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ABSTRACT

This study of the influence of the marketing department (MD), as well as its relationship with firm performance, includes seven industrialized countries and aims to generalize the conceptual model presented by Verhoef and Leeflang (2009). This investigation considers the antecedents of perceived MD influence, top management respect for the MD, and MD decision influence, as well as the relationships of these three influence variables with market orientation (MO) and business performance (BP). Meta-analytic procedures reveal initial empirical generalizations: Accountability, MD innovativeness, and the customer connection capabilities of the MD relate consistently to all three studied MD influence measures. The generalization also shows that MD influence contributes to BP indirectly through its positive relationship with MO and directly through its positive direct relationship with BP.

Keywords: cross-national, business performance, market orientation, marketing strategy, empirical generalizations

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Both academic and practitioner marketing communities engage in extensive debates about the declining role of marketing as a separate function within firms (e.g., Ambler 2003; Webster, Malter, and Ganesan 2005). In general, such debates assume that the role of the marketing department (MD) is declining, yet the discussion remains mainly qualitative, without strong empirical evidence in multiple countries. Recently, Verhoef and Leeflang (2009) (hereinafter, V&L) reported that among Dutch firms, marketing is responsible for only a limited set of decisions (e.g., advertising, relationship management, segmentation, targeting, positioning). They also studied the antecedents of MD influence and reported that MD innovativeness and accountability are the most important.

An important theoretical and practical question that remains is the contribution of influential marketing functions to business performance (BP). Nath and Mahajan (2008) show that the presence of a chief marketing officer does not significantly influence BP, and V&L similarly find no significant direct relationship between the influence of the MD and firm performance. Instead, they suggest that market orientation (MO) provides the single most important driver of firm performance, although MD influence may be related to a firm's MO. Merlo and Auh (2009) also do not find a significant direct relationship between MD influence and firm performance. These results contrast with prior studies that suggest an influential MD is beneficial (Moorman and Rust 1999; O'Sullivan and Abela 2007).

This divergence may result from different research settings, but it also could reflect differences across countries, in that cross-national research and meta-analyses reveal some variation in the link between MO and BP across countries (or regions) (e.g., Deshpandé, Farley, and Bowman 2004). No replications of prior findings or cross-national investigations address the relationship between MD influence and BP.

According to Hubbard and Armstrong (1994), replications provide the basis for successful generalizations, yet as Barwise (1995) notes, marketing places an overwhelming emphasis on developing new theory, not establishing empirical generalizations (see also Evanschitzky et al. 2007). Empirical generalizations are required for scientific progress and to ensure the credibility of a developed theory (Barwise 1995). Furthermore, V&L's work represents an influential paper, as reflected by its inclusion as an essential reading for marketing (McAlister, Bolton, and Rizley 2010). Thus, replicating their study in a cross-national setting can provide important empirical generalizations regarding the identified antecedents of MD influence and impact on firm performance (Barwise 1995). A primary purpose of nation-spanning research in marketing is to establish generalizations (Burgess and Steenkamp 2006; Steenkamp 2005).

As such, our main aim is to generalize the findings of V&L. Therefore, we collected data in six additional industrialized countries beyond the Netherlands. We analyze the data of these six additional countries and include V&L's Dutch sample. We use a meta-analytic method (Rosenthal test) to assess the general expected sign of the studied relationships for (1) antecedents of MD influence, (2) relationships between MD influence and MO, and (3) relationships between MD influence

and BP. To address these research questions, we collected survey data about MD influence in medium- and large-sized firms in the United States, the United Kingdom, Germany, Sweden, Israel, and Australia. Accordingly, we derive initial empirical generalizations about the antecedents of MD influence and its impact on MO and BP.

In providing the suggested generalizations using a cross-national study, we clearly contribute to the existing literature. So far, only Engelen and Brettel (2011) explicitly study MD influence in a cross-national setting. In their study, they investigate the moderating effect of culture on the effects of selected antecedents of MD influence. In our study, we investigate antecedents and consequences of MD influence. Thus, we explicitly seek to create generalizations rather than examining possible systematic, culture-based differences across countries.

This article proceeds as follows: In the next section, we discuss the conceptual background of our study. Then, we describe the data collection procedure and present our meta-analytic results. We conclude with a summary and a discussion of the derived initial empirical generalizations, the management implications of our findings, and some research limitations that yield potential avenues for further research.

CONCEPTUAL BACKGROUND

Our conceptual model is similar to that developed in V&L. The main dependent variable of interest is MD influence. Marketing department influence refers to the extent to which the MD is considered important within the firm and has power within the organization in comparison to other departments. We consider three measures: perceived importance of the MD, top management respect for the MD, and MD decision influence (see also Moorman and Rust 1999; O'Sullivan and Abela 2007). In Figure 1, we provide a conceptual model, similar to that tested by V&L. The central variables in this model are three MD influence variables. We study antecedents of these three MD influence variables and their relationships to MO and BP. We specifically assume that MD capabilities are related to MD influence. Beyond that, environmental factors (e.g., channel power) and internal firm factors (e.g., generic strategy) may be related to MD influence (e.g., Homburg, Workman, and Krohmer 1999). We consider three measures of MD influence. First, Following Moorman and Rust (1999), we include perceived MD influence, which pertains to the percep-

Figure 1. Conceptual Model on Antecedents and Consequences of MD Influence (V&L)
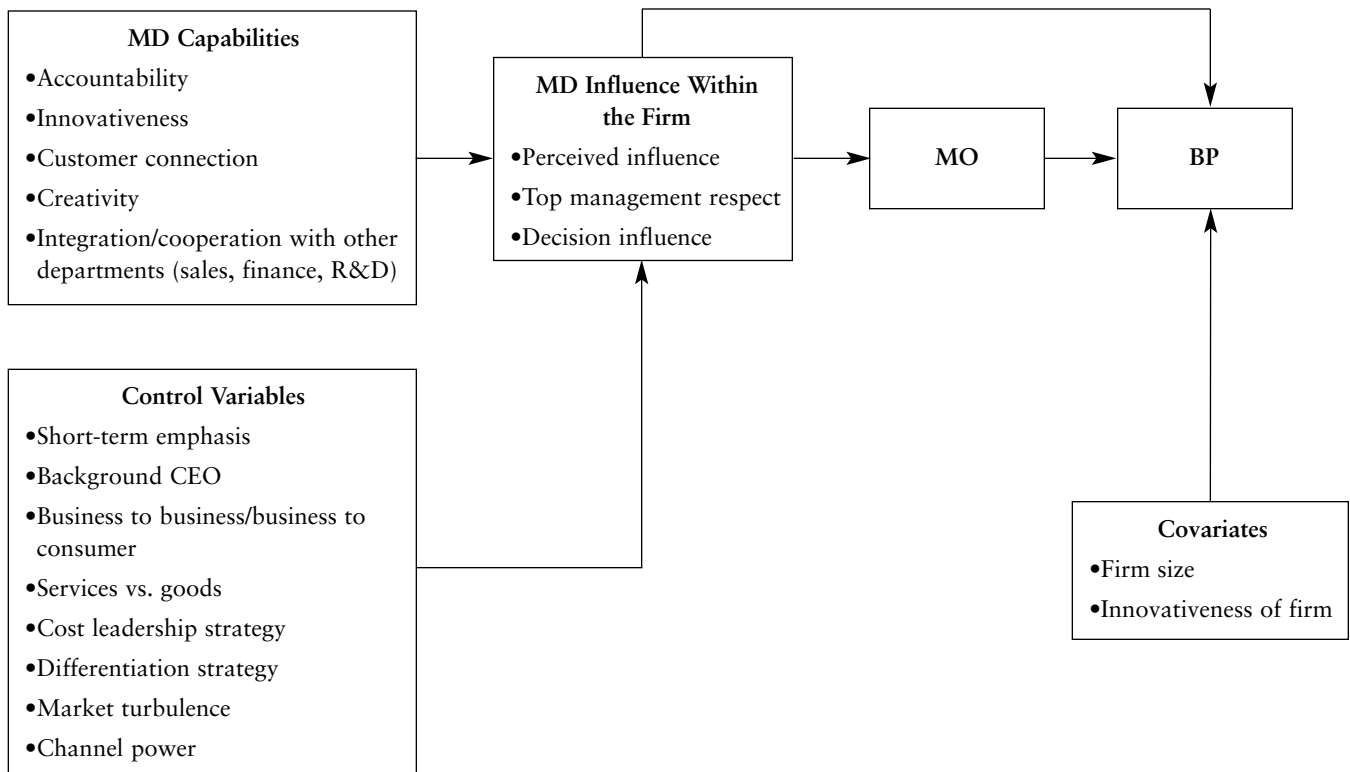
tion of influence or power of the MD within the firm. Second, we consider top management respect for the MD (O'Sullivan and Abela 2007). This influence variable focuses more on whether top management provides support to the MD and whether it acknowledges it as a strategic and important department within the firm. Third, following Homburg, Workman, and Krohmer (1999), we include MD decision influence, which focuses on the actual influence the MD has in marketing and nonmarketing decisions compared with other departments, such as finance, sales, and research and development (R&D). Compared with the first two measures, decision influence is less of an attitude measure, aiming instead to measure actual influence in organizational decision making. Subsequently, we assume that the included MD influence measures have a direct positive relationship to BP and an indirect relationship to BP through MO.

Because we consider only seven industrialized countries, we cannot test for systematic cultural differences in a statistical sense, which requires a very large sample (e.g.,

Deleersnyder et al. [2009] study 37 countries). Instead, our aim is to derive initial empirical generalizations on the V&L model. Therefore, we are more interested in whether we can find similarities between countries rather than finding and explaining differences between countries using, for example, culture and economic development as potential explanations.

Our focus on similarities, rather than differences, among countries is also based on theoretical motivations. In the modern global economy, firms network across countries, draw human capital from business schools around the world, hire global consulting companies and global marketing research agencies (e.g., McKinsey & Co., Accenture, IBM, GfK, ACNielsen), compete in multiple countries, and have easy access to the same business and marketing knowledge (Sorge and Van Witteloostuijn 2004). Firms also actively create cooperative global links to develop innovations, and innovativeness is clearly related to firm growth in Western economic systems (Christensen and Raynor 2003). The importance of innovativeness and customer connec-

tions gets emphasized in many managerial publications and textbooks (e.g., ACNielsen, Karolefski, and Heller 2006; Kotler and De Bres 2003; Kumar 2004; Rust, Zeithaml, and Lemon 2000), and an emphasis on return on marketing is omnipresent (Ambler 2003; Farris et al. 2006). Moreover, recent discussions in global marketing and economics literature suggest some convergence among cultures (Chandrasekaran and Tellis 2008; Dorfman and House 2004). Notably, Kirca, Jayachandran, and Bearden (2005) show a strong cross-national generalizability on the MO–BP relationship. Brettel et al.'s (2008) analysis of differences across three countries (Germany, Thailand, and Indonesia) on the antecedents of MO suggests that even for three rather different countries, the effects of antecedents on MO are partially culture independent. Overall, we conclude that differences among especially industrialized countries are likely to be limited. Thus, in our conceptualization, we follow the culture-free hypothesis rather than the culture-bound assumption that Engelen and Brettel (2011), for example, follow in their cross-national study on antecedents of MD influence. Note, however, that their study compares some Western European countries with some Asian countries, whereas we consider only industrialized countries that generally tend to have a Western orientation.[1]

Antecedents of MD Influence

As mentioned previously, we use three measures of MD influence: perceived influence, top management respect, and decision influence (Homburg, Workman, and Krohmer 1999; Moorman and Rust 1999; V&L). We continue by providing theoretical arguments for each potential antecedent of MD influence (for definitions of the antecedents, see Appendix A).

Accountability. Marketers must justify their expenditures and productivity (Rust et al. 2004). Accountability, in the form of marketing metrics, is positively related to top managers' satisfaction with the MD and greater MD influence within the firm, as V&L and others (e.g., Moorman and Rust 1999; O'Sullivan and Abela 2007) demonstrate.

Innovativeness. The innovativeness of the MD refers to the extent to which it contributes to the development of new products or services (see V&L). Because innovation is a key driver of business growth, firms should value innovative MDs (Han, Kim, and Srivastava 1998). In addition, V&L show that the innovativeness of the MD is positively related to MD influence.

Customer Connection. Following Moorman and Rust (1999), we define the customer-connecting role of the MD as the extent to which the MD can translate customer needs into customer solutions, as well as the extent to which it demonstrates the criticality of external customers and their needs to other organizational functions (Hauser, Simester, and Wernerfelt 1996). When MDs can achieve these two objectives, they likely position themselves as a key organizational function (Moorman and Rust 1999). However, V&L could not confirm the importance of customer connection for MD influence.

Creativity. We define the creativity of the MD as the extent to which it develops actions to market products or services that represent meaningful deviations from common marketing practices in the particular product or service categories (Andrews and Smith 1996). However, V&L could not find convincing evidence for a significant association between MD creativity and any of the studied MD influence measures.

Integration Between Departments. Academic marketing literature acknowledges the importance of cooperation and integration between the MD and other departments (e.g., sales, R&D, finance) (e.g., Srivastava, Shervani, and Fahey 1998). As V&L reveal, the effects of integration on MD influence also are not clear.

Control Variables. Beyond the main variables under study, V&L control for some additional variables that they derive from previous research (Homburg, Workman, and Krohmer 1999; Nath and Mahajan 2008; Webster, Malter, and Ganesan 2005). Therefore, in our cross-national study, we include firm characteristics (short-term orientation, chosen generic strategy, goods vs. services sector, business-to-business vs. business-to-consumer, presence of chief executive officers [CEO] with marketing background) and environmental characteristics (channel power and market turbulence).

MD Influence and MO

The first consequence of our MD influence measures is MO, which serves as a measure of business culture in that the culture places the highest priority on the profitable creation and maintenance of superior value for customers while considering the interests of other stakeholders. In addition, MO provides behavioral norms for the organizational generation and dissemination of and responsiveness to market information (Slater and Narver 1995). A strong MD is required to induce a strong MO within the firm (Harris and Ogbonna 1999;

V&L). Therefore, we assume a positive relationship between MD influence and MO.

MD Influence and BP

The second consequence of MD influence is BP. Empirical evidence of the relationship between a strong MD and BP remains mixed (Merlo and Auh 2009; Moorman and Rust 1999; V&L 2009). An incremental effect of MD may exist, above and beyond that of MO on BP, because the specific capabilities embedded in the department may be necessary to increase BP beyond the general MO of the firm (Moorman and Rust 1999). In line with prior meta-analyses (e.g., Cano, Carrillat, and Jaramillo 2004; Kirca, Jayachandran, and Bearden 2005), we also assume that MO is positively related to BP.

METHODOLOGY

Data Collection

We collected data in six industrialized countries in addition to the Netherlands—the United States, the United Kingdom, Germany, Sweden, Israel, and Australia—between spring 2007 and fall 2008. We chose these countries for several reasons. First, these countries represent both top economies worldwide (i.e., United States, Germany, United Kingdom, and Australia) and smaller economies (e.g., the Netherlands, Sweden, and Israel). Other cross-national studies adopt similar selections across both major and smaller economies. For example, Lamey et al. (2007) include the United States, Germany, the United Kingdom, and Belgium and refer to Belgium as being similar to the Netherlands. In addition, Germany, the United States, and Australia have been studied previously in work on MD influence (Homburg, Workman, and Krohmer 1999; Moorman and Rust 1999; O'Sullivan and Abela 2007). Second, from a geographic and economic perspective, we feature the largest economy in North America, two key economies in Western Europe, the only industrialized country in the Middle East, and the main Western economy in the Pacific. Six of the selected countries represent a large share of total advertising expenditures among Western countries (68%; see Deleersnyder et al. 2009). Thus, a large share of the global advertising budget is spent in the countries in our sample.

The Netherlands data are those reported in V&L. In all countries, we also used the questionnaire described in V&L. Individual researchers in each country conducted the research. Researchers gathered potential respondents using data lists from companies such as Dun & Bradstreet and Reach. We strived to have managers with different functions (marketing, finance, CEOs) of medium- and large-sized firms in our sample. For the data collection in Sweden, the United Kingdom, the Netherlands, the United States, and Israel, we used Internet surveys. In Australia, we relied on both online and mail surveys, and in Germany, we mailed surveys. The average response rate was 21.8%; it varied between 9.8% (Australia) and 63% (Sweden) (see Table 1). The differences in response rates cannot be attributed to data collection methods. For example, Germany's mail-based survey produced a response rate of 14.5%, comparable to the 15.3% response rate for the online survey conducted in the Netherlands. Researchers used several communication methods to improve response rates, such as e-mail follow-ups and telephone reminders. Swedish researchers were particularly successful in getting a high response rate using telephone calls.

Previous research also indicates no significant differences in survey responses for mail versus online surveys (e.g., Deutskens, De Ruyter, and Wetzels 2006). Therefore, we assume that differences in response rates among countries do not reflect the data collection methods. The respondents across countries include top marketing and financial executives, CEOs, and other top employees of profit-based, middle- and large-sized firms. Sample sizes for the seven countries and other sample descriptions appear in Table 1; the total sample size is 2207.

Measures and Measurement Invariance

We used the same questions to measure our model variables and constructs as in V&L. (The details of the constructs, coefficient alphas, and composite reliability appear in Appendixes B and C.) The coefficient alpha for each multi-item measure per country was close to or greater than .70 (Nunnally and Bernstein 1994), and all composite reliabilities were greater than .50 (Fornell and Larcker 1981). Both measures indicate sufficient reliability for the constructs.

Furthermore, a critical issue for cross-national research is measurement invariance. Cross-national research must consider three forms of invariance: configural, metric, and scalar (De Jong, Steenkamp, and Fox 2007; Steenkamp and Baumgartner 1998). Configural invariance exists when the measurement instrument exhibits the same configuration of salient and nonsalient factor loadings. Metric invariance occurs when the factor loadings are the same across countries.

Table 1. Sample Descriptions per Country

	Germany	Netherlands	United Kingdom	Israel	United States	Sweden	Australia
Response rate	15.1%	15.3%	18.2%	14.5%	27.7%	63.0%	9.4%
Data collection method	Mail	Online	Online	Online	Online	Online and and mail	Online telephone
Sample size	269	213	200	150	1018	121	236
Average number of employees per firm	3366	974	6647	854	4183	2043	791
Business Field							
Business versus consumer (1 = business to business, 10 = business to consumer)	3.39	3.65	4.38	4.32	6.41	2.46	4.41
Business versus consumer (business to business/ business to consumer in %)[a]	73.6/26.4	80.1/19.9	63.5/36.5	66/34	38.8/61.2	86/14	62.3/37.7
Goods versus services (1 = goods, 10 = services)	4.52	5.85	6.75	4.34	7.05	4.02	5.40
Goods versus services (goods/services in %)[b]	66.9/33.1	49.8/50.2	38.8/62.2	63.3/36.7	31.9/68.1	71.1/28.9	51.4/48.6
Marketing is …							
Represented in the board (%)	40.1	36.6	49.1	65.4	53.0	76.9	28.4
Organized as staff function (%)	33.5	50.2	22.4	27.2	16.0	27.3	14.0
Organized as line function (%)	39.0	18.7	43.7	24.4	40.0	23.8	32.2
Function Composition of Respondents (%)							
Marketing	61.3	72.3	32.5	43.3	21.0	38.0	68.2
Finance	16.4	22.1	25.0	12.0	9.0	0.0	3.3
CEO	6.3	4.2	1.5	23.3	15.0	46.3	3.4
Others	16.0	1.4	41.0	21.4	55.0	15.7	25.1

[a]Firms scoring lower equal than 5 are assigned to be business-to-business firms, and firms scoring higher than 5 are assigned to be business-to-consumer firms.
[b]Firms scoring lower equal than 5 are assigned to be goods manufacturer, and firms scoring higher than 5 are assigned to be service provider.

In the case of metric-invariant measures across countries, it is possible to compare relationships between the studied constructs across countries. Scalar invariance addresses the question of consistency between cross-national differences in latent means and cross-national differences in observed means, which is required to compare means across countries (Steenkamp and Baumgartner 1998).

We test for measurement invariance by following Steenkamp and Baumgartner's (1998) framework. We use multigroup confirmatory factor analysis that includes MD accountability and customer connection characteristics, perceived marketing influence, top management respect for the MD, and MO, all of which are measured with reflective multi-item scales in all countries. We do not include the creativity measure because it is not a multi-item construct in the U.S. sample and is not available for Sweden.[2] The exact measurement invariance test results appear in the Appendix D.

We achieved moderate fit in the configural invariance model. Most standardized factor loadings were greater than .5, and the estimation resulted in only 13 factor loadings around .40. Furthermore, the correlations between the factors were significantly below unity (Steenkamp and Baumgartner 1998). To assess metric invariance, we restricted the loadings to be invariant over the seven countries. However, the chi-square difference test rejected full metric invariance. In this case, we note that achieving full metric variance is, in Horn's (1991, p. 125) words, "a reasonable ideal,… a condition to be striven for, but not expected to be fully realized." However, we achieved full metric invariance if we excluded the U.S. data; when including the U.S. data, we attained partial metric invariance because a minimum of two items per construct had the same factor loadings (Byrne, Shavelson, and Muthén 1989; Steenkamp and Baumgartner 1998). Partial metric invariance enabled us to compare the estimated relationships in our models (Steenkamp and Baumgartner 1998),[3] but without full metric invariance, we could not achieve full scalar invariance. Even without the United States, we did not find full scalar invariance for the remaining six countries. Partial scalar invariance existed for all seven countries. Therefore, we do not offer strong inferences about the differences in averages for the measured variables.

Model

In line with V&L, we formulate the following general econometric model:

$$(1) \quad MI_{k,c} = \alpha_{k,0,c} + \sum_{m=1}^{7} \alpha_{k,m,c} MD_m + \sum_{f=1}^{6} \alpha_{k,7+f,c} FC_f$$

$$+ \sum_{e=1}^{2} \alpha_{k,13+e} EC_{e,c} + \varepsilon_{k,MI_k,c}, k=1,2,3,$$

$$(2) \quad MO_c = \beta_{0,c} + \sum_{k=1}^{3} \beta_{k,c} \times MI_k + \varepsilon_{M,c}, \quad \text{and}$$

$$(3) \quad BP_c = \gamma_{0,c} + \sum_{k=1}^{3} \gamma_{k,c} \times MI_k + \gamma_{4,c} \times MO_c + \sum_{l=1}^{2} \gamma_{4+l,c} \times Z_l + \varepsilon_{p,c},$$

where the subscript c refers to each of the seven countries, MI_k measures marketing influence in three different manners, MD_m are the seven MD characteristics (MD accountability, innovativeness, customer connection, creativity, and integration with the finance, sales, or R&D departments), FC_f are six firm characteristics (short-term orientation, CEO background, business-to-business vs. business-to-customer, services vs. goods, differentiation strategy, and cost leadership strategy), and EC_f are two environmental characteristics (channel power and market turbulence). In Equation 2, MO refers to our MO measure, explained by the three marketing influence measures MI_k. In Equation 3, BP relates to MI_k, MO, and Z_l, where Z_l are two firm covariates (firm size and innovativeness of the firm). The ε represents disturbance terms, which we assume to be normally distributed. We estimate each equation per country using ordinary least squares.[4] To test for the significance of the studied relationships in our model, we conducted Rosenthal's (1991) test, including the method of adding weighted Z's (for applications of this test, see Deleersnyder et al. 2009; Deleersnyder et al. 2002).

EMPIRICAL RESULTS: THE GENERAL MODEL
Descriptive Results

In Table 2, we provide the averages and standard deviations of the MD influence measures across countries (top half). In the bottom half, we show the scores of the most important drivers of MD influence: accountability, marketing innovativeness, customer connection, creativity, and integration with other departments.

Table 3 contains the decision influence of the MD for marketing and other decisions, which we obtained using the method suggested by Homburg, Workman, and Krohmer (1999) and V&L. In six countries, each respondent divided 100 points among four departments (marketing, sales, finance, and R&D) for seven marketing decisions and five nonmarketing decisions. In the United States, though, we measured decision influence by asking respondents to rate the influence of the MD on each decision on a ten-point scale (1 = "absolutely no influence," and 10 = "largest influence").[5] Accordingly, it is useful and appropriate to compare only the scores of the six countries. Therefore, we calculated the

Table 2. Averages and Standard Deviations of the MD's Influence Measures and Marketing Drivers Across Countries

	Germany (N = 269)	Netherlands (N = 213)	United Kingdom (N = 200)	Israel (N = 150)	United States (N = 1018)	Sweden (N = 121)	Australia (N = 236)
Perceived influence	3.66	3.69	3.74	4.37	4.31	3.73	3.73
(1 = "low," and 7 = "high")	(1.28)	(1.13)	(1.17)	(1.35)	(1.15)	(1.36)	(1.19)
Top management respect	5.05	5.13	5.07	5.92	4.72	5.37	4.90
(1 = "low," and 7 = "high")	(1.25)	(1.31)	(1.26)	(1.06)	(1.13)	(1.67)	(1.31)
Decision influence[a]	3.51	3.69	4.05	4.66	5.98	2.43	3.89
(0 = "low," and 10 =" high")	(1.62)	(1.76)	(1.76)	(1.93)	(1.74)	(1.66)	(1.72)
Accountability	4.41	3.84	4.32	5.24	4.65	3.87	4.95
(1 = "low," and 7 = "high")	(1.35)	(1.25)	(1.32)	(1.24)	(1.23)	(1.50)	(1.17)
Innovativeness of MD	2.59	2.72	4.16	4.29	3.00	2.24	3.72
(1 = "low," and 7 = "high")	(2.25)	(2.67)	(2.23)	(2.02)	(2.10)	(2.61)	(2.74)
Customer connection	5.23	4.81	4.88	5.55	4.77	4.79	5.29
(1 = "low," and 7 = "high")	(1.11)	(1.13)	(1.16)	(1.09)	(1.15)	(1.48)	(0.92)
Creativity	3.16	4.47	3.83	3.47	3.33		3.81
(1 = "low," and 7 = "high")	(1.07)	(1.16)	(1.22)	(1.13)	(1.41)	N.A.	(1.29)
Integration with finance	5.33	5.14	5.34	5.34	4.51	5.46	4.91
(1 = "low," and 7 = "high")	(1.32)	(1.38)	(1.32)	(1.32)	(1.50)	(1.71)	(1.50)
Integration with sales	5.09	4.91	4.79	5.71	4.63	5.53	5.13
(1 = "low," and 7 = "high")	(1.39)	(1.49)	(1.45)	(1.23)	(1.54)	(1.78)	(1.53)
Integration with R&D	5.18	4.93	4.63	5.24	4.54	5.13	4.95
(1 = "low," and 7 = "high")	(1.36)	(1.34)	(1.29)	(1.40)	(1.46)	(1.82)	(1.36)

[a]All countries other than the United States use measures that distribute 100 points across the various departments. Therefore, the average for the United States cannot be compared with the averages for other countries.
Notes: = N.A. = not available. Standard deviations appear in parentheses.

average influence per decision per country (Homburg, Workman, and Krohmer 1999; V&L); marketing clearly dominates decisions about advertising, with scores above 50. In making decisions about customer satisfaction and relationship and loyalty programs, marketing also has a strong influence, with the majority of scores above 40. A general exception is Sweden, where marketing has a lower influence in these decisions. In general, areas such as pricing, customer service, product development, and distribution are not dominated by marketing. Most scores vary between 20 and 30 on these decisions. Only Israel is an exception, with scores around 40. In general, scores on the non-marketing decisions tend to vary between 20 and 30 as well, suggesting a moderate influence of the MD. Again, Israel is an exception, with higher scores varying between 30 and 50.

Antecedents of MD Influence

In Tables 4–6, we display the test results for the MD influence measures,[6] similar to Deleersnyder et al. (2002) (for the underlying coefficients, see Appendix E). When the Rosenthal test is significant, the coefficients in the studied countries point in a specific direction, whether negative or positive. With the relatively few countries in our studies, we use a *p*-value of .10 as our significance threshold. According to the consistently significant values of the Rosenthal test, all three MD influence measures relate positively to accountability (perceived influence, *p* = .00; top management respect, *p* = .00; decision influence, *p* = .00), MD innovativeness (*p* = .00 for all measures), and customer connection (perceived influence, *p* = .01; *p* = .00 for the other two measures). Therefore, these three capabilities are consistently important and positive drivers of MD influence. Creativity tends to

Table 3. Influence of the MD per Decision

	Germany N = 269)	Netherlands (N = 213)	United Kingdom (N = 200)	Israel (N = 150)	Sweden (N = 121)	Australia (N = 236)	United States[a] (N = 1018)
Marketing Decisions							
Advertising	67	69	59	66	51	69	70
Customer satisfaction measurement and improvement	60	57	40	48	34	47	64
Segmentation, targeting, and positioning	46	55	46	67	40	60	63
Relationship and loyalty programs	46	51	39	61	26	52	61
Customer service	28	28	27	39	25	28	60
Pricing	20	20	23	38	18	26	57
Distribution	25	18	25	46	21	31	59
Other Decisions							
Strategy	28	34	26	51	27	33	58
Product development	28	30	28	42	24	34	57
Expansions to foreign markets	29	26	30	54	34	36	61
Choice of business partners	26	26	28	52	28	34	58
Investments in information technology	32	26	22	29	29	21	50

[a]Measured on a ten-point scale.
Notes: All countries other than the United States used measures that distribute 100 points across the various departments.

relate negatively to perceived influence (p = .00) and decision influence (p = .00).[7] There is no consistent pattern in the relationships between the integration variables and the three influence measures. Although MD integration with finance is consistently and positively related to perceived influence and top management respect (both p = .00), it is not significantly related to decision influence (p = .47). Integration with R&D is significantly and negatively related to perceived influence and decision influence (both p = .00) but is not related significantly to top management respect (p = .37). Integration with sales is negatively related to perceived influence (p = .00) and positively related to top management respect (p = .00). These results suggest that integration with other departments can work both positively and negatively for MD influence.

We also find some significant relationships for the control variables. Perceived MD influence tends to be higher for firms active in business-to-consumer than business-to-business markets (p = .00). The CEO's background in marketing is consistently related positively to all three MD influence measures (p = .00, .01, .02). The relationship between a chosen generic strategy and MD influence measures is not clear though. Differentiation is positively related to top management respect (p = .08) but negatively to decision influence (p = .00). Cost leadership is also negatively related to perceived influence (p = .07). Finally, market turbulence is positively related to decision influence (p = .00), and goods manufacturers tend to have higher perceived influence (p = .07) and decision influence (p = .01).

MD Influence and MO and BP

In Table 7, we show the test results for the MO and the BP equations (for the underlying coefficients, see Appendix F). Top management respect for MD and MD decision influence are consistently positively related to MO

Table 4. Antecedents of Perceived MD Influence Measures (Equation 1)

	Number of Positive Coefficients	Number of Negative Coefficients	Average Positive Coefficient	Average Negative Coefficient	Overall Average	Rosenthal Weighted Z	Rosenthal Test p-Value
Accountability	7	0	.28		.28	10.07	.00
Customer connection	5	2	.13	−.04	.08	2.51	.01
Innovativeness	7	0	.08		.08	7.33	.00
Creativity[a]	1	5	.07	−.11	−.08	−4.44	.00
Integration with sales	1	6	.13	−.05	−.02	2.59	.00
Integration with finance	5	2	.11	−.14	.04	2.62	.00
Integration with R&D	1	6	.08	−.08	−.06	−4.11	.00
Short-term orientation	5	2	.04	−.05	.02	.10	.46
Business to consumer	5	2	.05	−.01	.03	4.22	.00
CEO background	7	0	.39		.39	5.34	.00
Service	0	7		−.02	−.02	−1.46	.07
Cost leadership	2	5	.18	−.41	−.24	−1.51	.07
Differentiation strategy	2	5	.29	−.27	−.11	−1.13	.13
Market turbulence	4	3	.14	−.10	.04	−1.03	.15
Channel power	3	4	.03	−.07	−.03	−.83	.20

[a]Creativity of the MD is not available for Sweden.
Notes: Bold variables are significant, according to the Rosenthal test.

(both $p = .00$), but remarkably, there is no consistent relationship between perceived influence of MD and MO ($p = .13$), as V&L also report.[8] Our results also indicate that for the studied countries, top management respect for MD and MD decision influence are positively related to BP (both $p = .00$), beyond the consistent relationship between MO and BP ($p = .00$). There is no evidence of a consistent relationship between perceived MD influence and BP ($p = .25$). The consistent positive relationship between MO and BP confirms prior meta-analyses of the MO–BP relationship.

SUMMARY

Within marketing, both the practice and the science, there is an ongoing debate about the role and influence of marketing within firms. However, much of this debate has been journalistic and anecdotal, without systematic research approaches. Recently, V&L thoroughly investigated this topic by examining both the antecedents and the consequences of MD influence. In a single country,

they provided some noteworthy findings, some of which (e.g., no relationship between MD influence and BP) contrasted with existing assumptions and findings (e.g., Moorman and Rust 1999). However, considering the limited geographic focus of their study and well as its rapid influence on marketing literature, it is important to test that model in other countries and derive some initial empirical generalizations. Using a meta-analytic test (Rosenthal 1991), we indentified generalizable relationships for the studied variables, thus including V&L's sample. In Table 8, we list the main findings of the current study. Next, we discuss the derived initial empirical generalizations per model block, following the conceptual model displayed in Figure 1.

Deriving Initial Empirical Generalizations

Antecedents of MD Influence. We find that accountability and MD innovativeness are related consistently and positively to the three MD influence measures. Customer connection is also related positively to the three MD influence measures. This supports Moorman and

Table 5. Antecedents for Top Management Respect of the MD (Equation 1)

	Number of Positive Coefficients	Number of Negative Coefficients	Average Positive Coefficient	Average Negative Coefficient	Overall Average	Rosenthal Weighted Z	Rosenthal Test p-Value
Accountability	7	0	.15		.15	6.79	.00
Customer connection	5	2	.21	−.09	.12	5.01	.00
Innovativeness	6	1	.05	−.01	.04	3.10	.00
Creativity[a]	4	2	.05	−.06	.01	.29	.39
Integration with sales	6	1	.08	−.03	.07	5.74	.00
Integration with finance	6	1	.22	−.02	.19	7.64	.00
Integration with R&D	4	3	.15	−.06	.06	−.34	.37
Short-term orientation	3	4	.03	−.15	−.07	−1.73	.04
Business to consumer	4	3	.04	−.02	.01	−.07	.47
CEO background	6	1	.35	−.10	.29	2.43	.01
Service	3	4	.01	−.03	−.02	.03	.49
Cost leadership	3	4	.05	−.31	−.16	.91	.18
Differentiation strategy	5	2	.19	−.23	.07	1.55	.06
Market turbulence	3	4	.11	−.05	.02	.01	.49
Channel power	4	3	.04	−.03	.01	.14	.44

[a]Creativity of the MD is not available for Sweden.
Notes: Bold variables are significant, according to the Rosenthal test.

Rust's (1999) results. Creativity has a negative impact on two MD influence measures: perceived MD influence and decision influence. This is an interesting finding. It suggests that creativity is not valued within firms. A potential reason for this is that creativity may lead to new marketing propositions that are too far away from existing practice and/or beliefs within the firm. We find that integration with other departments is not consistently related to MD influence. The only exception is the integration between marketing and finance, which, in our results, is related positively to perceived MD influence and top management respect. Jointly with the important role of accountability, this confirms the strong and persistent attention to the marketing–finance interface within marketing (Rust et al. 2004; Verhoef and Leeflang 2011).

The presence of a CEO with a marketing background is positively related to MD influence. Finally, generic strategy variables and environmental variables are not consistently related to MD influence. Therefore, we now derive the first three initial empirical generaliza-tions on the antecedents of MD influence in which we include only antecedents that are positively related to a minimum of two of the considered three MD influence measures:

1. The MD's capabilities of accountability, inno-vativeness, customer connection, and integra-tion with finance are positively related to MD influence.

2. MD's capability of creativity is negatively related to MD influence.

3. Having a CEO with a marketing background is positively related to MD influence.

MD Influence and MO. Marketing departments are important in inducing a market-oriented culture within firms. We show that top management respect is positively related to MO. However, our joint results for the seven countries also show that MD decision influence is positively related to MO, which does not

Table 6. Antecedents for the Decision Influence of the MD (Equation 1)

	Number of Positive Coefficients	Number of Negative Coefficients	Average Positive Coefficient	Average Negative Coefficient	Overall Average	Rosenthal Weighted Z	Rosenthal Test p-Value
Accountability	5	2	.22	−.07	.13	7.76	.00
Customer connection	6	1	.22	−.07	.18	3.37	.00
Innovativeness	7	0	.30		.30	13.73	.00
Creativity[a]	1	5	.04	−.19	−.15	−7.75	.00
Integration with sales	1	6	.02	−.05	−.04	−.97	.17
Integration with finance	4	3	.08	−.05	.03	−.09	.47
Integration with R&D	3	4	.13	−.10	.00	−3.30	.00
Short-term orientation	3	4	.09	−.06	.01	.06	.48
Business to consumer	4	3	.04	−.02	.01	.05	.48
CEO background	4	3	.56	−.30	.20	1.98	.02
Service	2	5	.02	−.03	−.02	−2.51	.01
Cost leadership	1	6	1.03	−.35	−.15	−.32	.37
Differentiation strategy	3	4	.19	−.28	−.08	−4.57	.00
Market turbulence	3	4	.23	−.09	.05	6.78	.00
Channel power	3	4	.11	−.08	.00	.84	.20

[a]Creativity of the MD is not available for Sweden.
Notes: Bold variables are significant, according to the Rosenthal test.

Table 7. Results for MO (Equation 2) and BP (Equation 3)

	Number of Positive Coefficients	Number of Negative Coefficients	Average Positive Coefficient	Average Negative Coefficient	Overall Average	Rosenthal Weighted Z	Rosenthal Test p-Value
Antecedents of MO							
Perceived influence	5	2	.08	−.03	.05	1.12	.13
Top management respect	7	0	.27		.27	12.01	.00
Decision influence	6	1	.09	−.04	.07	11.42	.00
Antecedents of BP							
Perceived influence	2	5	.05	−.05	−.02	−.66	.25
Top management respect	7	0	.07		.07	3.65	.00
Decision influence	5	2	.05	−.08	.01	3.51	.00
MO	7	0	.30		.30	18.83	.00
Firm size	7	0	.00		.00	1.82	.03
Firm innovativeness	6	1	.05	−.03	.04	5.01	.00

Notes: Bold variables are significant, according to the Rosenthal test.

Table 8. Summary of Findings for Seven Industrialized Countries: Rosenthal Test Results

A: Antecedents of MD Influence			
	Perceived Influence	Top Management Respect	Decision Influence
Capabilities			
Accountability of MD	+	+	+
Innovativeness of MD	+	+	+
Customer connection of MD	+	+	+
Creativity	−	0	−
Integration with Other Departments			
Sales	−	+	0
Finance	+	+	0
R&D	−	0	−
Control Variables			
Short-term orientation	0	−	0
Differentiation strategy	0	+	−
Cost leadership strategy	−	0	0
CEO with marketing background	+	+	+
Business to consumer	+	0	0
Service	−	0	−
Channel power	0	0	0
Market turbulence	0	0	+

B: Consequences of MD Influence		
	MO	BP
Decision influence	+	+
Top management respect for MD	+	+
Perceived influence of MD	0	0
MO	N.C.	+
Firm size	N.C.	+
Firm innovativeness	N.C.	+

Notes: Only significant variables are displayed ($p < .10$). N.C. = not considered in equation, + = positive, − = negative, and 0 = no relationship.

hold consistently for perceived influence. Thus, our initial empirical generalization regarding the relationship between MD influence and MO indicates the following:

4. Both top management respect for MD and the decision influence of the MD are positively related to MO.

The relationship between decision influence and MO is particularly important because it may signal that to achieve MO, it is important not only that the MD be treated respectfully but that MD has actual influence on important marketing and management decisions. An important issue obtained from the combined findings is that there might be dual causality: MO might drive MD influence and vice versa (see V&L).

MD Influence and BP. One of the most important relationships we considered in our study is that between MD influence and BP. Previous research has shown diverging findings regarding this relationship (e.g., Merlo and Auh 2009; Moorman and Rust 1999; Nath and Mahajan 2008; O'Sullivan and Abela 2007; V&L). Our cross-national study indicates that MD influence measures are positively related to BP, beyond the effect of MO on BP. However, it only holds for two influence measures: top management respect and MD decision influence. Thus, as our fifth initial empirical generalization, we assert the following:

5. Top management respect for MD and MD decision influence are directly and positively related to BP, after controlling for the relationship between MO and BP.

This generalization also provides an important result. V&L and Merlo and Auh (2009) could not find evidence for this relationship. V&L only suggested a mediated relationship of MD influence with BP through MO. Moorman and Rust (1999) and O'Sullivan and Abela (2007) provide evidence for a direct relationship between MD influence and BP. However, when generalizing V&L's model in our study of seven industrialized countries (including the V&L sample), we find evidence for a direct relationship. Decision influence is important. Marketing should be strongly involved in all marketing and management decisions; it is not only respect that counts but actual influence that is important. Confirming earlier meta-analyses (e.g., Kirca, Jayachandran, and Bearden 2005), MO is positively related to BP. Because this finding already has been presented as an empirical generalization, we do not mention it explicitly.

Finally, combining our second and third initial empirical generalization and the established positive relationship between MO and BP, we derive our sixth and final initial empirical generalization:

6. Top management respect for MD and MD decision influence contributes to BP both in a direct way through their positive direct relationships with BP and in an indirect way through their direct positive relationships with MO and the subsequent positive direct relationship between MO and BP.

In summary, our results clearly show the need for this generalization study. If researchers and practitioners would consider the results of V&L, some improper implications for how marketing could regain its influence in industrialized countries would emerge, as would inaccurate conclusions about the role of marketing in enhancing BP.

MANAGEMENT IMPLICATIONS

This study provides initial empirical generalizations regarding research into the influence of marketing within firms, and thus we can provide clear implications for marketing executives and firms. These implications also strongly hold for global firms. Our study clearly shows that firms in industrialized countries should have strong MDs. Marketing departments need strong top management support and actual power in decision making because this will strengthen the marketing orientation of firms and their performance. Marketing executives operating in firms in industrialized countries should aim to improve their department's influence by enhancing the accountability, innovativeness, and customer connection of the MD. Accountability can be improved by adopting a more fact-based culture within firms, in which marketing decisions should be based on facts and financial plans. However, many MDs have difficulties in becoming accountable. We recommend that they (1) focus on one overarching market asset (i.e., brand, customer relationships); (2) align with finance in choosing the relevant metrics for that asset (i.e., customer lifetime value for customer relationships, brand equity for brands); (3) acquire new marketing employees with a strong, fact-based, and analytical focus and training current employees in getting this focus and related skills; and (4) persist with accountability initiatives despite internal resistance (Verhoef and Leeflang 2011). As V&L show, marketing has no strong innovative capabilities. This capability still needs improvement. The distinctive competence from marketing is that it can create new products on the basis of presumed extensively knowledge of the market and unmet customer needs. However, marketers may focus too much on existing customers and may ignore unserved segments. Serving these segments may create strong growth because there is no competition (Kim and Mauborgne 2005; Kumar 2004).

Finally, marketing should remain in the strong position in connecting to customers. Customer and marketing intelligence, relying on both quantitative analysis and qualitative insights, may be crucial in this respect. Marketing should aim to spread this customer information

throughout the organization and include this information in marketing decision-making to create more value to customers. Our results also indicate that MDs in industrialized countries should not excel in creativity and should not focus solely on developing creative new marketing propositions.

Importantly, when MDs are improving specific capabilities, they should aim not only to enhance these capabilities but also to create stronger perceptions of their capabilities in these areas among other executives and CEOs. For example, they might communicate strong cases that show how marketing functions well with regard to these capabilities. For example, General Electric undertook an initiative to communicate the value of the MD's work explicitly in an organized exhibit that demonstrated the variety of customer types served by General Electric (Comstock, Gulatian, and Liguori 2010).

RESEARCH LIMITATIONS AND FURTHER RESEARCH

Although this study provides relevant initial empirical generalizations on antecedents and consequences of MD influence, it is limited to seven industrialized countries. Thus, further research should collect data in additional countries to derive strong empirical generalizations that go beyond these initial empirical generalizations, which are based on data of the seven industrialized countries we study herein. It would be especially relevant to study emerging economies such as China, India, Brazil, or countries in Eastern Europe (Burgess and Steenkamp 2006). In this respect, the Engelen and Brettel's (2011) study is a recent attempt to show how antecedents of MD influence differ between some Western and Asian countries.

In this study, we adopt the culture-free hypothesis in cross-national research. However, as Engelen and Brettel (2011) show, there might actually be differences across countries that are attributable to culture differences and perhaps also to socioeconomic differences. Therefore, data should be collected in more countries, along with statistical assessments of whether various factors such as culture, regulation, population size, country size, and gross domestic product moderate the relationships we found in our model (e.g., Deleersnyder et al. 2009). For example, one could imagine that in more risk-avoiding countries, accountability is more important as an antecedent of MD influence. In addition, MD influence might have a stronger impact on BP

in individualistic countries. In general, research could aim to theorize on these potential moderating effects of culture and socioeconomic factors and to test these effects with extensive cross-national research. A key question is whether the presented findings are culturally or socioeconomically dependent or independent. Our assumption is that many of the studied relationship are rather omnipresent, although there might be some differences (e.g., Brettel et al. 2008; Kirca, Jayachandran, and Bearden 2005).

Other important limitations of the current study are that we use only cross-sectional data, which have inherent limitations, and we did not collect objective performance data (Rindfleisch et al. 2008). Furthermore, despite our extensive data collection efforts, our cross-national study is not perfectly executed, because we used a different measurement for decision influence in the United States and did not perfectly measure creativity across the studied countries. Finally, researchers could study organizational moderators of the established relationships in this model, such as corporate culture, business strategies, and environmental characteristics. In some additional analyses to check the robustness of our results, we explored potential moderating effects of business strategies and of some included environmental characteristics (i.e., channel power, market turbulence). However, we could not find substantial evidence for the existence of these moderating effects. Further research might, however, specifically focus on the existence of suggested moderating effects of business culture, firm strategies, and environment characteristics. This might prove fruitful, as shown by Merlo and Auh (2009), who find a positive interaction effect between entrepreneurial orientation and MD influence in their model explaining BP.

In summary, we believe that the important topic of MD influence will continue to attract more research attention. We hope that this research further stimulates this and that our derived initial empirical generalizations challenge researchers around the globe.

NOTES

1. In some additional analyses, we analyzed whether culture or economic development could explain differences in estimated coefficients. However, we could not find significant effects.

2. We did not measure creativity in Sweden because of an error in their survey. U.S. researchers were worried

about the length of the survey. One way to reduce length was to drop two items of the creativity scale.

3. In the subsequent analysis, we use Rosenthal (1991) tests, which are based on both the estimated p-values and coefficients, so we need to know whether the coefficients can be compared.

4. We also estimate the model with seemingly unrelated regression. This analysis provides similar substantive results.

5. The different measurement approach was used in the United States because a pretest suggested that U.S. respondents had strong difficulties with the measurement used in other countries. Because we still aimed to measure MD decision influence across all studied countries, we chose to measure decision influence differently in the United States.

6. Although the measure of decision influence is different for the United States than for the other countries, we still included the United States in our model when we studied antecedents and consequences of MD decision influence. We chose to do so because MD decision influence is still a different influence measure than the other two measures in that it explicitly focuses on actual influence decision making within firms. Moreover, excluding the United States from our analysis would limit the generalizability of our findings because the United States is the largest economy in the world. However, when we excluded the United States, the meta-analytic results did not change significantly.

7. Because we do not have creativity scores for Sweden, we include only six countries in our analysis.

8. V&L also investigate potential dual causation between MD influence measures and MO. Their initial evidence supports this dual causation, though they warn against strong conclusions based on their analysis, largely because of the cross-sectional nature of their data. Because our study also has cross-sectional data, which suffer from noted problems, and because we focus on the replication of the main findings of V&L, we do not execute this additional analysis.

Appendix A. Definition of Variables as Discussed in V&L

Variables	Definition
A: Antecedents of the MD's Influence Within Firm	
MD Characteristics	
Accountability	Capability to link marketing strategies and actions to financial performance measures
Innovativeness	Ability to initiate innovative concepts/products/services within the firm
Creativity	Ability to produce new and creative marketing programs
Customer connection	Capability to link the focal offer of the firm with customer needs
Integration/cooperation with other departments	Degree of communication, collaboration, and cooperative relationships between marketing and other departments (e.g., sales, finance, R&D)
Control Variables	
Short-term emphasis	Focus in achieving results (short- vs. long-term)
Pursued generic strategy	Porter's generic strategies: • Differentiation • Cost leadership
Background CEO	Marketing background of CEO
Business-to-consumer	The firm's focus on business-to-consumer versus business-to-business markets
Services focus	The firm's focus on services versus goods markets
Channel power	Degree to which the firm confronts powerful channel partners

Variables	Definition
Market turbulence	The rate of changes in customer preferences, production, or service technologies and modes of competition in the firm's principal industries

B: Antecedents of MO	
MD influence	Measured with three constructs: • Perceived influence • Top management respect • Decision influence
Control Variables	
Pursued generic strategy	Differentiation Cost leadership
Short-term emphasis	See previous definition

C: Antecedents of BP	
MD influence	See previous definition
MO	MO as a measure of business culture, such that the culture places the highest priority on the profitable creation and maintenance of superior value for customers while also considering the interests of other stakeholders; in addition, it provides behavioral norms for the organizational generation and dissemination of and responsiveness to market information (Slater and Narver 1995).
Control Variables	
Firm size	Number of full-time employees
Firm innovativeness	Extent to which firms emphasize innovation as a growth strategy

Appendix B. Description of Scales

Construct (Source/Based on) [Reflective vs. Formative]	Items
Accountability of MD (Moorman and Rust 1999) [reflective]	The marketing department in our firm: (1 = "fully disagree," and 7 = "fully agree") • Is effective at linking their activities to financial outcomes. • Shows the financial outcomes of their plans. • Has little attention for financial outcomes of their activities. (R)
Innovativeness of MD	What is the percentage of introduced new products in the last five years that were initiated by the following department? Please divide 100 points across four departments: (1) R&D, (2) Marketing, (3) Sales, (4) Other. The points assigned to marketing department are used as the innovativeness score of the marketing department.

Construct (Source/Based on) [Reflective vs. Formative]	Items
Customer-connecting role of the MD (Moorman and Rust 1999) [reflective]	The marketing department in our firm: (1 = "fully disagree," and 7 = "fully agree") • Is effective at translating customer needs into new products or services. • Promotes customer needs in our firm. • Rarely shows how customer needs can be taken into account in our strategy. (R) • Has not sufficient knowledge and skills to translate customer needs into technical specifications. (R)
Creativity of the MD (Andrews and Smith 1996) [reflective]	Compared with what our competitors were doing the last year, our marketing programs of the last year were: • Dull (1) … exciting (7) (R) • Fresh (1) … routine (7) • Novel (1) … predictable (7) • Trendsetting (1) … warmed over (7) • Nothing special (1) … an industry model (7)
Integration/coordination with other departments (e.g., sales, finance, R&D) (Maltz and Kohli 1996) [formative]	To what extent has the marketing department and the specific department had problems concerning coordination of activities in the past three years? (1 = "no problems at all," and 7 = "very many problems") (R) To what extent has the marketing department and the specific department hindered each other's performance in the past three years? (1 = "no hindrance at all," and 7 = "hindered a lot") (R)
Short-term orientation (Baker, Black, and Hart 1982)	The orientation of your firm is mainly: • A short-term orientation (1) … a long-term orientation (10)
Generic strategy (Porter 1980)	Please indicate which of the following generic business strategies is most applicable for your firm: • Cost leadership: Strategy to obtain the lowest costs in the market. • Differentiation: Focusing on being better in different features of the product/service that are important to customers. • Cost focus: Targeting a relative small segment in the market that is cost-consciousness. • Differentiation focus: Targeting a relatively small segment in the market that desires a unique and good product and that is willing to pay a higher price for this.
Marketing background of the CEO (Homburg, Workman, and Krohmer 1999)	What is the primary background of the CEO within your firm? • General management, finance, technical, marketing, law, other
Business to business versus business to consumer	Please indicate on the following ten-point scale the extent to which the turnover of your firm resides from: • B2B (1) … B2C (10)
Goods versus services	Please indicate on the following ten-point scale the extent to which the turnover of your firm resides from: • Goods (1) … services (10)
Market turbulence (Menon et al. 1999) [formative]	Can you indicate the level of change in the last three years in the most important market where your firm was active on the following elements: (1 = "no change," and 7 = "very frequent changes") • Production/process technology • Introduction of new products/services • R&D activities • Legal and political surrounding • Competitive intensity • Customer preferences

Construct (Source/Based on) [Reflective vs. Formative]	Items
Channel power (Slater and Narver 1994) [formative]	Our firm has a strong negotiation position towards our customers. (R) Our customers have a strong negotiation power. Our customers are more powerful than the suppliers.
Perception of the influence of the MD (Moorman and Rust 1999) [reflective]	The functions performed by the marketing department are generally considered to be more critical than other functions. Top management considers the marketing department to be less important than other functions. (R) Marketing tends to dominate other functions in decision-making. The marketing department is considered to be more influential than other departments.
Top management respect (Van Bruggen and Wierenga 2005) [reflective]	The top management of our firm … • Has little respect for the activities of the marketing department. (R) • Considers the marketing department an expensive department. (R) • Recognizes the strategic importance of the marketing department.
Decision influence (Homburg, Workman, and Krohmer 1999)	Distribute by each of the 12 decisions 100 points over the following departments: sales, marketing, R&D/operations, finance. Departments with a high influence receive more points than departments with a low influence. • Marketing decisions: price, distribution, advertising messages, customer satisfaction measurement and improvement, customer service, loyalty and relationship programs, segmentations, targeting, positioning • Other decisions: direction of the strategic business unit, expansion into new geographic markets, new product development, investments in information technology (enterprise resource planning, customer relationship management, the Internet), choice of business partner
MO (Deshpandé and Farley 1997) [reflective]	Our business objectives are driven primarily by customer satisfaction. We constantly monitor our level of commitment and orientation to serving customer needs. We freely communicate information about our successful and unsuccessful customer experiences through all business functions. Our strategy for competitive advantage is based on our understanding of customer needs. We measure customer satisfaction systematically and frequently. We have routine or regular measures for customer service. We are more customer focused than our competitors. I believe this business exists primarily to serve customers.
BP (Moorman and Rust 1999) [formative]	Relative to your firm's stated objectives, how is your firm performing on: (1 = "much worse," and 7 = "much better") Relative to your competitors, how your firm performing on: (1 = "much worse," and 7 = "much better") • Customer satisfaction • Customer loyalty • Turnover • Profitability • Market share • Cost level
Firm size	What is approximately the total number of employees in your firm (full-time equivalents)?
Innovativeness firm (Covin and Slevin 1989)	In our firm, top managers have a strong emphasis on selling goods/services known and proven in the market (1) … a strong emphasis on R&D, technological leadership and innovations (10).

Notes: (R) = reverse-scored.

Appendix C. Construct Reliability per Country

			A: Coefficient α				
	Germany	Netherlands	United Kingdom	Israel	United States	Sweden	Australia
BP	.79	.80	.89	.84	.92	.93	.86
MO	.85	.86	.88	.84	.94	.90	.87
Perceived influence of MD	.81	.75	.81	.91	.68	.85	.82
Top management respect	.70	.82	.75	.67	.51	.85	.77
Accountability	.83	.75	.81	.77	.67	.81	.79
Customer connection	.66	.79	.79	.70	.54	.87	.67
Creativity	.86	.89	.91	.83	—	—	.89
Integration with sales	.82	.86	.80	.70	.84	.84	.86
Integration with finance	.79	.78	.83	.78	.85	.79	.88
Integration with R&D	.87	.82	.75	.83	.84	.81	.92

			B: Composite Reliability				
	Germany	Netherlands	United Kingdom	Israel	United States	Sweden	Australia
MO	.84	.85	.85	.83	.85	.85	.85
Perceived influence of MD	.74	.72	.75	.77	.67	.76	.75
Top management respect	.66	.84	.69	.66	.70	.71	.69
Accountability	.70	.77	.70	.69	.67	.70	.69
Customer connection	.70	.78	.74	.71	.64	.71	.70
Creativity	.79	.83	.80	.78	—	—	.80

Notes: The creativity measure was not available for Sweden and only a one-item measure in the United States.

Appendix D. Measurement Invariance Test Statistics

Model	Invariance Level	Compared Model	χ^2	d.f.	$\Delta\chi^2$	Δd.f.	RMSEA	CFI	GFI	Conclusion
A	Configural invariance		3534.11	1233			.077	.96	.88	Baseline model has acceptable fit invariance
B	Metric invariance	A	5189.85	1332	1655.74	99	.096	.94	.81	Significant increase in χ^2: Some factor loadings differ across countries
C	Partial metric invariance	A	3544.78	1267	10.67	34	.076	.96	.90	Two factor loadings per construct are invariant
D	Partial scalar invariance	B	3568.67	1293	23.89	26	.075	.95	.90	Two intercepts per construct are invariant

Notes: RMSEA = root mean square error of approximation, CFI = comparative fit index, and GFI = goodness-of-fit index.

Appendix E. MD Estimates per Country

	Germany	Netherlands	United Kingdom	Israel	United States	Sweden	Australia
Decision Influence of the MD							
Intercept	2.15***	1.22	1.41	2.96*	4.2***	.12	.91
	(.82)	(1.02)	(1.47)	(1.72)	(.59)	(.54)	(1.09)
Accountability	.16**	.33***	.07	−.12	.35***	−.02	.17*
	(.07)	(.09)	(.11)	(.16)	(.05)	(.1)	(.1)
Customer connection	.25***	.13	−.07	.5**	.12**	.07	.28**
	(.08)	(.1)	(.16)	(.2)	(.05)	(.11)	(.13)
Innovativeness of the MD	.33***	.29***	.27***	.36***	.16***	.37***	.3***
	(.04)	(.04)	(.05)	(.08)	(.02)	(.05)	(.04)
Creativity of the MD	−.18**	.04	−.06	−.23*	−.28***	0***	−.19**
	(.07)	(.08)	(.11)	(.14)	(.04)	(0)	(.07)
Integration with sales	−.06	−.03	−.03	−.09	−.05	.02	−.05
	(.06)	(.07)	(.11)	(.15)	(.04)	(.12)	(.07)
Integration with finance	.03	.07	.04	−.06	−.05	.2	−.04
	(.06)	(.08)	(.13)	(.16)	(.05)	(.14)	(.08)
Integration with R&D	−.05	0	.2	.03	−.21***	−.12	.17*
	(.06)	(.08)	(.14)	(.13)	(.05)	(.11)	(.09)
Short term	.04	−.02	−.15	.15	−.01	−.04	.09
	(.04)	(.07)	(.09)	(.12)	(.02)	(.08)	(.06)
Business to consumer	.04	−.01	.05	−.05	0	.02	.04
	(.03)	(.03)	(.04)	(.05)	(.01)	(.05)	(.03
CEO	.02	−.24	−.14	.85*	.23*	1.15***	−.51
	(.21)	(.34)	(.38)	(.47)	(.13)	(.32)	(.38)
Service	.02	−.01	.02	−.08*	−.03***	−.02	−.02
	(.02)	(.03)	(.04)	(.05)	(.01)	(.04)	(.03)
Market turbulence	−.11	−.03	−.04	−.18	.42***	.23**	.04
	(.09)	(.11)	(.15)	(.18)	(.05)	(.1)	(.11)
Channel power	−.12*	−.05	.21	.12	.01	−.05	−.11*
	(.07)	(.1)	(.17)	(.14)	(.1)	(.07)	(.06)
Cost leadership	−.24	−.29	1.03**	−.78	−.05	−.39	−.33
	(.29)	(.31)	(.43)	(.92)	(.14)	(.58)	(.39)
Differentiation strategy	.13	−.01	.23	−.27	−.4***	.22	−.43**
	(.2)	(.27)	(.34)	(.47)	(.09)	(.25)	(.22)
R²	.49	.4	.28	.31	.48	.52	.38
Adjusted R²	.46	.35	.2	.21	.47	.45	.34
Perceived Influence of the MD							
Intercept	2.15***	2.36***	1.86**	4.9***	2.81***	.63	1.73**
	(.74)	(.82)	(.88)	(1.21)	(.43)	(.45)	(.8)
Accountability	.27***	.19***	.33***	.48***	.26***	.25***	.19***
	(.06)	(.07)	(.07)	(.11)	(.04)	(.08)	(.07)
Customer connection	.04	−.01	−.06	.1	.1***	.35***	.04
	(.07)	(.08)	(.1)	(.14)	(.04)	(.09)	(.09)

	Germany	Netherlands	United Kingdom	Israel	United States	Sweden	Australia
Innovativeness of the MD	.13***	.1***	.09***	.04	.08***	.06	.09***
	(.04)	(.03)	(.03)	(.06)	(.02)	(.04)	(.03)
Creativity of the MD	−.08	.07	−.05	−.14	−.12***	−.14***	−.05
	(.06)	(.06)	(.06)	(.1)	(.03)	(.05)	
Integration with sales	(.05)	−.02	0	−.08	.13***	−.09	−.04
	(.06)	(.07)	(.11)	(.03)	(.1)	(.05)	
Integration with finance	.08	−.03	.17**	−.25**	.1***	.17	.04
	(.06)	(.07)	(.07)	(.11)	(.04)	(.12)	(.06)
Integration with R&D	−.08	−.03	−.08	−.12	−.16***	−.03	.08
	(.06)	(.07)	(.08)	(.09)	(.04)	(.09)	(.07)
Short term	.04	−.1*	.01	.13	−.01	.04	0
	(.03)	(.06)	(.05)	(.08)	(.02)	(.06)	(.04)
Business to consumer	.04*	.07***	.04	.03***	0	−.02	.06**
	(.02)	(.03)	(.02)	(.04)	(.01)	(.04)	(.02)
CEO	.19	.23	.67***	.16	.44***	.3	.72**
	(.19)	(.28)	(.23)	(.32)	(.09)	(.27)	(.28)
Service	−.02	−.01	−.05**	−.06*	0	−.01	−.02
	(.02)	(.02)	(.02)	(.03)	(.01)	(.03)	(.02)
Market turbulence	−.09	.05	.19**	−.12	−.08**	.2**	.12
	(.08)	(.09)	(.09)	(.12)	(.04)	(.08)	(.08)
Channel power	.05	.03	−.12	−.01	−.02	−.14**	.01
	(.07)	(.08)	(.1)	(.1)	(.07)	(.06)	(.05)
Cost leadership	−.35	.19	−.26	.17	−.14	−.72	−.58**
	(.26)	(.25)	(.25)	(.6)	(.11)	(.49)	(.29)
Differentiation strategy	.31*	.27	−.07	−.73**	−.1	−.28	−.15
	(.18)	(.21)	(.2)	(.33)	(.07)	(.21)	(.16)
R^2	.34	.21	.39	.34	.36	.5	.29
Adjusted R^2	.3	.15	.32	.24	.35	.44	.24
Top Management Respect							
Intercept	1.88**	4.14***	2.09**	3.58***	1.7***	.34	2.71***
	(.75)	(.89)	(.91)	(.98)	(.41)	(.5)	(.91)
Accountability	.15**	.21***	.1	.02	.19***	.24***	.13
	(.06)	(.07)	(.07)	(.09)	(.03)	(.09)	(.08)
Customer connection	.14*	−.08	−.1	.31***	.17***	.33***	.09
	(.07)	(.09)	(.1)	(.11)	(.04)	(.1)	(.11)
Innovativeness of the MD	.05	.04	.08**	0	.03**	−.01	.08**
	(.04)	(.03)	(.03)	(.05)	(.01)	(.04)	(.03)
Creativity of the MD	−.08	.11*	.04	−.04	.02	.02	
	(.06)	(.06)	(.07)	(.08)	(.03)	(.06)	
Integration with sales	.15***	.03	.05	.02	.18***	.06	−.03
	(.05)	(.06)	(.07)	(.09)	(.03)	(.11)	(.06)
Integration with finance	.23***	.24***	.2**	−.02	.21***	.36***	.09
	(.06)	(.07)	(.08)	(.09)	(.03)	(.13)	(.07)

	Germany	Netherlands	United Kingdom	Israel	United States	Sweden	Australia
Integration with R&D	0	−.08	.19**	.2***	−.08**	−.02	.21***
	(.06)	(.07)	(.09)	(.08)	(.04)	(.1)	(.08)
Short term	−.05	−.26***	−.11*	.02	.01	.06	−.18***
	(.03)	(.06)	(.06)	(.07)	(.02)	(.07)	(.05)
Business to consumer	.03	.07**	.03	−.04	0	.01	−.01
	(.02)	(.03)	(.02)	(.03)	(.01)	(.04)	(.03)
CEO	−.1	.34	.56**	.44*	.19**	.21	.37
	(.19)	(.3)	(.24)	(.26)	(.09)	(.3)	(.31)
Service	0	−.06**	−.04*	−.03	0	.02	
	(.02)	(.02)	(.02)	(.03)	(.01)	(.03)	(.02)
Market turbulence	0	−.04	.21**	−.1	−.04	.11	−.03
	(.08)	(.09)	(.09)	(.1)	(.04)	(.09)	(.09)
Channel power	−.02	.03	.07	.03	−.04	−.04	.01
	(.07)	(.09)	(.11)	(.08)	(.07)	(.07)	(.05)
Cost leadership	.07	.04	−.22	−.47	.03	−.26−	.3
	(.26)	(.27)	(.26)	(.49)	(.1)	(.54)	(.33)
Differentiation strategy	.08	.3	−.22	.25	.11*	−.24	.22
	(.18)	(.23)	(.21)	(.26)	(.06)	(.23)	(.18)
R^2	.26	.29	.33	.27	.41	.6	.26
Adjusted R^2	.21	.23	.26	.16	.4	.54	.21

*$p < .10$.
**$p < .05$.
***$p < .01$.

Notes: Standard errors appear in parentheses.

Appendix F. MO and BP Estimates per Country

	Germany	Netherlands	United Kingdom	Israel	United States	Sweden	Australia
MO							
Intercept	3.06***	2.55***	3.14***	3.07***	2.17***	2.87***	3.28***
	(.27)	(.34)	(.37)	(.6)	(.19)	(.42)	(.32)
Top management respect	.35***	.21***	.29***	.25***	.31***	.17*	.32***
	(.06)	(.06)	(.08)	(.09)	(.03)	(.09)	(.07)
Perceived influence	−.05	.18**	.04	−.01	.01	.16	.03
	(.06)	(.08)	(.08)	(.07)	(.04)	(.11)	(.08)
Decision influence	.04	.02	0	.07	.26***	.17**	−.04
	(.04)	(.05)	(.05)	(.05)	(.02)	(.08)	(.05)
R^2	.16	.13	.12	.07	.23	.18	.12
Adjusted R^2	.15	.12	.1	.05	.23	.16	.11

	Germany	Netherlands	United Kingdom	Israel	United States	Sweden	Australia
BP							
Intercept	3.37***	3.37***	3.53***	3.46***	1.81***	2.33***	3.06***
	(.27)	(.25)	(.5)	(.54)	(.17)	(.62)	(.29)
MP	.23***	.27***	.22**	.24***	.44***	.44***	.23***
	(.05)	(.05)	(.08)	(.07)	(.03)	(.11)	(.05)
Top management respect	.02	0	.08	.19**	.08***	.06	.09*
	(.05)	(.04)	(.09)	(.08)	(.03)	(.11)	(.05)
Perceived influence	−.03	−.04	.03	−.02	−.01	−.17	.07
	(.05)	(.05)	(.09)	(.06)	(.03)	(.13)	(.05)
Decision influence	.05	.02	−.08	−.07	.08***	.07	.02
	(.03)	(.03)	(.05)	(.04)	(.02)	(.09)	(.03)
Firm size	0	0	0	0	0	0	0
	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Firm innovativeness	.02	.05	0	−.03	.09***	.12	.02
	(.03)	(.03)	(.05)	(.05)	(.02)	(.08)	(.03)
R^2	.13	.21	.08	.15	.38	.24	.2
Adjusted R^2	.11	.18	.04	.11	.38	.2	.18

*$p < .10$.
**$p < .05$.
***$p < .01$.
Notes: Standard errors appear in parentheses.

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