	WOM → RPI	0.080	ns	0.564	0.058	ns	0.218	0.224	ns	1.377	-0.940	ns	-1.104	3.121	0.27	ns

*Note:* \*\*\* $p < 0.01$ ; \*\* $p < 0.05$ ; \* $p < 0.1$ ; ns=non-significance.  $\beta$ = Standardized Path Coefficient.  
*Belarus* †  $S-B \chi^2 (126 df) = 248.024$ ;  $\chi^2/df = 1.968$ ;  $RMSEA = 0.054$ ;  $NFI = 0.892$ ;  $NNFI = 0.903$ ;  $CFI = 0.920$ .  
*Spain* ‡  $S-B \chi^2 (126 df) = 223.031$ ;  $\chi^2/df = 1.770$ ;  $RMSEA = 0.059$ ;  $NFI = 0.881$ ;  $NNFI = 0.894$ ;  $CFI = 0.906$ .



