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The Effectiveness of Marketing Strategy Making Processes in Medical Markets

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Abstract

This thesis contributes to the understanding of the effectiveness of marketing strategy making processes. It examines how such effectiveness is contingent upon the internal and external environments in which the process operates and, therefore, how the requisite process is contingent upon its organisational and market context.

It builds on the fields of strategy content and strategy process and of organisational effectiveness, organisational culture and organisation theory. It tests and develops Burrell and Morgan's congruency hypotheses as an explanation of the effectiveness of marketing strategy making processes. That work postulates that effectiveness results when the process is congruent with both its internal environment (i.e. microcongruent) and external environment (i.e. macrocongruent)

This work takes a pragmatist epistemological perspective. The methodology is qualitative, using multiple-informant case studies. The congruency hypotheses are operationalised using a model and constructs based on the extant literature. The work is restricted to the medical products market in order to optimise insight and understanding.

The findings support the congruency hypotheses. Strong strategy is associated with simultaneous macrocongruence and microcongruence. Further, a mechanism for the hypotheses is identified. Interactions between the strategy process and organisational structure, systems and habits provide an underlying mechanism of microcongruence. Failure or success of the process to manage market complexity and turbulence provide an underlying mechanism of macrocongruence.

This work contributes to theory, confirming the congruency hypotheses, extending them into marketing strategy making and making a new contribution concerning the mechanism of congruency. To methodology, this work confirms the use of case studies, extends it to consider simultaneously internal and external environments and makes a new contribution concerning the construct of strategy quality. To practice, the work confirms the value of planning in complex markets, extends the concept of a "requisite" process and contributes new ideas for the deliberate management of marketing strategy making processes.

Acknowledgements & Gratitude

This thesis is a prime example of an old maxim. I am wholly responsible for its weaknesses, but any strengths it may have are due to the help and support of many other people. As with a jigsaw, each of those people has been important to both the final outcome and PhD experience. For reasons of space, however, I must restrict my thanks to the general and the specific.

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1   An Overview of this Thesis

This work, in seeking to address a real and pressing management problem, necessarily draws upon a broad range of existing knowledge. To aid understanding of this work, it is summarised in this section and in Figure 1 (Page9).

This work is intended to contribute to the domain concerning the effectiveness of strategic marketing planning. Its roots lie in the seminal work of McDonald (McDonald 1982). In that work the author, whilst advocating the use of strategic marketing planning, took care to qualify the applicability of that set of techniques. In particular, he referred to the necessity of a "requisite" marketing planning process, indicating that the process must be appropriate to its organisational and market context. He contrasted this with the inappropriate use of one model of strategic marketing planning in all contexts.

This work can therefore be seen as an attempt to better understand what requisite means and to apply that understanding to the improvement of marketing strategy development processes within commercial organisations. In particular, the work explores how different types of marketing strategy making process are more or less appropriate to differing internal and external environments.

This work attempts to build its contribution from the synthesis of three well established bodies of literature:

a) The *strategy content* literature, which seeks to define the content of marketing strategy and differentiate between strong and weak strategies.

b) The *strategy process* literature, which seeks to understand the mixture of explicit and implicit processes that lead to the marketing strategy.

c) The *organisation theory* literature, and particularly the *contingency theory* school, which attempts to explain the effectiveness of management processes in terms of their fit with the environment in which they operate.

Figure 1: Overview of the Thesis

The Effectiveness of Marketing Strategy Making Processes in Medical Markets

Literature Review (2)
- Formal strategy making processes contribute to organisational performance (2.2)
- There is an observable consensus in the literature concerning the content and properties of strong marketing strategy (2.3)
- In practice, marketing strategy making occurs by a complex hybrid process (2.4)
- The effectiveness of marketing strategy making processes is mediated by internal and external factors (2.5)
- The congruency hypotheses suggest a theoretical explanation of the effectiveness marketing strategy making processes (2.6)

Research Questions and Design (3)
- There are gaps in the extant literature (3.1)
- The literature review suggests a putative model of marketing strategy making effectiveness (3.2)
- The model implies a research question and propositions (3.3)

Methodology (4)
- A critical realist approach is taken (4.1)
- A qualitative, interview based, case study approach is used. (4.2)
- Structured and replicable methods of data gathering and analysis are used to ensure validity (4.3)
- The method validity is assessed against criteria in the extant literature (4.4)

Results (5 and 6)
- The results are presented in a number of ways (5)
- The results support the congruency hypotheses and model (6.1)
- The results suggest causal powers for both macrocongruence and microcongruence (6.2)

Contribution and Critique (6)
- The results have implications for practitioners (6.3)
- This work makes a contribution to theory, methodology and practice (6.4)
- This work can be extended and improved upon (6.5)

Those three bodies of literature yield three broad conclusions, upon which this work is based.

a) Strong marketing strategies have recognisable characteristics that differentiate them from weaker strategies and this differentiation can be used to measure strategy quality independently of context. These characteristics fall into three groupings: market definition, fit with internal conditions and fit with external conditions. These conclusions come from a broad body of prior work, but particularly that of Drucker, Ansoff, Andrews, Chandler, Porter and Ruekert.

b) Marketing strategy arises from a complex hybrid process and the precise nature of the hybrid is characteristic to each organisation. This hybrid has components of rational planning, visionary command and incremental processes. This conclusion comes from another extensive body of literature, but especially that of Chaffee, Hart, Mintzberg, Bailey and Johnson, and McDonald.

c) The effectiveness of the process (measured in terms of resultant strategy quality) is a function of the congruence between the process and *both* its internal *and* external environments. This conclusion comes from three related streams of literature. The first considers the actual usage of strategic marketing planning and the barriers to it. The second considers contingency theory including the work of Thompson, Lawrence and Lorsch, and Burrell and Morgan. The third considers external contingent effects on strategic planning, including the work of Harris, Mintzberg, Eisenhardt and Frederickson.

This work builds upon those three broad conclusions by developing a putative model to explain the effectiveness of hybrid marketing strategy making processes in the context of differing internal and external contexts. The research objectives were to test and develop this combined congruency model as an explanation of the effectiveness of strategic marketing planning.

The contribution of this work lies in three areas.

Theoretically, the findings confirm and extend the combined congruency model. Further, they make a new contribution to this area of theory by elucidating the nature of congruence with the internal and external environments.

Methodologically, this work confirms the applicability of multiple informant case studies in marketing strategy process research. It extends methodology to consider simultaneously both internal and external contingent effects on strategy process. Further, it makes a new contribution to methodology in its operationalisation of the construct of marketing strategy quality.

In terms of practice, this work confirms the effectiveness of rational planning in complex markets. It extends ideas about the nature of "requisite" marketing strategy making processes. Further, it provides practitioner guidelines for the deliberate design of marketing strategy making processes.

The research design of this work is based on a pragmatist paradigm using qualitative, semi-structured interviews and content analysis by a matrix analysis. The field work included fifty interviews with managers closely involved with the marketing strategy development process. The managers came from eighteen companies of varying sizes across different sectors of the medical products industry.

The conclusions of the work are that the combined congruency model is supported in this context and that marketing strategy quality does depend on achieving both congruence with the external environment (macrocongruence) and with the internal environment (microcongruence). Additionally, the work identifies characteristics of macrocongruence and microcongruence. In the former case, it suggests optimal strategy process hybrids for particular conditions of market complexity and turbulence. In the latter, it suggests characteristics of organisational culture that support or hinder particular hybrids of marketing strategy market process. Finally, the work suggests possible connections between the combined congruency model and the concept of strategic drift.

The work therefore makes its intended contribution to knowledge, as well as suggesting practical implications for practitioners.

2 Literature Review

2.1 An Overview of this Literature Review

This literature review is broad in its scope and an overview is appropriate to frame the following detailed and complicated critique of many different strands of literature. This work reviews critically literature that seeks to answer four questions:

- How effective is marketing strategy making? (Section 2.2)

- What is the intended outcome of marketing strategy making processes? (Section 2.3)

- How do organisations make marketing strategy? (Section 2.4)

- What mediates marketing strategy making processes? (Section 2.5)

Whilst there are, as always, contradictions in the literature, this work contends that each of these four questions can be answered with a useful degree of consensus by the literature. In short, these consensus answers can be summarised as:

- How effective is marketing strategy making?

  This question has only been significantly answered for rational planning, one form of marketing strategy making. Such formal processes are seen to contribute to organisational effectiveness, although they are not the panacea some advocates suggest.

- What is the intended outcome of marketing strategy making processes?

  The literature contains a useful level of agreement on this subject. Marketing strategies are defined as that set of management decisions about which customers to target and what value propositions to offer them. Further, the literature contains a functional set of properties that differentiate strong marketing strategies from weaker ones. These properties

suggest a better measure of the effectiveness of marketing strategy making processes than traditional measures of organisational effectiveness.

- How do organisations make marketing strategy?

    Organisations make marketing strategy by a hybrid process of rational, visionary and incremental processes. Each organisation would appear to have a characteristic hybrid strategy making process, although some clustering allows approximate taxonomies of strategy making processes.

- What mediates marketing strategy making processes?

    This literature suggests that rational strategic marketing planning is not a good description of much practice. Further, it suggests that the effectiveness those processes used, is mediated by *both* the external (market) environment *and* the internal (organisational culture) environment. In the external environment, market turbulence and market complexity appear to be the most significant factors. In the internal environment, systems, structure and other cultural artefacts influence the effectiveness of marketing strategy making.

A synthesis of this literature therefore suggests that hybrid marketing strategy making processes lead to marketing strategies, the content and properties of which are a function of the processes and their fit with the external and internal environments in which they operates.

The following sections support this overview and lead to the development of a model and propositions that this research attempts to assess.

2.2 The Effectiveness of Marketing Strategy Making Processes

Researchers investigating the effectiveness of marketing strategy making processes have concentrated almost exclusively on the success of rational, formal, strategic marketing planning processes. As will be discussed later, this is a significant weakness in the

literature, as strategic marketing planning is not a good description of practice. However, the assessment of normative approaches is a useful and necessary starting point for this work.

Researchers' efforts to prove or disprove the effectiveness of normative, rational, planning methods have a history almost as long as planning itself. An examination of this long history reveals three phases of opinion amongst researchers attempting to correlate planning with organisational effectiveness.

The first phase adopted a strongly positivist approach to the problem. The prototype of this work was the much cited work by Thune and House who found that:

"Formal planners significantly outperform informal planners with respect to five economic measures." (Thune & House 1970)

This work was later extended by Herold (Herold 1972). Using five pairs of formal and informal planners, this work demonstrated that formal planners did perform better than non-planners over a seven year period against both sales and profit criteria. This work is, of course, unsophisticated by modern standards, but was subsequently confirmed and extended by a large number of studies. This further work, using similar comparisons of formal versus informal planners supported these conclusions (see, for instance, Eastlack & McDonald 1970, Karger & Malik 1975, Wood & LaForge 1979, Armstrong 1982, Bracker & Pearson 1986, Pearce II, Robbins, & Robinson 1987). These works show a gradual increase in methodological sophistication and, whilst claiming only association and not correlation between planning and effectiveness, do provide substantial if qualified evidence for this association. This phase of work is perhaps best summarised by Pearce et al who, in a study of ninety-seven companies, found

"a strong positive correlation between the degree of planning formality and firm performance. Additionally, interactive analysis disclosed that this relationship pervaded the various grand strategies; the implication being that formalized strategic planning was consistently a positive factor associated with high levels of performance." (Pearce II, Robbins, & Robinson 1987)

This phase of research therefore firmly concluded that planning formality was positively correlated with organisational effectiveness. Even at this stage, however, there were indications that this correlation was not universally true and anomalies were observed in service industries (Rue & Fulmer 1973) and in the impact of planning on growth rates (Sheehan 1975).

The second phase of this work can be seen as something of a reaction against the absolute positivism of the first phase. Researchers, both in original work and in meta-analysis of prior work, contrasted the complexity of the problem to the relative simplicity of the early work. In particular, two main strands of criticism emerged.

Firstly, the planning/performance link is highly contingent upon a multitude of other factors and the methodologies employed were not sufficiently rigorous to allow for this complexity. Such criticisms were made by a number of researchers (see for instance Shrader, Taylor, & Dalton D R 1984, Rhyne 1986, Pearce II, Freeman, & Robinson 1987, Keats & Hitt 1988) but were summarised by Greenley in a paper towards the end of this episode in the literature:

"Many differences were found among the methodologies of these studies, while the rigour of each study is seemingly limited. Consequently their results cannot be legitimately combined, and therefore it cannot be concluded that an association is evident" (Greenley 1994).

Secondly, the construct of organisational effectiveness was itself much more complex than even a comprehensive set of financial measures might allow for (Cameron 1986, see for instance Chakravarthy 1986, Venkatraman & Ramanujam 1986, Lewin & Minton 1986). Cameron characterised this discussion with the assertion that organisational effectiveness was "paradoxical, a multidimensional construct, relating to many domains of activity and reflecting multiple constituency ideas" (Cameron1986).

After considering both the highly contingent nature of organisational effectiveness and its complexity as a construct, this phase of research therefore concluded that the planning/performance link was in fact unproved. Further, it suggested that such a simple correlation would never be possible. Instead, the consensus of this work was that, at

best, planning is only effective within a certain set of contingent conditions and that effectiveness itself is a complex construct, dependent upon the organisation's goals and situation.

The third and most recent phase of this work suggests a position somewhere between the unbridled positivism of the first and the inconclusive relativism of the second. Partly, this work paralleled the development of ideas about determining organisational performance (see, for example, Lewin & Minton1986, Kaplan & Norton 1992, Drucker 1993b, Neely, Gregory, & Platts 1995, Neely 1999). Further, it reflected more sophisticated work that attempted to allow for the many contingent factors of effectiveness. Examples of this greater methodological sophistication are shown by a number of authors (see for example Lysonski & Percottich 1992, Herbig & Milewicz 1995, Pelham & Wilson 1996, Greenley & Foxall 1997, Pelham 1999). Despite different approaches, their overall conclusions contain a high degree of agreement and a best summarised by the most recent piece of work in this field:

"Strategic marketing formalization also associates with improved market and financial performance. These findings hold when controlling for a range of contextual variables including firm size, industry growth rate and uncertainty in demand."
(Claycomb, Germain, & Droge 2000)

This latter collection of work therefore considers the performance/planning link within the limits of environmental contingencies and the context of organisationally specific objectives. In this way, it addresses, to a large degree, the criticisms discussed above. Within those parameters, a consensus is apparent amongst researchers on this topic. This consensus is of a "small but significant correlation between planning and performance" (Schwenk & Shrader 1993), that "substantive external contingencies have little impact" (Miller & Cardinal 1994) and that "more sophisticated methodologies have produced stronger links than earlier work" (Priem, Rasheed, & Kotulic 1995). Furthermore, this work contends that the advantages of strategic planning are not only financial but lie also in less tangible "process" benefits (Greenley1994, Appiah-Adu, Morgan, & Katsikeas 1996).

The long history of research into the effectiveness of planning, therefore, seems to have reached a balanced and qualified conclusion to the positive. However, this body of literature is open to two criticisms in the context of this thesis. Firstly, it concerns itself entirely with the effectiveness of rational planning processes. As will be argued later, strategy process researchers suggest that strategy making is, in reality, more complex than this, and that a purely rational strategic marketing planning process is, in practice, notable for its rarity. Hence the extant literature, by considering only planning, simplifies strategy making into one dimension (normally expressed as rationality or formality) and gives only one perspective. Secondly, the work in this area seeks to correlate strategy making with organisational effectiveness, usually operationalised as financial performance, whilst attempting to control for other mediating factors (such as market conditions) via the methodology. This limits the insight gained from the research. Other researchers advocate the construction of intermediate variables lying between strategy process and financial outcome (Rajagopalan, Rasheed, & Datta 1993) as a means of improving insight.

These shortcomings in the literature suggest that current knowledge about the effectiveness of strategy making processes is limited in two ways. Firstly, our current knowledge is limited to a qualified association between planning and performance, and not to the more direct output of strategy process (i.e. strategy content). Secondly, our current knowledge is almost entirely based upon the one dimension of strategy making, the degree of rational planning. Little or no knowledge exists concerning the effectiveness (by any measure) of non-planning strategy making processes, except that inferred by the studies of planning effectiveness.

These two limitations mean that our extant knowledge cannot answer the question: "what is the best process for making marketing strategy?" This suggests that researchers need to design research more carefully to measure the direct outputs of hybrid marketing strategy making processes, rather than the correlation between formal planning and organisational performance. This in turn prompts a consideration of the extant literature concerning the direct outputs of marketing strategy making and the nature of the strategy making process. Other authors have noted that the content of the

strategy produced by any strategy making process is distinct from the process that creates it (Chakravarthy & Doz 1992) and these two areas are therefore considered separately in the next two sections.

2.3 The Content and Properties of Marketing Strategies

The direct outputs of marketing strategy making processes are marketing strategies. Whilst definitions of marketing strategy vary in detail amongst authors, the literature seems to hold a strong consensus about the content of marketing strategy. At its simplest, marketing strategy is agreed to have two necessary components: a definition of the target "market", and a statement of the "product" or "value proposition" aimed at that target. These two components have been variously but consistently expressed in the literature. For instance Drucker, in his seminal book "Management: Tasks, Responsibilities, Practices" argues that:

"One has to decide in which segment of the market, with what product, what services, what values, one should be the leader" (Drucker 1974, page 96).

Echoing this, Mintzberg and Markides characterise marketing strategy as the answer to three questions:

"Whom should I target as customers and who should I not? What should I offer these customers and what should I not? How can I do this in the most efficient way?" (Mintzberg 2000).

This dual-component, target plus proposition, view of marketing strategy is sufficient to differentiate marketing strategy from strategies relating to other, non-marketing, functions such as research and development or manufacturing, and from other non-strategy aspects of marketing management such as tactical actions. However, it provides little guidance as to the quality of a marketing strategy. Even a weak marketing strategy can be stated in terms that contain definitions of market and product. The literature concerning marketing strategy content is noticeably lacking in providing indications of desirable marketing strategy properties.

Fortunately, the marketing strategy literature is complemented in this respect by the broader strategic management literature. Careful consideration suggests that there is much overlap between the two and that distinctions are largely a matter of semantics. In the strategic management literature, there is an observable consensus about the ideal properties of a good strategy. Different authors emphasise different aspects of strategy, but a consolidation of this work identifies nine different criteria by which to assess strategy and, therefore, predict effectiveness. These nine properties of an effective strategy and, by extension, marketing strategy are summarised in Table 1 (page 20).

This literature concerning strategy properties and content has a long history and is very broadly based. It fails to prove strong correlations between the properties of strategy and organisational results but this is not surprising, given the difficulty of this discussed earlier. On the other hand, the strength of the consensus amongst the leading authors, and the lack of serious disagreement, supports the view that this list of properties might form the basis for the measurement of marketing strategy strength or quality. Such a variable may also be a better (that is, more direct) measure of strategy making process effectiveness than measures of organisational effectiveness such as financial performance. Such a marketing strategy content variable would be independent of context and closely associated with marketing strategy making process, both of which are advantages over the use of financial or other higher organisational effectiveness measures. The literature concerning strategy content and properties therefore suggests a way to correct one of the two shortcomings in the marketing planning effectiveness literature (that is, the use of financial performance measures) identified in Section 2.2. The second shortcoming, that concerning the consideration of only planning, and not non-planning, strategy making processes is addressed in the next section.

Table 1: The Nine Properties of an Effective Marketing Strategy

Strategy property	References
Market definition Effective strategies direct resource allocation across markets by making explicit those markets that will receive resources and those that will not.	"domain" (Hofer & Schendel 1986) "identifiable" (Andrews 1987) "product market scope" (Ansoff 1965) "decision on concentration" (Drucker1974) "market positioning" (Greenley 1984) "market definition" (Piercy 1997)
Definition of intended competitive advantage Effective strategies direct resource allocation across internal functions by making explicit the nature of intended competitive advantage.	"competitive advantages" (Hofer & Schendel1986) "advantage" (Rumelt 1997) "competitive advantages" (Ansoff1965) "decision on concentration" (Drucker1974) "product positioning" (Greenley1984) "the value proposition" (Piercy1997) "market discipline" (Treacy & Wiersema 1995)
Internal consistency and synergy Effective strategies enable efficiency by minimising internal conflicts between areas of activity and optimising synergy between areas of activity.	"synergy" (Hofer & Schendel1986) "consistency" (Rumelt1997) "synergy parenting" (Gould & Campbell 2000)

Strategy property	References
Degree of uniqueness Effective strategies minimise the effects of competition by focusing resources and activity in a way that is significantly different from that of competitors.	"unique" (Andrews1987) "rests on unique activities" (Porter 1996) "as different as legitimately possible" (Deephouse 1999)
Fit with the external environment Effective strategies leverage relative organisational strengths against relevant market opportunities and either negate or correct relative organisational weaknesses against likely market threats.	"resource deployments" (Hofer & Schendel1986) "fully exploits opportunities" (Andrews1987) "consonance" (Rumelt1997) "suitability" (Lynch 1997b) "synergy" (Ansoff1965)
Consistency with the organisation's objectives Effective strategies define a target market that is sufficiently large, and a value proposition that is sufficiently strong, relative to the competition, to win a market share that is in accordance with the organisation's objectives.	"appropriate to the values of the key managers" and "appropriate to the desired level of contribution to society" (Andrews1987) "consistency" and "attractiveness" Lynch 1997a)

Strategy property	References
Acceptability of risk level Effective strategies involve a level of risk that is within the organisation's limits of acceptability.	"level of risk feasible" (Andrews1987) "Acceptability" (Lynch1997a)
Feasibility within the organisation's resources Effective strategies are executable within the resources available to the organisation.	"consistent with competencies and resources" (Andrews1987) "feasible" (Rumelt1997) "feasibility" (Lynch1997a)
Provision of a level of guidance to tactical activity Effective strategies facilitate their own implementation by providing clear guidance as to what tactical activity is necessary for and appropriate to the execution of the strategy.	"stimulate organisational activity" and "internally consistent" (Andrews1987) "growth vector" (Ansoff1965) "marketing mix" (Greenley1984) "the key relationships" (Piercy1997)

2.4　　The Nature of Strategy Making Processes

Much of the strategy process literature, in both strategic marketing planning and the broader strategic management field, reflects the singular perspectives of individual researchers on strategy development. This single-perspective literature argues for the consideration of strategy development as, for instance, a rational, planned process or an incremental process. An admirable summary of this work is contained in the work of Bailey et al, as summarised in Table 2 (page 24).

These single-perspective schools of thought are also considered by Mintzberg (Mintzberg, Ahlstrand, & Lampel 1998), who perceived strategy process as essentially a hybrid process and rationalised the single perspective views as not incorrect but simply one perspective on a very complex phenomenon. To quote Mintzberg:

"Strategy formation is judgmental designing, intuitive visioning and emergent learning" (Mintzberg, Ahlstrand, & Lampel1998, page 372)

Mintzberg's work suggests that such single perspective studies clearly elucidate the contribution that each dimension, such as planning or incrementalism, makes to strategy development. However in doing so, they understate the complex nature of the multiple simultaneous processes that constitute strategy making in practice.

Building on single perspective schools, other attempts to identify typologies or taxonomies of strategy development processes in practice reflect a multiple perspective view of strategy development processes. These show an evolution in sophistication based upon recognising and incorporating the various schools of thought. Hence there are structures suggesting three (Chaffee 1985), four (Shrivastava & Grant 1985, Hart 1991), five (Bourgeois & Brodwin 1984, Hart 1992) and six (Bailey & Johnson 1994) modes of strategy development. Each of these pieces of work identifies a number of typologies of strategy development, each of which can be seen as hybrids, containing a blend of the single-perspective dimensions in varying ratios. Whilst differing in terminology and complexity, this stream of research presents a coherent theme of strategy making as a hybrid process. These attempts to identify a taxonomy of strategy development processes are summarised in Table 3 (page 25).

Table 2: Key Dimensions of Strategy Development
(Adapted from Bailey, Johnson, & Daniels 2000)

Dominant dimension of strategy development	Example references
Command, strategy deriving mainly from a key individual or top management team.	Bennis & Nanus 1985, Shrivastava & Grant1985, Westley & Mintzberg 1989, Kotter 1990
Planning, strategy deriving mainly from a logical, sequential, deliberate set of procedures.	Ansoff1965, Mintzberg 1978, Steiner 1969, Argenti 1980, Rowe et al. 1989
Incremental, strategy deriving mainly from "successive limited comparisons of alternative actions".	Lindblom 1959, Mintzberg, Raisinghani, & Theoret 1976, Quinn 1980, Johnson 1988
Political, strategy deriving mainly from negotiated settlements between powerful sub-units of the organisation.	Cyert & March 1963, Pettigrew 1973, Hinings et al. 1974, Hickson et al. 1986, Anderson 1982
Cultural, strategy deriving mainly from the "taken for granted" frames of reference shared in the organisation.	Weick 1985, Deal & Kennedy 1982, Schein 1984, Johnson 1987
Enforced Choice, strategies deriving mainly from the external forces and constraints acting on the organisation.	Aldrich 1979, DiMaggio P & Powell W 1983, Hannan & Freeman 1984

Table 3: The Evolution of Attempts to Identify a Taxonomy of Strategy Development Processes

Proposed taxonomy	Reference
Linear, adaptive, interpretative	Chaffee1985
Managerial autocracy, systemic bureaucracy, adaptive planning, political expediency	Shrivastava & Grant1985
Rational, transactional, symbolic, generative	Hart1991
Command, rational, transactional, symbolic, generative	Hart1992
Commander, change, collaborative, cultural, crescive	Bourgeois & Brodwin1984
Planning, logical incremental, planning command, muddling through, externally dependent, political cultural command	Bailey & Johnson1994

This evolution of academic thought indicates that strategy making is complex, involving multiple processes. Further, it suggests that each organisation, although broadly complying with one or another typology of strategy making process, has a unique process consisting of a singular combination of the various influences that go to make up the overall process. Taken as a whole, this literature underlines the shortcomings of much the effectiveness literature considered in Section 2.2. That work, which measures complex hybrid strategy making in terms of only one dimension (degree of planning used) is unlikely to provide an explanation of marketing strategy process effectiveness.

Whilst much of the strategy process literature relates to strategy making in general, a helpfully rationalised model of this hybrid strategy making process has been proposed for strategic marketing planning in particular (McDonald 1996). This model (see Figure 2, page 27) envisages marketing strategy development as a blend of rational planning, visionary and incremental processes, analogous to the manner in which the three primary colours mix:

"It can be hypothesized that in a manner similar to that in which the three primary colours can, in various proportions, combine to form all other colours, so might all shades and hues of planning approaches be possible according to proportions of the components (logical rational models, pragmatic incremental models, subjective visionary models)" (McDonald1996)

Hence the strategy process literature would appear to offer an answer to the second shortcoming of the strategic marketing planning effectiveness literature. Rather than characterise the nature of a marketing strategy making process in only one dimension, that of planning, a multiple dimension approach may be possible. Comparison of hybrid marketing strategy making process type to the properties of the resultant strategy might provide a better explanation of the effectiveness of marketing strategy making processes. However, such an explanation is still likely to be incomplete, incorporating as it does only the process and its outputs. A more valuable understanding is likely to include the context in which the process functions to create the strategy. That context, both organisational and external, is considered in Section 2.5.

Figure 2:

The Three Contributing Processes of
Marketing Strategy Making (Adapted from McDonald 1996)

Visionary Command Processes

Rational Planning Processes

Incremental Processes
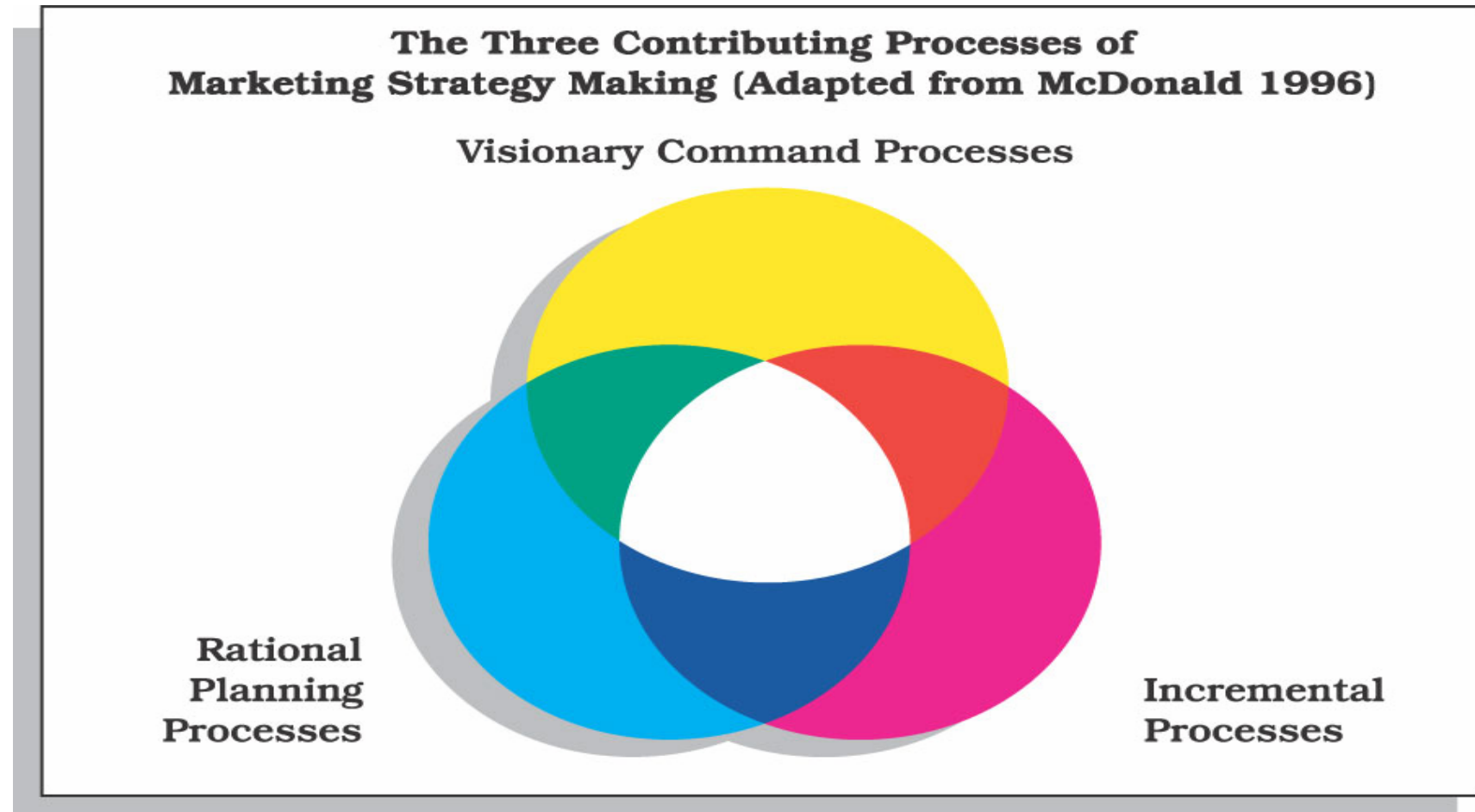
2.5 Mediators of Marketing Strategy Making Process Effectiveness

As with studies of marketing strategy process effectiveness, most of the work which investigates mediating effects focuses upon normative, rational planning processes. As described later, some of the strategic management literature considers non-rational processes, but even this literature is based upon comparison with established prescriptive planning processes.

The published work in this area falls broadly into four categories:

- the extent to which strategic marketing planning is used

- the internal (organisational) mediators of marketing strategy making processes

- the external (market) mediators of marketing strategy making processes

- the theoretical basis by which the combined effects of internal and external mediators might be explained.

The following sections attempt to critically assess the literature in each of those four areas.

2.5.1 The Observed Application of Strategic Marketing Planning

A significant sub-set of the literature concerning the effectiveness of strategic marketing planning is that work which examines the actual level of application of these formal, rational processes.

Early studies of the degree to which companies adopted marketing as a strategic management process were encouraging. Hise, for examples, found that:

"1. To a large extent, both large and medium manufacturing firms have adopted the marketing concept.

2. The greatest degree of acceptance is found in the customer orientation of marketing programmes and in the organisational structure of the marketing department, particularly in the status provided the chief marketing executive.

3. Large firms are more fully committed to the marketing concept than medium ones. Although the difference is only slight as to some factors, a distinct pattern does exist." (Hise 1965)

McNamara suggested that adoption was diffusing from consumer to industrial companies:

"The empirical evidence in this study clearly supports the hypothesis that consumer goods companies have tended to adopt and implement the marketing concept to a greater degree than industrial goods companies. Thus the existing fundamental differences between industrial goods and consumer goods businesses may explain the lag in the development of the concept in capital goods companies." (McNamara 1972)

These studies suggested that marketing was becoming central to business planning, although there were clear variations across industry sectors, company sizes and functional areas. Even among these earlier studies, however, there were indications that, whilst many firms espoused the values of marketing, their actual behaviour contradicted this (see for example, Ames 1970 and Bell & Emory 1971). The literature in this area gradually moved towards the conclusion that strategic marketing planning was widely claimed but much less practised (Martin 1979, see for example Zeithaml, Parasuraman, & Berry 1985, Martin 1987, Hooley, West, & Lynch 1990, McDonald1996). The aggregate view amongst researchers considering this area is consistent with Martin's view that:

"Corporate planning as advocated by the theorists is not practised in any developed form by large corporations." (Martin1979)

Further work went on to describe the realities of marketing planning, as compared to the espoused activity. This work described how rational marketing planning was subverted by less rational decision making processes (see for instance Walker & Ruekert 1987, Carson & Cromie 1989, Currens, Folkes, & Steckel 1992, McColl-Kennedy &

Keil 1990, Mowen & Gaeth 1992, Abratt & Bendixen 1993). The consensus amongst these authors as to the deviation of actual marketing planning from the prescribed and espoused is notable. Less clear is the mechanism underlying this deviation, although one piece of research does attempt to suggest a mechanism in behavioural terms:

"In summary, we argue that the evaluation stage of the decision process consists of the marketing manager making judgements involving prediction and valuation. In any decision making situation such decisions may be systematically biased through the application of heuristics." (Mowen & Gaeth1992)

The related but more broadly based literature concerning strategic decision making reinforces the conclusion that rational planning, whatever its merits or otherwise as a prescription, is a "poor description of reality" (Eisenhardt & Zbaracki 1992, Rajagopalan, Rasheed, & Datta1993). This conclusion has been fully supported by exploratory fieldwork for this study (Smith 1999), which shows that marketing practitioners in healthcare companies are generally unqualified and make little use of the tools of strategic marketing planning. Contrasting this, some researchers (Glaister & Falshaw 1999) have recently suggested that strategic marketing planning is a thriving and popular process in many companies:

"We have found a reasonable and increasing level of the use of several older and simpler planning techniques, with apparently little use of older more sophisticated or new techniques. Despite this relatively unsophisticated approach to strategic planning, there is generally a very positive attitude expressed by respondents to its benefits for their organisations." (Glaister & Falshaw1999)

However, this work, based on self-administered postal surveys, is open to significant criticism as to its internal validity.

Some of the work in this area is open to the criticism that it is overly concerned with semantics. It could easily be argued that a strategic marketing plan that does not use the terminology and structure of the accepted texts is still a strategic marketing plan. However, studies of the use of the most important tools in strategic marketing planning

reinforce the impression that it is often honoured in name and abused in practice.

The first example of these lies in the use of segmentation, which is fundamental to strategic marketing planning. Strategically, segmentation is meant to be both customer driven and reflected in organisational structure. The reality (Jenkins & McDonald 1997) is that most companies rely on customer categorisation bolted on to the customer contact part of the company. The second example concerns SWOT analysis, the central technique for aligning the internal and external environments and, therefore, defining the key issues to be addressed. Examination of practice (Piercy & Giles 1989) reveals that, although widely quoted, the technique is usually reduced to a "subjective listing exercise" (Piercy1997), identifying none of the key issues that are the intended output of the technique. The abuse of these two fundamental tools suggests that the lack of commitment to prescriptive strategic marketing planning processes is a real phenomenon and not just a matter of semantics.

Further evidence of the real, and not just semantic, lack of use of the tools of strategic marketing planning is provided by a body of literature reviewed by Greenley and Bayus, who conclude:

"Except for a small number of sophisticated decision makers, few companies seem to use these techniques which are advocated in the prescriptive literature" (Greenley & Bayus 1994).

Greenley and Bayus' review of the observed use of marketing planning techniques is summarised in Table 4 (page 32) , taken from this work.

Table 4: The Observed Use of Marketing Planning Techniques (from Greenley & Bayus1994)

Study	Country	Focus	Outline of results
Buzzell & Wiersema 1981	USA	Strategic Planning	Limited use of formal planning methods
McColl-Kennedy & Keil1990	Australia	Marketing Planning	Awareness and usage of methods - low
Greenley 1985	UK	Marketing Planning	Only 24% use portfolio analysis; half use PLC analysis
Haspeslagh P 1982	USA	Strategic Planning	Only 45% use portfolio analysis regularly
Hopkins 1981	USA	Marketing Planning	A quarter use portfolio analysis, only 13% use PLC analysis
Hooley, West, & Lynch 1981	UK	Marketing Planning	Half use SWOT analysis, one-third use PLC, only a few use portfolio, PIMS, perceptual mapping and conjoint analysis
Reid & Hinckley 1989	UK/Hong Kong	Strategic Planning	Little awareness of PIMS, portfolio and PLC analysis
Ross & Silverblatt 1987	USA	Strategic Planning	Half use portfolio analysis regularly, and a quarter use PIMS regularly
Verhage & Waarts 1988	Netherlands	Strategic Planning	15% use portfolio analysis, 27% use PLC with 62% using SWOT
Wittink and Cattin 1989	USA	Marketing Planning	Limited use of conjoint analysis by MR consultants
Wood and LaForge 1986	USA	Strategic Planning	Portfolio analysis used by 67% of sample

Critical assessment of this body of literature, therefore, concludes that the prescriptive rational model of strategic marketing planning is not an accurate description of what occurs in many organisations. Further, the literature supports the observation that planning is replaced or supplemented by non-rational processes. However, the literature concerning the actual use of rational planning does not explain this low level of use. This is an important gap, especially in the context of the proven contribution to effectiveness made by planning, as discussed in Section 2.2.

The lack of use of planning is highly significant to this study of strategy making effectiveness, and reinforces the hybrid process picture suggested by the strategy process literature (see Figure 2, page 27). Taken alongside the effectiveness literature in Section 2.2, it suggests another idea. If rational processes contribute to effectiveness but are not used, this suggests that they are limited in their utility rather than their effectiveness. This is a critical distinction. Taken together, the literature suggests that strategic marketing planning *can* work, but that organisations find it too difficult to use in practice. This is entirely consistent with a related stream of work calling for improvements in the marketing strategy process (Bonoma 1985b, Hutt, Reingen, & Ronchetto 1988, Kohli & Jaworski 1990, Menon, Bharadwaj, & Howell 1996, Marketing Science Institute 1998, Varadarajan 1999). This stream of work calls in particular for the development of marketing strategy making processes so as to be more appropriate to the context in which they operate, pointing out that marketing is more "context dependent" than other disciplines and that its "law-like generalisations" only still apply if the context has not changed (Sheth & Sisodia 1999). This sentiment is also echoed in the work that considers the antecedents and consequences of marketing strategy making:

"Because environmental turbulence demonstrated a significant association with learning and market performance and moderated the relationship between situational analysis and performance, further research should examine other moderators and controls, such as market characteristics, as well as other dimensions of the environment, such as environmental munificence and complexity." (Menon et al. 1999)

Hence that part of the literature which considers the application of marketing planning supports two assertions: that marketing planning is not extensively used despite its contribution to effectiveness; the reasons for this seem to lie in the difficulty of application in the context of internal and external conditions. This suggests that future research consider not simply the processes of marketing strategy making and the content of the resultant strategy, but also the internal and external contexts in which the process operates. The extant literature concerning the relationship between marketing strategy making processes and their internal and external contexts is therefore considered in Sections 2.5.2 and 2.5.3 respectively.

2.5.2 Internal Mediators of the Effectiveness of Marketing Strategy Making Processes

Examples of and reasons for the failures of organisations to implement strategic marketing planning are well documented (Wong, Saunders, & Doyle 1989, McDonald 1989). Broadly, these have been categorised as either "cognitive" or "cultural" barriers (McDonald1996). A more expansive classification of these barriers is given by one review work (McDonald & Wilson 1999). As well as culture, these authors cite management roles, management cognition (i.e. knowledge of marketing techniques), systems and procedures, resource allocation and data availability as moderators of rational planning use. Other researchers expand this work to include barriers across the organisation as a whole (Stampfl 1983, Ruekert & Walker 1987). These last two researchers, in an attempt to develop a general framework from social systems theory and resource dependence models, conclude:

"Much of the horizontal interaction among departments is informal. Consequently, it is outside the prescribed structures of the organisation chart, the substantive content of the marketing plan and the formal authority of the marketing and other functional managers. However, despite the informal nature of such interactions, their critical role in the successful implementation of marketing strategies is widely recognised." (Ruekert & Walker1987)

Researchers looking at how strategy making varies between organisations reinforce this conclusion. Investigations of strategic

planning in SMEs, for instance, point to lack of resources and knowledge as barriers to rational planning (Lindsay & Rue 1980, Pearce II, Robbins, & Robinson1987, McKiernan & Morris 1994). Systems, procedures and structures are also linked to the degree to which strategic planning can be used. In some organisational structures "formal planning may cause internal contradictions and endanger and organisation's viability" (Bishop & Bresser 1983). Ruekert, using different terminology but covering the same point, went further in saying:

"The degree to which an organisation can increase its market orientation is inextricably linked to the organisational structures, systems and processes created to sustain them" (Ruekert 1992).

However, other authors building on this work suggest that these tangible reasons reflect fundamental differences in small firms' beliefs about themselves (Liu 1995) and other cultural factors (Lancaster & Waddelow 1998).

More recently, empirical work examining the interaction between management control systems and strategy making has demonstrated that lower and middle management control systems have an important influence on strategy making:

"Findings suggest that belief systems influence managers initiation or "triggering" decisions, the use of administrative controls affects the location of strategic initiatives and may lead to the polarization of roles, and simultaneous emphasis on a range of key performance indicators can create a bias towards one set of measures and against another." (Marginson 2002)

Marginson's work suggests a connection between beliefs and systems that is echoed by other researchers. Whilst tangible factors such as systems or structures are acknowledged to effect strategy making, authors building on this work suggest that these tangible reasons reflect "fundamental differences in small firms' beliefs about themselves" (Liu1995) and other cultural factors (Lancaster & Waddelow1998).

Consistent with this theme of strategy process hindrance by organisational cultural factors is that stream of work concerned with

strategy making from the perspective of organisational discourse. This work, based on social systems theory, depicts the strategy process as "a technological and appropriative social practice" (Hendry 2000) and strategic episodes as "the effective locus of strategic practice and the interaction between strategic and operating routines" (Hendry & Seidl 2003). Using the social discourse perspective, some researchers have suggested that failures of organisational strategy making can be attributed to cultural factors, in particular:

"We argue the failure in organisational strategising can be understood as resulting from the interplay of certain elements of organisational discourse and specific kinds of political behaviour." (Maitlis & Lawrence 2003)

Thus two streams of literature suggest different ways in which internal factors mediate the performance of marketing strategy making processes. The earlier work suggests tangible factor such as systems and structures: the latter work suggests less tangible factors associated with organisational discourse. However, these views need not be mutually exclusive and can indeed be seen as two aspects of one phenomenon if they are both, as is discussed next, regarded as artefacts of organisational culture.

The influence of organisational culture on marketing planning is the subject of a comprehensive stream of work by one author, Harris, and his colleagues. Investigating the interaction between culture and strategic marketing planning, he supports the idea that the cultural context is critical to the initiation and implementation of marketing planning (Harris 1996; Harris 1999b; Harris 1999a; Harris 1999c; Harris 2000; Harris & Ogbonna 1999b; Harris & Ogbonna 1999a; Harris & Ogbonna 2001). This prolific body of work considers many different aspects of the culture/marketing planning interaction but is perhaps best summarised in the conclusions concerning one company:

"The study finds that six entrenched values appear to have impeded the initiation of planning within the company. These are: reactiveness, management activities and practice,

compartmentalisation, short-term cost orientation, internal focus and stability." (Harris1999b)

Thus, it is argued, various streams of work, each looking at internal mediators of planning performance, converge on the underlying significance of culture. The connection between tangible barriers to planning and the firm's beliefs, values and culture suggests that culture is a fundamental root cause for the ineffective implementation of strategic marketing planning. If tangible barriers, such as lack of resources and extant systems, are simply manifestations of organisational culture, then there is really only one internal barrier to strategic marketing planning, namely organisational culture. This tentative conclusion, based on the empirical observation of failures in strategic marketing planning, is reinforced by the organisational culture literature, as discussed in the following paragraph.

The literature concerned with organisational culture consists of two very different philosophical traditions. The first, essentially positivist, stems from the earlier body of literature on organisational climate, (Tagiuri & Litwin 1968, Denison 1996) and is strongly quantitative in its approach (see for instance Denison 1984; Denison 1990, Denison1990, Kotter & Heskett 1992, Denison & Mishra 1995). The second, essentially phenomenological, has its origins in anthropology (Pettigrew 1979, Martin 1992) and claims sharp epistemological divisions with the quantitative approach. Despite this philosophical schism, there exists a core of agreement about the nature and significance of organisational culture. Both positivists and phenomenologists see culture as being "a means by which the organisation aligns itself to the external environment" (Smirchich 1983) and "regulates internal transactions" (Wilkins & Ouchi 1983). Similarly, both schools see organisational culture as multi-layered (as explicated by Schein1984; Schein 1991).

A second point of consensus exists between the positivist and phenomenological schools of organisational culture. This is that culture is, as Drucker puts it, "persistent and pervasive" (Drucker 1993a). Studies of organisational culture support the belief that the phenomenon is very difficult to manage (see for instance Fitzgerald 1988, Ogbonna 1993, Legge 1994). Legge holds the view that "the empirical evidence supports the difficulty of cultural change" whilst

Ogbonna (op cit) argues that much perceived cultural change is in fact "resigned behavioural compliance", and not cultural change at all.

Where cultural change is achieved, it is usually the result not of dramatic change, but of managing the "natural dynamic flux of culture" via the use of symbolism (Hatch 1999). Even if organisational culture were open to easy manipulation, this risks lessening any positive aspects of the extant organisational culture (Lorsch 1986, Drucker1993a), decreasing organisational efficiency by increasing the intangible costs of internal transactions (Wilkins & Ouchi1983) and other unintended consequences of cultural intervention (Harris & Ogbonna 2002).

Synthesising the culture and planning mediators' literature suggests both a cause and mechanism for marketing strategy process effectiveness. Strategic marketing planning, acting as an explicit process of alignment between the organisation and the market, necessarily interacts with organisational culture, an implicit process of alignment. Either positive or negative interaction might be expected. This interaction is seen via systems, structures and other cultural artefacts, but has its roots in the cultural assumptions that underlie those artefacts. Attempts to change organisational culture to support the marketing strategy making process are problematic. This suggests that the strategy process effectiveness might be linked to, and achieved by, adaptation of the process to the culture.

This concept of fit between marketing strategy making process and culture is well supported by other researchers. Some researchers either implicitly or explicitly recognise planning and culture as two parallel and interacting processes for internal/external alignment (see for instance Deshpande & Webster 1989, Saker & Speed 1992, Cespedes & Piercy 1996) and call for "a culture driven contingency approach" (Saker & Speed1992). This is consistent with studies in the organisational behaviour literature, which also correlate fit between organisational culture and planning process to organisational effectiveness:

"All other things being equal, the greater the total degree of congruence between the various components (of an organisation) the

more effective will be organisational behaviour at multiple levels" (Nadler & Tushman 1980)

And

"For better or worse a corporate culture has a major impact on a company's ability to carry out objectives and plans, especially when the company is changing strategic direction." (Schwartz & Davis 1981)

Similarly, the idea of culturally congruent planning is consistent with theories that management skills are culturally specific (Hofstede 1984) and that strategy formulation must recognise behavioural as well as mechanical aspects of organisational processes (Pearce II & Randolph 1980). Other researchers, from different perspectives, have pointed to the observed importance of organisational culture to strategy formation and implementation (Schwartz & Davis1981, Peters & Waterman 1982, Deal & Kennedy1982), without referring specifically to the alignment function of both the phenomenon and the management process. More specifically, the existence of appropriate organisational values as a pre-requisite to marketing effectiveness has been identified (Dunn, Norburn, & Birley 1994, Dobni & Luffman 2000), and is at the root of the marketing orientation literature. This last body of work suggests clear association between marketing orientation and performance (see for instance, Greenley 1995, Jaworski & Kohli 1996, Pitt, Caruana, & Berthon 1996, Jaworski & Kohli1996; Lukas & Ferrel 2000; Pitt, Caruana, & Berthon1996; Slater & Narver 2000; Wood, Bhuhian, & Keicker 2000). The general tenor of this work is that market orientation is associated with superior performance. However, proponents of marketing orientation have addressed neither the methodological criticisms implied by the organisational effectiveness literature nor the potential difficulties and risks of cultural intervention (Harris & Ogbonna2002). Finally, the concept that marketing strategy process is affected by the level of market orientation is supported by the work showing that both rational and incremental processes operate in market oriented companies (Tadepalli & Avila 1999).

Hence, a very broad body of literature supports the idea that the effectiveness of marketing strategy making processes is related to their fit with the organisational context, at the root of which is pervasive and persistent organisational culture. This concept is not new. It was one of the conclusions of one of the earliest PhDs in strategic marketing planning (McDonald1982). A mismatch between culture and process would suggest at least a partial explanation for the limited adoption of a known contributor to organisational success. However, this consideration of internal factors is not likely to be a complete explanation of marketing strategy making process effectiveness. To be so would imply that external market factors are of no importance. The importance of external market factors in mediating marketing strategy making processes is discussed in Section 2.5.3.

2.5.3 External Mediators of the Effectiveness of Marketing Strategy Making Processes

Both the marketing strategy literature and the broader strategic management literature point to the need to consider external mediators and their impact on the effectiveness of strategy making processes. From the many possible dimensions of the market environment, two broad themes emerge as being especially relevant.

Firstly, the impact of market turbulence. Planning is noted to have *dysfunctional* effects in uncertain and inefficient markets (Bishop & Bresser1983). Similarly, research in high-velocity environments indicates that "planning formality may be negatively associated with performance" (Eisenhardt 1989b, but see also Eisenhardt 1999, Eisenhardt & Sull 2001). Secondly, the significance of market complexity. This is supported by work showing the relationship between planning comprehensiveness and effectiveness (Fredrickson 1984, Fredrickson & Mitchell 1984, Pelham1999). Many of the arguments concerning the impact of external context on marketing planning processes have been consolidated by Speed and his co-workers (Speed 1994, Pulendran & Speed 1996) who contend that "external context affects decision character, decision process and decision outcome". Supporting the importance of external factors from a slightly different perspective, is work correlating planning to effectiveness in hostile environments and for "mechanistic" cultures,

whilst advocating emergent processes in benign environments and "organic" structures (Slevin & Covin 1997).

This stream of work suggests, therefore, that the effectiveness of strategy development processes is mediated by external market contingencies. Further, it suggests that market turbulence and market complexity are the two most significant external mediators of strategy process effectiveness. The consensus around this is indicated by the fact that this was the common ground in the debate between Mintzberg and Ansoff (Mintzberg 1990, Ansoff 1991). This stream of work also gives some indication about the nature of appropriate fit, or congruence, between strategy making processes and market conditions; complexity is seen to favour rational planning whilst turbulence is seen to favour less rational approaches. However, this is the limit of the conclusions that can be drawn from this work, which retains three important weaknesses.

Firstly, the work relating strategy process to effectiveness remains wedded to the measurement of organisational, rather than strategy process, outputs, and thus fails to answer the criticisms associated with this approach, as discussed earlier. Secondly, the empirical work does not allow for simultaneous internal and external mediation of the strategy making process, hence failing to distinguish between the effects of internal and external mediators. Thirdly, the work comes, almost entirely, from the perspective of proving or refuting the effectiveness of rational planning. It therefore tends to characterise strategy making processes along a simple planning/non-planning dimension. As the earlier section concerning hybrid strategy processes suggests (Section 2.4), this is a simplistic approach to understanding actual marketing strategy making processes. The literature on external mediators of strategy making process effectiveness, therefore, suggests external mediation occurs and indicates dimensions of process/market fit, but leaves unanswered important questions about the effectiveness of different strategy process hybrids in differing market conditions.

2.6   Theoretical Bases for Marketing Strategy Process Effectiveness

The prior work summarised and criticised in Sections 2.1 to 2.5 suggests that both internal cultural factors and external market factors impact upon the effectiveness of marketing strategy making processes. This clearly suggests that a contingency approach might be useful in understanding and explaining the effectiveness of marketing strategy making processes.

Contingency theory is, of course, a very broad approach covering numerous bodies of literature. Thompson (Thompson 1967) usefully describes the origins of the contingency approach as being the intersection of various streams of organisation theory including general systems theory, open systems theory and behavioural theory. Theoretical and practical contributions are seen to be derived from contingency theory through:

- Identifying important contingency variables that distinguish between contexts

- Grouping similar contexts based on these contingency approaches and

- Determining the most effective internal organisational designs or responses in each major group

and the approach has been used "both implicitly and explicitly in much marketing research" (Zeithaml, Varadarajan, & Zeithaml 1988).

Relevant to this work, contingency approaches are seen as particularly useful in strategy research because they improve on the generalisability of single in-depth case studies whilst providing greater depth than large sample, statistically based work which deemphasises contextual differences (Harrigan 1983, Hambrick 1983).

Much of the research on strategic marketing planning effectiveness and mediating variables, criticised above, adopts the contingency approach. However, this body of work appears to have two significant flaws when applied to understanding marketing strategy making

processes in the context of the extant knowledge reviewed above. Firstly, the work concerns itself with contingent dimensions of *either* the internal *or* the external environment in which marketing operates. This is at variance with the empirical findings discussed above that suggest that *both* internal *and* external contingencies impact on the effectiveness of marketing strategy making processes. Secondly, it considers only one dimension of strategy process, that of its rationality or formality. This does not make sufficient allowance for the complexity of hybrid marketing strategy making processes.

However, one stream of that work does suggest some ways in which the theory of marketing strategy process might be developed. One of the early seminal works in the contingency tradition of organisational theory developed from the concept of the organisation as an open system, with interaction between its different sub-components (Lawrence & Lorsch 1967). Based on this concept, the authors developed concepts of functional differentiation, specialisation and integration as bases of organisational effectiveness. Building on the work of Lawrence and Lorsch, other researchers from a sociological perspective developed the theory that management processes are most effective when they are congruent with *both* their micro-environment *and* macro-environment:

"Contingency theory postulates that the effectiveness of the organisation in coping with the demands of its environment is contingent upon the elements of the various sub-systems which comprise the organisation being designed in accordance with the demands of the environment (or, more accurately, the sub-environments) with which they interact; this implies that that the elements of the different sub-systems must be congruent in terms of the characteristics along each of the basic dimensions by which they are defined. We call this the congruency hypothesis". (Burrell & Morgan 1979, and additionally discussed in Morgan 1986)

Interestingly, Burrell and Morgan reinforce the conclusions of the preceding parts of this literature review by making specific reference to market complexity and turbulence and to organisational culture as important dimensions of the external and internal environments.

This idea of effectiveness being a function of congruency, described by Burrell and Morgan as the congruency hypothesis, represents a significant step forward in thinking from earlier, simpler work. Significantly, by including all of the sub-environments in which the organisational sub-systems operate, the congruency hypotheses incorporate the *simultaneous* importance of *both* internal *and* external contingencies to the effectiveness of any management process. The congruency hypotheses, when applied specifically to the process of marketing strategy making, suggest a potential explanation for the effectiveness or otherwise of any strategy making process; namely, that the effectiveness of a marketing strategy making process is contingent upon its congruence with both the external market environment (macrocongruence) and the internal environment (microcongruence). Using both Burrell and Morgan's own ideas and those derived from the literature review, market complexity, turbulence and organisational culture seem to converge as the factors important to achieving congruence and therefore effectiveness.

In their favour, the congruency hypotheses allow for both the organisational and market contingencies suggested by the literature already discussed. Against this, they do not, specifically, suggest the dimensions of the internal or external environment of most importance to strategy making effectiveness. Nor do they specify the nature of success for that process. Nor does the literature contain empirical applications of Burrell and Morgan's hypotheses. However, taken together with the preceding literature review, contingency theory, and specifically the congruency hypotheses of Burrell and Morgan, suggests a theoretical basis upon which an explanation of marketing strategy making effectiveness may be developed. This explanation and its concomitant research questions and hypotheses, will be developed in Section 3.

3 Research Questions & Design

3.1 Gaps in the Extant Literature

The preceding literature review identifies both points of consensus and a number of gaps in the literature. Taken together, these suggest a number of useful areas to research:

a) The literature concerning the use and effectiveness of marketing strategy making processes suggests that normative rational planning processes do contribute to organisational effectiveness but that they are not a good description of practice in many companies. This suggests the need to improve the utility of marketing strategy making process and raises the question of how to do this.

b) The literature concerning mediating contingencies upon strategy making suggests that both external and internal contingencies are significant. The congruency hypotheses suggest that fit between the strategy process and both market conditions (macrocongruence) and internal, organisational culture conditions (microcongruence) are necessary for effective marketing strategy making and, hence, suggest a theoretical explanation of the effectiveness of marketing strategy making processes. However, this theory has not been specifically tested in the area of marketing strategy making process, suggesting a research question concerning the applicability of the congruency hypotheses in this particular area.

c) The strategy process literature is coherent in its view that strategy making is a hybrid process. Some elements of that literature discuss the failing of rational processes and the possible merits of non-rational processes, but the state of knowledge in this area is incomplete and not specifically extended to marketing strategy making. This raises questions as to the relative effectiveness of different hybrids of marketing strategy making process.

d) The strategy content literature is consistent in its view of what are the contents and properties of a strong marketing strategy. However, little work exists relating those properties to the process or environment from which they arise. This raises questions about how the nature of the resultant strategy is related to the strategy making process and the internal and external environments.

e) The literature concerning internal contingences upon strategy making processes points to organisational culture as the underpinning factor and points out not only the incongruity between many cultures and rational planning, but also the difficulty of changing organisational culture. This literature has relatively little to say on the relationship between non-rational strategy making processes and culture. This gap suggests a useful area of investigation concerning the adaptation of strategy making processes to work with organisational culture.

f) The literature concerning external contingencies suggests that market complexity and market turbulence are both important mediators of strategy process effectiveness. This literature suggests the adaptation of rational processes to fit market conditions. However, this work is not tested in the area of marketing strategy making and has not been controlled for the possibility of simultaneous internal mediating effects such as culture. Each of these gaps suggests possible areas for research.

Hence the preceding literature review suggests a variety of areas in which our knowledge of the effectiveness of strategy making processes is incomplete and to which a useful contribution might be made.

3.2   A Putative Model for the Effectiveness of Marketing Strategy Making Processes

The preceding literature review suggests that there are a number of areas in the literature in which the consensus is strong enough to suggest accepted extant knowledge upon which a putative model might be built. These are:

- That the content of a marketing strategy can be defined and that the properties of a strong marketing strategy can be differentiated from those of a weak marketing strategy. Hence the construct of context-independent marketing strategy quality can be developed from the literature. This is supported by the literature discussed in Section 2.2 (page 49).

- That the process of marketing strategy making is hybrid with multiple dimensions and therefore more complex than suggested by simple measures of planning formality. Hence the construct of hybrid marketing strategy making process can be developed from the literature. This is supported by the literature discussed in Section 2.4 (page 23).

- That the relationship between the nature of the hybrid marketing strategy making process employed and the properties of the resultant strategy are mediated by external market factors. Hence an externally mediated model of the relationship between strategy process and strategy properties is suggested by the literature. This is supported by the literature discussed in Section 2.5.3 (page 40).

- That the relationship between the nature of the hybrid marketing strategy making process employed and the properties of the resultant strategy are mediated by internal, cultural factors. Hence an internally mediated model of the relationship between strategy process and strategy properties is suggested by the literature. This is supported by the literature discussed in Section 2.5.2 (page 34).

- That the effectiveness of the organisational sub-system of marketing strategy making is dependent upon its congruency with both its internal and external sub-environments. Hence a model of the relationship between strategy process and strategy properties that is both internally and externally mediated is suggested by the literature. This is supported by the literature discussed in Section 2.6 (page 42).

- Taken together, these areas of extant knowledge can be taken to form a putative model to explain the relationship between the hybrid marketing strategy making process employed and the properties of the resultant marketing strategy. Such a model is illustrated in Figure 3 (page 49).

Figure 3:

Combined Congruency Model
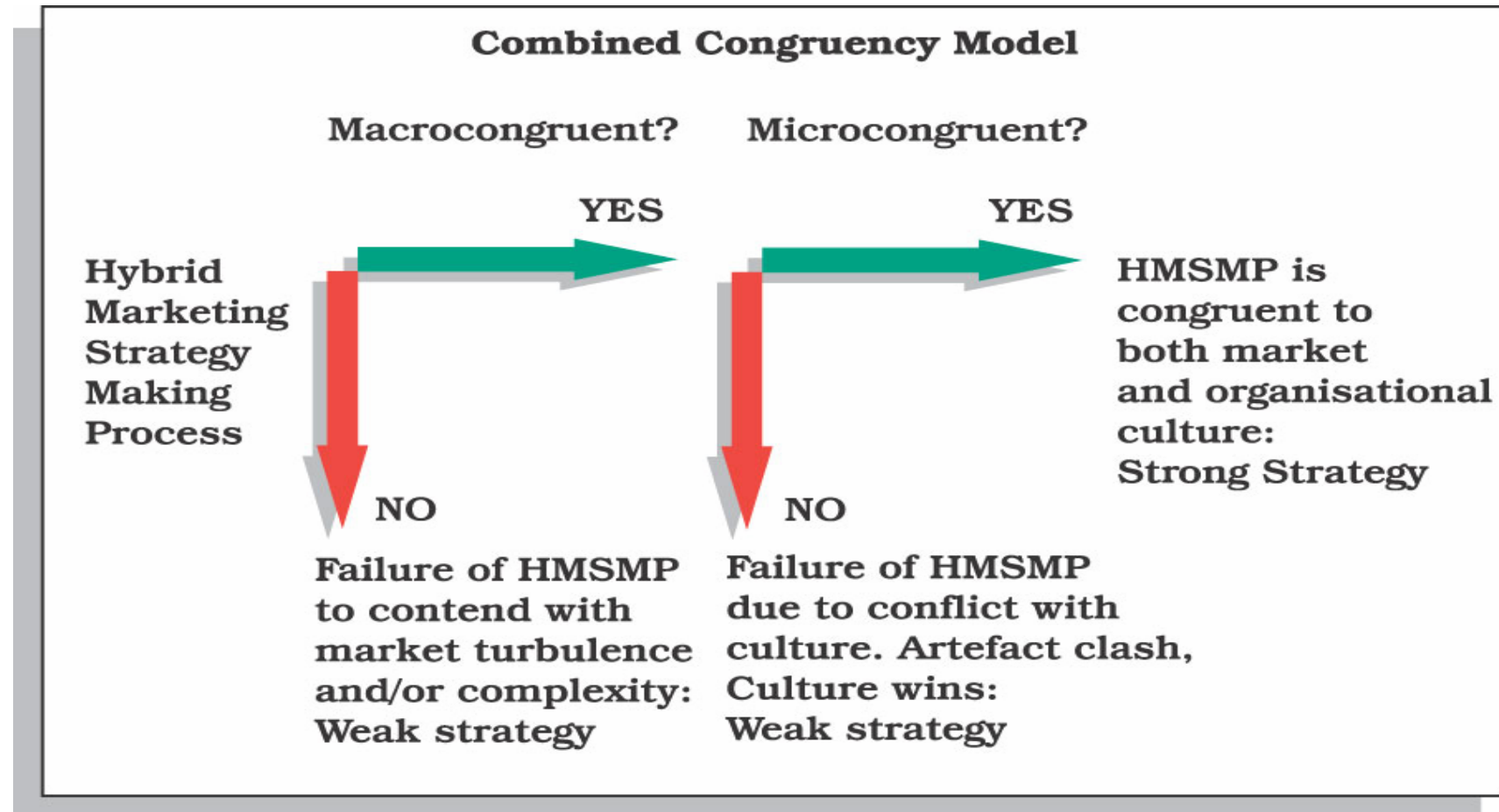
As indicated above, the literature review suggests likely dimensions that might help to operationalise each of the constructs involved in this model.

- Strategy quality can be seen as the degree or otherwise to which the marketing strategy has the properties of a strong strategy identified in the extant literature (see Table 1 on page 20). Note, however that, although the literature would suggest that, whilst an accurate characterisation of strategy quality requires the assessment of all nine characteristics, it may be possible and more pragmatic to characterise strategy quality in terms of a smaller number of the more easily assessed characteristics.

- Strategy process can be characterised along three dimensions, namely the proportion of rational, command and incremental processes that go to make up the hybrid (see Figure 2 in Section 2.4, page 27). The literature may support other sets of dimensions of strategy process, but this trivariate measurement would seem to balance the practicality of single dimension measurement (such as planning formality, used in much early work) and the insight of multiple dimension measurement (such as Bailey and Johnson's work).

- External environment, whilst undoubtedly a complex construct can, in part, be characterised along the two dimensions most frequently cited as impacting on strategy process effectiveness, namely market complexity and market turbulence. The nature of each of these two constructs can be characterised by reference to the literature specifically concerning complexity and turbulence. Hence complexity can be characterised as the number of different entities involved in each of the components of the market environment (segments, competitors, channels, proposition complexity etc). Similarly, market turbulence can be characterised as the rate of change in these components and the macro-environment.

- Internal environment, whilst also a complex construct, can in part be characterised as those artefacts of organisational

culture most frequently cited as impacting on strategy process effectiveness, namely structures, systems and organisational habits.

- Macrocongruence can be characterised as the degree to which the strategy making process manages the external environment, in particular, the degree to which the process manages market complexity or turbulence. Conversely, macroincongruence can be seen as the degree to which the strategy making process *fails* to manage market complexity or turbulence.

- Microcongruence can be characterised as the degree to which the strategy making process is supported by the internal environment, in particular, the degree to which the process is supported by cultural artefacts such as systems and structures and other organisational habits. Conversely, microincongruence can be seen as the degree to which the strategy making process is *hindered by* those artefacts.

This model then, imperfectly characterised as it is, formed the basis of the research questions and hypotheses to follow and was the basis for operationalising the research.

3.3   Research Questions & Propositions

Clearly, it is beyond the scope of a single PhD to answer fully all of the research issues raised in Section 3.1. Instead, this research focuses upon one primary research question, namely:

Do the congruency hypotheses of Burrell and Morgan apply in the context of marketing strategy making processes?

This question can be operationalised via the following proposition:

Proposition P1:
The degree to which an organisation's marketing strategy exhibits the properties associated with a strong strategy is proportional to the extent to which microcongruence (between strategy process and internal environment) and macrocongruence (between strategy process and market environment) are exhibited.

If supported by the research, this first proposition would provide support for the applicability of the congruency hypotheses in this context. However, it would not provide conclusive proof of the hypotheses in this context. As with all research, the issue of verification and falsification arises, as described by Popper (summarised in Easterby-Smith, Thorpe, & Lowe 1995).

For purposes of theory testing, therefore, it is also useful to consider alternatives to this proposition that would, if supported, disprove or modify the congruency hypotheses. These would include:

Proposition P2:
The degree to which an organisation's marketing strategy exhibits the properties associated with a strong strategy is unrelated to the degree to which either microcongruence (between strategy process and internal environment) or macrocongruence (between strategy process and market environment) is exhibited.

This second proposition would be consistent with the views of those, such as prescriptive planners, who hold that one single type of strategy making process produces the strongest strategy.

Another alternative proposition would hold:

Proposition P3:
The degree to which an organisation's marketing strategy exhibits the properties associated with a strong strategy is related to the degree to which microcongruence (between strategy process and internal environment) is exhibited but not to the degree to which macrocongruence (between strategy process and market environment) is exhibited.

This third proposition would be consistent with the views of those who see organisational culture as the dominant, perhaps overriding, factor in determining the effectiveness of marketing strategy making processes.

Conversely, a fourth proposition by which to test the theory that both types of congruence are necessary would be:

Proposition P4:
The degree to which an organisation's marketing strategy exhibits the properties associated with a strong strategy is related to the degree to which macrocongruence (between strategy process and market environment) is exhibited, but not the degree to which microcongruence (between strategy process and internal environment) is exhibited.

This fourth hypothesis would be consistent with the views of those who see external market contingencies as the dominant, perhaps overriding, factor in determining the effectiveness of marketing strategy making processes. These propositions will therefore form the basis of the subsequent sections of this thesis and the philosophical and methodological considerations that follow in Section 4.

4   Philosophical Considerations and Methodological Design

The aim of this section is to explicate the factors considered in the design of this research and, whilst recognising any limitations in the methods used, justify the methodology as appropriate and valid. Accordingly, this section has four sub-divisions: philosophical considerations, methodological design considerations, method description and an assessment of the validity of the method.

4.1   Philosophical Considerations

Clearly, there are many possible methodological approaches to answering the research questions posed above (Section 3.3). Further, each will have its merits and none will be impossible to criticise. The choice of an appropriate methodology is therefore as problematic as it is important. However, the starting point for this choice lies in the selection of a philosophical paradigm upon which the work will been based. To quote Easton, "Consistency within a methodological paradigm is what is required" (Easton 2002).

As befitting to the concept of a PhD as "learning how to do research", a broad range of possible paradigms has been evaluated for their appropriateness to the particular context of this research. These alternative paradigms are summarised in Table 5 (page 56), adapted from the work of other researchers. The design of any piece of research has its origins in the philosophical position adopted, consciously or otherwise, by the researcher. In particular, the research design reflects the ontological and epistemological assumptions from which the research design begins. Blaikie (Blaikie 1993) defines the two closely related concepts of ontology and epistemology in the following ways:

Ontology: The claims or assumptions that a particular approach to social enquiry makes about the nature of social reality; claims about what exists, what it looks like, what units make it up and how these units interact with one another.

Epistemology: The claims or assumptions made about the ways in which it is possible to gain knowledge of this reality, whatever it is understood to be; claims about what exists may be known.

There is, of course, a huge range of ontological and epistemological positions available to any researcher. They are most frequently represented by a continuum between positivist/objectivist and the constructivist/subjectivist, as summarised in Table 5 (page 56), adapted from the work of other researchers (Guba & Lincoln 1994, Guba & Lincoln1994, Perry, Alizadeh, & Riege 1997).

Research into marketing and strategy making processes has adopted a variety of these paradigms. Much has come from a positivistic tradition, which Easterby-Smith attributes to the origins of the disciplines in economics and cognate fields (Easterby-Smith, Thorpe, & Lowe1995). More recently, however, the dominance of positivism has receded. For instance, Hirschman (Hirschman 1986) has argued that many of the constructs in marketing research are intangible and socially constructed (e.g. beliefs, behaviours, perceptions and values) and hence that positivistic approaches are less appropriate. This has been echoed by calls to make marketing research more interpretive in its approach (Gummesson 2000)

In order to assess the appropriateness of each paradigm to this research, each has been evaluated against three factors that are characteristic of the research questions and theoretical models discussed in Section 3.3 (page 51).

a) The work attempts to contribute to knowledge in a manner that is to some degree generalisable across business contexts. This suggests an approach towards the positivist end of the ontological spectrum.

Table 5: Basic Belief Systems of Alternative Enquiry Paradigms

Item	Paradigm			
	Positivism	**Realism**	**Critical theory**	**Constructivism**
Ontology	*naïve realism:* reality is real and apprehensible	*critical realism:* reality is "real" but only imperfectly and probabilistically apprehensible and so triangulation from many sources is required to try to know it	*historical realism:* "virtual" reality shaped by social, economic, ethnic, political, cultural, and gender values, crystallised over time	*critical relativism:* multiple local and specific "constructed" realities
Epistemology	*objectivist:* findings true	*modified objectivist:* findings probably true	*subjectivist:* value mediated findings	*subjectivist:* created findings
Methodology	*experiments/ surveys:* verification of hypotheses: chiefly quantitative methods	*case studies / convergent interviewing:* triangulation, interpretation of research issues by qualitative and quantitative methods such as structural equation modelling	*dialogic/dialectical:* researcher is a "transformative intellectual" who changes the social world within which participants live	*hermeneutical / dialectical:* researcher is a "passionate participant" within the world being investigated

b) The work attempts to understand relationships between several complex and not fully characterised variables. This suggests an approach towards the relativist end of the ontological spectrum.

c) The work utilises a priori theory, but one which is incompletely characterised in this context. This suggests a mixed ontology.

Initial consideration of these three characteristics against each paradigm suggests that neither purely positivist nor purely relativist positions would be appropriate to this work. This is entirely consistent with the views of other researchers in similar fields. These workers have criticised much management research for failing to grasp the complexity of the real world (Pettigrew 1987), and stated that "both extremes are unnecessary and untenable" (Parkhe 1993). Some workers have suggested a rapprochement between the two ontological extremes and a blend of methodological approaches (Borch & Arthur 1995) whilst others have claimed the issue to be more fundamental than a choice of methodology, arguing for a realist ontological perspective that lies between positivism and critical theory (see, for instance, Tsoukas 1989, Perry, Reige, & Brown 1998). This latter work justifies a realism paradigm for research into networks on the grounds that it can simultaneously allow for both testing and development of theory and can delve into the complexities of the situation. However, many of the arguments the authors cite are equally applicable to this research into marketing strategy making. For instance, they refer to constructs that are difficult to measure and which are not the only considerations, making positivism inappropriate. The same authors (via Hunt 1991a) point to the existence of clearly tangible phenomena such as economic conditions. These considerations suggest that a realist approach would be an appropriate paradigm in the context of the three characteristics of this research into marketing strategy making.

Robson (Robson 1993, partly after House 1991) suggests that a realist view of science has seven characteristics:

1. There is no unquestionable foundation of science, no "facts" that are beyond dispute. Knowledge is a social and historical product. "Facts" are theory-laden.

2. The task of science is to invent theories to explain the real world, and to test those theories by rational criteria.

3. Explanation is concerned with how mechanisms produce events. The guiding metaphors are of structures and mechanisms in favour of realism (Easton2002). However, this work goes on to point out that realism is reality rather than phenomena and events.

4. A law is a characteristic pattern of activity or tendency of a mechanism. Laws are statements about things that are "really" happening, the ongoing ways of acting of independently existing things, which may not be a single, homogeneous ontology (via reference to Hunt 1991b) and that critical realism is a better articulated form of the paradigm. Easton uses this better articulation, and the widespread use of critical realism expressed at the level of events.

5. The real world is not only very complex but also stratified into different layers. Social reality incorporates individual, group and institutional and societal levels.

6. The concept of causation is one in which entities act as a function of their basic structure.

7. Explanation is showing how some event has occurred in a particular case. Events are to explained even when they cannot be predicted.

Robson goes on, however, to point out that realism shares "a helpful compatibility" with another epistemology, pragmatism. Similarly, others have pointed to shared assumptions between pragmatism and realism (Tsang & Kwan 1999, Cherryholmes 1992, Mir & Watson 2000, Mir & Watson 2001, Kwan & Tsang 2001).

Finally, closer consideration of critical realism is made possible by its characterisation under eight signposts (Sayer 1992).

Pragmatism is an epistemological position that is rarely adopted in marketing research, explicitly at least. It therefore merits some

explanation and background. It has its origins in the work of Peirce (Peirce 1966) who summarised the basic principal as:

"Consider what effects, which might conceivably have practical bearings, we conceive the object of our concept to have. Then, our conception of these effects is the whole of our conception of the object."

The place of pragmatism in the objectivist/subjectivist spectrum is more clearly made by Hill (Hill 1987) who says:

"The pragmatic philosophy holds that all reality has practical consequences and that, therefore, the best way to know and to understand reality is through the inductive analysis of practical consequences. According to this philosophy, the reality and truth of any proposition, belief or idea can be correctly specified and accurately evaluated only in terms of its practical consequences. Conversely, if any proposition, belief or idea has no practical consequences, therefore it is not real and, therefore, cannot be true."

The epistemology of the pragmatist position was developed by James (James W 1925). According this epistemology, truth:

"possesses two essential characteristics or properties: verifiability and usefulness. Verifiability means that the proposition, belief or ideas can be corroborated or contradicted by reality. If the proposition, belief or idea agrees with reality, it can be regarded as true; but if it disagrees with reality it must be regarded as false. Agreement, in this context, means that the expected or anticipated practical consequences of a proposition, belief or idea are consistent with the real world, but this is a static concept of truth. A pragmatist would add a dynamic dimension to the concept of truth by asking the questions: If this proposition, belief or idea is true, how will it affect the actual experiences of everyday life? Would it help a person to integrate the various aspects of his experience into a coherent whole? Would it be useful to a person in solving everyday problems? A pragmatic truth must not only be verifiable, but also useful in at least two respects. Firstly, a pragmatically true concept must be useful in integrating experience, which tends to be random and disorganised, into a

coherent whole. Second, a pragmatic truth must be useful to the people in applying their experience to the practical problems which plague their lives."

As seems to be the case with any epistemology, there is no agreement or consensus amongst researchers as to the appropriateness of pragmatism. However, its use has been well argued in contrast to scientific realism (Cherryholmes1992), in the field of educational research (Howe 1988), in ethics (Wicks & Freeman 1998), in action research in sociology (Oquist P 1987) and in social economics (Hill1987). The literature searches for this work found no discussion of the pragmatic epistemology in marketing strategy making, although a recent published debate (Durend 2003, Powell 2003) illustrates both the belief in and scepticism about pragmatism in the strategy field.

After consideration of the various philosophical positions, therefore, and with the inevitable influence of the researcher's own beliefs and the academic environment in which he works, a pragmatist position has been adopted for this research. The implications of this for research design are discussed in the following section.

4.2   Methodological Design Considerations

The starting point for the design of the methodology in this work was the chosen ontological position (pragmatist) and its epistemological corollaries. From the many possible methodological options, the realist perspective effectively excludes some strongly positivist quantitative methods (such as self-administered questionnaires) and some typically constructivist qualitative methods (for instance long term "immersion" in single cases). Whilst it is recognised that, even within the critical realist approach, it is possible to apply a number of qualitative methods, case study interviews and archival analysis were "shortlisted" as the two most appropriate, and possibly complementary, methods. However, archival analysis was relegated to a possible supportive evidence option in the light of previous researchers' experience. In the field of strategy process research, archival measures had been found to have limited ability to measure internal processes (Bailey et al 2000) and in any case to be scarce

and inconsistent (Schwenk 1985) and to fail in recording more recent events (Boyd et al 1993). It was therefore felt that structured case study interviews were most appropriate to this work. This conclusion is well supported in a review of the area (Perry, Reige, & Brown1998) which gives four justifications of the case study method, in addition to its consistency with realist ontological assumptions. Two of these justifications are especially relevant to this work. The first justification is the capacity of case study methodology to incorporate some degree of both theory testing and theory building. This work, whilst testing the congruency hypotheses of Burrell and Morgan, necessarily requires a degree of development of the constructs of strategy quality, macrocongruence and microcongruence. The second justification is the degree to which case study method can delve into the depth of the matter and explore generative processes. Perry et al quote Stake as saying "previously unknown relationships ... can be expected to emerge from case studies leading to a rethinking of the phenomenon being studied" (Stake 1981, p47). In the field of strategy process research, using case studies to develop theory has also been specifically advocated (Eisenhardt 1989a).

For these reasons then, a case study approach was selected as the most useful for this work. In particular, a mostly confirmatory (rather than exploratory) case study approach was deemed appropriate in order to make best use of the prior theory and literature base. This decision made, the chief consideration was, therefore, to ensure the rigour of the method employed.

Numerous authors have contributed to the debate concerning the use of case studies in marketing and strategy research. Throughout this work, the theme emerges of the need for careful design to achieve validity and remove bias. Obviously, the two seminal works in this area (Yin 1989, Miles & Huberman 1994) form the foundation for the design of the methodology and both works have been used extensively to design both data gathering and data analysis.

Usefully, however, the research design has also considered recent debate concerning the use of case studies to test theories (Johnston, Leach, & Liu 1999, Hillebrand, Kok, & Biemans 2001). This work builds on that of Yin and of Miles and Huberman, but also considers issues of independent verification (based on the work of

Hirschman1986) and establishing causal linkages. Both of these additional issues are problematic for this work. The first is practically impossible in the scope of a PhD. The second is rather contrary to the critical realist ontology, which eschews causal linkages in favour of causal or generative powers. However, both have been considered, if not totally accommodated, in the design of this research. Independent verification, if not practically possible, might be facilitated for future researchers by making the method transparent and the results verifiable. Independent verification was also, to some degree, accommodated by the use of an independent but marketing qualified transcriber, allowing verbal emphasis to be objectively recorded. In place of causal linkages, the nature of generative mechanisms or causal powers has been considered in the design of the research. Additional contributing ideas for the design of the research were taken from other authors in the area of case study research generally and marketing in particular (Harrigan1983, Bonoma 1985a, McDonald 1985, Mostyn 1985, Orlikowski & Baroudi 1991).

The recommendations of Yin, Miles and Huberman and the other authors (especially Robson1993) mentioned above were used to create a set of guidelines for the design of the research. This was not straightforward, as the authors' recommendations were each based on a particular ontological position and therefore sometimes conflicted with one another. Not withstanding that, it was felt useful to begin the research design with a set of broad specifications by which the method might be designed and evaluated. These specifications are presented below in Table 6 (page 63). Note, however, that they were intended to guide this particular research and are not proposed as generic tests for any case study. They are thought to be applicable however to this confirmatory, theory based study into marketing strategy making processes.

Table 6: Research Design Considerations

Element of research design	Consideration
Unit of analysis	This must be appropriate to the study and, in particular, must select those individuals with a first-hand knowledge of the phenomenon under investigation.
Sampling	The sample must be appropriate to the study in terms of relevance to the phenomenon under investigation; however, the sample must be suitably varied, so as to allow some claim of generalisability (or theory modification) to be supported.
Question areas	The question areas should be derived from the informing theory and prior knowledge to allow appropriate testing and falsification.
Question order and structure	Questions should be ordered and structured from the general to the particular, allowing the gradual development of the respondents' trust and explanation.
Causal links or underlying mechanisms	Questions should be structured to test not only the hypotheses but also to seek out causal powers within the phenomena.
Questioning technique	In order to optimise consistency across interviews, questioning should follow a structured document as much as possible. In order to reduce interviewer-induced bias, questions should be open, and free from value-laden terms.
Analytical coding	The analytical coding should be consistent with the questionnaire structure and therefore with the informing theory from which the questionnaire was derived.
Results collation and display	The results should be collated and displayed within and across cases both to test hypotheses and suggest underlying mechanisms.
Analysis transparency	All elements of the research design should be constructed and explained in such a way as to make the method both transparent and reproducible by an independent researcher.

4.3　　Method Description

The method used in this work is described in detail below. It is intended that the description is sufficiently detailed to allow other researchers to critique, replicate and improve upon this work. However, it is appropriate to begin with an overview.

The method involved the structured interviewing of three executives in each of fifteen medical companies (in fact, fifty interviews were eventually completed in eighteen companies). Each executive was selected as being closely involved in the organisation's marketing strategy making process. The interviews were guided by a structured questionnaire, the structure and construction of which was based upon the theory suggested by the literature review. The independently transcribed interviews were then analysed, using a template matrix derived from the theory to be tested. Construct operationalisation was based on the reviewed literature, using deliberately ordered open and directed questions in order both to test and develop theory. Although the method was fixed, the interview structure was tested and modified before use and the analysis template was applied, revised and re-applied during the interviews.

Unit of Analysis

The unit of analysis was taken as the marketing strategy making team. Since this was not always well defined, and access to entire teams was problematic, respondent companies were asked to provide interviews with three managers "closely involved with the development of the strategic marketing plan". Typically, this involved an SBU head (or Sales and Marketing Director), a marketing manager and a sales manager. This triumvirate was designated as the unit of analysis in order to avoid problems of single-respondent research (see, for instance, Bowman & Ambrosini 1997 and Van Bruggen, Lilien, & Kacker 2002). A copy of the recruitment correspondence is shown in Appendix 1 (page 244).

Sampling

Sampling was deliberate, although necessarily influenced to some degree by access constraints. The medical products industry was chosen as the arena for the research, primarily in order to facilitate a good understanding of the context and deep structure of the interviews. The researcher had more than twenty years experience in this sector and therefore was conversant with the industry jargon and market structure. This proved to be important at a number of levels. Firstly, it facilitated relatively fast and effective elucidation of the facts of the case, without spending a great deal of time on understanding jargon. Secondly, it encouraged the interviewees to speak openly to a "peer" who understood their situation. Finally, it meant that supplementary probing could be much more effective, when based on a knowledge of the underlying market structure and technology. Examples of this included being able to probe for complexity and turbulence associated with recent health service reforms, and clarifying real differences in propositions between competitors. A secondary but important reason for this sector choice was that it offered a large variety of case types, beneficial for proving or falsifying theory. Although all companies in the sector sold to the same or similar customer groups (i.e. healthcare providers such as hospitals), the sector was very fragmented. Each of the main sub-sectors (pharmaceuticals, in-vitro-diagnostics, medical consumables and medical equipment) was largely distinct from the others, reducing the risk of homogeneity in either sector culture or market conditions. A tertiary reason for selecting this sector was the pragmatic one of access, in which the researcher's industry knowledge and contacts were able to provide suitable samples. In total, fifty interviews were completed across eighteen companies. A descriptive, anonymous, list of participating companies is given in Table 7 (page 76).

Sources of Data

Although it was originally hoped to collect both interview transcripts and documentary evidence, the latter source was not used. Primarily, this was because case companies strongly resisted providing it. Corporate confidentiality policies played some part in this reticence, but the primary reason was the sensitivity of the individual. It rapidly

became clear that granting a verbal, even taped, interview was within the remit of all managers but that release of printed material inevitably required much higher authority. Sensitivity to this often threatened the entire case access and, interestingly, many respondents stated that the written plans were largely financial control documents and revealed little about the marketing strategy. Hence the transcribed interviews (and the accompanying notes) were the only sources of data used. This approach to data sources, whilst potentially foregoing some of the benefits of multiple sources, allowed extensive and usually very honest access to the case companies and the respondents.

Questionnaire Design

Questionnaire design began with Yin's recommendation to make explicit the questions that spring from the research, before attempting to frame them into a structured form and word them deliberately. The questions derived from the literature gaps, extant knowledge and theory and hypotheses were:

- What is the content of the marketing strategy of the organisation?

- What is the marketing strategy making process of the organisation?

- What external market conditions exist?

- What internal cultural conditions exist?

- What evidence of macrocongruence (or macroincongruence) is there?

- What evidence of microcongruence (or microincongruence) is there?

- Are there any other notable aspects of the case that have not been detected by the questioning?

These questions were then developed into a semi-structured interview guide as shown in Appendix 2 (Page 245). The ordering and wording

of the questions was developed using various texts on the subject (see for instance Foddy 1993) to ensure effective questioning. The development of the questionnaire then involved an initial script, based on the explicit questions, which was then pre-tested on numerous non-respondent marketing managers. This resulted in minor changes to question wording and order and more significant changes to the construct operationalisation.

The operationalisation of the constructs (strategy quality, macrocongruence and microcongruence) was based on the literature reviewed above. During the course of pre-testing, the sub-elements of each construct were revised to aid understanding and clarity, but open questions created to capture all factors. During this testing phase, the following points emerged as necessary improvements to the questionnaire:

1. What is the content of the marketing strategy of the organisation?

   It was found necessary to define marketing strategy explicitly as "that set of management decisions about which customers to focus upon and what to offer them", and to differentiate that carefully from purely promotional strategy. Further, it was clear that the extensive list of properties that distinguish strong marketing strategies from weak was too long, and in some cases not understood by the respondents. Hence four key areas of strategy content were selected, based on their importance (assessed from their use in the literature) and the ability of the respondents to discuss them. These were:

   - Target market definition; the homogeneity in terms of benefits sought or buying behaviour.

   - Proposition differentiation; the degree to which propositions were aligned to the specific needs of the target market.

   - SWOT alignment; the degree to which the choice of targets and propositions was intended to leverage the relative strengths and minimise the relative weaknesses of the organisation.

   - Strategy uniqueness; the degree to which target markets and value propositions differed from those of the competition.

- What is the strategy making process of the organisation?

The initial drafts of the interview guide used the three element concept of strategy making process derived from McDonald (McDonald1996). This seemed to work well and the final version of the interview guide used the concepts of rational planning, visionary command and incremental processes to guide the questioning.

2. What external market conditions exist and what evidence of macrocongruence (or macroincongruence) is there?

In initial interviews, the breadth of this question was found to be useful in eliciting a response. However, it was found necessary to follow initial broad questions with subsequent more directed questions in order help respondents understand the questions. The directed questions were based on two aspects of market conditions, market complexity and market turbulence, suggested by the literature.

3. What internal cultural conditions exist and what evidence of microcongruence (or microincongruence) is there?

It was found that after the initial open questions, it was necessary to probe for microcongruence specifically in relation to rational planning, visionary command and incremental processes. This was found to be useful in eliciting informative responses regarding microcongruence (and microincongruence).

4. Are there any other notable aspects of the case that have not been detected by the questioning?

This "catch-all" question was used to capture anything not previously uncovered and was found to elicit useful responses. The testing phase suggested it was useful to remind the respondent of the scope of the interview and ask for additional comments on any part of it.

The results of the testing phase were used to amend early drafts of the interview guide. The final version of the interview guide is shown in Appendix 2 (page 245).

Transcription and Analysis of Interviews

Each interview was tape recorded and transcribed. Transcription was carried out by a qualified, independent marketer in order to better capture specialist terms and avoid interpretation bias by the researcher during transcription. These transcripts formed the raw material for subsequent analysis.

Note that, after initial experimentation, the decision was made not to use a specialised qualitative data analysis software package such as NUD:IST or NVIVO. This decision was informed by a consideration of the literature discussing this choice (see, for example, Robson 1993, Fielding & Lee 1998, Cresswell 1998, Catterall & Maclaran 1998), but also on the basis of those initial experiments. It was felt that the advantages the software (e.g. convenience, consistency of approach) were outweighed by the disadvantages (e.g. inflexibility). Further, the researcher felt that the use of software would reduce the sensitivity of the analysis and place, to some extent, process before task. Hence a decision was made only to use Microsoft Word and its standard capabilities for adding comments and highlights.

Data reduction was carried out in five stages to minimise loss of detail and texture of the interviews:

a) Each interview transcript was heavily annotated using hand-written notes made at the time of the interview, whilst re-listening to the original interview tape. At this stage, every individual question and answer was annotated to explain its purpose (for questions) and interpretation by the researcher (for answers).

b) Each annotated interview was then coded using a coding matrix derived from the interview guide. Hence each meaningful statement was allocated an individual code and a mark. The mark corresponded to the degree to which the statement supported or refuted a statement in the analysis matrix. Typically, thirty to fifty statements were derived from each interview. This coding analysis of each interview was recorded on an interviewee-specific coding form (See Appendix 3 (page 247). Qualitative comments were also included on this sheet. The development of the analysis template went through

various stages as each case was analysed. Foremost among these were the sub-division (i.e. increasing numbers of categories) of case situations so that the data reduction did not lead to loss of insight. Similarly, the grading of the responses was developed from three points (agree, neutral, disagree) to five points (including moderated agreement and disagreement).

c) For each respondent company, the coding forms for all interviewees were collated and summated. The combined results for each case were recorded on a coding form identical to that used for individual interviewees. The values arising from this collation and summation were used as the basis for the assessments of variables in the research. Hence a semi-quantitative assessment of strategy quality, strategy process, market turbulence and complexity, macrocongruence and microcongruence was made.

d) A summary of all cases was recorded in a summary of results table, to enable easier cross-case comparison. The finalised version, showing the results deduced from the coding analysis, is shown in Table 11 (page 104).

e) For each respondent company, a narrative description of the case was created using both the results of the matrix analysis and the qualitative comments made during the interview analysis.

As the above description shows, data was gathered, reduced and analysed in a manner both to optimise insight and reduce bias. An assessment of the method validity is given in Section 4.4.

4.4   Assessment of Method Validity

The concept of method validity is problematic from any epistemological position. For instance, the critical realist assumption is that all methods are fallible (Robson 1993) and that "a realist conception of validity … sees the validity of an account as inherent, not in the procedures used to produce and validate it, but in its relationship to those things that it is intended to be an account of" (Maxwell & Delaney 1999, quoted in Robson 1993). The pragmatist

position, as discussed earlier (Section 4.1) adopts a similar position. Notwithstanding the assumption of ultimate fallibility, Robson summarises the work of various authors to provide a list of assessment criteria against which the potential trustworthiness of a piece of research might be assessed. This comprehensive framework was used to assess the reliability, construct validity, internal validity and external validity of this research, as discussed below.

Reliability

The four main sources of lack of reliability are error and bias in both the participant and the observer. This study allows for these as follows:

- Participant error: In this study, the most likely sources of participant error were misunderstanding of the question or being ignorant of the answer. To avoid the former, the interview question wording was repeatedly tested on non-participants with similar backgrounds to the participants. As a result, misleading terms were changed and additional explanation added where necessary. To avoid the latter, the case study companies were carefully briefed regarding the type of interviewee required, defined as "three members of the marketing strategy making team closely involved with the strategy making process, typically a Marketing Director, Marketing Manager and Sales Manager". At the start of the interview, interviewee role and involvement in the marketing strategy making process were confirmed. Finally, the interview questions were layered so that simple, possibly erroneous, initial answers were tested subsequently by supplementary questions.

- Participant bias: In this study, the mostly likely sources of participant bias were from participant perceptions about the "correct" answer to give. To avoid this, the nature of the research was not explained to the participants prior to the interview, other than that it was "examining the effectiveness of marketing strategy making processes in medical markets". Interestingly, there was relatively little espousal of prescriptive methods, arguably the most likely sign of participant bias.

Additionally, the interview guide was developed to avoid value-laden terms or indications of interviewer position. Finally, the interview questions were layered so that simple, possibly biased, initial answers were subsequently tested by supplementary questions.

- Observer error: In this study, the most likely source of observer error was misunderstanding of terminology or other specialised factors in the medical sector, for example, the important distinction between primary and secondary care or between the different components of the regulatory process. As already discussed, the choice of medical sector was made to reduce this error. Further, supplementary questions were used to clarify any terms that were not clear. Finally, the interview technique was developed to include summary questions specifically designed to check the interviewer's understanding with the respondent.

- Observer bias: In this study, the mostly likely sources of observer bias were existing views of the interviewer influencing questioning, transcription or analysis. To avoid this, the sample deliberately avoided market sub-sectors in which the observer had direct experience or an interest. Additionally, the transcription was carried out by an independent, qualified marketer and the observer's analysis tested, at a gross level, against the interpretations of that marketer. Finally, multiple levels of questions were used to counter the possibility of bias.

Construct Validity

Ensuring construct validity in case study research is naturally problematic. In this work, three constructs were employed (strategy quality, macrocongruence and microcongruence) that might have been expected to be unfamiliar to participants and therefore at risk of misunderstanding and invalid assessment. Partly, this risk was offset by the use of multiple informants. However, the most important technique used to ensure construct validity was to embed the supplementary questions firmly in the large body of existing knowledge concerning the three constructs. Techniques subsequent to the research, such as key informant feedback, were considered but

abandoned after poor results, arising from access problems, in pre-pilot work.

Internal Validity

The issue of internal validity or causality is, of course, closely related to the epistemological perspective. From the pragmatic perspective of this work, internal validity refers to the operation of underlying mechanisms by which macrocongruence and microcongruence influence strategy quality. In particular, internal validity refers to the plausibility of those mechanisms compared to any other possible influences on strategy quality. To ensure internal validity in this work, the analysis looked for both the hypothesised underlying mechanisms of macrocongruence and microcongruence (for instance, process failing to cope with market complexity, market turbulence or cultural factors) whilst adding open questions to uncover other possible factors. Non-hypothesised influences on strategy quality were considered in the context of the work of other researchers (for instance, Cook & Campbell 1979) who have catalogued possible threats to internal validity. In addition, the sample size and diversity were seen as defences against these threats to internal validity.

External Validity

The external validity or generalisability of this study was to some degree compromised by the deliberate sampling and analysis methods used to optimise internal validity. However, the study was considered against the four commonly recognised threats to external validity (LeCompte & Goetz 1982). In this context, neither the selection, setting, history nor construct effects would suggest that the results would not be generalisable beyond the sample, or to similar organisational settings.

In short, then, the research design was based upon the recommendations of the various respected texts in the field of qualitative case study research and augmented with arguments from the literature more specific to this work (i.e. a contingency approach to theory testing in strategy process from a pragmatist perspective). The methods developed from those recommendations were then examined for reliability, and for construct, internal and external validity using the concepts developed by other researchers.

The preceding explanation of the methods employed recognises the views of those (Shipman 1988) who ask: "Is there sufficient detail on the way the evidence is produced for the credibility of the research to be assessed?" It is intended that this section meets that criterion.

5 Presentation of Results

This section describes the findings of this work. It contains an overview of the respondent companies and individuals, the findings in terms of each variable examined, and the findings concerning the observed relationships between those variables. Finally, it gives a more detailed description of the cases both in the form of a cross-comparison summary, Table 11 (page 104) and short qualitative descriptions of each case in Section 5.5 (page 122).

This section concludes with a discussion of the structures emergent from this work. Note, however, that this section does not attempt to discuss the meaning of the findings; that is contained in Section 6 (page 202).

5.1 An Overview of the Respondent Companies and Individuals

In total, eighteen companies agreed to take part in the research. Of these, two were able to supply only one respondent and two supplied two respondents. With four respondents from one company and three from the remaining fourteen, the total sample was fifty respondents. An overview of the responding companies and cases is given in Table 7 (page 76).

As the table shows, the sample met the selection criteria of companies whose customers were clinicians or related professionals, whilst being varied in product type, industry sub-sector and size. The individual respondents all met the criteria of being closely involved in the marketing strategy making process of their organisation. In both respects, therefore, the sample was appropriate to the study of marketing strategy making in medical markets.

Table 7: Respondent Overview

Case	Company description	Respondents
A	The UK subsidiary of a global in-vitro diagnostics company, specialising in one type of technology	Marketing & Sales Director, Sales Manager, Marketing Manager
B	The UK Headquarters of a global medical device company, part of a larger conglomerate	Commercial Director, Sales Manager, Marketing Manager
C	The UK Headquarters of a mostly UK medical disposables company	Managing Director, Sales Director, Marketing Director
D	The UK Sales and Marketing subsidiary of a global pharmaceutical company, specialising in one therapeutic area	General Manager, Sales Director, Marketing Director
E	The Global Headquarters of a first rank pharmaceutical company, with many therapeutic areas	Sales Director, Marketing Director, Business Development Director
F	The UK Sales and Marketing subsidiary of a first rank pharmaceutical company, with many therapeutic areas	General Manager, Sales Director, Director of Strategic Planning, Financial Controller
G	The UK Headquarters of a first rank pharmaceutical company, with many therapeutic areas	Business Information Director
H	The UK Headquarters of a small medical equipment company, part of a larger multinational group with global interests	Marketing Director, International Sales Manager, UK Sales and Service Manager.
I	The UK Headquarters of a medium sized medical equipment company, part of a larger multinational group with global interests	Managing Director, Marketing Director, Sales Director
J	The UK Sales and Marketing subsidiary of a first rank pharmaceutical company, with many therapeutic areas	General Manager of Hospital Division, Group Product Manager
K	The UK Headquarters of a first rank medical disposables company with global interests	Marketing Manager, Internal Product Manager, UK Product Manager

Case	Company description	Respondents
L	The UK Sales and Marketing subsidiary of a first rank medical devices company	General Manager, Sales Manager, Marketing Manager
M	The UK Sales and Marketing subsidiary of a second tier global pharmaceutical company	General Manager, Marketing Manager, Sales Manager
N	The UK Sales and Marketing subsidiary of a first rank medical devices and pharmaceutical company	General Manager, Business Development Manager, Marketing Manager
O	The UK Headquarters of a small medical equipment company	Managing Director, Sales and Marketing Director, Marketing Manager
P	The UK Sales and Marketing subsidiary of a first rank pharmaceutical company, with many therapeutic areas	Marketing Director
Q	The UK Sales and Marketing subsidiary of a second tier pharmaceutical company, with many therapeutic areas	Marketing Director, Sales Manager, Medical Director
R	The UK Sales and Marketing subsidiary of a second rank medical devices and pharmaceutical company	Sales and Marketing Director, Sales Manager, Medical Affairs Manager

5.2 Findings for Each Variable

This section presents the results for the variables under consideration by way of a preamble to presenting their inter-relationships in Section 5.3 (page 100).

5.2.1 Strategy Quality

A reasonably clear division was found between those cases that met the conditions of a strong strategy and those that did not. Comparison of the cases revealed distinct differences between companies in the four areas of strategy quality used for evaluation, with only two companies having moderate strategies. The findings for strategy properties are summarised in Table 8 (page 80), a comparison of strategy properties.

Note that these characteristics are broadly in line with the properties suggested in the strategy content literature, but with some important degrees of difference. Hence, the findings of this work support but add interesting depth to the generalised assertions of that literature.

These results suggest that the general principals of strategy quality suggested by the literature are supported by this work but that they are moderated by the constraints of the industry setting. That is:

- Target market definition is rarely seen to consist of multiple homogeneous, distinct motivator-based segments as found in, for instance, consumer markets. Instead, strong strategies bear an initial resemblance to weaker strategies in their target definition. However, closer examination reveals tighter target definition both in product terms (for instance, sub-sets of product categories) and, importantly, by motivators. Strong strategies were notable for their use of "intangible" behavioural and attitudinal factors in defining their target markets. Weaker strategies were notable for failing to target at any level of detail below product or job-title category. The literature implies that such targets are neither homogeneous nor distinct, and the respondents' own comments supported heterogeneity amongst product-defined target groups. Hence, the target market definition of even the strongest marketing strategies observed

did not fully match the idealised descriptions in that multiple, distinct and homogenous segments were not seen. Instead, strong strategies were characterised by initial product market definitions then augmented by motivator based segmentation, usually resulting in only one or two target segments. This limited degree of market segmentation would seem to be associated with the limited options for organisational flexibility or agility open to the companies. These limitations seemed, in turn, associated with regulatory constraints and long development lead times. There remained, however, a clear difference in target market definition between strong and weak strategies. The latter used similar product market definitions but failed to overlay motivator based segmentation on top of that. Hence, despite not meeting the idealised target market definition of the literature, the target market definition property of marketing strategy strength would still appear to be a useful differentiator of strong and weak strategies.

- Value proposition differentiation is not seen to be as distinct as the literature would ideally have it. In particular, the core products (for instance, therapeutic agent, device or instrument) offered to different target groups were not seen to be highly differentiated. This would appear to be a result of product technical complexity and the associated "fixed" nature of the product. Such inflexibility is often amplified by regulatory constraints adding to both the costs and time of product variation. Similarly, pricing flexibility was limited by contractual and legal controls. In many market sectors, pricing of medical products is regulated by the government or else limited by the consolidated nature of the customer base.

Table 8: A Comparison of Strategy Properties

Strategy properties examined, in terms of idealised description from the literature	Characteristics of strong strategies found in this study	Characteristics of moderate strategies found in this study	Characteristics of weak strategies found in this study
The target market(s) are defined as groups of customers that are broadly homogeneous in their needs.	Target markets are defined by a tight product definition, but with additional focussing according to behaviour and attitudes.	Target markets are defined by product, but systematic targeting of resource is according to sales potential.	Target markets are defined by a product definition and no sub-targeting is visible within that.
The value proposition(s) are tailored to the specific needs of the target(s), across the breadth of the marketing mix.	A core product proposition is clearly "tiered" by levels of augmented product such as service and support. Alternatively, target customers are allowed to "tailor" propositions individually. There is clear evidence of alliances or other means of enabling the augmented product.	There is crude "rationing" of a fairly standard service and support offer according to potential, usually carried out at sales team level.	The proposition is largely standard across the customer base, with minimal tailoring of price at sales team level.

Strategy properties examined, in terms of idealised description from the literature	Characteristics of strong strategies found in this study	Characteristics of moderate strategies found in this study	Characteristics of weak strategies found in this study
The choice of target(s) and proposition(s) allows leverage of organisational strengths and minimisation of organisational weaknesses.	There is tightly defined focus, based on a combination of tangible and "cultural" strengths, combined with de facto avoidance of less attractive segments.	"Accidental" alignment is caused by the de facto selection by customers in the context of differentiated competitors.	There is poor appreciation of relative strengths and weaknesses, with alignment only at sales level.
The choice of target(s) and proposition(s) is significantly different from that of the competition.	Initial targeting is similar to that of the competition, but with sub-targeting on different motivational criteria. There are similar core product propositions but with distinctly different augmented products.	Very similar explicit targeting and propositions to the competition is improved by targeting and proposition refinement, within narrow limits, at sales team level.	Target description is identical to that of the competition and there is little proposition differentiation; often driven by "market follower" or benchmarking activity.

Instead of the segment-specific propositions suggested by the literature, strong strategies differentiated themselves in the nature of their augmented product with components of service and support. The best examples allowed for customer-specific proposition tailoring of an extensive augmented product including logistics management, financial management tools and training/educational packages. Examples of this included the uses of strategic alliances with third parties to enable such augmented propositions. At the other extreme, whilst weaker strategies included elements of service and support, they were only marginally differentiated between customers or target groups. Most frequently, this limited differentiation of the augmented product involved effectively rationing support on the grounds of business potential. This marked difference between proposition tailoring and service level rationing provided a useful distinction between strong and weak strategies. Hence, although the level of proposition variation between target segments was not as comprehensive as that suggested by the literature, value proposition differentiation between segments was seen and represented a useful point of distinction between strong and weak strategies.

- Alignment of relative strengths and weaknesses to external opportunities and threats was apparent in this work but was again less clear cut than suggested by the literature. It would appear that the capacity for SWOT alignment is limited by the tightly product-defined nature of much of the targeting. That is, the use of product-based criteria as the initial targeting basis precluded, to some extent, the alignment strengths to opportunities and weaknesses to threats suggested in the literature. Hence, SWOT alignment was less active, more passive, than expected, but still clearly visible. The best examples of SWOT alignment combined active focus and passive de-focussing. By this is meant that targets were selected and propositions defined to make best use of both tangible advantages (e.g. product features) and intangible, often culturally based, strengths (e.g. management skills, knowledge of sector economics). By contrast, the minimising of relative weaknesses was not done by actively withdrawing from certain customer groupings, but by the creation of a value proposition

which effectively alienated those groups. For example, the proposition comprised a combination of price, performance and service that was seen by cost-sensitive segments as unattractive. In cases of weaker strategy, the notable feature was ignorance of relative weaknesses (e.g. economies of scale, sales team size, support infrastructure) and a distorting subjectivity concerning the strength of product design or, commonly, customer relationships. This combination of ignorance and subjectiveness distinguished strategies with poor SWOT alignment. Hence differences between SWOT alignment are a useful differentiator between strong and weak strategies.

- Strategy uniqueness was also limited by practical constraints but remained a tangible difference between stronger and weaker strategies. The literature suggests that strong strategies both target different customers and offer different propositions when compared to competitors. In practice, the degree to which this happens is limited by the size of the market and its product-defined constraints. At first it appeared that even strong strategies defined the same targets as their competitors' strategies. However, closer examination revealed a sub-targeting, usually based on intangible motivators, that was distinctly different from competitors' strategies. In terms of the value proposition, the uniqueness of strong strategies was clearer. The value proposition was usually distinct and this differentiation was achieved, rarely, in the core product and, more usually, in the augmented service and support element. Hence the level of strategy uniqueness was confirmed as a valuable measure of strategy quality.

Hence this part of the data analysis provided the study with two useful contributions. Firstly, it provided clearly differentiated examples of strong, weak and moderate strategies. Secondly, it provided contextual depth to the literature concerning the ideal properties of strong strategies.

5.2.2   Strategy Process

Using McDonald's model of a three-component hybrid marketing strategy making process (see Section 2.4, page 23 and Figure 2, page 27), this work sought to understand the strategy process adopted in each case. The results imply that the model is a useful description of practice and an effective device for elucidating discussion on the subject.

An uneven distribution of hybrid marketing strategy making process types was uncovered within the sample, but a sufficient variety of types was studied from which to draw conclusions. In order of frequency of occurrence within this sample, the following hybrid types were noted.

- *Command and Incrementalism hybrids*
  A majority of the cases exhibited hybrid marketing strategy making processes that consisted of a core command process supplemented by an incremental process, with little or no indication of formal planning processes beyond budgeting procedures. Typically, this process involved a command process originated by a global headquarters in which the market was defined, the bulk of the proposition established and both objectives and resource limits set. In such cases, the marketing strategy was often a consequence of the research and development process outputs, although some limited feedback was always present. In some cases, this command process included, or was claimed to include, a rational planning element executed at headquarters. However, little evidence of strategic marketing planning being transmitted to subsidiaries was seen in these cases. The subsidiaries' part in marketing strategy making was an incremental process in which the political, experimental and cultural strands of incrementalism were most commonly observed. Formal test marketing was not observed and explicit feedback and monitoring processes were rare. However, some testing of promotional efforts was noted.

- *Command and Planning hybrids*
  A small but significant minority of cases exhibited marketing strategy making processes that consisted of a core command process supplemented by a rational planning process, with a significant degree of incrementalism as a minor strand. These appeared to be examples of command and incremental processes into which rational planning had been introduced to supplant the incremental process. As with command and incremental processes, such processes typically involved a command process originated by a global headquarters by which the market was defined, the bulk of the proposition established and both objectives and resource limits set. Noticeably, however, interaction between central and local or subsidiary processes was more obvious than in the command and incremental hybrid. In these cases, there was evidence that the command process was also based on some degree of rational planning. Such processes were characterised by use of planning techniques (e.g. portfolio management), and clear connectivity between central and local objectives. Incremental processes remained of the cultural and political type with little mention of market testing or other deliberate incrementalism.

- *Command, Planning and Incrementalism hybrids*
  A small sub-set of companies exhibited a fairly even hybrid of all three processes. This was similar to the command and planning hybrid, although with a noticeably stronger element of incrementalism. In these cases, the command parameters (as in the above processes) were taken as the framework for rational planning and incrementalism, sometimes in the form of special project teams, used to manage cases of localised turbulence (e.g. changes in the competitive environment). As before, political and cultural strands of incrementalism were clearly visible and more prevalent than deliberate incrementalism.

Of the eighteen cases examined, fourteen fitted into one of the three types of hybrid marketing strategy making processes described above. Each of those fourteen had a distinct, characteristic process and was not identical to any other case. However, the similarities

between them were sufficient to group them broadly as above, and as described in the summary of results Table 11 (page 104).

The remaining four cases were all capable of description by the model, but were sufficiently unique to warrant a specific description.

- Case B was in a transition phase, attempting to create a more planning oriented process from a formerly command and incremental process. Its current process was best described as planning plus incrementalism. However, as will be discussed later, the planning component of the process was not yet embedded and was still hindered by cultural habits associated with command.

- Case O was an unusually pure form of command, with virtually no rational planning (other than tight budgeting processes) and some incrementalism (that was itself hindered by a command culture). This company was partly owned by venture capitalists and the external control pressures were high and facilitated by a strong leader.

- Case K showed noticeable differences between the espoused process (planning and incrementalism) and that suggested by actual behaviour (command and incrementalism). There was evidence of politicisation and strong command processes, but little sign of rational planning. The best interpretation of this case was that it was a command and incrementalism process which was trying to "fake" planning because it perceived that to be a more desirable status.

- Case P is qualified by being only one respondent, with all the limitations on data reliability that implies. However, it also contains interesting contrasts between the espoused process (planning and incrementalism) and that suggested by actual behaviour (strongly command). There was evidence of a strongly harmonised formal process but this appeared to be a very centrally driven procedure. The best interpretation of this case was of a command process attempting to use planning as a means of centralising control.

All of the respondents in the study recognised the sub-processes suggested by the McDonald model, and the interviews suggested that it was a useful tool for facilitating discussion on the topic. From the findings of this part of the work, two salient points emerge that will be discussed later. Firstly, an uneven distribution of process was visible, with command processes being prevalent. This may be an artefact of the capital intensive, research driven and regulated nature of the industry used for this research, in which much of the strategy is, of necessity, prescribed by centralised product development choices. Secondly, a suggestion of process evolution emerges as organisations shift from command and incremental hybrids to processes containing a more even distribution of all three sub-processes.

5.2.3   Market Conditions of Complexity and Turbulence

This work sought to understand the difference in market conditions between different cases. The questioning structure was designed to uncover salient market conditions by open probes and then to focus on those two dimensions (complexity and turbulence) suggested by the literature. Despite this approach, no salient market feature other than complexity or turbulence emerged from the questioning.

Both complexity and turbulence were taken to be multifactorial, and respondents were probed in terms of the customer environment, channels to market, competitors and macroenvironmental factors such as political, economic, social and technological trends. From this questioning emerged clear differences between cases at the level of individual factors (e.g. customer complexity, or technological turbulence). However, when consolidated, there was an uneven distribution of market conditions. Overall, the majority of the cases were in stable environments and high levels of market turbulence were rare. Conversely, the level of complexity of the market conditions was more evenly spread, with both complex and simple markets present. This overall distribution is not, on reflection, unexpected. The nature of the industry studied (regulated and for the most part mature) would imply stability, whilst the spread of case types might be expected to provide a variety of levels of market complexity. Hence the sample provided sufficient examples of

differing market conditions to aid generalisation, although a bias towards stable markets was found.

The differing conditions found are summarised below and in more case-specific detail in Section 5.4 (page 103).

Market Complexity

The most important difference in market complexity between cases was that of the customer environment. These were found to vary in terms of market breadth, decision making complexity and geographical spread. In terms of market breadth, cases ranged from very tightly defined "niches within niches" to broad markets containing multiple therapeutic areas, each of which contained sub-sectors. The nature of the decision making process ranged from the individual clinician to a complex, formalised, multilevel decision making unit. Finally, the customer environment varied in level of geographical spread, from single country to global presence. This range of customer complexity was the most salient of all the variations in market conditions encountered in the study.

After customer environment, channel to market was the next most significant variance in market complexity between cases. The majority of cases dealt directly with clinicians and a relatively minor role was attributed to distributors or other channels. However, in some cases distributor channels were significant and in rare cases multiple levels of distribution were involved.

The third, and least significant, variance in market complexity between cases lay in the competitive environment. For the most part, the markets were well established and consolidation had reduced the competitive environment to a small number of major, established competitors. In a small number of cases, the competitive environment was a little more complex with multiple rivals falling into two or three broad types. However, complexity of the competitive environment was not a major differentiator between cases.

Market Turbulence

Overall, the level of turbulence in the markets examined by this study was noticeably lower than the level of complexity. As mentioned previously, respondents frequently pointed to the regulatory environment and product complexity as the reasons for this relative stability. However, variance in market turbulence between cases was noted and two main sources of turbulence (the customer and the technological environments) were commonly cited.

Changes in the customer environment were the most frequently mentioned sources of turbulence. Most common among these were administrative changes to customer buying processes associated with reforms of health service providers. Consolidation and professionalisation of purchasing was also relevant in this context. The second customer environment factor mentioned was that associated with market development, either geographical or product sector related, leading to changes in the market addressed by the strategy making process.

Technical changes were the second most commonly raised sources of market turbulence. These included direct changes, such as product development within the sector, or more fundamental market changes associated with two major technological developments in the industry, namely information technology and genomics.

It was notable, however, that some cases reported no significant turbulence and others turbulence only in one aspect of the market. Hence for most cases, the market was relatively stable. Only in a minority of cases was there turbulence in several aspects of the market at once and hence an overall turbulent environment.

The distribution of cases across levels of market complexity and turbulence is illustrated in Figure 4 (page 90). Note that this chart merely attempts to position each case relative to the others. The method and the data are inappropriate to suggest any absolute measure and this must not be inferred.

Hence this part of the research reveals a distribution of cases across market conditions and adds depth to the literature-derived constructs of market complexity and market turbulence.

Figure 4:

Distribution of Cases in Terms of
Relative Market Complexity and Market Turbulence
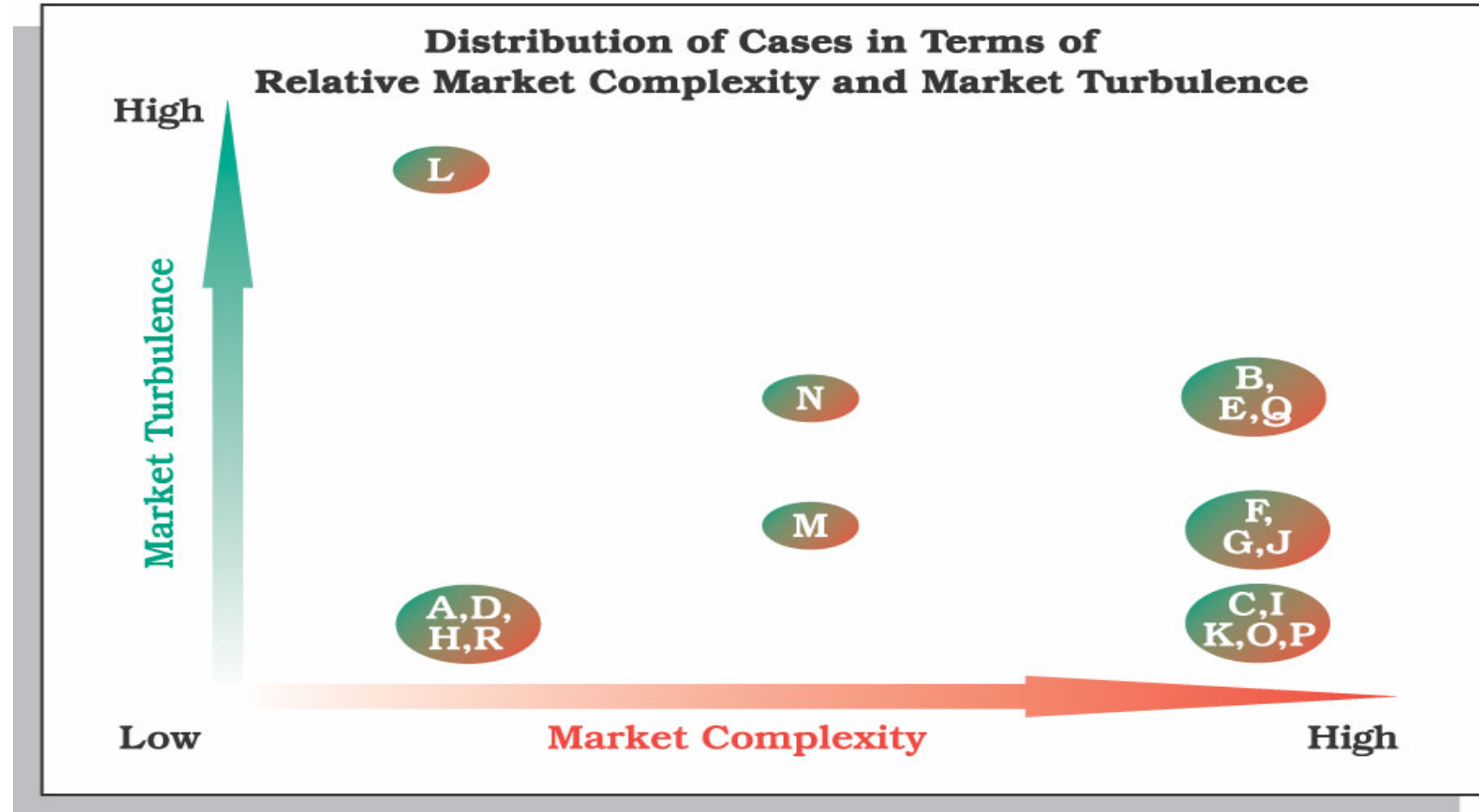
5.2.4 Macrocongruence

This work sought to identify and understand macrocongruence and macroincongruence, i.e. the manner and degree to which the hybrid marketing strategy making process succeeded or failed in managing market conditions effectively. The interviews probed first for any type of macrocongruence (or macroincongruence) between the market and the strategy process and then, with more directed probing, for examples of macrocongruence with respect specifically to market complexity or market turbulence. Hence both the degree of macrocongruence and its nature were explored.

Analysis of the interviews indicated clear differences between cases in terms of the macrocongruence. Further, the findings illustrate the nature of macrocongruence beyond the theoretically based concept described in Burrell and Morgan's work. The common themes which emerged are shown in Table 9 (page 92). The relative degree of macrocongruence, along with the relative degree of microcongruence, is shown in Figure 5 (page 98).

These results indicate that congruence between the hybrid marketing strategy making process and the market environment was exhibited by a number of artefacts of the process.

The manner and degree to which the process managed market complexity was demonstrated by clarification and understanding of different parts of the market environment. Prominent amongst these were the understanding of major macro-environmental factors, such as the advent of genomics or the convergence of technologies. Cases with congruent processes were notable in their recognition of such factors. Also important was the way in which congruent strategy processes appeared to clarify customer and competitive environments and to co-ordinate responses. Cases with congruent processes were more likely to report "organised" and "structured" views of the market. Macroincongruent cases more frequently reported either a confusing, fragmented picture or a very simple, homogeneous picture of the market. Also frequently reported was the manner in which macroincongruent processes were prone to subjective and uneven

Table 9: Examples of Macrocongruence and Macroincongruence

	Complexity	Turbulence
Macro-congruence	Effective communication of macroenvironmental factors and their implications (e.g. regulatory or demographic changes).	Effective screening of new product opportunities at an international level.
	Effective understanding of market segmentation complexity (especially regarding intangible motivators).	Rapid transfer of effective responses to market turbulence across geographical boundaries.
	Clear understanding of the attractiveness of alternative segments beyond segment size.	Early identification of the combined implications of macroenvironmental changes such as technology and globalisation.
	Clarification and "stratification" of competitive threats.	Forewarning of competitive threats arsing in other markets.
	Coherence between local and international objectives.	Efficient knowledge transfer within market by the use of ad hoc teams
	Coherence across geographical strategies.	
Macro-incongruence	Failure to give due weight to local market factors when consolidating plans.	Reduction in speed of innovation created by centralised or bureaucratic processes.
	Undue weight given to personal opinions of key individuals, especially when data is not available.	Failure of fixed planning schedules to allow for shortening life cycles or unplanned contingencies.
	Irrational screening of market data when it is consolidated across markets.	Weakness in learning from previous turbulence, especially when staff turnover or merger/ acquisition occurs.
	Failure to evaluate properly some intangible data (e.g. relationship strength) and undue emphasis given to "hard" data.	Failure to understand temporary market anomalies.
	Failure to understand significant differences between market sectors.	

assessment of market situations. This was demonstrated in the management of market complexity during the consolidation of plans from product and national to business and international. Cases which reported process incongruence with the market complexity cited undue political influence, combined with inconsistent "screening" or selection of data. This was especially true when quantitative data was in short supply and the market complexity was the result of an intangible factor, for instance relationship strength.

The manner and degree to which the process managed market turbulence was demonstrated by both faster responsiveness to change and more rapid communication between organisational sub-units, such as geographical subsidiaries. This was commonly seen as rapid assimilation and communication of important implications of market turbulence, such as changes in the technical or regulatory environment. The visible artefacts of this were transfer of knowledge from leading markets to following markets. Examples of this were cited for competitive launches, changes in customer behaviour and the convergence of technologies. A commonly cited example of macrocongruence was of command and incremental processes driving product strategy based on the experience of the lead market (usually the US). By contrast, cases which exhibited macroincongruence in relation to market turbulence demonstrated examples of their process reducing responsiveness and internal communication. Most frequently, this was cited as strongly bureaucratic processes reducing freedom to re-allocate resources in the face of changed market conditions. This was most notable when those changes occurred at "inconvenient" times in relation to a planning or budgeting cycle. When, as in many of the cases, staff turnover or merger/acquisition activity had recently taken place, responsiveness to change was further hindered because the learning from previous turbulence had been lost.

Hence this part of the research showed differences between cases in terms of the degree to which their hybrid marketing strategy making process managed market complexity and turbulence. Further, these findings add depth to the nature of macrocongruence beyond its literature-derived definition.

Table 10: Examples of Supportive and Hindering Cultural Artefacts

Process component	Supportive cultural artefacts	Hindering cultural artefacts
Command	Clear demarcation between the roles of central and local resource allocation.	Strong financial drivers combined with autocratic style reducing mutual trust.
	Autonomy of SBUs within an agreed strategic framework.	Turnover or ideologically fragmented Top Management Team leading to confused or contradictory messages.
	Multiple, rather than annual, linkages between central and local processes.	Meddling of senior management in relatively small scale but politically high-profile decisions.
	Small, ideologically coherent Top Management Teams.	
	Highly quantitative Management information systems.	Locally strong culture at variance with command culture leading to local resistance.
	Stable Top Management Teams and enculturation of newcomers.	
	Close monitoring of performance indicators by functional "Barons".	
	Leadership of globally homogeneous market by most advanced market.	
	Product led cultures and technically complex products.	
	Leadership autocracy and Venture Capitalist pressure.	
	Rigorous and short term financial measurement.	

Process component	Supportive cultural artefacts	Hindering cultural artefacts
Planning	Prevalence of formal planning knowledge and skills. Top Management Team endorsement of rational approaches. Rapid increases in business complexity (e.g. via acquisition) allowing a basis for challenging former non-planning processes. Acceptance of the need for market research and allocation of appropriate resources. Market, rather than product, oriented IT systems. Dedication of resource to extensive internal communication processes. Appointment of new, external, managers with planning orientation. Allocation of time and resources to planning skills training or consultancy. Process driven approach within a command framework. Cross functional working between departmental silos.	Belief in primacy of product or technical knowledge or skills. Belief in primacy of hard data over soft, intangible, data. Resistance to use of formal information and control systems. Reluctance to speak out openly, often a cultural "lag" effect from former command processes. De facto isolation of planners, either self imposed or imposed by other functions. Adherence to rigid planning processes. Weak habits of communication across functions. Fear of data costs, often a cultural lag of command cultures.

Process component	Supportive cultural artefacts	Hindering cultural artefacts
Increment-alism	HR policies designed to provide staff with skills greatly superior to nominal role. Symbolism and example to reduce blame culture. Demarcation of large and small decisions between management levels. HR policies designed to reduce turnover. Actively managed cultures, by identification and communication of core beliefs. Reduction in level of quantification required for decisions, allowance for decision makers' "instinct". Habits of small, incremental, proposition changes rather than discontinuous proposition changes. Development of clusters of expertise within functions. Habits of measurement and feedback on incremental changes.	Bureaucracy of decision approval. Flat structures, requiring multiple peer approval rather than approval by a limited number of superiors. Technical complexity of R&D projects, increasing lead times and costs. Interference by senior management with relatively low level changes to resource allocation. Belief in primacy of hard data, increasing the barriers to change. Requirements to justify financially incremental change to a detailed level. Close management control (e.g. low budget approval limits on managers). Weak communication processes across functions.

5.2.5   Microcongruence

This work sought to identify and understand microcongruence and microincongruence, i.e. the manner and degree to which the hybrid marketing strategy making process was supported or hindered by the organisational culture. The interviews probed first for any type of microcongruence (or microincongruence) between the organisational culture and the strategy process and then, with more directed probing, for examples of microcongruence with respect specifically to rational planning, visionary command and incremental processes. Hence both the degree of microcongruence and its nature were explored.

Analysis of the interviews indicated clear differences between cases in terms of microcongruence. Further, the findings illustrate the nature of microcongruence beyond the theoretically based concept described in Burrell and Morgan's work. The common themes which emerged are shown in Table 10 (page 94). The relative degree of microcongruence, along with the relative degree of macrocongruence, is shown in Figure 5 (page 98)

The findings indicated a wide variety of ways in which organisational culture supported or hindered hybrid strategy making processes. These cultural artefacts were not always discrete and defined and, to an extent, they overlapped. However, it was possible to discern a set of organisational artefacts that supported or hindered each component of the hybrid marketing strategy making process.

Rational processes were supported by three sets of cultural artefacts that have been commented upon by earlier researchers: top management support, knowledge and skills of planning techniques and appropriate information systems. In addition, this work suggested that a deliberate attempt to communicate market-oriented values within the company was also necessary. These cultural conditions had most often been met by a set of deliberate actions to attempt cultural change, such as recruitment of new senior executives from already planning-oriented firms, the recruitment and training of marketing-trained managers and the use of extensive

Figure 5:

Distribution of Cases in Terms of
Macrocongruence and Microcongruence
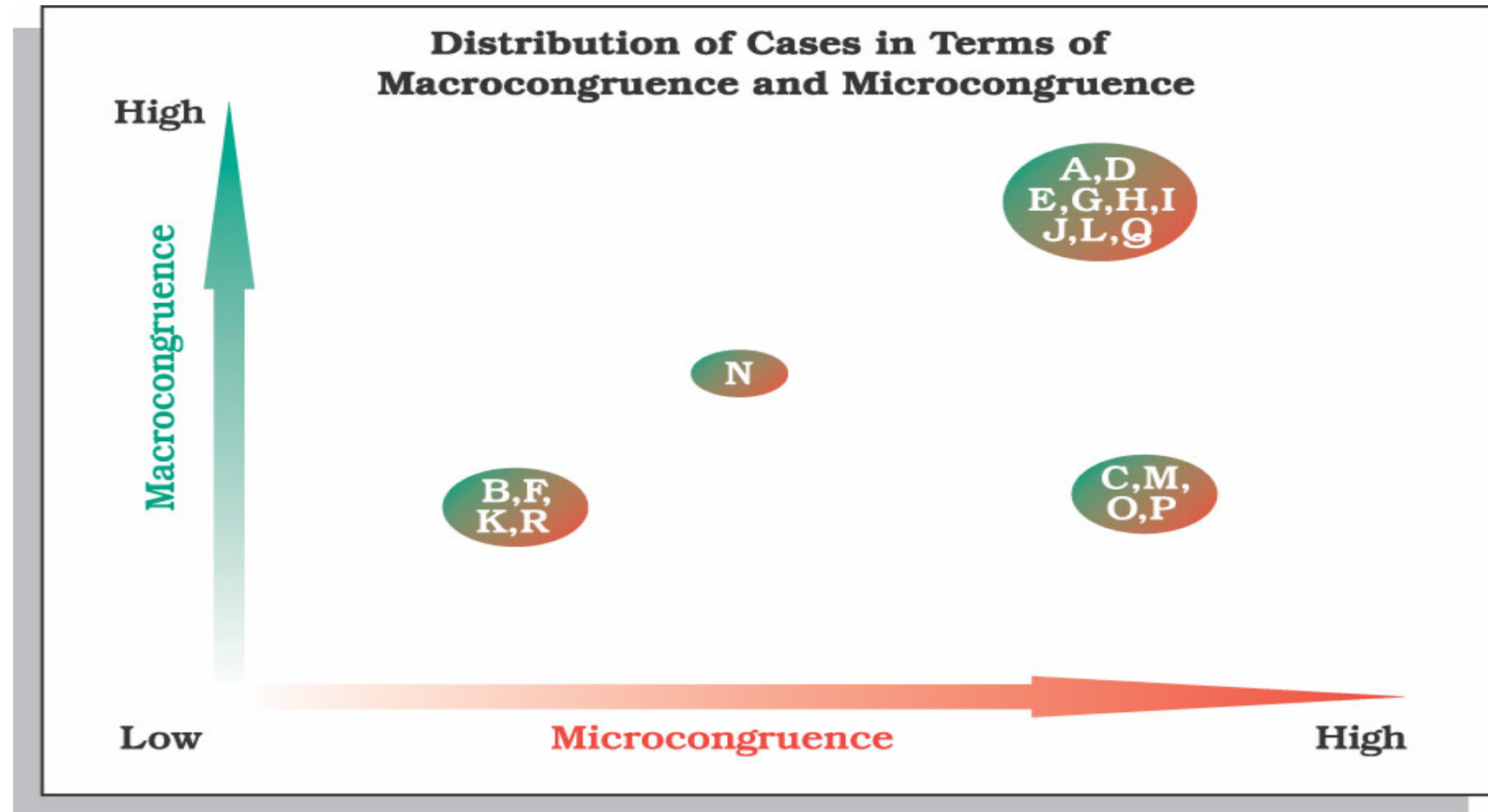
internal communications programmes to embed market-oriented assumptions. Conversely, rational processes were hindered by the lack of the preconditions mentioned above. Notable artefacts mentioned as hindering planning included autocratic objective setting, senior management meddling in low level projects and cultural resistance to speaking out. Often, it was mentioned that formal planning was hindered by the obedient but restrained habits of communication that were previously associated with command processes. Another aspect of this was the limitation on cross-functional working (a planning-supportive element of some cultures) created by a rigid management by objectives process. Finally, budgetary control habits that did not allow for "unjustifiable" resources such as market research were seen to hinder planning processes.

Visionary command processes were supported by cultures that clearly demarcated resource allocation responsibilities between senior and middle executives. Notable amongst these cultures were habits of "acceptance" of strategic frameworks from above and the corresponding willingness of senior executives to allow freedom of action within that framework. Visionary command processes were also supported by compact, tightly knit management teams sharing similar views. Such teams often used detailed financial measurement systems to enable control. Conversely, visionary command processes were hindered by either staff turnover or disagreement within a top management team, which led to confusion over objectives and strategy. Similarly, lack of clear demarcation between roles (of senior executives and their subordinates) was seen to lead to lack of mutual trust and reluctance to execute strategies.

Incremental processes were supported by cultures that clearly identified the scope of incremental resource allocation and enabled incremental decisions. Foremost amongst these were human resource and management practices that allowed incrementalism. Examples of these included apparent "overskilling" in key roles, such that some individuals were recruited and trained "above" their nominal role in order to enable incremental development of the strategy at ground level. Where strategy development was necessarily carried out at a higher level, systems to measure and evaluate the results of incremental changes had been put in place. Another

notable, yet intangible, action to enable incrementalism was the use of symbolism and example by senior managers to reduce "blame" cultures, seen to limit incrementalism by middle and junior managers. Finally, the reduction of the burden of proof in justifying incremental actions was also notable. This ran parallel to a cultural belief in managers' instinct as a guide to decision making. Conversely, incrementalism was seen to be hindered by lack of skills, fear of blame and high justification barriers. This latter factor included both formal barriers (e.g. strict pay-back time requirements) and less tangible barriers, such as bureaucratic systems which were expensive in terms of management time.

Hence this part of the research showed differences between cases in terms of the degree to which their hybrid marketing strategy making was supported or hindered by the organisational culture. Further, these findings add depth to the nature of microcongruence, beyond its literature-derived definition, by elucidating those parts of the culture which hinder or support different process components.

5.3   The Relationships Between the Variables

Section 5.2 presented the findings for each of the variables under discussion for each case: strategy quality, market complexity, market turbulence, macrocongruence and microcongruence. In all cases, variance was seen between the cases, but no attempt to associate or correlate those variables has yet been made.

This section presents the findings of this work in terms of the interrelationship between those variables. These relationships are the basis of the model proposed in Section 3.2 (page 46) and the propositions cited in Section 3.3 (page 51). The implications of these relationship findings for the model and propositions are discussed in Section 6 (page 202).

5.3.1 The Relationship Between Strategy Quality, Macrocongruence and Microcongruence

This section considers the relationship between strategy quality and the degree to which the hybrid marketing strategy making process is congruent with its organisational and market environments. In doing so, it brings together the findings reported in Sections 5.2.2, 5.2.3 and 5.2.4 (beginning page 84).

The findings are visualised in Figure 6 (page 102) Strategy Quality in Relation to Macrocongruence and Microcongruence. This demonstrates that strategy quality is unevenly distributed across the range of macrocongruence and microcongruence and suggests an association between them.

All of the cases which met closely the conditions of a strong strategy also exhibited high levels of macrocongruence and microcongruence. The exception to this was Case G, which scored only moderately highly in terms of strategy quality. However, this case contained only one respondent and its validity was therefore questionable.

The cases which did not meet the conditions of a strong strategy exhibited lower levels of microcongruence or both microcongruence and macrocongruence.

Only one case did not fit this pattern. Case N exhibited moderate levels of macrocongruence, microcongruence and strategy quality.

Hence this part of the research indicates a demonstrable association between macrocongruence, microcongruence and strategy quality. This association suggests support for the Burrell and Morgan congruency hypotheses, as will be discussed in Section 6 (page 202).

Figure 6:

Strategy Quality in Relation to
Macrocongruence and Microcongruence
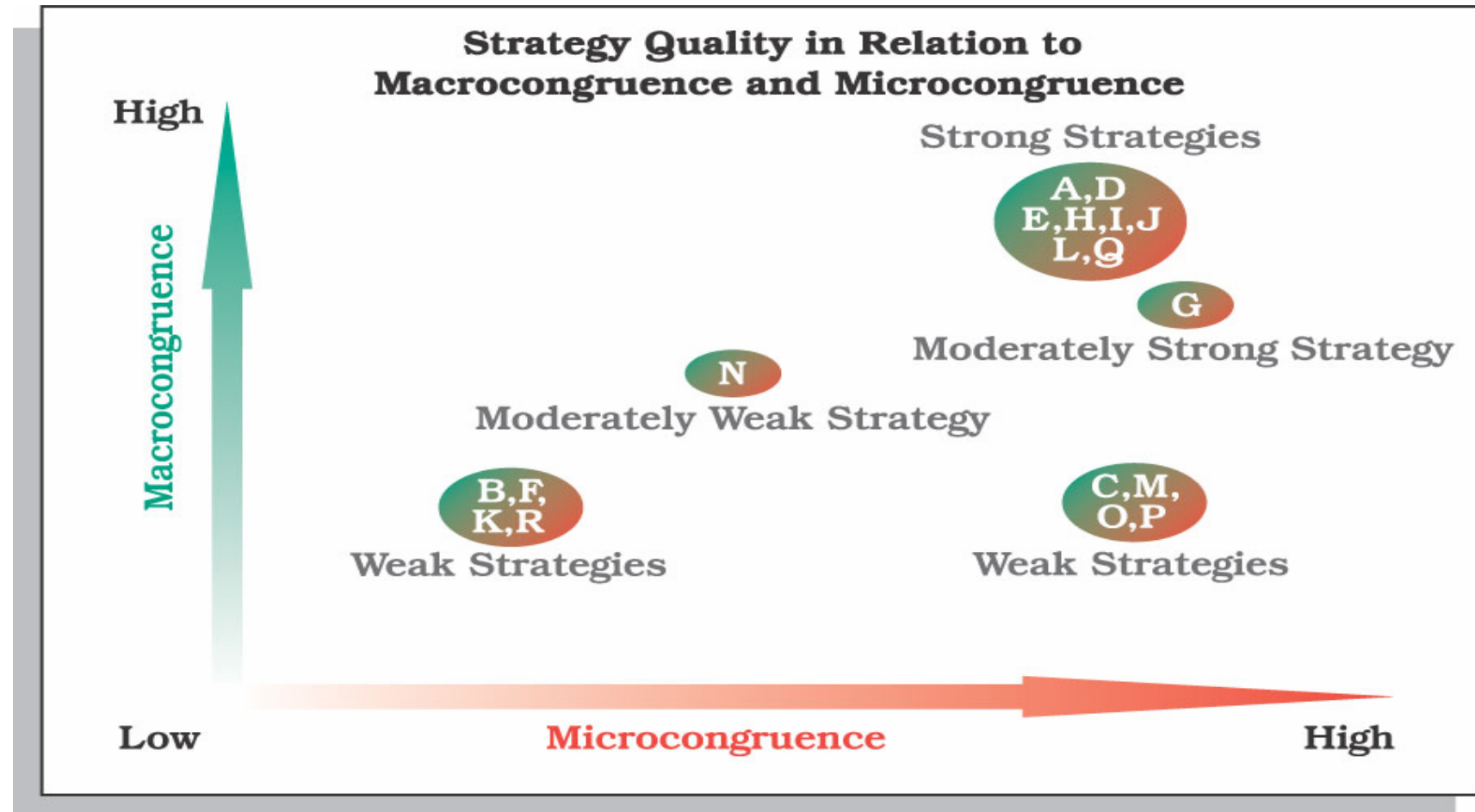
5.4 A Summary of the Results for Each Case

This section summarises the findings for each case in order to allow cross-comparison between cases.

An explanation of the column headings is as follows:

Case
All cases have been identified only by a letter for reasons of confidentiality. An outline description is given in Section 5.5 (page 122).

Implications for the congruency hypotheses
This column indicates whether the case provides support or otherwise for the Burrell and Morgan congruency hypotheses. That is, if strong strategy is associated with a hybrid marketing strategy making process that is both macrocongruent and microcongruent.

Strategy quality
This column indicates the strength of the marketing strategy in terms of whether or not it exhibited the properties of a strong marketing strategy.

Strategy process
This column indicates the nature of the hybrid marketing strategy making process in terms of the three components suggested by McDonald's model.

Market conditions
This column indicates the nature of the market conditions in which the case operated, in terms of market complexity and market turbulence.

Macrocongruence
This column indicates the level of macrocongruence observed between the hybrid marketing strategy making process and the market conditions.

Microcongruence
This column indicates the microcongruence observed between the hybrid marketing strategy making process and the organisational culture.

Supporting or hindering cultural artefacts
This column indicates the nature of any observed cultural artefacts that were seen to support or hinder the hybrid marketing strategy making process.

Table 11: A Summary of the Results for Each Case

Case	Implications for congruency hypotheses	Strategy quality	Strategy process	Market conditions	Micro-congruence	Macro-congruence	Supporting and hindering cultural artefacts
A	Supports	Strong Motivator targeting within a defined market Complex, tailored augmented product	Command plus incrementalism	Stable and simple	Yes Slight signs of financial control strain due to preparations for IPO	Yes Slight signs of strain due to international complexity	Planning hindered by product-led culture and accompanying technical skill sets Incrementalism supported by HR policies and blame reduction symbolism Command supported by role demarcation and acceptance, hindered slightly by IPO driven demands reducing trust

Case	Implications for congruency hypotheses	Strategy quality	Strategy process	Market conditions	Micro-congruence	Macro-congruence	Supporting and hindering cultural artefacts
B	Supports	Weak Proposition tailoring to a very limited degree Failure to segment, despite deliberate effort	Planning and some incrementalism (change from formerly strongly command)	Complexity arising from both breadth of market and international variation Moderate turbulence, arising mostly from changes in customer processes	No Remnants of command culture hinder feedback and MIS system usage	No Signs of both complexity and turbulence incongruence	Planning enabled by formal qualifications, resource allocation to research, top-level commitment and IT systems Planning hindered by primacy of hard data assumptions, lack of system use and lack of feedbacks, due to cultural lag from command culture

Case	Implications for congruency hypotheses	Strategy quality	Strategy process	Market conditions	Micro-congruence	Macro-congruence	Supporting and hindering cultural artefacts
C	Supports	Very weak No indication of segmentation Little targeting	Strongly command, with some incrementalism	Complexity arising from spread of businesses Stability due to mature markets	Yes Very strong shared assumptions within small top management team	No Failure to grasp complexity of variances between sectors and segmentation within sectors	Command process supported by small management team with similar backgrounds and historical habit of command acceptance Incrementalism limited to small decisions

Case	Implications for congruency hypotheses	Strategy quality	Strategy process	Market conditions	Micro-congruence	Macro-congruence	Supporting and hindering cultural artefacts
D	Supports	Strong Motivator targeting within a defined market Complex, tailored augmented product	Command plus incrementalism	Stable and simple	Yes Role demarcation, autonomy and acceptance of central command	Yes Slight signs of international complexity strain	Command supported by role demarcation and acceptance Incrementalism supported by low staff turnover and actively managed culture

Case	Implications for congruency hypotheses	Strategy quality	Strategy process	Market conditions	Micro-congruence	Macro-congruence	Supporting and hindering cultural artefacts
E	Supports	Strong Good understanding of segments Good proposition tailoring	Relatively even hybrid of all three processes	Complexity arising from multiple sectors and international variations Moderate turbulence arising from changes in customer processes	Yes Very deliberate cultural change and internal communication process led by changes in senior management	Yes Sampling at HQ level may hide some international complexity incongruence	Planning supported by senior appointments from outside industry, formal training and extensive internal communication processes Incrementalism supported by culture of encouraging suggestions, reduction in "quantifying" justification of smaller decisions

Case	Implications for congruency hypotheses	Strategy quality	Strategy process	Market conditions	Micro-congruence	Macro-congruence	Supporting and hindering cultural artefacts
F	Supports	Weak No indication of real segmentation or targeting except at sales team level	Command plus incrementalism	Complexity arising from multiple sectors Moderate turbulence arising from changes in customer processes	No Command type culture hindering incrementalism	No failing to grasp market complexity	Command supported by acceptance and quantitative management information systems Incrementalism hindered by reluctance to act independently (remnants of command culture) Recent attempts to introduce more planning not yet visible Interesting example of cultural lag between leaders and sub-ordinates, with subordinates retaining command mentality

Case	Implications for congruency hypotheses	Strategy quality	Strategy process	Market conditions	Micro-congruence	Macro-congruence	Supporting and hindering cultural artefacts
G	Partially supports	Moderately strong Targeting weak Proposition and SWOT alignment moderate	Command and planning Intended incrementalism neutralised by culture	Market complexity arising from multiple sectors Stable with recent local turbulence from changes in customer processes	Yes Limits on micro-congruence to incrementalism	Yes Limits on managing turbulence due to hindered incrementalism	Planning supported by clear processes and command framework Command supported by frequent interconnects between local and higher processes, plus acceptance Incrementalism hindered by size, bureaucracy and flat structures

Case	Implications for congruency hypotheses	Strategy quality	Strategy process	Market conditions	Micro-congruence	Macro-congruence	Supporting and hindering cultural artefacts
H	Supports	Strong Product defined target but homogeneous niche Proposition leverages competencies well	Strongly command plus incrementalism by governing cabal	Simple and stable – international complexity a recent addition	Yes Strongly microcongruent inherited from family founder Evidence of recent transition in culture	Yes Only within home market; evidence of international problems	Command supported by history and stable staff, strong cohesion and enculturation in management team Incrementalism enabled by closely related product development and high levels of focussed expertise Rationalism hindered by embedded fears of costs such as research Indications that command is vulnerable to turnover of key staff

Case	Implications for congruency hypotheses	Strategy quality	Strategy process	Market conditions	Micro-congruence	Macro-congruence	Supporting and hindering cultural artefacts
I	Supports	Strong Well defined targets in a tight niche Complex augmented proposition	Mostly planning, within a command framework, some promotional incrementalism	Internationally complex and stable Anticipated discontinuous change not yet realised	Yes Planning oriented central cabal with strong leader	Yes Seems to cope well with complexity Unrealised fear of discontinuous IT change	Planning supported by committed leadership, formal training and belief in tools Command supported by role demarcation and autonomy Incrementalism hindered by R&D complexity, supported by measurement and feedback

Case	Implications for congruency hypotheses	Strategy quality	Strategy process	Market conditions	Micro-congruence	Macro-congruence	Supporting and hindering cultural artefacts
J	Supports	Strong Exceptional use of segmentation Good use of proposition tailoring	Strongly planning within a command framework, plus topical incrementalism to manage localised turbulence	Market complexity from multiple sectors Mostly stable with localised turbulence from changes in customer processes	Yes Planning well established and acceptance of command from international headquarters	Yes Copes well with market complexity and manages local turbulence with formalised incrementalism	Planning supported by formal processes, designed by consultant Cross functionalism, driven by needs of larger company

Case	Implications for congruency hypotheses	Strategy quality	Strategy process	Market conditions	Micro-congruence	Macro-congruence	Supporting and hindering cultural artefacts
K	Supports	Weak No indication of segmentation or proposition targeting	Espoused planning, but apparently strongly command via "planning" processes and political incrementalism	International complexity and stability	No Command process isolated from implementers	No Fails to cope with complexity of segmentation and international variance	Command supported via tight financial controls and close monitoring by "Barons" Planning disabled by planners' isolationism and rigid communication

Case	Implications for congruency hypotheses	Strategy quality	Strategy process	Market conditions	Micro-congruence	Macro-congruence	Supporting and hindering cultural artefacts
L	Supports	Strong Motivator sub-segmentation in a tight niche Tailored proposition including strategic partnering	Strongly command plus local incrementalism for the augmented proposition	Simple and turbulent – relatively young in PLC	Yes Clear acceptance and demarcation	Yes Helped by US leadership of global market	Command enabled by acceptance of US leadership for core technology, global market homogeneity and demarcation of augmented proposition building Incrementalism supported by HR recruitment and retention policies

Case	Implications for congruency hypotheses	Strategy quality	Strategy process	Market conditions	Micro-congruence	Macro-congruence	Supporting and hindering cultural artefacts
M	Supports	Weak No indication of segmentation or proposition tailoring except marginally at sales level	Command plus some limited local incrementalism Very recent attempts to introduce planning	Moderate market complexity Stable with small amounts of local turbulence from changes in customer processes.	Yes Clear command culture Some small indications of that limiting incrementalism	No Clear indications of failure to grasp segmentation and international complexity	Command process supported by product led culture and accompanying skills Incrementalism partly disabled by lack of demarcation Recent attempts at planning, hindered by cultural lack of communication

Case	Implications for congruency hypotheses	Strategy quality	Strategy process	Market conditions	Micro-congruence	Macro-congruence	Supporting and hindering cultural artefacts
N	Partially supports	Moderately weak No real segmentation Good tailoring of propositions	Command and local incrementalism with some limited indications of planning at sales level only	Market complexity moderated by divisional-isation Moderate turbulence in customer processes	Moderate Indications of some micro-incongruence in all three directions	Moderate Indications of command failing to cope with international complexity and incrementalism failing to cope with discontinuous changes	Command supported by US market leadership and extant management information system Incrementalism hindered by data primacy assumptions Planning hindered by product led culture

Case	Implications for congruency hypotheses	Strategy quality	Strategy process	Market conditions	Micro-congruence	Macro-congruence	Supporting and hindering cultural artefacts
O	Supports	Very weak No indication of segmentation or targeting	Strongly command with some limited incrementalism	Market complexity arising from multiple channels and segments Stability arising from mature segments	Yes Strongly command with autocrat and Venture Capitalist pressure	No Failure to cope with market complexity	Command supported by autocrat and external VC pressure, strong financial control Incrementalism hindered by tight control and financial primacy

Case	Implications for congruency hypotheses	Strategy quality	Strategy process	Market conditions	Micro-congruence	Macro-congruence	Supporting and hindering cultural artefacts
P	Supports	Weak No indication of segmentation or proposition tailoring	Espoused mixture, but appears very command with planning as a command tool	Market complexity arising from multiple sectors Stable apart from some customer process changes	Yes Strong centralised command culture	No Failure to cope with market complexity	Command supported by formal, international processes Planning formalisation appears to support command rather than rationality

Case	Implications for congruency hypotheses	Strategy quality	Strategy process	Market conditions	Micro-congruence	Macro-congruence	Supporting and hindering cultural artefacts
Q	Supports	Strong Unusual segmentation and proposition Intelligent SWOT alignment	Even mixture of all three processes Recently developed from command plus incrementalism	Complex Moderate turbulence Complexity recently and rapidly developed by acquisition Turbulence arising from customer process changes	Yes Interesting mirroring of cultural change with process change	Yes Turbulence congruence always been good, complexity congruence now improved by new process	Command supported by acquisition, product process and demarcation Planning supported by senior champions, formal skills and explicit internal communication Incrementalism restricted to augmented proposition and supported by HR policies

Case	Implications for congruency hypotheses	Strategy quality	Strategy process	Market conditions	Micro-congruence	Macro-congruence	Supporting and hindering cultural artefacts
R	Supports	Weak No indication of segmentation, proposition tailoring, SWOT alignment or uniqueness	Strongly command for core product and incremental for service element	Simplicity created by divisional-isation Stable but with some customer process changes	No Both processes hindered by heterogeneous culture	No Command failing to cope with international complexity and incrementalism failing to keep pace with customer changes	Command hindered by lack of demarcation and local resistance Incrementalism hindered by weak communication and bureaucracy

5.5   Outlines of Each Case

This section provides an overview of the transcript analysis in each case in greater detail than that given in Section 5.4 (page 103). To allow better cross-comparison, the same structure is given for each case, as follows:

- **Case description**
  A description of the size and standing of the firm, the organisational unit considered and the product and geographical scope of the business.

- **Market situation**
  A description of market complexity and market turbulence conditions.

- **Strategy process**
  A description of the process used in terms of rational planning, incremental or visionary command processes.

- **Macrocongruence**
  A description of the degree to which the strategy process accommodated market complexity and market turbulence.

- **Microcongruence**
  A description of the degree to which the strategy process was supported by the organisational culture.

- **Strategy quality**
  A description of the extent to which the strategy had the properties of a strong strategy.

5.5.1 Case A

Case A was an example of a strong strategy associated with high levels of both macrocongruence and microcongruence. The case was the UK sales and marketing subsidiary of a large multinational firm from the In-Vitro Diagnostics (IVD) sector. As such, the SBU had a narrow focus both geographically and in product range. Its customer base was small and very tightly defined. Within this sector, this company held a very strong, market leading, position.

The market in which Case A operated was relatively simple and stable:

Complexity

Despite the technical complexity of its proposition (which included instrumentation, reagents and support), simplicity was implied by the tightly defined nature of its market. This SBU dealt only with the UK, and the product range was limited to multiple variations based around a very specific technology. One customer (the National Health Service) accounted for almost the entire turnover and that customer had only about 400 decision-making units for this market. To a significant degree, the motivational drivers of these units was "homogenised" by their NHS membership, although some segmentation existed. Case A dealt directly with its customers, so no channel complexity was involved. There were a very small number of significant competitors. What complexity existed in this case arose from the very complex technical nature of the proposition and the often convoluted nature of the bureaucratic decision making process of the customer.

Stability

The stability of this market arose from both its relative maturity, in terms of product form life cycle, the extended development time for new products and the highly regulated nature of the market. As a result, this case had experienced relatively little challenge in terms of market turbulence. Market changes had arisen from major reforms to the regulatory environment and from National Health Service reforms, leading to customer consolidation. However, neither change was sudden or unpredictable. It is worth noting that this case anticipated major technologically driven change in the future, although this was not exhibited in the current market.

The hybrid marketing strategy making process in use was clearly command and incrementalism, with a very minor strand of rational planning process. The core of the product strategy (which necessarily defines the target customers at market level) was determined by global headquarters via direction of the research and development process. Deliberate processes existed to gather the views of subsidiary SBUs, but this central part of the process remained heavily command. Wrapped around this globally-derived command process was a locally-derived incremental process. This part of the process partly determined the emphasis of resource allocation across the centrally-commanded product range. More importantly, however, the local process determined the emphasis between target segments and the design of the augmented product, especially the service and support components. In a maturing market, this augmented component appeared to have as much or greater importance than the core products of instruments and reagents. Very little in the way of formal rational planning was seen beyond the basics of budgeting. Interestingly, attempts had been made at this, and a significant knowledge of formal techniques existed within the middle management layer. It would appear that rational planning had been implicitly rejected by the organisation. The other notable factor in this respect was the high degree of openness and agreement by the respondents about the features of the case, suggesting a high degree of validity of the findings.

The central command plus local incrementalism process was highly macrocongruent to the market. In particular, such a process seemed to fit well with the highly regulated nature of the market and was effective at anticipating and communicating the important implications of regulatory changes. Further, the command process was mostly effective at consolidating international product requirements and directing research and development accordingly. Some mis-match between central product strategy and local demand was noted, but only marginally. The local incremental component of the hybrid marketing strategy making process was effective at creating and delivering the augmented service and support proposition. As noted later, this depended crucially on certain aspects of the organisational culture.

This case exhibited a high degree of microcongruence between the hybrid marketing strategy making process and the organisational culture.

The *command process* was facilitated by two notable cultural artefacts:

- Acceptance of central command with relatively little questioning.
  Although channels existed and were used to provide local feedback, respondents showed a high degree of acceptance of the need for central command. They justified this in terms of the complexity of the product (and hence its research-intensive nature) and the core similarity of the major international markets.

- Demarcation of responsibility.
  Accompanying the acceptance of command was the understanding of demarcation. Respondents spoke of being allowed "to get on with it" and of significant degrees of freedom within the centrally derived strategy framework. Whilst there were processes for testing local plans by headquarters, this was in the context of trusting the detail to local managers.

Notably, some weakness in this central-local trust was noted as a recent result of discontinuous changes in the demands placed upon the subsidiary due to (confidential) internal changes.

The *incremental process* was supported by two notable cultural artefacts:

- Human resource policies of recruitment, retention and training which led to an especially well technically qualified sales and marketing team. As a result, understanding of detailed customer needs and ability to design and deliver the augmented proposition was strong. Staff turnover was low and mentions of mutual respect were high.

- The culture had a deliberate approach to reducing fear of blame to encourage expression and experimentation. Symbols were used to parody blame cultures and reduce internal criticism.

The *rational planning process* was hindered by culture. The culture valued technical knowledge above commercial qualifications and previous attempts at planning had been unsupported by the culture. Significantly, formal knowledge of planning existed only at middle levels of management and was not recognised as sufficiently valuable at senior or headquarters level.

The marketing strategy resulting from the above had the properties of a strong strategy. Even within the tight product sector definition, respondents spoke of differentiating target customers based on motivational drivers of personal ego and technical prowess. Deliberate strategies to manage non-targets effectively were described. The differentiation of value propositions was described, although this was within the constraints of the core product strategy. The use of service, support and collaborative development to assemble propositions for target customers was described. This combination of targeting and positioning was shown to leverage organisational strengths of human resource skills and reputation. Conversely, the strategy was a defence against "commoditisation" threats associated with the maturing market. Finally, the strategy was identified as different in both targeting and propositions from the competitors.

In conclusion, Case A was an example of a strong strategy arising from a hybrid marketing strategy making process that was both macrocongruent and microcongruent. The stable and simple market conditions may have been partly responsible for this. However, the case offered insights into effective marketing strategy making:

The way in which simple, stable markets appear to be well managed by command and incremental processes.

The combination of cultural artefacts (HR policies, blame reduction, command acceptance and demarcation) that is supportive of command and incremental processes.

The case left unanswered how the strategy making process might adapt to increased market turbulence arising from imminent technological change or complexity, if the company attempted to move out of its current niche.

5.5.2   Case B

Case B was an example of a weak strategy associated with low levels of both macrocongruence and microcongruence. This case was the global headquarters of a large multinational firm from the medical devices sector, specialising in relatively complex single use devices. The case had a broad focus both geographically and in product range (although this latter aspect was narrowing rapidly). This SBU was part of a conglomerate with interests in other medical sectors but also non-medical industry sectors. Its customer base was large and moderately varied. Within this sector, this company held a very strong, but not dominant, position.

The market in which Case B operated was relatively complex and moderately turbulent:

Complexity
The complexity of this case arose from its international scope and relatively broad product offering, the nature of which meant that several customer groups were involved. Further, the nature of the product implied a moderate degree of proposition complexity in terms of clinical evidence and application setting. Despite the similarity of core customer needs across national markets, the difference in standards of healthcare, clinical procedures and reimbursement/ payment systems implied a complex market. Multiple distribution channels and a variety of competitor types added to the market complexity to be addressed.

Stability
The moderate turbulence of the market was due principally to health care reforms around the world and subsequent changes in customer procurement processes. Technological change was a secondary contributor to market turbulence. However, both customer and technological change was incremental and continuous and hence predictable. The regulatory environment and the product development process both contributed to market stability, although these were noticeably less restrictive than in some of the other sectors considered, due to the lack of "active" components. Finally, the market appeared to be entering its mature phase, which further implied stability.

The hybrid marketing strategy making process in use was planning and incrementalism, having recently undergone deliberate change from what appeared to have been a command and incremental process. External consultants had facilitated the development of these planning processes. A formal rational process was in place and planning tools and techniques were used and were integrated into the product development process. The incremental process operated alongside this process and was especially dominant in the local tailoring of the centrally derived strategic marketing plan. Both political and cultural aspects of incrementalism were clearly visible. Command processes were little in evidence, other than the clearly set financial performance targets cascaded down from the group headquarters. Noteworthy in this case was the apparent pride in the "new" planning process and the evident support for it, tangible and intangible, amongst the management team.

This planning plus incrementalism hybrid marketing strategy making process was observed to have low levels of macrocongruence with the market environment. Most notable of the macroincongruence factors observed were:

- Segmentation failure
  There was a self-confessed failure to address segmentation adequately. Product categories and geographical ways of structuring the market dominated and the respondents expressed frustration at their inability to "extract a segmentation pattern from the sales data".

- Geographical variation
  Secondary examples of macroincongruence were seen as difficulties in reconciling the needs of different geographical markets. Related to this, macroincongruence with market turbulence was also noted, albeit in a limited fashion, arising from changes in the various national healthcare systems.

This case also exhibited a low degree of microcongruence between the hybrid marketing strategy making process and the organisational culture. This lack of microcongruence was the combined effect of recently introduced and long-standing, cultural artefacts.

- Recently developed explicit cultural artefacts
  There were explicit cultural artefacts supporting the rational planning process, such as top management commitment, newly instituted management information systems, and well-qualified (in terms of formal training) managers. All of these were relatively new.

- Long standing implicit cultural artefacts
  There were clear signs of the more implicit and long-established cultural artefacts that hindered the rational planning process. These appeared to be vestiges of a former command-oriented culture. The two notable examples of this both concerned the use of data:

- Hard data was held to be of primary importance and valued very highly. This cultural assumption led to the relegation of less tangible data (such as customer attitudes). As a result, the planning process was constrained within the limits of available (purely quantitative) market research data.

- The gathering of data by customer contact staff was important and had been facilitated by a new information technology system. However, this system was hindered by cultural habits of withholding data and concentrating on tasks with tangible short term outcomes. Hence, sales teams did not "feed" the new system with data.

Other, less prominent, cultural hindrances of planning were noted, such as the primacy of technical product knowledge, but these first two factors were most noticeable. Less evidence was visible of microcongruence between the organisational culture and incremental processes. This may have been a sampling effect, as all three respondents were in the headquarters function. Hence, the case provides an interesting example of microincongruence. It is notable that no deliberate attempt had been made to modify the culture, despite the obvious investment in structures and systems.

The marketing strategy resulting from the above had the properties of a weak strategy. As already mentioned, the most obvious example of this was failure to segment effectively beyond product categories. Consequently, proposition tailoring was limited to that carried out at

sales level or in targeting some promotional activity. The organisation had a weak grasp of its distinctive competencies and relative weaknesses. Other than a general "premium" positioning, SWOT alignment was weak. Finally, there was no noticeable difference in either targeting or proposition design, from the major competitors.

In conclusion, Case B was an example of a weak strategy arising from a hybrid marketing strategy making process that was neither macrocongruent nor microcongruent. The complex and moderately turbulent market conditions were not well managed by the planning and incremental process. This is especially interesting since the process had been deliberately changed. The findings are consistent with the planning component of the hybrid marketing strategy making process being disabled by the organisational culture more consistent with the former command-oriented process. It may be possible therefore to infer from Case B an example of cultural lag, in which a deliberate change of hybrid marketing strategy making process is not accompanied by a corresponding change in organisational culture. Hence, an attempt to achieve macrocongruence has resulted in loss of microcongruence. The resulting actual process (disabled planning plus incrementalism) is also macroincongruent, even if the intended process (planning and incrementalism) may not have been.

5.5.3   Case C

Case C was an example of a weak strategy associated with low levels of macrocongruence but high levels of microcongruence. The case was the headquarters of a medium sized, UK based, international firm in the medical disposables sector. In addition to its medical products, the same business unit dealt with branded and own label consumer products. As such, the business had a broad focus geographically, in channel type and in product type. Overall, Case C was a minor player with a weak market position.

The market in which Case C operated was very complex but notably stable:

Complexity

Despite the relative technical simplicity of its products when compared to many of the other cases, Case C faced a complex market. This complexity arose from the broad spread of product sectors and channels in which it operated. The company operated in medical and consumer markets, with both own label and branded products. Its route to market was both direct and via multi-tier channels. As a consequence of this breadth, it faced a large number of different competitors and significant indirect competitive pressure from buyer power. Within many of its sectors, the complexity was compounded by market fragmentation and a variety of customer decision making processes from the clinically-specified to the pan-European tender.

Stability

Despite facing a lesser burden of regulation and having shorter product development times, this market was relatively stable. This arose from the maturity of the market and the consequent stability of technologies, competitors and the macroenvironment. Such turbulence as did exist arose from changes in the customer arena. The market was influenced by health service reforms and consolidation in the retail sector.

The hybrid marketing strategy making process in use was strongly command with a secondary element of incrementalism. The bulk of strategy formation occurred within a small and tightly knit group of senior managers who exhibited cohesion and agreement and a

similar industry background. Product strategy was the core of the proposition and this implied much of the targeting. There was a limited amount of augmented proposition, much of which was also decided by the centre. To the degree that incrementalism was observed, it was of the political and cultural form, rather than controlled experimentation. No significant rational planning process was observed, beyond the normal budgeting, and no use was made of formal tools and techniques.

This strongly command process with some incrementalism demonstrated low levels of macrocongruence to the market conditions. As might be expected in a stable market, the lack of macrocongruence was mostly associated with the market complexity. Respondents characterised the market as relatively simple, despite the wide variance in sectors, channels, product types and competitive forces. Consequently, proposition development was essentially "me-too" despite the failure of this approach to address macroenvironmental trends towards commoditisation.

This case exhibited a high degree of microcongruence between the hybrid marketing strategy making process and the organisational culture.

The *command process* was facilitated by two notable cultural artefacts:

- A tightly knit and long established management team.
  The respondents shared an industry background and demonstrated a strong cohesion regarding their perception of the market and the necessary critical success factors. Their answers suggested that they had formed a strong culture, including a consensus about core assumptions.

- Strongly traditional organisational habits.
  Case C had its origins as a family-run business and retained many observable vestiges of that culture, such as informal HR policies and tight financial controls. On questioning, respondents pointed to the conservative nature and acceptance of command as elements of the culture.

Notably, some hindrance of the limited *incremental process* was noted as a result of the relatively autocratic style and, particularly, the tight financial controls.

Since no significant *rational planning* took place, beyond routine budgeting, no interaction between this and the organisational culture was observed. However, evidence of knowledge of rational planning techniques and formal qualifications was found, suggesting that these were present but not valued by the company.

The marketing strategy resulting from the above had the properties of a weak strategy. The target market definition was a combination of product and channel, with no suggestion of homogeneity. The proposition tailoring was very limited, being restricted to minor modifications of the core product and pricing to affect tender results. The organisation had little grasp of its relative strengths and weaknesses and consequently little visible SWOT alignment. Most notable in connection with this was the largely undifferentiated, cost based nature of the proposition. Given that the organisation did not benefit from economies of scale, the commoditising nature of the market and the threats from both direct competitors and buyers, this represented a notably weak strategy. Finally, no strategy uniqueness could be seen in either the nature of the targets nor the value proposition.

In conclusion, Case C was an example of a weak strategy arising from a hybrid marketing strategy making process that was not macrocongruent but which was microcongruent. In this case, the process seemed to arise directly from the culture and to reflect it strongly. However, it did not fit well with the complexity of the markets with which it was faced. Hence, the case offered an interesting insight into marketing strategy making. It would suggest that microcongruence alone does not imply an effective hybrid marketing strategy making process if that process is not macrocongruent to the market conditions.

5.5.4　　Case D

Case D was an example of a strong strategy associated with high levels of both macrocongruence and microcongruence. The case was the UK sales and marketing subsidiary of a medium sized multinational pharmaceutical company. Unusually, this company was primarily focussed on one therapeutic sector, although it had minor interests in some others. As such, the SBU had a narrow focus both geographically and in product range. Its customer base was small and very tightly defined. Within this sector, this company held a very strong, market leading, position.

The market in which Case D operated was relatively simple and stable:

Complexity
This case dealt only with the UK and almost entirely in one, tightly defined, therapeutic area. As a result, the range of competitors was also very narrow. The product range was, in practice, very narrow and the company dealt through one simple channel to market. The decision making unit was primarily based upon General Practitioners (local community based physicians) although hospital based specialists (consultants) were also important. Almost all of these decisions took place within the relatively homogeneous structure of the National Health Service. What complexity did exist in this market arose from variations in motivations between the General Practitioners and the augmented support propositions aimed at them.

Stability
The stability of this market arose from its relative maturity, in terms of product form life cycle, the extended development time for new products and the highly regulated nature of the market. In addition, the comparatively niche nature of the therapeutic area had led to relatively little change in market conditions (e.g. few new entrants). Hence, this case had experienced relatively little challenge in terms of market turbulence. Market changes had arisen from major reforms to the regulatory environment and from National Health Service reforms, leading to customer consolidation. However, neither change was sudden or unpredictable.

The hybrid marketing strategy making process in use was clearly command and incrementalism, with almost no indication of rational planning processes. The core of the product strategy (which necessarily defines the target customers at market level) was determined by global headquarters via direction of the research and development process. Deliberate processes existed to gather the views of subsidiary SBUs and to co-ordinate central and local plans. However, the core of the strategy was decided at the central headquarters. Supplementing centrally-derived command process was a locally-derived incremental process. The main contribution of the local process determined emphasis between different customers and the design of the augmented product, especially the support components. In this market, the support components (especially relationship activity and continuing medical education) appeared to have equal or greater importance than the core product, the therapeutic agent. Very little in the way of formal rational planning was seen beyond the basics of budgeting.

This hybrid process of central command plus local incrementalism process was highly macrocongruent to the market. The command process allowed rapid transfer of ideas across borders in a market that was relatively homogeneous internationally, and coordination of national market strategies in a sector where parallel importing was a threat. Further, the command process allowed some performance benchmarking between countries. Finally, although the tight therapeutic area focus obviated the need for internationally consolidated portfolio management, it did allow consolidation of demands on central support resources, such as the development of clinical trials data. The incremental component of the hybrid marketing strategy making process addressed those needs of the market that were country-specific. Incrementalism had enabled the evolution of a motivator-based segmentation within the therapy-area defined niche and understanding of the complex opinion-leader/ prescriber decision making process.

Some macroincongruence was noted, particularly regarding the centralised (and European-biased) process having struggled to grasp the implications of the UK's relatively unusual healthcare system, which differs in some important respects from most European systems. No noticeable lack of macrocongruence was noted with

market turbulence. This was unsurprising given the stable nature of the market. Notably, most examples of lack of macrocongruence referred to new initiatives or product launches, during the initial phase when, as it were, the incremental process had not yet "knocked the edges off" the core strategy.

This case exhibited a high degree of microcongruence between the hybrid marketing strategy making process and the organisational culture.

The *command process* was facilitated by two notable cultural artefacts:

- Acceptance of central command
  Although channels existed and were used to provide local feedback, Case D exhibited a large degree of habitual acceptance of a core product strategy from central headquarters. This was explained in terms of difficulty and timescale of product development and its cost relative to any single market opportunity. Further, similarity of core needs between markets was cited as justification for a core strategy.

- Demarcation of responsibility
  Complementing the acceptance of command was the understanding of demarcation between central and local roles. Respondents spoke of tactical independence and of significant degrees of freedom around the core product strategy. The processes for the "testing" of local plans by headquarters were largely financial and involved a notable lack of "meddling" by headquarters in the design of the augmented proposition.

The *incremental process* was supported by two notable cultural artefacts:

- Human resource policies of recruitment, retention and training which led to an especially stable sales team. Such a stable team was seen as an important factor in maintaining customer relationships and an image of therapy area expertise.

- A deliberately managed culture of proactivity. In addition to the above mentioned HR policies, the respondents cited a deliberately managed culture which valued personal initiative and responsibility.

Microcongruence with *rational planning* processes was not observed. On probing, it was perceived as inappropriate to a market that was so constrained by technical and regulatory factors and of little benefit in such a niche market. These beliefs in themselves suggest, of course, a set of cultural beliefs that might hinder rational planning processes.

The marketing strategy resulting from the above had the properties of a strong strategy. Even within the tight product sector definition, respondents spoke of differentiating target customers based on personal motivators and aspirations. The differentiation of value propositions was described, built around the core product strategy. The use of education, relationships and personal expertise to build augmented propositions was described. This combination of targeting and positioning was shown to leverage organisational strengths of human resource skills and reputation. In addition, this strategy was seen as a defence against the threat of less specialised but larger new entrants. Finally, the strategy was identified as different in proposition from the competitors, although the targeting was different only in emphasis, not in absolute terms.

In conclusion, Case D was an example of a strong strategy arising from a hybrid marketing strategy making process that was both macrocongruent and microcongruent. As with other cases, the stable and simple market conditions may have been partly responsible for this. However, the case offered two insights into effective marketing strategy making:

- The way in which simple, stable markets appear to be well managed by command and incremental processes.

- The combination of cultural artefacts (HR policies, deliberately managed proactive cultures, command acceptance and role demarcation) that is supportive of command and incremental processes.

The case left unanswered how the strategy making process might adapt to increased complexity, if the company attempted to move out of its current niche.

5.5.5 Case E

Case E was an example of a strong strategy associated with high levels of both macrocongruence and microcongruence. The case was the global headquarters of a very large multinational pharmaceutical firm. The business had a wide therapeutic area spread and a global geographic interest. Its customer base was wide and varied. This company was in the first rank of its industry.

The market in which Case E operated was relatively complex with moderate market turbulence:

Complexity

The complexity of the market conditions facing Case E arose from its global interests, broad product portfolio and increasingly non-product value proposition. The global interests of this case meant that the hybrid marketing strategy making process was responsible for many different geographical markets with varying healthcare market structures. For instance, the important differences between developed and developing markets and across the three largest pharmaceutical markets (the US, Japan and EU) were cited, including regulatory, reimbursement and advertising restrictions. The broad product portfolio included several therapeutic areas and covered acute and chronic conditions in both primary and secondary care. Further, the increasing importance of health economics needs arising from healthcare reforms was cited as an example of proposition complexity beyond the traditional product-based approach. This implied a much more complex decision making process than the traditional prescriber-only model. There was some complexity arising from a mixture of direct and indirect channels to market. The competitive aspect of the market was relatively straightforward, with a small number of similar global competitors and a tier of local generic manufacturers.

Stability

This market had some aspects of stability arising from its relative maturity, in terms of product form life cycle, the extended development time for new products and the highly regulated nature of the market. However, other signs of turbulence were exhibited in the changes in the customer processes of the various markets in which it operated. For instance, the US market was experiencing

turbulence as a result of rapid expansion of DTC (direct to consumer) marketing and changes to government funded payment systems. In addition, the structure of buying processes in many European markets was also cited as an example of turbulence. Furthermore, the changes associated with patent expiry (and subsequent generic competition) were notable in some therapeutic areas.

The hybrid marketing strategy making process in use was an unusual mixture of all three processes: visionary command, rational planning and incrementalism. The core of the product strategy (which necessarily defines the target customers at market level) was determined via the organisation's research and development process. The very long timescale of this and the associated regulatory approval process was a fundamental factor upon which much of the strategy was dependent. Deliberate incremental processes existed to gather the views of subsidiary SBUs and to test strategies in limited geographical areas. Further, evidence of political incrementalism was exhibited by the "weighting" of opinions based on role-power. However, the most notable feature of the hybrid marketing strategy making process was a formal rational planning process that had been adopted throughout the organisation and was cited by the respondents at every opportunity. This process had been developed with some external consultancy. Frequent mention was made of various tools and techniques above and beyond what might be expected of traditional budgeting processes. The headquarters' formal process was connected to local planning processes in order to achieve coherence and consistency.

This three component mixed process was highly macrocongruent to the market. Evidence of accommodation to market complexity with respect to different national healthcare systems was seen, as was understanding of the more complex health-economic buying processes arising from healthcare reforms. Macrocongruence to market turbulence was cited as better prediction of market changes and their implications. Further, the co-ordinated nature of the process fitted well with the highly regulated nature of the market and was effective at anticipating and communicating the important implications of regulatory changes and global trading legislation. The command process was mostly effective at consolidating international product requirements and directing research and development

accordingly. Interestingly, this involved not just the assessment of traditional data such as demographics and disease patterns, but also the assessment of less tangible motivator data. Some mismatch between central product strategy and local demands was noted, but only marginally.

This case exhibited a high degree of microcongruence between the hybrid marketing strategy making process and the organisational culture.

The *rational planning process* was facilitated by two notable cultural artefacts:

- Culture management
  A deliberate and very high profile attempt to change the organisational culture in favour of planning. This involved an obvious (and notably well resourced) internal communications programme, sponsored and driven by the head of marketing, who himself sat on the main board.

- Key people with marketing orientation
  A number of new key appointments had been made in an attempt to implant a marketing oriented culture. This had been initiated by the CEO (himself from a non-pharmaceutical marketing background) and included the numerous senior sales and marketing executives.

The *incremental process* was supported by two notable cultural artefacts:

- Culture management
  Interviewees reported deliberate attempts to reduce the fear of expression that was associated with a previous command culture. In its place, both formal and informal mechanisms had been put in place to encourage exchange of ideas and constructive challenge.

- Modification of decision justification
  It was reported that the formal decision approval processes had been modified. This involved two aspects: some reduction in

financial justification and a corresponding increase in the quality of non-financial data needed to support propositions.

Little evidence was seen in Case E of support or hindrance of the *command process*. It was clear that the command process consisted of two components: financial targets and product pipeline. The culture seemed to accept both of these as givens and, within this framework, considerable freedom was exhibited. Thus, although the evidence was slight, this case exhibited some of the acceptance, demarcation and autonomy traits suggested by other cultures with microcongruent command processes.

The marketing strategy resulting from the above balanced hybrid marketing strategy making process had the properties of a strong strategy. It was notable that target definition was in terms of customer motivations and psychological drivers, suggesting high degrees of homogeneity. The value proposition development was based upon augmented packages driven by health economic arguments and allocation of resource in a portfolio approach (both within and between therapy areas) was cited. The strategy was intended to leverage particular management competencies and non-product related strengths in evidence-based medicine, whilst compensating for dual threats of larger premium competitors and low cost generic followers. Finally, the strategy was claimed to target differently from the major competitors (this seemed plausible) and to be significantly but not totally different in terms of proposition.

In conclusion, Case E was an example of a strong strategy arising from a hybrid marketing strategy making process that was both macrocongruent and microcongruent. Given the complex and moderately turbulent market conditions, this case therefore offered important insights into effective marketing strategy making:

- The way in which complexity and turbulence, appear to be well managed by a three component mixture of hybrid marketing strategy making process.

- The way in which the organisational culture may be managed, by key appointments and internal communication, to support the new process.

This case left unanswered how the strategy making process might be fully translated into local subsidiaries, although the extent of cultural management effort used suggests ideas in this direction.

5.5.6   Case F

Case F was based on four respondents.

Case F was an example of weak strategy associated with low levels of both macrocongruence and microcongruence. Case F was the UK sales and marketing subsidiary of a very large multinational pharmaceutical firm. The business had a wide therapeutic area spread, but a purely UK geographic interest. Its customer base was wide and varied. This company was in the first rank of its industry.

The market in which Case F operated was relatively complex with some market turbulence:

Complexity
The complexity of the market conditions facing Case F arose from its broad product portfolio, increasingly complex customer decision making processes and increasingly non-product value proposition. The broad product portfolio included several therapeutic areas and covered acute and chronic conditions in both primary and secondary care. The reforms within the UK National Health Service, partly in an attempt to reduce spending on pharmaceuticals, had also led to a more complex customer decision making process. The increasing importance of health economics needs arising from healthcare reforms was cited as an example of proposition complexity beyond the traditional product-based approach. This implied a much more complex decision making process than the traditional prescriber-only model. There was some complexity arising from a mixture of indirect channels to market. The competitive aspect of the market was relatively straightforward, with a small number of similar competitors and a tier of generic manufacturers.

Stability
This market had some aspects of stability arising from its relative maturity, in terms of product form life cycle, the extended development time for new products and the highly regulated nature of the market. There were some moderated signs of market turbulence arising from changes in the customer buying processes and the use of information technology, for instance, GP (local community based physicians) use of computer aided prescribing tools.

The hybrid marketing strategy making process in use was a combination of command and incrementalism, although some attempts had recently been made to introduce some element of formal rational planning process. The core of the product strategy was determined centrally via the research and development process. This occurred in a UK based group, but the structure of the organisation was such that the UK subsidiary was on the same footing as other national subsidiaries. The very long timescale of research and development programmes and the associated regulatory approval process were fundamental factors upon which much of the strategy was dependent. This global command process therefore presented the subsidiary with a product portfolio, much of the augmented product (in the form of clinical evidence) and financial targets. Further evidence of an external command process was exhibited by legally binding pricing constraints applied by the UK government. The incremental process was then added to this core strategy and was responsible for allocation of sales and marketing resources. This involved political and cultural processes with little evidence seen of deliberate experimentation. Planning was little observed, beyond routine budgeting. Some evidence of planning failures were cited, as discussed later.

This mixture of command and incremental processes did not demonstrate macrocongruence with the market conditions. Examples were given of inability to manage some aspects of market complexity such as market segmentation and decision making process complexity. For instance, the impact of consolidation of secondary care purchasing was indicated to be poorly understood. Fewer indications were seen of lack of macrocongruence with market turbulence, but this case exhibited less ability to predict the implications of market changes than some of the comparable cases. Finally, the command process did not seem to be effective, as it was in some other cases, at communicating knowledge and successful models across national boundaries.

This case also exhibited a low degree of microcongruence between the hybrid marketing strategy making process and the organisational culture.

The *visionary command process* was facilitated by two notable cultural artefacts:

- Command acceptance
  The acceptance of the product pipeline and (with political negotiation) financial targets was, as with some other cases, a notable aspect of microcongruence between the command process and the organisational culture.

- Well developed management information systems
  Case F appeared to have an especially well developed set of IT systems and processes for justifying and monitoring allocation of financial resources. This was cited as enabling the command component of the hybrid marketing strategy making process.

The *incremental process* was hindered by two notable cultural artefacts:

- Reluctance to act independently
  Examples of failure to act independently, or to move beyond conventional thinking, were cited as barriers to incrementalism.

- Primacy of data
  Dependence on validated quantitative data was, to a lesser extent, cited as a culture hindrance to incrementalism, implying that lack of supporting data prevented action.

Little evidence was seen in Case F of support or hindrance of the *planning process*. Some indication of earlier, failed attempts at planning were suggested but their details were not uncovered well. The most interesting aspect of this case was the evidence of cultural lag between the senior managers and the middle managers. Examples were cited of middle managers failing to engage in either planning or incrementalism and showing a habit of awaiting command instructions. This suggested that a command culture remained in this layer of management, despite attempts to change that by the senior management team.

The marketing strategy resulting from this command and incrementalism hybrid marketing strategy making process had the

properties of a weak strategy. Target definition was in terms of product categories with no indication of needs based segmentation. The value proposition development was augmented with components such as CME (continuing medical education) but was not significantly differentiated between customers. There was some indication of differential resource allocation at sales level, based on opportunity size. Understanding (and therefore alignment) of relative strengths and weaknesses was weak. Finally, the strategy was not significantly different from those of the major competitors in terms of either targeting or the nature of the proposition.

In conclusion, Case F was an example of a weak strategy arising from a hybrid marketing strategy making process that was neither macrocongruent nor microcongruent. Given the complex and slightly turbulent market conditions, this therefore offered important insights into effective marketing strategy making:

- The way in which a complex market is not well managed by a process with a large command element.

- The way in which an organisational culture that is supportive of command processes may hinder incremental or planning processes.

This case left unanswered what hybrid marketing strategy making process might be macrocongruent to complex market conditions or how such a process might interact with a command culture. Taken in the context of other cases, however, this case may suggest possible answers for both situations.

5.5.7   Case G

Case G was based on only one respondent.

Case G was an example of a moderately strong strategy associated with moderately high levels of macrocongruence and microcongruence. Case G was the UK sales and marketing subsidiary of a very large multinational pharmaceutical firm. The business had a wide therapeutic area spread but a purely UK geographic interest. Its customer base was wide and varied. This company was in the first rank of its industry.

The market in which Case G operated was relatively complex with some market turbulence:

Complexity
The complexity of the market conditions facing Case G arose from its broad product portfolio, increasingly complex customer decision making processes and increasingly non-product value proposition. The broad product portfolio included several therapeutic areas and covered acute and chronic conditions in both primary and secondary care. The increasing importance of health economics needs arising from healthcare reforms was cited as an example of proposition complexity beyond the traditional product-based approach. This implied a much more complex customer decision making process than the traditional prescriber-only model, involving more complex interaction of different stakeholders. There was some complexity arising from a mixture of indirect channels to market. The competitive aspect of the market was relatively straightforward, with a small number of similar competitors and a tier of generic manufacturers.

Stability
This market had many aspects of stability arising from the extended development time for new products, the highly regulated nature of the market and the culture of its single main customer, the UK National Health Service. There were some moderated signs of market turbulence arising from changes in customer buying processes, namely the advent of bodies to control drug usage (such as NICE, the National Institute of Clinical Excellence) and the use of information technology by patients, prescribers and distribution channels.

The hybrid marketing strategy making process in use was a combination of planning and command. Some limited evidence of attempts at incrementalism was cited but these, as discussed later, were nullified by the organisational culture.

The core of the product strategy was determined centrally via the research and development process. This occurred in a UK based group but the structure of the organisation was such that the UK subsidiary was on the same footing as other national subsidiaries. The very long timescale of research and development programmes and the associated regulatory approval process was a fundamental factor, around which much of the strategy was dependent. This global command process, therefore, presented the subsidiary with a product portfolio, much of the augmented product (in the form of clinical evidence) and financial targets. Further evidence of an external command process was exhibited by legally binding pricing constraints applied by the UK government. A formalised rational planning process was then added to this core strategy and was responsible for allocation of sales and marketing resources. Most notably, there was evidence of significant coordination between the centralised process and the local rational planning process, as discussed later. There was little evidence of incrementalism exhibited, either deliberately or otherwise.

This mixture of command and planning processes demonstrated significant but not complete macrocongruence with market conditions. The process accommodated well the complexities of the product portfolio and, to a large degree, the recently developed complexities of the decision making process and the augmented, health economics based value propositions. More limited was the degree to which turbulence was accommodated. Examples of market turbulence, such as changes in market structures and competitor tactics, were not rapidly or well managed by the hybrid marketing strategy making process. This was cited as being due to the inability of the process to make incremental changes.

This case also exhibited some, but not complete, microcongruence between the hybrid marketing strategy making process and the organisational culture.

The *visionary command process* was facilitated by two notable cultural artefacts:

- Command acceptance
  The acceptance of the product pipeline and (with political negotiation) financial targets was, as with some other cases, a notable aspect of microcongruence between the command process and the organisational culture.

- Process interconnects
  Case G cited clear, frequent interconnects between the local and central strategy making processes as important to effective marketing strategy making. This was contrasted with previous practice of only annual interconnects. Further, the quality of the interconnects (i.e. communicated market data and intangible opinions rather than just hard financial data) was suggested as an important factor in making the overall process work.

The *incremental process* was hindered by two notable cultural artefacts:

- Bureaucratic processes
  As with other cases, decision approval processes that were heavily formalised and time-demanding were cited as intangible barriers to the effectiveness of incremental processes.

- Flat structures
  Interestingly, flat structures were cited as a hindrance to incrementalism and speed of reaction. Although designed to improve top-down coordination, they were claimed to reduce flexibility when cross-function responses were needed. The mechanism that was perceived to cause this hindrance was the need to gain approval from a large number of near-peers, as compared with a need for the approval of one or two superiors in a hierarchy structure.

The *rational planning process* was hindered by two notable cultural artefacts:

- Extensive management information systems
  The case exhibited extensive management information systems, integrating internal and external data. An usually large amount of resource was dedicated to business information gathering and analysis to support the rational planning process.

- Strong process demarcation
  Case G was noteworthy to the extent that its processes were clearly demarcated and interconnected. A planning calendar was the basis for a set of interconnected planning processes that went far beyond merely connecting sales and marketing plans to financial budgets and targets.

The marketing strategy resulting from this command and incrementalism hybrid marketing strategy making process was moderately strong. Target definition was in terms of product categories, with little indication of needs based segmentation; however, some evidence of this existed at sales level and may have been outside the knowledge of the respondent. The value proposition development was augmented with components such as CME (continuing medical education) and other support elements and was significantly differentiated between customers, but at a sales level. There was further indication of differential resource allocation at sales level, based on opportunity size. Understanding and alignment of relative strengths and weaknesses was moderately strong, with the organisation attempting to leverage its size and concomitant support capabilities. Finally, the strategy was not significantly different from those of the major competitors in terms of targeting, but had some degree of differentiation in its proposition.

In conclusion, Case G was an example of a moderately strong strategy arising from a hybrid marketing strategy making process that was macrocongruent and microcongruent to a limited degree. Given the complex and slightly turbulent market conditions, this therefore offered important insights into effective marketing strategy making:

- The way in which a complex market is well managed by a process with a large planning element.

- The way in which an organisational culture may support rational planning processes with artefacts such as clear processes, interconnects and management information resources.

- The way in which organisational culture may hinder incrementalism with artefacts such as flat structures and bureaucratic systems.

The case contrasted with Case F, with which it shared important similarities and contrasts.

5.5.8 Case H

Case H was an example of a strong strategy associated with high levels of both macrocongruence and microcongruence. Case H was the UK headquarters of a small medical equipment company, part of a large medical devices group which was itself part of a conglomerate. This company had a very tightly focussed product area, and operated mostly in a single niche within that area. As such, the business had a very narrow focus. Whilst it operated internationally via distributors, this was a very small part of its business. Similarly, although it had a product range, all products within that range were closely based around one core technology. Within its area of interest, this company held a very strong, market leading position.

The market in which Case H operated was relatively simple and stable:

Complexity

This case dealt largely within the UK and almost entirely in one tightly defined product area. As a result, the breadth of competitors was also very narrow. In practice, the product range was also very narrow and the company dealt directly with the market rather than through channels. Some complexity arose from the decision making unit consisting of users, specifiers and purchasers, with almost all of these decisions taking place within the relatively homogeneous structure of the UK National Health Service. The very tight, albeit product defined, nature of the market, implied little segmentation within the niche. It was notable that the company's recent attempts to internationalise were introducing significant complexity into its situation, as discussed later.

Stability

The stability of this market arose from both its relative maturity, in terms of product form life cycle, and the relatively niche nature of the sector, which had led to comparatively little change in market conditions (e.g. few new entrants). Hence, this case experienced relatively little challenge in terms of market turbulence. Such change as had occurred in the market had been of the nature of gradual change to underlying technologies.

The hybrid marketing strategy making process was strongly command with some incrementalism and almost no indication of a rational planning process. The core of the strategy was dictated by a pair of senior managers who worked closely together. Interestingly, the company had a strong history of command and the leading pair had inherited this role from the founder of the company, now retired. No significant command came from the group headquarters, other than financial objectives. In addition to the core command process, some evidence of incrementalism was visible. This was principally in the form of, firstly, incremental product changes driven by research and development and, secondly, political and cultural incrementalism, arising from negotiation within what appeared to be a fairly highly politicized setting. Almost no indication of rational planning was noted, even though the formal qualifications and skills were available.

This hybrid of visionary command plus limited incrementalism process was highly macrocongruent to the home (UK) market, although noticeably less so for the international arena. In the home market, the command process coped well with the limited complexity and turbulence and was noted to be effective at understanding the needs of the market. Furthermore, it transmitted those needs well within the organisation and supported effective strategy implementation. For such a small company, it was significant that the command process maintained the focus that seemed key to its success. The degree of incrementalism was effective in keeping pace with the limited turbulence of the market and also with some of the complexity associated with entering less developed overseas markets, which involved only the production of line extensions.

Some lack of macrocongruence was noted in the development of more developed markets such as the US. In such cases, the greater complexity associated with channels, buying processes and market segmentation were not well understood by the command process.

This case exhibited a high degree of microcongruence between the hybrid marketing strategy making process and the organisational culture.

The *command process* was facilitated by two notable cultural artefacts:

- Strength of the managing team cohesion
  This case was remarkable in the cohesion and consensus between the managing pair and, less obviously, their peers. This seemed to be an artefact of long service and enculturation. Both managers were developed under the reign of the founder.

- Acceptance culture by the whole organisation
  Case H continued to demonstrate the strong, patriarchal and accepting conservative culture which respondents associated with the founder. Numerous examples were cited in which this facilitated the command and incremental hybrid marketing strategy making process and, to a lesser extent, hindered attempts at rational planning. Prime among these examples was the belief in tacit knowledge and the resistance to objective data.

Note however, that the command process had been temporarily weakened in the past by key staff turnover and this was seen as a threat to management team cohesion.

The *incremental process* was supported by two notable cultural artefacts:

- Technical values
  The organisation was notable for the value placed upon technical expertise within its niche. This enabled incremental change by an "overskilling" effect also seen in other cases.

- Narrow focus
  The remarkably narrow focus of the organisation, to the extent that it had eschewed even closely related product development, was seen to enable the incremental process by creating a very strong internal base of market knowledge, along with artefacts such as shared jargon, that was noticeably stronger than in more diversified organisations.

As mentioned, the degree of *rational planning* was so small as to hide any microcongruence between it and the organisational culture.

The marketing strategy resulting from the above process had the properties of a strong strategy. The target market appeared to be homogeneous, although with tiered levels of needs reflecting some kind of contextual segmentation. Accordingly, the differentiation of tiered value propositions was described, built around the core product strategy. The use of service, support and personal expertise to build augmented propositions was described. This combination of targeting and positioning was shown to leverage the organisational strengths of human resource skills and reputation. In addition, this strategy was seen as a defence against the threat of less specialised but cheaper new entrants. Finally, the strategy was identified as different from the competitors in its proposition, although the targeting was different only in focus, not in absolute terms.

In conclusion, Case H was an example of a strong strategy, arising from a strongly command process that was both macrocongruent and microcongruent. As with other cases, the stable and simple market conditions may have been partly responsible for this. However, the case offered insights into effective marketing strategy making:

- The way in which simple, stable markets appear to be well managed by strongly command processes with limited incrementalism.

- The combination of cultural artefacts (coherent teams, strong, focussed cultures) that is supportive of command and incremental processes.

The case left unanswered how the strategy making process might adapt to increased complexity, as indicated by attempts to internationalise.

5.5.9   Case I

Case I was an example of a strong strategy associated with high levels of macrocongruence and microcongruence. The case was the UK headquarters of a medium sized medical equipment company, part of a large medical devices group which was itself part of a conglomerate. This company was tightly focussed within a product sector, although this case was responsible for the business in that sector across many geographical markets. Within its area of interest, this company held a strong position against a number of larger competitors.

The market in which Case I operated was relatively complex and stable:

Complexity
The complexity of this case arose mostly from its geographical spread, but also from other parts of the market situation. This case dealt with a large number of geographical markets, with varying needs and different healthcare systems. There was a moderate number of competitors, varying across the product range. The product range, although quite narrow, met a number of different usage contexts. Distribution channels varied from direct to via channels in different markets. Some complexity arose from the decision making unit consisting of users, specifiers and purchasers. The value proposition contained a complex mixture of capital goods, consumables, support and service.

Stability
The stability of this market arose from the long product development times, and the associated capital investment, which both deterred entrants and reduced the frequency of new product introduction. In addition, the pharmaceutical-related approval procedures associated with this equipment further dampened market turbulence. Hence, this case experienced relatively little challenge in terms of market turbulence. Such change as had occurred in the market had been of the nature of gradual change to underlying technologies, together with some customer changes associated with clinical practice or healthcare system reforms.

The hybrid marketing strategy making process was strongly rational planning with some incrementalism and little indication of a visionary command process. Case I appeared to make significant use of rational planning tools and techniques and these were mentioned often in the interviews. This rational planning process was largely responsible for development of the core propositions, their augmented service and support components, and the targeting of resources. The respondents at first cited no incremental activity, pointing to the restrictions created by product development. However, on probing, incremental activity (including deliberate experimentation) was cited in the allocation of promotional resources. Further, some evidence of political and cultural incrementalism was noted. The command part of the process was very limited. The broad sphere of market activity was defined by the headquarters of the medical division of the conglomerate. This was done to ensure no conflict with other companies within the group. Further, the divisional headquarters set financial targets. Within this framework however, Case I was granted a high degree of autonomy.

This process of rational planning plus limited incrementalism was highly macrocongruent to the market situation faced by Case I. The rational planning process coped well with the complexity of the market, for instance in prioritising market opportunities across the global market and differentiating the competitive threats from large generalist and smaller specialist rivals. The rational planning process faced little challenge from market turbulence and, unsurprisingly, little sign of macroincongruence with market turbulence was seen. It was notable that the respondents identified possible future shortcomings of the planning process in terms of its inability to understand likely discontinuous change; however, no evidence of this was cited. The incremental part of the process was used to assess the impact of small changes in promotional resource where other techniques, such as modelling, were inappropriate due to lack of data. Hence deliberate testing of promotional campaigns was carried out.

This case also exhibited a high degree of microcongruence between the hybrid marketing strategy making process and the organisational culture.

The *rational planning process* was supported by:

- Senior management commitment
  The planning process was clearly sponsored by the leadership
  of the organisation. This was evidenced by commitment to
  formal processes and allocation of resources to acquiring
  market research data.

- The value attributed to planning knowledge
  Case I was one of the few cases in which knowledge of formal
  planning techniques was both extant and valued. Recruitment
  and training policies had encouraged this and the language of
  the organisation reflected it also.

The *incremental process* was supported by the cultural belief in
measurement, and hence the willingness to defer action until testing
was carried out. Note, however, that incrementalism in terms of the
core product was seen to be limited by cultural artefacts of complex
product development programmes with long lead times.

The *visionary command process,* in as much as it contributed in this
case, was supported by a combination of clear role demarcation and
autonomy within the strategic framework.

The marketing strategy resulting from the above process had the
properties of a strong strategy. The product-defined target markets
were, by their nature, quite homogeneous and there was evidence of
motivator-based segmentation in addition to that. In each of the two
product areas, there was only one type of value proposition, but this
reflected the premium segment targeted. The use of service, support
and personal expertise to build augmented propositions was
described. This combination of targeting and positioning was shown
to leverage organisational strengths in product development but also
in support and service. The positioning adopted was clearly aligned to
minimise the threats arising from the two different types of
competitors. Finally, the strategy was identified as different in both
targeting and proposition from the competitors, although this was
limited within the confines of a tightly defined market.

In conclusion, Case I was an example of a strong strategy arising from a strongly rational planning process that was both macrocongruent and microcongruent. Whilst the market conditions offered little challenge in terms of turbulence, the hybrid marketing strategy making process coped well with a high degree of market complexity. The case therefore offered insights into effective marketing strategy making:

- The way in which complex, stable markets appear to be well managed by strongly rational planning processes with limited incrementalism.

- The combination of cultural artefacts (top management sponsorship, valued technique knowledge, belief in measurement) that is supportive of rational planning and incremental processes.

The case left unanswered how the strategy making process might adapt to increased, discontinuous turbulence, as anticipated by the respondents.

5.5.10　Case J

Case J was based on only two respondents.

Case J was an example of a strong strategy associated with high levels of macrocongruence and microcongruence. The case was the UK sales and marketing subsidiary of a very large multinational pharmaceutical firm. The business had a moderately wide therapeutic area spread, but a purely UK geographic interest. Its customer base was broad and varied. This company was in the first rank of its industry.

The market in which Case J operated was relatively complex with some market turbulence:

Complexity
The complexity of the market conditions facing Case J arose from its product portfolio, increasingly complex customer decision making processes and increasingly non-product value proposition. The product portfolio included several therapeutic areas and covered acute and chronic conditions in secondary care. The increasing importance of health economics needs arising from healthcare reforms was cited as an example of proposition complexity beyond the traditional product-based approach. This implied a much more complex decision making process than the traditional prescriber-only model, involving more complex interaction of different clinical and non-clinical audiences. Channels to market were relatively simple. The competitive aspect of the market was slightly complex, with different competitors in different therapeutic areas.

Stability
This market had many aspects of stability arising from the extended development time for new products, the highly regulated nature of the market and the culture of its single main customer, the UK National Health Service. There were some moderated signs of market turbulence arising from changes in the customer buying processes, the advent of bodies to control drug usage (such as NICE, the National Institute of Clinical Excellence) and the development of new approaches to product assessment, such as evidence based medicine.

The hybrid marketing strategy making process in use was primarily rational planning within a command framework, supplemented by topical incrementalism in some circumstances.

The core of the product strategy was determined centrally via the research and development process. This occurred at a global level and although processes existed for subsidiaries to contribute to the decision, these fundamental decisions were taken at the US headquarters. Not only did the US base of the company influence strategy, but so did the relative dominance of the US market, in terms of its size and growth. This global command process therefore presented the subsidiary with a product portfolio, much of the augmented product (in the form of clinical evidence for efficacy claims) and financial targets. Further evidence of an external command process was exhibited by legally binding pricing constraints applied by the UK government. A formalised rational planning process was then added to this core strategy and was responsible for the allocation of sales and marketing resources. Case J exhibited one of the most clear examples of a rational process seen in this work and respondents pointed out that external consultant help had been used to create their process. Significantly, this formal process was also used to optimise coherence between central and subsidiary processes. Apart from a "base" level of political incrementalism seen at a tactical level, there was no significant evidence of incrementalism playing a constant role in the hybrid marketing strategy making process. However, it was notable that this company made frequent use of ad hoc teams to address localised areas of market turbulence, such as competitor activity or customer re-structuring. Hence Case J was an example of a predominantly planning process, albeit within a command framework and supplemented by controlled and localised incrementalism.

This mixture of processes demonstrated strong macrocongruence to the relatively complex market, with some market turbulence, faced by the company. The process accommodated well the complexities of the product portfolio and, to a large degree, the recently developed complexities of the decision making process and the augmented, health economics based value propositions. Especially interesting was the manner in which the planning process accommodated the complex segmentation amongst clinicians that was partly the result

of transition between individual and group decision making units. Moreover, the planning process identified areas of turbulence and then "delegated" responsibility for those to temporary, ad hoc, cross functional teams. Examples of this were to address competitor activity or changes in customer buying processes. The command framework allowed transfer of ideas across national markets, something that was significant in the relatively globalised therapeutic areas in which the company was operating.

This case also showed strong microcongruence between the hybrid marketing strategy making process and the organisational culture.

The *visionary command process* was facilitated by two notable cultural artefacts:

- Command acceptance
  The acceptance of the product pipeline and (with political negotiation) financial targets was, as with some other cases, a notable aspect of microcongruence between the command process and the organisational culture.

- Role demarcation and local autonomy
  Case J demonstrated clear separation between the resource allocation responsibilities of the visionary command process (located centrally) and the rational planning process (located in the subsidiary). This demarcation, and the accompanying autonomy within the roles, was cited as important.

The *incremental process* was supported by two notable cultural artefacts:

- Ad hoc teams
  More than other cases, Case J supported incremental processes by the deliberate and organised use of ad hoc teams to address specific areas of turbulence, but notably as a complement to the command framework and the rational planning process.

- Managerial experience
  Interestingly, there was some indication of how human resource policies were seen to support incrementalism. The

sample did not allow confirmation, but it appeared that maturity and experience were more highly valued in Case J than in some comparable cases.

The *rational planning process* was supported by two notable cultural artefacts:

- The use of external consultants
  Case J had employed external consultants to help develop its rational planning process. This was cited as important to the creation of a process that addressed the circumstances of the company. However, it was clear that the external development had been supported by internal training processes.

- Top management sponsorship
  It was notable that the rational planning process was motivated and supported by senior management, both within the case and by the US headquarters. Significant financial and other resources had been allocated to planning and it was valued in reward and recognition systems.

The marketing strategy resulting from the above blend of processes exhibited the properties of a strong strategy. Target definition was especially strong. Within the traditional therapy area and job-title definition of customers, a sophisticated motivational segmentation process was demonstrated, leading to distinct and homogeneous target definition. The value propositions were developed to reflect those motivations and, in addition to the core product, components such as CME (continuing medical education) and other support elements were significantly differentiated between customers, within the constraints of the UK National Health Service. Understanding and alignment of relative strengths and weaknesses was strong, with the organisation attempting to leverage its therapy area expertise and concomitant support capabilities, but also its management skills. Hence, the strategy was significantly different from those of its major competitors, especially in terms of targeting but also, to some degree, in the differentiation of its proposition.

In conclusion, Case J was an example of a strong strategy arising from a hybrid marketing strategy making process that was both macrocongruent and microcongruent. Given the complex and slightly

turbulent market conditions, this therefore offered important insights into effective marketing strategy making:

- The way in which a complex market is well managed by a process with a large planning element.

- The way in which an organisational culture may support rational planning processes with artefacts such as top management sponsorship and the use of external consultants.

- The way in which organisational culture may support incrementalism with artefacts such as ad hoc teams and by valuing managerial experience.

The case provided an interesting comparison to Cases G, J and P, with which it shared important similarities and differences.

5.5.11 Case K

Case K was an example of weak strategy associated with low levels of both macrocongruence and microcongruence. The case was an international SBU of a UK based manufacturer of medical devices. The business therefore had a narrow product interest but a very wide geographic interest. Its customer base included a number of clinical roles and other members of a complex DMU. This company was in the first rank of its industry.

The market in which Case K operated was relatively complex with little market turbulence:

Complexity
The complexity of the market conditions facing Case K arose not from its relatively narrow product portfolio but mostly from its international interests. The therapy area in which it worked varied in clinical approach between national markets. In addition, progressively more complex customer decision making processes and an increasingly non-product value proposition added to the complexity. The product covered mostly secondary care, in domestic and institutional settings, for a chronic rather than acute condition. The increasing importance of overall patient management was cited as an example of proposition complexity beyond the traditional product-based approach. This implied a much more complex decision making process than the traditional user-only model, involving more complex interaction of different clinical and non-clinical audiences. Channels to market were relatively complex, varying from country to country. The competitive aspect of the market was slightly complex, with different competitors in each of the therapeutic areas and more than one product form in competition.

Stability
This market had many aspects of stability arising from the relatively niche area of the treatment and the nature of its core technology. Although there was some technological turbulence, this was relatively minor. In addition, the secondary care, chronic, nature of the market implied a high level of stability. There were some signs of turbulence associated with healthcare reforms, but these were gradual and predictable.

The hybrid marketing strategy making process in use was primarily command with political incrementalism. It was notable that the respondents initially espoused planning, but probing revealed this to be in fact a heavily command oriented process.

The core of the strategy was determined centrally by a group of senior managers. This command process determined the product strategy, pricing frameworks, the clinical support (which dictated positioning) and set financial targets. This core strategy was then moderated by political incrementalism, i.e. negotiation between senior managers at international and national level. In addition, the parameters of the core strategy were set by a central strategy group which co-ordinated SBU strategies and allocated research, development and regulatory/ clinical resources. Very little evidence was seen of rational planning processes. These were espoused, but no significant evidence for them emerged even after close probing. Instead, "planning" was apparently used as a euphemism for control mechanisms, especially budgeting.

This strongly command and political incrementalism process exhibited many signs of poor macrocongruence and microcongruence. Macrocongruence to market complexity was evidenced in poor explication of market differences across the international scope of the SBU. In addition, the respondents showed little sign of being able to differentiate the nature of the competitive threats arising from the different product forms in the market. The process did not demonstrate understanding of the change from product-based propositions to condition management, despite the importance of this cited by the respondents. Nor, despite probing, was there significant comprehension of the effects of demographic and political changes, both important to this market. The relative lack of macroincongruence to market turbulence was commensurate with the stable nature of the market. However, it was noted that the rather rigid "planning" (i.e. budgetary) calendars hindered response to local turbulence arising from competitor activity.

This case also demonstrated poor microcongruence between the hybrid marketing strategy making process and the organisational culture.

The *incremental process* was hindered by two notable cultural artefacts:

- Lack of communication
  In contrast with some other cases, Case K demonstrated a lack of communication between the central body, which produced the command component of the strategy and the subsidiary responsible for implementation of the strategy. This was evidenced in both the mode of communication (mostly top down) and its content (financials and product features, with little concerning market or customer factors).

- Lack of role demarcation or local autonomy
  Case K demonstrated much less demarcation in the resources allocated by the central and local functions. Compared with other cases, the level of decisions made in the centre appeared to be much lower (i.e. more tactical) and the framework within which the incremental process could operate was considerably less clear in Case K.

The *visionary command process* was supported by two notable cultural artefacts:

- Strong "Barons"
  It was notable that the political influence wielded by certain key managers (at international and local level) was critical in the visionary part of the process.

- Financial control systems
  Case K exhibited financial and other control mechanisms aligned to its product, rather than market, structures and this was cited as an important part of the mechanism by which the command process was implemented.

The *rational planning process* was hindered by the low valuation of planning tools. Case K was interesting in that although the strategy making team included staff who were qualified and knowledgeable of planning techniques, the culture did not appear to value these skills highly. It appeared that greater value was placed on a combination of product knowledge and political abilities.

The marketing strategy resulting from the above blend of processes exhibited the properties of a weak strategy. Target definition was purely a combination of national and product categories, with no sign of homogeneous target definition. The value proposition was mostly fixed, with only a small degree of tactical tailoring carried out at sales team level. Similarly, such differential allocation of resources as occurred was a tactical manoeuvre carried out at a very low level. The case demonstrated poor understanding of relative strengths and weaknesses. Hence, alignment to market opportunities and threats was not discernible. Finally, there was no significant differentiation between Case K and its competitors in the nature of its targeting or the value proposition.

In conclusion, Case K was an example of a weak strategy arising from a hybrid marketing strategy making process that was neither macrocongruent nor microcongruent. Given the complex and stable market conditions, this therefore offered important insights into effective marketing strategy making:

- The way in which a complex market is not well managed by a process with a strong command element.

- The way in which an organisational culture may support command processes but, perhaps, at the cost of rational planning and incremental processes. The role of "Barons" and control systems seems prominent in this.

The case provided an interesting comparison to Case L, with which it shared important similarities and contrasts.

5.5.12   Case L

Case L was an example of strong strategy associated with high levels of both macrocongruence and microcongruence. The case was the UK SBU of a US based manufacturer of medical devices and equipment. The business therefore had a narrow product interest and a narrow UK geographic interest. Its customer base was tightly defined to a small number (300-400) of similar decision making units, almost all within the UK National Health Service, and in the acute sector. This company was the market leader of its sector, and was part of one of the world's top medical companies.

The market in which Case L operated was comparatively simple but exhibited relatively high market turbulence:

Complexity
The lack of complexity of the market conditions facing Case L was particularly interesting, in that it was artificially created. Case L was part of a very large medical devices group, which operated in many diverse market sectors. Unusually, however, the parent company had chosen to structure itself as a large number of self-contained business units that were largely autonomous from the other SBUs. Hence Case L was, like the other SBUs in the group, very tightly focussed upon one well defined market sector. This contrasted significantly with its competitors and other cases in this study. As a result, the customer, competitor and channel factors for Case L all suggested a simple market. Some complexity was suggested in the nature of the value proposition and the decision making process, but this was limited by the fact that almost all of the decision making units were within a single, specified part of the acute sector.

Stability
This case was prominent as the most turbulent of the cases examined in this work. The product sector in which it operated was in a growth phase of its product form life cycle, demonstrating notable degrees of turbulence in product form, clinical practice and purchasing behaviour. Competitive turbulence was declining, due to industry consolidation, but the sector remained turbulent. This was evidenced, for instance, by the development of new clinical applications for the product category. Notably, although product development times were significant, both they and the regulatory

burden were somewhat less of a moderator of market turbulence than in many of the other cases.

The hybrid marketing strategy making process in use was primarily command with local incrementalism. The core of the strategy was determined centrally via the product development programme based in the US. It was cited that this was partly because of the structure of the division, but also because the US was the lead market in this globalised sector. This command process determined the product strategy, the clinical support (which dictated positioning) and set financial targets. This core strategy was then developed by local incrementalism that was responsible for the augmented proposition, as well as pricing and allocation of local sales and marketing resources. There was no evidence of a formal rational planning process at this level, other than routine budgeting processes. The respondents did not espouse significant use of tools and techniques.

This strongly command and local incrementalism process exhibited many signs of strong macrocongruence and microcongruence.

Macrocongruence to market complexity was not evidenced in relation to the relatively simple conditions regarding the core product. The direct channels and simple competitive picture was well managed by the command process, particularly as this did not vary greatly across national markets. More significant was the allocation of resource to the augmented product in the face of significant market complexity with respect to customer needs and buying processes. Not only were these important, but they differed between national markets. The augmented product included not only service and support, but frequently extensive non-core elements such as financial and logistics management. This part of the market conditions was handled well by local incrementalism within the strategic framework created by the command-created product strategy. In addition to this macrocongruence to local market conditions, the command process was cited to work well in communicating the implications of macroenvironmental changes, such as technology, demographics or changes in clinical practice.

This case also demonstrated strong microcongruence between the hybrid marketing strategy making process and the organisational culture.

The *incremental process* was supported by two notable cultural artefacts:

- Strongly held cultural assumptions
  This case demonstrated a particularly strong set of cultural assumptions that were commonly held amongst the respondents. These arose from a combination of the core assumptions of the larger organisation and the additional assumptions of the SBU. In particular, these assumptions concerned the primacy of clinical care and the role of financial objectives to support that.

- Human resource policies
  As in other cases, the incremental process appeared to depend critically on human resource policies. Unusually for the industry, recruitment valued commercial skills over clinical or product skills; training and retention activity reinforced this. The incremental creation of the augmented proposition was dependent on the same "overskilling" human resource policy seen, for instance, in Case A.

The *visionary command process* was supported by two notable cultural artefacts:

- International leadership
  The visionary command process was facilitated by the global leadership of the US headquarters. Whilst this was a result of the external factor of US market primacy in this sector, it was also a cultural assumption that was important to making the incremental process work.

- Role demarcation and autonomy
  Once again, Case L demonstrated the paired cultural artefacts of clear demarcation between centre and subsidiary, combined with a high degree of local autonomy within this strategic framework. These were seen as important in supporting the visionary command process.

The *rational planning process* was not significantly present in this case and hence microcongruence to it was not noted.

The marketing strategy resulting from the above blend of processes exhibited the properties of a strong strategy. In addition to tight product market scope, market segmentation based upon attitudes and motivation was clearly observed. This segmentation drove allocation of promotional, sales, service and support resource. Value propositions were clearly tailored around this segmentation by the creation of individualised propositions using heavily augmented products which included management support. To do this, strategic alliances with third parties were created and managed. The case demonstrated clear understanding of relative strengths and weaknesses and alignment to market opportunities and threats reflected that. Finally, there was significant differentiation between Case L and its competitors in the nature of its targeting and the value proposition, albeit within the confines of a tightly defined market.

In conclusion, Case L was an example of a strong strategy arising from a hybrid marketing strategy making process that was both macrocongruent and microcongruent. Given the simple and turbulent market conditions, this therefore offered important insights into effective marketing strategy making:

- The way in which a complex market is effectively simplified by divisionalisation.

- The way in which a strongly command process manages a simple global market.

- The way in which local incrementalism handles localised and limited customer complexity.

- The way in which an organisational culture supports command and incremental processes by strong shared assumptions, and human resource policies.

The case provided an interesting comparison to Case K, with which it shared important similarities and contrasts.

5.5.13   Case M

Case M was an example of a weak strategy associated with low levels of macrocongruence but high levels of microcongruence. The case was the UK SBU of a multinational pharmaceutical company. The SBU had a moderate range of products and a narrow, purely UK, geographical focus. Its customer base was moderately diverse in both primary and secondary sectors. This company, although of significant size was in the second tier of global pharmaceutical companies.

The market in which Case M operated was moderately complex with relatively stable market conditions:

Complexity
The moderate complexity of the market conditions facing Case M arose from the product range and customer groupings it served. Its primary interest lay in managing a chronic condition and its proposition was commensurately complex, including devices and pharmaceuticals. Its customers were primarily in the secondary care area but the decision making unit was a complex mix of primary and secondary care customers, both clinicians and others. The large numbers of patients involved implied a fragmented market, whilst the secondary care bias emphasised the importance of distribution channels such as pharmacies. However, this case did not have a large number of widely different therapy areas, nor did it operate outside the UK. Hence it faced moderate market complexity.

Stability
This case contained many of the stabilising factors mentioned in other cases. Foremost amongst those was the lengthy product development and regulatory approval process that limited product introductions. Further, the comparatively niche nature of this market limited new entrants and no significant technological turbulence was reported. In addition, much of the market dynamics in the most important, chronic therapy area were driven by demographics with concomitant slow change. Some aspects of market turbulence were noted, driven by a degree of competitor activity and by changes in customer structures resulting from healthcare system reforms. Hence the case exhibited only a slight degree of turbulence.

The hybrid marketing strategy making process in use was primarily command with local incrementalism, although with very recent attempts to introduce rational planning. However, these latter attempts were so recent as to be mostly irrelevant to the current process or its outcomes. The core of the strategy was determined centrally via the product development programme based in the European headquarters. This visionary command process determined the product strategy, the clinical support (which dictated positioning) and set financial targets. It also heavily influenced some of the promotional strategy by its use of opinion leaders. This core strategy was then developed by local incrementalism that was responsible for allocation of local sales and marketing resources. Pricing was agreed by a political incremental process, although within tight governmental controls. Distribution or channel strategy was, to a large extent, dictated by product strategy. With the exception of espoused recent changes, there was no evidence of formal rational planning process at this level, other than routine budgeting processes. The respondents did espouse some use of tools and techniques but this was very recent and had not yet fed through to resource allocation decisions. In any case, this latter rational process was restricted to the UK subsidiary.

This visionary command and local incrementalism process exhibited strong microcongruence but a notable lack of macrocongruence.

Lack of macrocongruence was evidenced in relation to the moderate complexity of the market conditions. Respondents reported a lack of understanding of some of the complexity of customer structure, channel management and different types of competitive threats. Furthermore, there were indications that the variations between different national markets were not well addressed by the command element of the process. Respondents cited this lack of understanding as justification for recent attempts at rational planning. Some slight indications were also given that the process had not yet understood recent localised turbulence in customer structures and buying processes.

This case demonstrated strong microcongruence between the hybrid marketing strategy making process and the organisational culture.

The *incremental process* was hindered by lack of clear role demarcation between central and local processes. This was especially cited as regards promotional positioning.

The *visionary command process* was supported by the product based structure and valuation of product, rather than customer knowledge.

The *rational planning process* was not significantly present in this case but initial hindrance to it was reported in the form of communication and market data barriers.

The marketing strategy resulting from the above blend of processes exhibited the properties of a weak strategy. Beyond basic product category definition, there was no evidence of targeting homogeneous groups or of needs based targeting. Consequently, value proposition tailoring and differential allocation of resources was seen only to a very limited degree at sales team level. Recognition and understanding of relative strengths and weaknesses was low and no noticeable alignment to market opportunities or threats was seen. Finally, neither the targeting nor the propositions were cited as significantly different from that of the major competitors.

In conclusion, Case M was an example of a weak strategy arising from a hybrid marketing strategy making process that was microcongruent but not macrocongruent. Given the moderately complex and slightly turbulent market conditions, this therefore offered important insights into effective marketing strategy making:

- The way in which a moderately complex market is not managed effectively by a visionary command process when the accompanying incremental process is hindered by the organisational culture.

- The way in which a strongly command process is supported by a product-oriented set of values.

The case provided an interesting comparison to Cases F, G and J, with which it shared important similarities and differences.

5.5.14   Case N

Case N was an example of a moderately weak marketing strategy associated with moderate levels of both macrocongruence and microcongruence. The case was the UK SBU of a US based manufacturer of medical devices and pharmaceuticals. The case had a UK only geographical focus but had a broad product range built around two closely related therapy areas. It was concerned with the management of a single tightly defined therapy area, covering a mixture of primary and secondary care. The case was the market leader in its sector and was part of a divisionalised multinational that was one of the largest medical companies in the world.

The market in which Case N operated was both moderately complex and moderately turbulent:

Complexity
The moderate complexity facing Case N arose from the clinical process for managing this therapy area. As a result, the proposition included a complex mixture of devices and pharmaceuticals. In addition, the long-term nature of the condition required a complex augmented proposition to allow patient management. Further complexity was added by a variety of competitors and a mixture of delivery channels. Conversely, Case N covered only two closely related sectors and only in the UK. Overall, this represented an example of moderate market complexity.

Stability
This case contained many of the stabilising factors mentioned in other cases. This included a lengthy product development and regulatory approval process that limited product introductions, although this was slightly less constraining than in some purely pharmaceutical markets. Further, the relatively mature nature of this market discouraged new entrants and the market dynamics in this therapy area were largely driven by demographics with concomitant predictable change. However, some changes in underlying technologies, or convergence of technologies, was reported. In addition, significant changes in the manner in which healthcare providers chose to manage provision of this service to patients was noted. Hence Case N provided an example of moderate market turbulence.

The hybrid marketing strategy making process in use was primarily command with local incrementalism. Initial claims of rational planning were, upon investigation, merely budgeting and simple prioritisation at sales team level. The core of the strategy was determined centrally via the product development programme based in the US and, to a lesser extent, by European divisional headquarters. This command process determined the product strategy (which largely defined target markets) and set financial targets. This core strategy was then developed by local incrementalism that was responsible for the augmented proposition, as well as pricing and allocation of local sales and marketing resources. There was little evidence of formal rational planning process at this level, other than routine budgeting processes and sales team prioritisation. The respondents did not espouse significant use of tools and techniques.

This strongly command and local incrementalism process exhibited signs of moderate macrocongruence and microcongruence.

Macrocongruence was indicated in relation to market turbulence. The command and incremental processes were cited as being able to cope well with continuous market change. However it was also cited that the process seemed to lag behind any discontinuous change, and that aspects of market complexity, especially with regards to customer needs, were not always well managed by the command process. To the limited extent that rational planning existed, it was noted as failing to respond to market turbulence. Hence this case represented a mid-way point in terms of macrocongruence, with some indications of the hybrid marketing strategy making process being both congruent and incongruent to the market conditions.

This case also demonstrated moderate microcongruence between the hybrid marketing strategy making process and the organisational culture.

The *incremental process* was supported by strong internal relationships, which were also cited as ameliorating any examples in which the command process and the incremental process conflicted. However, incrementalism was also hindered by beliefs in the primacy of hard data, which acted as a barrier to incrementalism when only intangible data was available or relevant.

The *visionary command process* was supported by acceptance of the US market leadership and further facilitated by an extensive management information system. However, the command process was sometimes hindered by the matrix structure of the organisation.

The *rational planning process*, insofar as it existed in this case, was hindered by cultural values relating to product expertise and consequent lack of value given to planning techniques and tools.

The marketing strategy resulting from the above blend of processes exhibited both strong and weak properties. Target market definition was mostly product oriented, with only weak signs of sub-targeting within that. Value proposition tailoring and differential resource allocation was more noticeable, albeit mostly at a sales level rather than higher up the value chain. Some understanding of relative strengths and weaknesses was shown and there was a degree of alignment as emphasis was placed on customers who valued the organisation's strengths in service and support. However, the targeting and proposition of this case were not markedly different from that of the competition.

In conclusion, Case N was an example of a moderately weak strategy arising from a hybrid marketing strategy making process that was both moderately macrocongruent and moderately microcongruent. Since the case was also mid-range in terms of both complexity and turbulence, it represented a mid-point in each of the key variables. As such, it suggested the following important insights into effective marketing strategy making:

- The way in which a very complex market is partly simplified by divisionalisation.

- The way in which moderate degrees of macrocongruence and microcongruence are associated with moderate strength of marketing strategy.

The case provided an interesting comparison to Case M, with which it shared important similarities and differences.

5.5.15　Case O

Case O was an example of a weak marketing strategy associated with low levels of macrocongruence, but high levels of microcongruence. The case was the UK headquarters of a small UK based manufacturer of medical equipment. The case had a UK only geographical focus but had a very broad product range. It covered a mixture of usage contexts and was concerned with the management of a wide spectrum of patient needs via a mixture of channels. The case was a small company in its sector and was part owned by venture capitalists.

The market in which Case O operated was both relatively complex and relatively stable:

Complexity
The relative complexity facing Case O arose not from its products, which were reasonably simple, but from its complex proposition and market. The proposition included a complex specification, design and installation service in addition to the core products. The market was fragmented according to patient context and served by a number of different channels. As a result, the market scenario contained multiple competitors and customer types. The market was heavily influenced by government funding, channelled through a variety of bodies. There were a number of different decision making processes and complex decision making units. Hence Case O faced comparatively complex market conditions.

Stability
Unlike many of the cases in this study, the market turbulence facing Case O was not moderated by long product development and approval processes. In this case, neither factor applied particularly. However, the market was mature and of a relatively tight, niche nature. This had the effect of reducing product development and competitive activity. Further, the market was technologically relatively simple and showed no significant technological turbulence. Much of the market dynamics arose from basic demographic drivers and, as such, were relatively stable. Such turbulence as existed derived from changes in local government and other funding arrangements which implied turbulence at a detailed level, but

overall stability. Hence Case O provided an example of relatively low market turbulence.

The hybrid marketing strategy making process in use was strongly command with a small amount of local incrementalism. Respondents stated that no rational planning process was in place beyond extensive financial control systems. In fact, Case O was perhaps the strongest, most purely visionary command processes seen in any of the eighteen cases. The core of the strategy was determined centrally via a dominant leader, with some input from a small management team. This part of the process determined the core product range and the service and support elements that made up the most differentiating components of the proposition. Further, this command process was also responsible for many of the smaller scale resource allocation decisions concerning sales and marketing programmes and service and support activity. In addition, there was an element of external command dictated by external venture capitalists who held some of the organisation's shares. Some limited political and cultural incrementalism was noted, which moderated some of the command process. However, this was limited to small changes to the core strategy.

This strongly command process with limited incrementalism exhibited weak macrocongruence but strong microcongruence.

Lack of macrocongruence was indicated in relation to market complexity. The strongly command process showed weak ability to understand the complexity of an unusually fragmented and complicated market which, despite its maturity and small size, contained many different channels and regional variations. In addition, the command process showed little ability to rationalise the competitive environment or to anticipate the implications of the important macroenvironmental forces acting on the market. Case O was unusually simplistic in its characterisation of its market. The stability of the market meant that lack of macrocongruence, with respect to turbulence, was not observed.

This case also demonstrated strong microcongruence between the hybrid marketing strategy making process and the organisational culture.

The *visionary command process* was supported by a somewhat autocratic culture with a high degree of decision making centralisation. This was further facilitated by detailed financial control measures. In addition, the cultural influence of external venture capitalists also supported the command process. The fairly flat structure associated with a small company also seemed to be important in supporting a visionary command process.

The *incremental process*, to the extent that it existed in this case, was hindered by cultural artefacts of tight financial control systems, low levels of management autonomy and the primacy of short term financial objectives.

No *rational planning* existed with which the organisational culture could be macrocongruent or otherwise.

The marketing strategy resulting from the above strongly command process exhibited the properties of a weak strategy. Target market definition was either channel or product oriented, with no signs of sub-targeting to more homogeneous segments. Value proposition tailoring occurred to a small degree, at sales level, but there was no indication of differential resource allocation among targets. No significant understanding of relative strengths and weaknesses was shown; consequently, there was no noticeable deliberate alignment to market opportunities or threats. Finally, neither targeting nor value proposition showed any degree of uniqueness from the major competitors.

In conclusion, Case O was an example of a weak strategy arising from a hybrid marketing strategy making process that was not macrocongruent but which was microcongruent. Since market conditions for this case were both stable and complex, it suggested the following important insights into effective marketing strategy making:

- The way in which a very complex market is not understood by a strongly command process.

- The way in which a visionary command process is supported by an autocratic culture with strong financial controls and external pressure.

- The way in which incrementalism is hindered by low levels of management autonomy.

The case provided an interesting comparison to Cases C, I, K and P, with which it shared important similarities and differences.

5.5.16   Case P

Case P was based on one respondent only.

Case P was an example of a weak marketing strategy associated with low levels of macrocongruence, but high levels of microcongruence. The case was the UK sales and marketing subsidiary of a very large multinational pharmaceutical firm. The business had a wide therapeutic area spread but a purely UK geographic interest. Its customer base was wide and varied. This company was in the first rank of its industry.

The market in which Case P operated was relatively complex but relatively stable:

Complexity
The complexity of the market conditions facing Case P arose from its broad product portfolio, increasingly complex customer decision making processes and increasingly non-product value proposition. The broad product portfolio included several therapeutic areas and covered acute and chronic conditions in both primary and secondary care. The reforms within the UK National Health Service, partly in an attempt to reduce spending on pharmaceuticals, had also led to a more complex customer decision making process. The increasing importance of health economics needs arising from healthcare reforms was cited as an example of proposition complexity beyond the traditional product-based approach. This implied a much more complex decision making process than the traditional prescriber-only model. There was some complexity arising from a mixture of indirect channels to market. The competitive aspect of the market was relatively straightforward, with a small number of similar competitors and a tier of generic manufacturers.

Stability
This market had many aspects of stability arising from its relative maturity, in terms of product form life cycle, the extended development time for new products and the highly regulated nature of the market. There were no significant signs of market turbulence reported by the single respondent.

The hybrid marketing strategy making process in use was espoused to be a strongly planning process with significant strands of visionary command and incrementalism. However, the responses given by the single respondent suggested a much less evenly balanced process, closer to a strongly command process in which the rational planning techniques were used as a mechanism to enable command. The hybrid marketing strategy making process was based upon a formal process developed by external consultants for the headquarters of the company and was used almost throughout the entire international organisation. This process was responsible for developing, communicating and implementing core product strategy and was also the mechanism by which the non-core parts of the proposition were justified by the subsidiary. This process was formal and quantified, but showed relatively little actual use of planning tools and techniques. It was heavily financially oriented, together with other control mechanisms such as calendars of promotional activity. There were minor indications that the hybrid marketing strategy making process also contained a small element of political and cultural incrementalism. Hence, the process could best be described as strongly command, but using a financial planning model as an implementation mechanism.

This strongly command process exhibited microcongruence to the organisational culture but not macrocongruence to the market conditions.

Lack of macrocongruence with market conditions was exhibited with respect to market complexity, rather than market turbulence in this relatively complex but stable market. In particular, macrocongruence was exhibited as a mis-match between the centrally created proposition and the detailed needs of subsidiary markets. Examples of this were cited in which UK market structures in the primary care area were not well addressed by propositions designed to meet the needs of their US based equivalents.

This case exhibited a high degree of microcongruence between the hybrid marketing strategy making process and the organisational culture.

The *visionary command process* was facilitated by two notable cultural artefacts:

- Explicit processes
  This case exhibited an especially well defined and widely used formal process. It was defined for use across the company and its use was reinforced by the planning cycle calendar.

- Strongly held cultural assumptions
  Case P was notable for the strength of the espoused cultural assumptions regarding the value of formality and discipline elements of a hybrid marketing strategy making process. If the single respondent were taken as representative, this would seem to indicate that a strong culture supports the visionary command process.

Neither microcongruence nor microincongruence to *incrementalism* or *rational planning* were observed in this case.

The marketing strategy resulting from the above strongly command hybrid marketing strategy making process had the properties of a weak strategy. Target definition was made in terms of product categories, with no indication of needs based segmentation. The value proposition development was augmented with components such as CME (continuing medical education) but was not significantly differentiated between customers. There was some indication of differential resource allocation at sales level, based on opportunity size. Understanding (and therefore alignment) of relative strengths and weaknesses was weak. Finally, the strategy was not significantly different from those of major competitors in terms either of targeting or the nature of the proposition.

In conclusion, Case P was an example of a weak strategy arising from a hybrid marketing strategy making process that was not macrocongruent but which was microcongruent. Given the complex and stable market conditions, this case offered important insights into effective marketing strategy making:

- The way in which a complex market is not well managed by a process with a large command element.

- The way in which an organisational culture that is supportive of command processes may hinder incremental or planning processes.

This case left unanswered what hybrid marketing strategy making process might be macrocongruent to a complex market or how such a process might interact with a command culture. Taken in the context of other cases, however, this case may suggest possible answers for both situations.

The case offered interesting comparisons to Cases F, G and J with which it shared some similarities and differences.

5.5.17　Case Q

Case Q was an example of a strong marketing strategy associated with high levels of both macrocongruence and microcongruence. The case was the UK subsidiary of a medium sized multinational pharmaceutical firm. The business had a wide therapeutic area spread but only a UK geographic interest. Its customer base was wide and varied, in both primary and secondary care and across a number of functional roles. This company was in the second tier rank of its industry. Importantly, both the company and the subsidiary had grown exceptionally quickly in recent years due to acquisition.

The market in which Case Q operated was relatively complex with moderate market turbulence:

Complexity
The complexity of the market conditions facing Case Q arose from its broad product portfolio and increasingly non-product value proposition. This was the result of a very rapid period of recent acquisition which not only increased the company turnover, but also significantly increased the complexity of the market situation facing the company in each geographical market. The broad product portfolio included several therapeutic areas and covered acute and chronic conditions in both primary and secondary care. Further, the increasing importance of health economics needs arising from healthcare reforms was cited as an example of proposition complexity beyond the traditional product-based approach. This implied a much more complex decision making process than the traditional prescriber-only model. This non-product proposition was, as discussed later, central to the organisation's strategy. There was some complexity arising from channels to market. The competitive aspect of the market also implied some complexity with a number of different competitors in each of the therapeutic areas.

Stability
This market had some aspects of stability arising from its relative maturity, in terms of product form life cycles, the extended development time for new products and the highly regulated nature of the market. Although the organisational complexity had increased discontinuously in the past few years, these industry factors meant that the market overall was relatively stable. Some signs of turbulence were exhibited in the changes in the customer processes and structures as a result of UK National Health Service reforms.

Further, the changes associated with patent expiry of competitors' products were notable in some therapeutic areas.

The hybrid marketing strategy making process in use was an unusually even mixture of all three processes: visionary command, rational planning and incrementalism. Notably, respondents stated that this was a change in recent years from a former strongly command process with some incrementalism.

The core of the product strategy (which necessarily defines the target customers at market level) was determined via the research and development process or the acquisition process. This product pipeline issue was a fundamental factor around which much of the strategy was dependent. Incremental processes were not significantly involved in the development of this core strategy and instead were restricted to the development of the augmented proposition, which was especially important in this case. Furthermore, some political incrementalism was evidenced in headquarters/subsidiary negotiation. The most notable feature of the hybrid marketing strategy making process was a formal rational planning process that had been recently adopted throughout the organisation and was cited extensively by the respondents. This process had been developed quite deliberately by the organisation to meet the challenges of the newly-complex market conditions that arose as a result of the company's acquisition programme. Hence the organisation would appear to have gone from a simple market situation to a more complex one. In response, it had moved its hybrid marketing strategy making process from command plus incrementalism to a more even mixture of the three. Frequent mention was made of various tools and techniques above and beyond what might be expected of traditional budgeting processes. This process was an organisation-wide practice rather than just a headquarters or subsidiary activity.

This three component mixed process was macrocongruent to the market. Evidence was cited of effectively managing the portfolio by assessing relative attractiveness and strength and of understanding the different sorts of competitive threats. The most significant evidence of macrocongruence to market complexity was that exhibited in relation to assessing the implications of macro-environmental political and economic trends. The hybrid marketing strategy making process was also reasonably congruent to the moderate market

turbulence faced by the case. Some indications of difficulty in assimilating the new portfolio with sufficient speed was suggested; however, the case overall exhibited macrocongruence with the market conditions.

This case exhibited microcongruence between the hybrid marketing strategy making process and the organisational culture.

The *rational planning process* was facilitated by two notable cultural artefacts:

- Deliberate internal communications
  A deliberate extensive programme of internal communication supported the rational planning process. This was described as part of a conscious attempt to shift the culture from that associated with the smaller company (suggested as a visionary command supportive culture) to one more supportive of a rational planning process.

- Senior management endorsement
  It was notable that the newly rational process was initiated, driven and monitored by a cohesive management team. This team used the rapid acquisition phase as justification for the development of the process.

The *incremental process* was supported by two cultural artefacts

- Role demarcation
  Case Q exhibited, as in other cases, clear demarcation between the command process (responsible for the core product strategy) and the incremental process (responsible for the development of the augmented part of the proposition). There was notably less "meddling" by the headquarters in the roles of the subsidiary.

- Human resource policies
  As with other cases, incrementalism was supported by human resource policies that led to relatively stable and particularly well qualified and experienced staff. This was seen as critical to the success and incremental development of the augmented proposition.

The *visionary command* process was supported by the role demarcation and autonomy within a strategy framework discussed in other cases. This cultural artefact was seen as extant, a remnant of the former small company culture.

The marketing strategy resulting from the above balanced hybrid marketing strategy making process had the properties of a strong strategy. It was notable that target definition was in terms of a pan-therapy area segment based upon customer motivations. This appeared to be homogeneous and distinct. The value proposition development was based upon augmented packages based on health economic arguments and allocation of resource was clearly differentially targeted to the target segment and away from the more traditionally minded customers. The strategy was intended to leverage particular management competencies and non-product related strengths in evidence based medicine whilst compensating for dual threats of larger premium competitors and low cost generic followers. Finally, the strategy was evidenced to target differently from the major competitors and to be significantly different in terms of proposition.

In conclusion, Case Q was an example of a strong strategy arising from a hybrid marketing strategy making process that was both macrocongruent and microcongruent. Given the complex and moderately turbulent market conditions, this therefore offered important insights into effective marketing strategy making:

- The way in which complexity and turbulence appear to be well managed by a three component mixture of hybrid marketing strategy making process.

- The way in which the organisational culture may be managed, by key appointments and internal communication, to support the new process.

This case offered useful comparisons to Case B with which it shared similarities and differences.

5.5.18   Case R

Case R was an example of a weak marketing strategy associated with low levels of both macrocongruence and microcongruence. The case was the UK subsidiary of a European manufacturer of medical devices and pharmaceuticals. The case had a UK only geographical focus and had a narrow product range built around a single therapy area, mostly in primary care. The case was the market follower in its sector and was part of a multinational that was in the second tier of the industry.

The market in which Case R operated was both relatively simple and stable:

Complexity
The relative simplicity facing Case R arose from its tight focus into a single therapy area. This implied a small number of well defined customers and a single significant competitor. Access to market was direct so there was no channel complexity. The complex nature of the value proposition (involving devices, pharmaceuticals and a complex service component) did imply some market complexity, but overall the market conditions were relatively simple.

Stability
This case contained many of the stabilising factors mentioned in other cases. This included a lengthy product development and regulatory approval process that limited product introductions, although this was slightly less constraining than in some purely pharmaceutical markets. Further, the relatively mature nature of this market limited new entrants, and much of the market dynamics in this therapy area were driven by demographics, with concomitant predictable change. Some changes in the provision of this service to patients in this therapy area were noted. Case R therefore provided an example of limited market turbulence.

The hybrid marketing strategy making process in use was primarily command with local incrementalism. The core of the strategy was determined centrally via the product development programme based at headquarters. This command process determined the product strategy and set financial targets. Further, it also overlapped significantly into lower levels of subsidiary decisions by controlling the clinical support and promotional resources to some extent.

This core strategy was then developed by local incrementalism that was responsible for the augmented proposition, as well as pricing and allocation of local sales and marketing resources. There was no evidence of formal rational planning process other than routine budgeting processes and sales management. The respondents did not espouse use of tools and techniques.

This command and local incrementalism process exhibited signs of low macrocongruence and low microcongruence.

The hybrid marketing strategy making process exhibited low macrocongruence with market complexity. Respondents pointed to the failure of the command process to cope with important market factors that differed from other European markets. In addition, the process failed to achieve an effective understanding of the implications of changes in clinical practice driven by healthcare reforms. To a lesser degree, the process also demonstrated low macrocongruence with market turbulence. Respondents pointed to the failure of the central command process to maintain a formerly held technical superiority.

The *command process* was hindered by lack of the role demarcation and autonomy within the framework, something seen as important in other cases. There were also indications of cultural heterogeneity due to a recent merger which had not resulted in a merging of the cultures.

The *incremental process* was hindered by bureaucratic processes which were cited as slowing down and creating barriers to incremental steps. Similarly, poor internal communications and functional silos were cited as cultural artefacts that hindered incremental processes.

Since no significant *rational planning* took place, no interaction between this and the organisational culture was observed.

The strategy resulting from this process had the properties of a weak strategy. Target market definition was in terms of products and showed no sign of homogeneous segmentation. Although the value proposition was, to some extent, individually tailored at sales level, there was no indication of differential resource allocation between

targets. Awareness of relative strengths and weakness was low and so, commensurately, was alignment to market opportunities and threats. Finally, the strategy did not differ significantly in either targeting or proposition from that of the competition.

In conclusion, Case Q was an example of a weak strategy arising from a hybrid marketing strategy making process that was neither macrocongruent nor microcongruent. Since the case was an example of a weak strategy in a simple and stable market, it suggested an important insight into effective marketing strategy making:

- That even in a relatively simple and stable market, microcongruence is necessary to create a strong strategy.

The case provided an interesting comparison to Cases A, D and H, with which it shared important similarities and differences.

5.6   The Content of the Emergent Structures

The congruency hypotheses which form the theoretical basis for this work offer a useful foundation for explaining the effectiveness of marketing strategy making processes, but offer little help in elucidating the nature of the key variables (in this case, hybrid marketing strategy making process, macrocongruence, microcongruence and strategy properties). The literature base provides some indication of the dimensions and characteristics of each of these variables, sufficient to inform research design, but is general and often decontextualised. By that is meant that the literature implies the nature of each of the four variables, but only in a non-specific manner and not related to the details of the situational context in any way. The findings of this work add to the extant literature in that they suggest more detail concerning the nature of these variables and how they vary by case. The following sections discuss the nature of each of the variables and the extent to which the findings develop the knowledge derived from the current literature.

5.6.1　　The Nature of Hybrid Marketing Strategy Process

Whilst the literature is replete with descriptions of specific modes of strategy making process (as in the ten modes described by Mintzberg et al (Mintzberg, Ahlstrand, & Lampel1998), and with attempted typologies of strategy making processes (see Table 3, Page 22), empirical description of individual marketing strategy making processes is much less developed. That which has been attempted is mostly linear, in that it characterises marketing strategy making along the single dimension of the degree of formality or rationality employed (as discussed in Sections 2.4 and 2.5.1).

The findings of this work indicate hybrid marketing strategy making processes that do not fit perfectly into any simple typology but are more accurately characterised than simply by degree of formality. They indicate that the McDonald three-component model is a useful approach to characterising the nature of an organisation's marketing strategy making process and that the results of such a characterisation indicate that hybrid marketing strategy making processes are a more realistic description of the extant management process than the linear characterisation of earlier work. In this respect, they support the quantitatively derived findings of Bailey et al (see Table 2 page 24) and confirm the need for multidimensional characterisation of process in the study of marketing strategy making process effectiveness.

As discussed above, a limited range of hybrid marketing strategy making processes was observed in this work. This may have been an artefact of the sampling employed and implies a limitation of the research and an opportunity for further work.

The most commonly observed hybrid marketing strategy making process, a combination of central command and local or peripheral incrementalism, was characterised by clear demarcation between those strategy components determined by the central and local parts of the organisation. Typically, the core of the product offering was determined centrally and this implied the framework within which targeting took place. This was true in both effective and ineffective processes. Where the command plus incremental process was effective, this was exhibited in local ability to recognise and implement local market needs and adapt the core strategy

accordingly. Where the command plus incremental process was ineffective, this was exhibited as failure of the local process to adapt and develop the core strategy to local conditions. Where it was ineffective, the core strategy was either regarded locally as "fixed", with adaptation forbidden or, more commonly, the local culture was unable (through lack of skills or other resources) to adapt the core strategy.

Command and planning processes, the second most commonly observed hybrid marketing strategy making process, was characterised by similar central determination of the core strategy but local or peripheral determination of targeting and the augmented product. This was true in both effective and ineffective examples of the command and planning hybrid marketing strategy making process. Where the process was effective, the local organisation was both enabled to carry out planning and to adapt the core strategy. Where the command plus planning process was ineffective, this was exhibited as failure of the local process to adapt and develop the core strategy to local conditions. Where this happened, the planning component was seen to be locally disabled, most often by local cultural artefacts more reminiscent of a non-planning culture.

The other hybrid marketing strategy making processes observed were not recorded with sufficient frequency to detect common patterns in the way the process worked. Those that were not either command and incrementalism or command and planning were often noticeably in a state of transition from one process type to another. Such transitions were often associated with one of three types of initiating stimuli: significant change in market conditions, change in senior management or organisational change such as a merger or acquisition.

5.6.2   The Nature of Macrocongruence

The hybrid marketing strategy making processes observed in this work were each seen to be congruent or otherwise with different aspects of the external market environment. In particular, the processes were seen to be more or less congruent with changes in market conditions or with the multiplicity of market entities such as customer segments, competitive forces or channels. Hence, this work

supported the work of Frederickson, Mintzberg, Eisenhardt and others, discussed in Sections 2.5.2 and 2.5.3, and the consensus in this literature that market complexity and market turbulence are the two most significant external mediators of marketing strategy making process effectiveness.

Market complexity was seen to be most congruent with processes in which rational planning was a significant component, whilst the reverse was true of heavily visionary and incremental processes. In particular, planning-biased approaches were seen to develop congruence with market complexity in two ways: market understanding and internal communication. Planning appeared to enable market understanding when either the external macro-environment (social, legal, economic, political or technological factors) or the external microenvironment (competitors, channels and customers) were complex and contained multiple factors. The most visible example of this was the manner in which planning enabled understanding of market segmentation. Further, planning was seen to provide "process benefits" of superior internal communication of market complexity. Examples of this were communication of priorities (of both targets and competitors) and coordination of activity between business units and between hierarchical levels within the organisation. By contrast, visionary and incremental processes were seen to exhibit incongruence with market complexity. Examples of this fell into two broad categories. Firstly, the inability of visionary or incremental processes to accurately assess and prioritise multiple market factors. This was especially true when the factors, such as competitive intensity or attractiveness, were not easily quantified and compared. Secondly, visionary and incremental processes were observed to be vulnerable to organisational politics and pronounced subjectivity in the assessment of market complexity.

Market turbulence, by contrast, was seen to be more effectively addressed by processes containing significant elements of visionary command processes. In particular, visionary processes were seen to be congruent to market turbulence in two ways. Firstly, in the recognition and assessment of major market changes, especially when they were of an international or pan-market sector significance. Visionary processes enabled the effective prioritisation of new products and of the regulatory or other strategic issues. Secondly,

visionary command processes demonstrated effectiveness at communicating and implementing responses to strategic changes well. Evidence of this was seen in both communicating centrally derived strategic responses and in transferring locally derived strategic responses across national boundaries or product sectors.

Notably, incrementalism was not seen as especially congruent to either market complexity or market turbulence. Instead, it appeared to be a necessary complement of both planning and visionary command processes. In this way, incrementalism was observed to add responsiveness to planning led processes and sensitivity to visionary command led processes.

5.6.3 The Nature of Microcongruence

The nature of microcongruence was demonstrated in the manner in which each of the three sub-processes of the various hybrid marketing strategy making processes was seen to be either hindered or helped by various cultural artefacts.

Command processes were seen to be congruent to organisational cultures in two ways. Firstly, demarcation between and coordination across central and local processes. There was clear demarcation between the central command process and body and the local or peripheral process and body, be that planning or incrementally oriented. In such demarcated cultures, the local processes were relatively autonomous and were connected to the central process by multiple, frequent, connective processes. These included formal, quantitative communication processes but also more qualitative processes based on cross-functional and pan-hierarchy teams. Secondly, command processes macrocongruence was seen to occur with stable and ideologically coherent command bodies. Such teams were often sustained by clear "enculturation" of new members. Conversely, visionary command processes were seen to be macroincongruent with "meddling" cultures in which demarcation between central and local processes and bodies was not well defined, or where the command group culture was weak or inconsistent. Interestingly, previously functioning command processes were seen to become macroincongruent when external pressures acted upon their common assumptions. Examples of this were when

management turnover occurred and when extraordinary business situations such as takeover threat or initial public offering transpired.

Planning processes were seen to be congruent to organisational cultures in two ways. Firstly, extensive and well-established commitment to planning. This notably extended from senior management downwards and was reflected in organisational structures and processes to support planning. Frequently, some form of external pressure (performance shortfalls, increased competitive intensity) was cited as "enablers" of this supportive culture. Secondly, resource allocation concomitant to planning led approaches was observed. This extended to capital expenditure (for instance into management information systems) and human resource investment (for instance into skills training or specialist recruitment). Conversely, planning processes were seen to be macroincongruent with "product led" cultures in which the value of planning was not widely accepted. In addition to the lack of resource allocation that followed from these cultural assumptions, intangible barriers to planning were observed in the reluctance to share data and communicate openly. Interestingly, cultures that were extremely quantitative in their approach were also incongruent to planning led approaches. In these cases, the primacy of "hard" data led to rigid adherence to formal processes, to the exclusion of more qualitative considerations. Examples of this were the failure to segment effectively when only descriptor data was available, following the cultural devaluation of useful but qualitative motivator data.

Incremental processes were seen to be congruent with organisational cultures in two ways. Firstly, incrementalism was allowed within the overall hybrid marketing strategy making process. This allowance took both formal and informal forms. Formally, demarcation of responsibilities between the centre and peripheral parts of the organisation allowed the incremental processes to occur. Informally, cultural traits such as blame reduction and encouraging experimentation were observed. Secondly, incrementalism was enabled within the permissive culture. The primary way in which this was achieved by the use of "over-skilled" people in roles that required incrementalism. This was complemented by policies to increase skills and reduce staff turnover. The secondary way in which

incrementalism was enabled was the provision of management systems and resources with which to attempt and monitor implementation of incrementalism. Conversely, microincongruence with incrementalism was observed in bureaucratic cultures with quantified, rigid, control systems. Interestingly, flat structures, cited as an attempt to improve upon bureaucratic hierarchies, were also seen as incongruent with incrementalism. This reflected the difficulty of gaining buy-in and rapid decision-making across large flat organisational structures.

5.6.4   The Nature of Marketing Strategy Quality

The nature of the marketing strategies observed in this work were seen to vary across the four dimensions or properties investigated. In all four cases, clear differentiation was observed between the cases in terms of the degree to which they met the criteria for a strong strategy derived from the literature. However, none of the cases met all of the idealised criteria perfectly and the resultant characterisation of strong and weak marketing strategies provides useful insight into the nature of marketing strategy differentiation within the context of this market.

Target market definition was a notable differentiation between the cases in this work, but was also significantly different from that idealised in the literature. Prescriptive texts suggest that effective target market definition consists of one or more segments that are both homogenous and distinct in terms of their motivations, buying behaviour and response to propositions. The literature also suggests that product or channel segmentation rarely meets these criteria. What emerges from this work, however, is that product or channel-based segmentation is the norm in the industry sector studied. This seems to be associated with the technical product complexity and the difficulty of building necessary product expertise across a number of sectors. However, strong strategies were clearly differentiated from weak strategies in that they involved target market definition at a level beyond product or channel, whereas weak strategies went no further than product or channel target definition. Strong strategies were noted to apply a level of motivation-based target market definition within the initial level of segmentation. This segmentation was usually limited to one or two target segments within the product

or channel category, such limitation seemingly associated with technical, legally or organisationally created inflexibility. Hence, the nature of marketing strategy quality is not quite as expected based upon the extant literature. Rather than motivator based segments, a combination of product or channel and motivator based segments is used to accommodate proposition complexity and organisational inflexibility.

Proposition differentiation between segments is also a notable point of differentiation between the cases in this study. However, as with target market definition, the nature of proposition differentiation amongst the cases studied is not as idealised by the literature. The prescriptive texts suggest propositions that are individually tailored to the needs of true (i.e. homogeneous and distinct) segments, with variation across all parts of the proposition in according with variance between segment needs and motivations. This work suggests a lesser form of proposition differentiation. In all cases, the marketing strategies employed by the case studies involved a relatively fixed and non-variable core proposition. This was largely accounted for by the difficulty and cost of product adaptation (a consequence of product technical complexity and regulatory constraints). The fixed nature of the proposition was also influenced by legal constraints on pricing variation and by the often homogeneous nature of the customer base in terms of channel and communication needs. All of the strategies observed in this work therefore demonstrated a variance from the literature ideal by means of a fixed core product. However, stronger strategies were differentiated from weaker strategies to the extent to which the augmented, non-core product was differentiated between targets. Often, such differentiation involved both active tailoring to the needs of the target and passive defocusing on non-targets by virtue of building a proposition inappropriate to the non-target segment. Examples of this included the development of service, logistical, financial and educational product components. Hence, the nature of proposition tailoring is not quite as expected based upon the extant literature. Rather than segment specific propositions, relatively fixed non-tailored core propositions are supplemented with tailored extended products in order to accommodate both internal organisational inflexibility, external constraints on tailoring and a degree of homogeneity within the product or channel defined sector.

SWOT alignment provided a distinctive point of differentiation between the cases in this study. However, as with target market definition and proposition tailoring, the nature of SWOT alignment amongst the cases studied is not as idealised by the literature. The prescriptive texts suggest that marketing strategy (target market selection and proposition design) reflects the alignment of organisational strengths to market opportunities and organisational weaknesses to market threats. This work suggests that a lesser form of SWOT alignment is prevalent amongst the cases observed in this study. All cases observed in this work demonstrated a "de facto" form of SWOT alignment. This arose from the enforced choice of targets and propositions dictated by the fundamental capabilities of the organisation. Examples of this were "premium customer" targeting enforced by high relative costs and some application-type targeting enforced by product portfolio. However, the weaker strategies were observed to limit their SWOT alignment to that imposed upon them by these de facto limitations. Stronger strategies went beyond this, developing both target and proposition to align with less tangible strengths and weaknesses. Examples of this included strengths in brand and skill levels and weaknesses in sales-force strength and clinical evidence. The characteristic difference in the SWOT alignment property of marketing strategy seemed to be associated with the degree to which the organisation had proved capable of recognising and understanding its own relative strengths and weaknesses. Hence, the nature of SWOT alignment is not quite as expected based upon the extant literature. Rather than deliberate choice of target and proposition to reflect SWOT alignment, much SWOT alignment was enforced and de facto. Strong strategies where then distinguished by the use of greater awareness of relative strengths and weaknesses to refine that de facto SWOT alignment.

Strategy uniqueness provided a more subtle point of differentiation between the cases in this study. However, as with target market definition, proposition tailoring and SWOT alignment, the nature of strategy uniqueness amongst the cases studied is not as idealised by the literature. The prescriptive texts suggest that either target market selection or proposition design should be significantly different from the competitors in the market. This work suggests that a lesser form of strategy uniqueness is prevalent amongst the cases observed in this study. All cases observed in this work demonstrated a superficial

degree of strategy similarity with their competitors, both in target and proposition. This arose from the product or channel defined targeting and the fixed core proposition used by all cases, as discussed above. However, the weaker strategies were noted to go no further than this and therefore in no way differentiate their strategy from the competitors. By contrast, strong strategies were seen to develop target market definition and an augmented proposition beyond the basic level and thus differentiate both target and proposition from the competition. The characteristic difference in the strategy uniqueness property of marketing strategy seemed to be associated with the degree to which the organisation had proved capable of recognising and understanding market segmentation and proposition complexity. Hence, the nature of strategy uniqueness is not quite as expected based upon the extant literature. Rather than deliberate differentiation of target and proposition, much strategy uniqueness arises from the capability to go beyond product defined and core proposition strategy. It is therefore less a case of two or more competitors having deliberately different strategies, but more of one competitor differentiating its strategy beyond those of the other industry players by leveraging its understanding of the market and the proposition.

6 Discussion of Results

This section of the thesis draws meaning and implication from the results presented and described in Section 5. It is divided into five sections.

1. *Section 6.1* is concerned with testing the theoretical explanations of the effectiveness of marketing strategy making processes discussed in Section 3.3 (page 51). As will be seen, the findings of this work support the Burrell and Morgan hypotheses in this context.

2. *Section 6.2* is concerned with developing the congruency hypotheses beyond observations of association between phenomena and towards an understanding of the detailed mechanism of macrocongruence and microcongruence by which the properties of an organisation's marketing strategy are influenced. This work makes some suggestions as to the nature of both forms of congruence.

3. *Section 6.3* examines the implications of these findings for practitioners. It advocates a contingency approach to the design of marketing strategy making processes and suggests a procedure by which external and internal contingencies might be accounted for.

4. *Section 6.4* examines the contribution to knowledge made by this work. It discusses the contribution made to theory, methodology and practice at the levels of replication, development or new contributions. This work contributes, to a greater or lesser degree, to all three areas.

5. *Section 6.5* gives a critique of this work and makes recommendations for future work.

6.1 The Implications of the Results for the Propositions and the Combined Congruency Model

This work attempts to explain the effectiveness of marketing strategy making processes. It is based on the congruency hypotheses of Burrell and Morgan, who propose that the effectiveness of a management process is related to the degree of congruence between that process and its internal (microcongruence) and external (macrocongruence) environments or contexts. This work has translated those concepts into the area of marketing strategy making, using concepts of strategy process, strategy content and internal and external environments drawn from the extant literature.

As described in Section 3.3, the congruency hypotheses suggest that, if the congruency hypotheses are correct, the proposition P1 would be upheld:

Proposition P1:
The degree to which an organisation's marketing strategy exhibits the properties associated with a strong strategy is proportional to the extent to which microcongruence (between strategy process and internal environment) and macrocongruence (between strategy process and market environment) are exhibited.

As summarised in Figure 6 (page 102), these findings uphold proposition P1. All of the cases which exhibited the properties of a strong strategy also exhibited both macrocongruence and microcongruence. These were Cases A, D, E, H, I, J, L and Q.

By contrast, those cases which exhibited the properties of a weak strategy also exhibited a lack of either macrocongruence or both microcongruence and macrocongruence. These were Cases C, M O and P (lacking macrocongruence) and B, F, K and R (lacking both).

It is of interest that, whilst some cases which exhibited microcongruence lacked macrocongruence, the reverse was not found. In other words, no cases were found where the hybrid marketing strategy making process was congruent to the market without being congruent to the organisational culture. This might

suggest that microcongruence is in some way an antecedent of macrocongruence. This study was not designed to examine this issue and the findings do no more than suggest an association between the two phenomena, but it remains an interesting point.

Only two cases did not fully support proposition P1. Case G, which exhibited both microcongruence and macrocongruence, showed only a moderately strong strategy. No immediate explanation of this partial lack of support with the congruency is supported by the data. However, it must be borne in mind that Case G offered only a single respondent and cannot therefore be considered wholly reliable. Case N, offering three respondents, demonstrated mid-range values in each of the three variables (strategy quality, macrocongruence and microcongruence). Whilst this does not refute proposition P1, nor does it fully support it.

The three other propositions offered in Section 3.3 are intended to falsify the congruency hypotheses and based upon other strands of the extant literature.

Proposition P2:
The degree to which an organisation's marketing strategy exhibits the properties associated with a strong strategy is unrelated to the degree to which either microcongruence (between strategy process and internal environment) or macrocongruence (between strategy process and market environment) is exhibited.

Proposition P2 is intended to represent the position of those, such as prescriptive planners, who hold that one single type of strategy making process produces the strongest strategy, irrespective of the internal or external context in which it operates.

The findings of this work do not uphold this proposition. In addition to the strong correlation between strategy quality and combined congruency described above in support of P1, the lack of association between the type of hybrid marketing strategy making process and strategy quality refutes P2. Strong strategies were noted in cases with command and incremental processes (A and D), strongly command processes (H and L), planning and incrementalism processes (I and J) and three-way hybrid processes (E and Q). Weak strategies were noted in cases of command and incremental processes (F, M and R),

strongly command processes (C, K, O, and P), and planning and incremental processes (B). Hence these findings do not support the universal use of any single hybrid marketing strategy making process, whatever its nature. Rather, these findings indicate that strategy quality is not simply a function of the hybrid marketing strategy making process but is indeed contingent upon the internal and external environments in which the process operates. Proposition P2 is not therefore upheld by these findings.

Proposition P3:
The degree to which an organisation's marketing strategy exhibits the properties associated with a strong strategy is related to the degree to which microcongruence (between strategy process and internal environment) is exhibited but not to the degree to which macrocongruence (between strategy process and market environment) is exhibited.

Proposition P3 is intended to represent the position of those who see organisational culture as the dominant, perhaps overriding, factor in determining the effectiveness of marketing strategy making processes. Such a position minimises the importance of the external, market environment.

These findings do not uphold this proposition. Positive support for P3 would be provided by cases that exhibited microcongruence without macrocongruence and had strong strategies. Four cases (C, M, O and P) exhibited microcongruence but did not exhibit macrocongruence. All of these cases had strategies which were weak. By contrast, those eight cases (A, D, E, H, I, J, L and Q) which exhibited microcongruence and also exhibited macrocongruence all had strong strategies. In addition to strong strategies in cases of microcongruence without macrocongruence, there is another set of possible conditions that might provide negative support for P3. This would be the existence of weak strategies in cases of macrocongruence without microcongruence. However, no cases of that type existed in the sample. Hence, proposition P3 is not upheld by these findings.

It is interesting that the majority, twelve out of eighteen cases, exhibited microcongruence. This is partially supportive of those who

see strategy process as largely an artefact of organisational culture. Such a culture-dominant view would hold that the organisational culture either leads to the strategy process or moulds it to fit with the culture. This would appear to be the situation in many of the cases (A, C, D, H, I, L, M and P). However, a minority of the cases exhibited evidence of having adapted the organisational culture to fit the strategy process (E, I, J and Q). A notable characteristic of all four of these examples of cultural adaptation is the deliberate and explicit manner in which it was achieved. The four cases exhibiting lack of microcongruence are also consistent with partial support for the culture-dominant view. Two of those cases (B and F) were attempting to use a hybrid marketing strategy making process that was different from that which had been historically prevalent in their organisation and had failed, as yet, to achieve the necessary adaptations to the organisational culture. The remaining two (K and R) both showed noticeable cultural heterogeneity or unevenness between headquarters and subsidiary cultures. Any process operating across an uneven culture might be expected, to some extent, to exhibit lack of microcongruence. Hence a consideration of the importance of microcongruence to strategy process would not support the view that fit between strategy process and culture is the dominant factor influencing the effectiveness of that process. However, it would support the view that culture is likely to drive or mould strategy process unless deliberate steps are taken towards adaptation of culture.

Proposition P4:
The degree to which an organisation's marketing strategy exhibits the properties associated with a strong strategy is related to the degree to which macrocongruence (between strategy process and market environment) is exhibited, but not the degree to which microcongruence (between strategy process and internal environment) is exhibited.

This fourth proposition P4, would be consistent with the views of those who see external market contingencies as the dominant, perhaps overriding, factor in determining the effectiveness of marketing strategy making processes. Such a position minimises the importance of the internal, organisational culture, environment.

The findings neither uphold nor refute this proposition. Support or contradiction for proposition P4 would require the existence of cases which exhibited macrocongruence but not microcongruence. The existence of a strong strategy in such cases would provide support for P4. However, none of the eighteen cases demonstrated macrocongruence without microcongruence. Such lack of positive evidence, however, does not contradict P4. Negative evidence is provided by those four cases (B, F, K and R) which lacked macrocongruence and microcongruence and have weak strategies. However, this does not constitute support for P4. Hence, these findings, due to gaps in the sample, neither fully support nor entirely contradict this final proposition.

Taken as a whole, a consideration of the four propositions provides qualified support for the congruency hypotheses. In the same way, they support the combined congruency model (see Figure 3, page 49) that is the graphical expression of the hypotheses.

The findings are not entirely conclusive. It remains possible that only macrocongruence is significant in determining the effectiveness of hybrid marketing strategy making process. However, since the findings provided positive and negative examples not only of macrocongruence (see Table 9, page 92) but also of microcongruence (see Table 10, page 94), it seems most likely that mechanisms exist whereby both the external, market environment and the internal, cultural environment, moderate the effectiveness of hybrid marketing strategy making process. Hence, these findings support Burrell and Morgan's congruency hypotheses in the context of marketing strategy making. The slight qualification of this support can be explored and better understood by a consideration of the mechanism of microcongruence and macrocongruence suggested by these findings. Those mechanisms are the subject of Section 6.2.

6.2 An Examination of the Mechanism of Macrocongruence and Microcongruence

The preceding examination of the findings supports the congruency hypotheses, the associated combined congruency model and offers an explanation of the effectiveness of marketing strategy making

processes. It therefore answers the research question set out in Section 3.3 (page 51)

However, it does little to explain the underlying mechanism of the model. Such an explanation is important both to substantiate the model and to inform changes in management practice. Sections 6.2.1 and 6.2.2 therefore draw from the findings an explanation of the nature of macrocongruence and microcongruence and how they moderate hybrid marketing strategy making processes to influence the properties of a marketing strategy.

6.2.1 The Underlying Mechanism of Macrocongruence

The congruence between the hybrid marketing strategy making process and market conditions is, according to these findings, related to two dimensions of the market, complexity and turbulence. This is consistent with the work of Frederickson, Eisenhardt and Mintzberg amongst others, as discussed in Sections 2.5.2 and 2.5.3. In the cases observed in this work, market complexity arose principally from variation or heterogeneity within the market situation faced by the case. In the simplest cases, propositions, customers, channels, competitors and environmental factors showed little variation. In the more complex market situations, great variation was observed. Market turbulence arose principally from change in those market factors. In the most stable markets, little or slow change was observed, in the most turbulent, more extensive or faster change was noted.

An understanding and explanation of the underlying mechanism of macrocongruence (and macroincongruence) effects is therefore best made in terms of the manner in which different hybrid marketing strategy making processes work under different conditions of complexity and turbulence.

Complexity

The findings of this work include the observation that the strategy process of most of the cases contains a very significant element of a visionary command process. The effectiveness of such processes, it was observed, varies according to the complexity of the market

conditions. The command element of the hybrid marketing strategy making processes was seen to be more effective in simple markets than in complex ones. In simple markets, the command component was notably able to understand and draw out the implications of market conditions such as market segmentation, competitive activity or macroenvironmental factors. By contrast, more complex markets would seem to overload the capacity of a central command process to make sense of the market. Instead, the findings suggest that, in the face of complexity, command processes oversimplify markets and fail to draw out important implications of the variations between, for instance, customer groups or competitors. These findings suggest that visionary command processes have limited capacity to comprehend market complexity and that the result of overloading this capacity (as in the case of a complex market) is to create an oversimplification and consequently inadequate understanding of some or all of the market conditions.

Examples of this were seen when international headquarters developed propositions that did not fit local market conditions (Case K for instance) or when multiple markets in a single country created too much complexity for a management team to grasp (Cases C and O). Also supporting this were cases in which the market was relatively simple, or homogeneous across countries. In these cases, the command process managed the limited complexity well (Cases H and L). More commonly, however, markets exhibited some elements of simplicity and some of complexity. In such cases, effective hybrid marketing strategy making processes combined command with either planning or incrementalism to cope with complexity. Typically, therefore, the command element managed effectively such important but internationally homogeneous factors as the core technology and the regulatory context, whilst the incremental component managed local market complexity in, for instance, market segmentation or channel management (see for instance Cases A and D). In such cases of command and incrementalism, clear demarcation between the two processes was a very important cultural artefact, as discussed later.

This consideration of hybrid marketing strategy making processes with a strong element of visionary command clearly indicates that command processes struggle to cope with significant degrees of market complexity. Localised complexity in a market that is simple at

a fundamental level can be managed by the addition of local incrementalism. However, incrementalism was observed to be very demanding of resources, both tangible (in terms of IT systems and data gathering costs such as market research) and intangible (such as management time and internal communication and internal transaction costs). Hence incrementalism was usually limited, either in a deliberate or de facto manner. No cases were observed of fundamentally complex markets in which incrementalism was the strongest element of the hybrid marketing strategy making process. Hence, although the possibility cannot be excluded that a strongly incremental process might be appropriate to a complex market, it seems unlikely that this would be the case. As discussed in the following paragraph, rational planning processes would seem to be the necessary response to market complexity.

Consistent with the literature, relatively few cases exhibited a hybrid marketing strategy making process in which rational planning was a major component. However, those that did (B, E, G, I, J and Q) were all in complex markets and many explicitly cited planning as a necessary response to market complexity. In most of the cases where rational planning was important, macrocongruence with market complexity was strong. Understanding of market structures and other market conditions was notably superior to those cases in which market complexity was not addressed by rational planning (for instance, Cases C, F, K, M, O and P). The notable exception to this was Case B, which employed an impressive rational planning process in a complex market but with limited effect. This anomaly is attributable to lack of microcongruence. Case B is an example of the rational planning process being hindered by cultural artefacts (in this case, assumptions about the primacy of hard data, for example). Hence these findings support the idea that rational planning manages complexity better than visionary command processes, albeit with the caveat that microcongruence remains necessary. Further, the findings suggest that the mechanism by which rational planning accommodates market complexity lies in its ability to comprehend the market conditions and to provide a common language for communicating them. In addition, rational planning seems to be able to comprehend market complexity in a manner that is more economical of tangible and intangible resources than incrementalism.

In summary then, these findings suggest an explanation of the underlying mechanism of macrocongruence as it relates to market complexity. The mechanism lies in the degree to which a process is capable of understanding the level of complexity and the concomitant level of market simplification. These findings suggest that visionary command processes have limited capacity to manage market complexity, and failure to do so is exhibited as an oversimplification of the market conditions. Unless other processes are involved, a weak strategy is created. By contrast, rational planning processes are better at understanding market complexity and at creating a model of the market that more closely matches reality. Further, planning provides a conduit to communicate market complexity efficiently. This market understanding is a necessary precursor to a strong strategy. Incremental processes would seem to have useful capacity to manage a degree of local complexity, but in doing so are profligate with resources, both tangible and intangible. As such, incremental processes are limited in their use by either explicit choice or de facto resource rationing. Used in conjunction with visionary command or planning, incremental processes enable better understanding of the market than an unalloyed process. However, the evidence suggests that incrementalism alone is not an efficient means of managing higher levels of market complexity.

This consideration of the manner by which visionary command, rational planning and incrementalism function in low and high market complexity conditions therefore indicates an underlying mechanism of macrocongruence involving effectiveness and efficiency of comprehension. These emergent mechanisms are summarised in Table 12 (page 212).

Table 12: Mechanisms of Macrocongruence

	Visionary command	**Rational planning**	**Incrementalism**
Complexity	*Mechanism: comprehension overload and over-simplification* Visionary command processes have limited ability to comprehend market complexity. In cases of low market complexity, this is sufficient. In cases of high market complexity, the visionary command process over simplifies the complexity of the market leading to a compromised understanding of the market conditions.	*Mechanism: analytical comprehension* Rational planning processes have large capacity to comprehend market complexity. In cases of low market complexity, this is sufficient but not necessary. In cases of high market complexity, the rational planning process enables both comprehension and communication of market conditions.	*Mechanism: resource limited comprehension* Incremental processes have some ability to comprehend market complexity but are resource intensive when doing so. In cases of low market complexity, this is sufficient. In cases of high market complexity, the incremental process is either profligate of resources or, more usually, insufficiently resourced leading to a compromised understanding of the market conditions.
Turbulence	*Mechanism: intuitive comprehension and communication* Visionary command processes have a large capacity to identify, prioritise and communicate significant market changes. In cases of market stability, this is rarely needed. In cases of market turbulence, this capacity enables both comprehension and communication of changes in market conditions and of local responses to those changes.	*Mechanism: analysis paralysis* Rational planning processes have limited capacity to react quickly to market turbulence. In cases of low market turbulence, this is sufficient. In cases of high market complexity, the rational planning process hinders timely reaction to changes in market conditions.	*Mechanism: bounded reactivity* Incremental processes have some ability to react to market turbulence, but are resource intensive when doing so. In cases of low market turbulence, this is sufficient. In cases of high market turbulence, the incremental process is either profligate of resources or, more usually, insufficiently resourced leading to a compromised understanding of the market conditions.

Turbulence

The cases represented in these findings presented a limited range of market turbulence. This arises from a number of factors shared by many of the cases: market maturity, long product development lead times, regulatory constraints and others. Hence the bias in the sample is partly an artefact of the industry selected for study. However, sufficient examples of macrocongruence or otherwise with market turbulence exist to draw some limited conclusions.

Hybrid marketing strategy making processes in which visionary command processes are a major component appear capable of relatively rapid reallocation of resources and hence response to market turbulence. This is particularly noticeable when the visionary command process is close to the market turbulence, for instance when it is sited in the leading geographical market (as in Case L). The responsiveness of command processes to market turbulence is also better when the change is tangible, far reaching and relatively homogeneous across markets. Examples of this were seen in areas such as major technological shift, regulatory affairs or demographics (see Cases A, E, and O). As discussed with respect to complexity, visionary command processes are less effective at dealing with turbulence that is intangible and localised, such as changes in customer structures and the importance of relationships (see Cases K, P and R). In cases of localised turbulence, incremental processes seem to be used more often. These findings therefore suggest an underlying mechanism for macrocongruence as it relates to the fit between visionary command processes and market turbulence. They suggest that visionary command processes possess an intuitive (in the sense of non-systematised) ability to comprehend market changes and then action commensurate changes in resource allocation patterns. This ability is heightened when the visionary command body is close to the change and when the change is large. It is limited when the change is distant or small. In such cases, the most commonly observed phenomenon in this work was the alloying of visionary command processes with incremental processes.

Hybrid marketing strategy making processes in which incremental processes are a major component appear capable of relatively rapid response to market turbulence when it is localised and requires relatively small scale reallocation of resources. Examples of this were seen in competitive response and local changes to customer behaviour, exhibited in most of the cases in this study. In one case, a more structured form of incrementalism was used to compensate for uncertainty concerning promotional effectiveness (see Case I). However, incrementalism is observed, as described above, to be inefficient in that it requires large amounts of resources in relation to the change it is attempting to address. In this work, therefore, incrementalism was cited as inadequate to manage large or discontinuous changes in the market environment. This was seen in instances of internationalisation (Cases H and Q) and major technological changes (Cases D and I). Incrementalism was also cited as failing where the market changes were unclear and open to interpretation. In such cases, political and cultural incrementalism led to very subjective rationalisation of the turbulence and subsequently to inferior strategies (see for instance Cases K and O). Although not fully substantiated from these findings, these limitations of incrementalism are consistent with the view that incrementalism is too "expensive" to address major changes in market conditions and is subsequently relegated to a supporting role in the hybrid marketing strategy making process. Hence, in the cases discussed above, incrementalism can be seen as an adjunct to visionary command processes in the management of market turbulence.

Hybrid marketing strategy making processes in which the rational planning process is a major component appear to differ from other processes in their capacity to manage turbulence. Some cases (see E, G, I and J) cited the capacity of rational planning processes to anticipate turbulence. On the other hand, many cases cited the relative inflexibility of rational processes and consequently poor ability to react to turbulence. Illustrations of this inflexibility included the effects of fixed planning calendars (and subsequent financial allocations) and the failure of formal processes to assimilate intangible information or learning experiences. By contrast, rational planning processes were observed to be macrocongruent to market situations in which turbulence was relatively low (see Cases I, G and

J). In such cases, rational planning was seen not only to anticipate market turbulence, but also to predict its implications and translate them into changes in strategy. Moreover, rational planning appeared to be more effective in filtering signs of turbulence and differentiating between those with major and minor consequences. Hence rational planning was observed to be effective in cases of low market turbulence but less effective in cases where market turbulence was greater. These findings therefore suggest a mechanism for macrocongruence (in fact, macroincongruence) of rational planning to turbulent market conditions. The findings suggest that rational planning processes are slow, and that this slowness has its origins in the analysis, synthesis and communication processes that make up rational planning. Whilst adequate for stable markets, rational planning processes fail to keep up with rapid and major changes in market conditions. As with visionary command processes, incrementalism is used to augment rational planning and has the capacity to manage small scale changes in market conditions, but is too demanding of resources to be used extensively in turbulent markets.

This consideration of the manner by which visionary command, rational planning and incrementalism function in low and high market turbulence conditions therefore indicates an underlying mechanism of macrocongruence involving effectiveness and efficiency of comprehension and reaction to market changes. These emergent mechanisms are summarised in Table 12 (page 212).

When taken as a snapshot of the cases studied, at a single point in time, these cases suggest a clear, albeit partial, mechanism for the congruency hypotheses. The explanation is partial at this stage in the discussion, as it relates only to the issue of macrocongruence and not microcongruence. This mechanism involves the capacity of hybrid marketing strategy making processes to cope well with market conditions. The first involves the capacity of the process to understand market complexity. Generally, strongly command processes fare less well in this respect than rational planning processes. This mechanism would appear to have its roots in cognitive limitations of the individuals or body in which the visionary command process is vested. Incremental processes offer some capability to cope with localised complexity, but this is expensive of

resources and therefore limited, either deliberately or otherwise. By contrast, rational planning processes have a notably larger capacity to comprehend market complexity. This mechanism would appear to have its roots in the use of tools and techniques to enable comprehension and in the inherently larger body involved in rational planning, compared with visionary command. Hybrid marketing strategy making process that are not macrocongruent to market complexity tend towards oversimplification of the market leading to weak market understanding and, hence, weak strategy. Macrocongruent processes enable a fuller understanding of market complexity and hence enable stronger strategies.

Indications of strategic drift

Although this study was not of a longitudinal design, detailed consideration of the findings indicates a longitudinal aspect to many of the cases. In many cases, respondents reported a significant long-term change in the complexity of the market situation (see for example Cases B, C, E, G, J, O and Q). As mentioned earlier, some cases had proactively increased the rational planning component of their hybrid marketing strategy making process in response to this. However, some cases continued to use strongly command processes in the face of high levels of market complexity (see for instance Cases C, F, K and O). These cases usually demonstrated a significant lack of macrocongruence to market complexity.

Although this study was not longitudinal, this interpretation of the findings does imply a time related phenomenon. The findings would seem to suggest that organisations develop a hybrid marketing strategy making process that is effective in a particular situation of market complexity. If this is not the case then they do not survive. Consequently, surviving (and therefore observable) organisations have a hybrid marketing strategy making process that is macrocongruent to the market situation in which the process developed. Frequently, this is a relatively simple market context and a hybrid marketing strategy making process that has a strong element of visionary command. Over time, the market conditions develop, frequently becoming either more complex or more turbulent; however, the hybrid marketing strategy making process is not always adapted to the new market conditions, leading to a lower level of

macrocongruence and a weaker strategy. These findings would support this explanation of the development of low levels of macrocongruence, albeit with significant qualifications concerning the limitations of the methodology in this respect. Hence this work suggests a mechanism for the development of macroincongruence over time. This would seem to be complementary to the concept of strategic drift, in which organisational strategies drift over time from the appropriate to the inappropriate (Johnson & Scholes 2001). The gradual development of macroincongruence as market complexity and turbulence change is not mirrored by changes in the hybrid marketing strategy making process would suggest a possible mechanism for the origins of strategic drift. As discussed in the following section, these mechanisms for the development of macroincongruence and the connection to strategic drift are further supported by a consideration of microcongruence.

6.2.2   The Underlying Mechanism of Microcongruence

The congruence between the hybrid marketing strategy making process and the organisational culture is, of course, extremely complex. In this work, it has been operationalised in terms of the manner in which the culture supports or hinders the three component processes of the hybrid marketing strategy making process. Hence, cultural artefacts were identified which supported and hindered all three component processes (see Table 10 page 94). Whilst recognising the limitations of this simplification, it provides a useful means to examine the underlying mechanism of microcongruence between hybrid marketing strategy making process and organisational culture.

An explanation of the mechanism of microcongruence effects is therefore given below in terms of the manner in which different hybrid marketing strategy making processes are hindered or supported by artefacts of organisational culture.

Visionary command processes
Hybrid marketing strategy making processes in which visionary command processes were a major component were the most common in this sample. As such, it is significant that the findings indicated a

number of cultural artefacts that appear necessary to support or hinder this component of the process.

- *Role demarcation, acceptance and autonomy*
  In all cases of microcongruent command processes (see for example, Cases A, C, D and O) there was a common cultural artefact of role demarcation. In such cases, the command authority of the central body or leading cabal was accepted with relatively little dissent. Often, this was justified in terms of the capital intensive nature of the product and the relative homogeneity of the subsidiary markets in terms of core needs. Complementing this acceptance of command was the clear demarcation between central and local processes and a concomitantly high level of autonomy of local management over local issues. This combination of artefacts, which might usefully be called a subsidiarity culture, was a clear factor in the macrocongruence of visionary command processes. It resulted in effective management of large, tangible and global aspects of market conditions (by the command process) such as technological change, demographics and regulatory issues. At the same time, it resulted in effective management of smaller, less tangible, local issues (by local incrementalism or planning) such as competitive activity or customer behaviour. It also enabled rapid communication across geographical and functional boundaries, and hence reaction to market turbulence, by command processes. Where subsidiarity was not an element of the culture, it appeared that the component processes conflicted with each other leading to poorer management of the market conditions and weaker strategy (see for instance Cases K and R).

- *Cohesive management teams*
  A characteristic of many cases in which visionary command processes were important was the cohesiveness of the top management team (see Cases C and H). This seemed to extend beyond simple agreement on strategic issues to a shared set of values and fundamental cultural beliefs about the best way to do business. Two cases provided an interesting counterpoint to the importance of management team cohesiveness. Case O substituted for this with a very strong leader, whilst Case F

demonstrated an interesting gap between the values of the management team and their subordinates. Both these cases resulted in weak strategy.

- *Explicit and well supported management processes*
  The third significant cultural artefact in the support or hindrance of visionary command processes was the existence of explicit and well supported management processes. Most strongly command processes exhibited this (see Cases A, C, H, L, M and O). Note that these management processes were not necessarily formal. However, they were always explicit (in terms of the power of the command process to make strategy) and well supported with detailed, often financially based, management information systems. Finally, some evidence emerged (Cases D, G, and J, for example) that a hybrid marketing strategy making process that combined visionary command processes with planning or incrementalism benefits from explicit and frequent interconnect between the different component processes. Where this did not occur (for instance, where connections were only annual and financial) conflict occurred between the component processes (see for instance Cases K and R).

Rational planning processes
Hybrid marketing strategy making processes in which rational planning processes were a major component were important in creating strong marking strategies in complex markets. As such, it is significant that the findings indicate a number of cultural artefacts that appear necessary to support or hinder this component of the process.

- *Top management team sponsorship*
  In all cases of microcongruent planning processes (see, for example, Cases E, I, J and Q) there was a common cultural artefact of top management team sponsorship. In such cases, the value of rational planning was explicitly endorsed and in some cases (notably E) deliberately "sold" beyond the management team. In some cases, this active advocacy of rational planning by the top management team was aided by the importation of new, planning-oriented, managers. In

others, it was supported by the use of consultants to design the process. Such support led to visible changes in artefacts such as human resource policies (e.g. the recruitment and retention of qualified marketers), and the provision of market research data. In contrast, organisations which lacked microcongruence to rational planning processes valued technical or product knowledge and placed notably low value on external data (for instance, Cases A, C, and O). It was also noticeable that those cases that had or were attempting rational planning, but which were struggling to make it work, cited lack of senior management endorsement (for instance Cases B and D).

- *Cross functional working*
  A characteristic of many cases in which rational planning processes were dominant was the importance placed upon cross-functional working. In many cases, deliberate steps were taken to enable cross functional working (Cases E, G and Q, for instance) and this was often one of the cultural artefacts specifically endorsed by top management teams who were advocates of rational planning processes. By contrast, cultural resistance to pooling data was seen as a hindrance to rational planning (Cases B, M and R, for example). In such cases, both the lack of explicit communication processes and implicit, habitual, "silo" thinking were cited as barriers to planning. Moreover, in companies where cross-functional working was not an established or acquired habit, it appeared that rational planning processes were subverted away from cooperative exercises to become another means of control (Cases K and P).

- *Attitudes to non-traditional data*
  The third significant cultural artefact in the support or hindrance of rational planning processes was the cultural belief placed in non-traditional types of data. Cases which exhibited microcongruence to rational planning processes (see Cases E, J, and Q) exhibited different attitudes towards some types of data than did cases which lacked microcongruence. In particular, companies with planning oriented processes placed high value on data which reflected customer attitudes and motivations. In most cases, this was a significant shift from dependence on traditional data concerning product usage. By

contrast, cases which exhibited lack of microcongruence to rational planning appeared wedded to the primacy of traditional data, as supplied by the dominant suppliers of market research data (Cases B, G, M, and P, for example). The result of this dissimilar attitude to data was a striking difference in the quality of the resultant strategy. Cases with positive attitudes to non-traditional data exhibited more homogeneous target markets and, consequently, strategies that were significantly different from those of the competition.

Incremental processes

Hybrid marketing strategy making processes with a significant component of incremental processes were common in this study, although incrementalism was always a secondary component of the hybrid marketing strategy making process. As such, it is significant that the findings indicate a number of cultural artefacts that appear necessary to support or hinder this component of the process.

- *Overskilling*
  In most cases of microcongruent incremental processes (see, for example, Cases A, D and L) there was a common cultural artefact of overskilling in the key implementation roles. This was the human resource policy of recruiting, retaining and training staff for roles such as sales team and product management who were significantly better qualified and experienced than the norm for the sector. This was cited as an important supporting factor in enabling effective incrementalism, allowing better gathering of market data, design of revised strategies and implementation of revised targeting or propositions. By comparison, cases in which human resource policies were typical of the industry (see, for instance, F and G) cited issues such as skill levels and staff turnover as constraints on incrementalism.

- *Openness in communication*
  Characteristic of many cases in which incremental processes were dominant, was the importance placed upon openness in internal communication. Sometimes, deliberate steps were taken to enable openness in communication (see Case D), such as rewarding ideas or setting up channels to supplement line-

management communication. Other examples were more implicit, with cultural artefacts like stories used to improve self expression and, importantly, to reduce fear of blame (see, for example, Case D). In other cases, freedom of expression was curtailed by cultural habits (see Cases B, K, O and R). Respondents cited openness in communication as an adjunct to overskilling (see above) and, in cases where it was insufficient (Case F, for example) cited it as a barrier to incrementalism.

- *Bureaucracy reduction*
  The third significant cultural artefact in the support or hindrance of incremental processes was the absence or presence of bureaucratic barriers to incrementalism. Bureaucratic cultures presented numerous barriers to incrementalism, some of which were explicit and formal, and others of which were implicit and unofficial. Among the former were low sign-off limits for expenditure approval and rigid formal processes for the approval of management decisions (see Cases M and O). The latter, more implicit, hindrances included flat structures and a belief in the primacy of hard data. A flat structure meant that incremental changes required multiple peer approvals (rather than a single superior approval in hierarchal structures), which slowed down implementation (see Case G). The second factor, belief in the primacy of hard data, related to the point made above concerning attitudes to non-traditional data, where the implication was that the burden of proof for incremental changes lay in the hands of the initiator and required numerical proof (Cases F, G and R for example). The absence of this proof meant that no action could be taken.

These observations of cultural support or hindrance for the three sub-processes of a hybrid marketing strategy making process imply a mechanism for microcongruence in terms of the fit between the process and the cultural assumptions of the organisation. Summarised in Table 13 (page 224), three pairs of contrasting cultural assumptions are suggested as responsible for microcongruence:

- *Cultural homogeneity and acceptance vs. cultural heterogeneity and rebellion*
  The degree of cultural homogeneity is important to the support of visionary command processes. Homogenous cultures with widely shared fundamental assumptions appear to be necessary to the acceptance of centrally originated commands. By contrast, the different core assumptions held within heterogeneous cultures imply levels of intraorganisational conflict that hinder visionary processes.

- *Cultural sophistication and openness vs. cultural rigidity and conflict*
  The degree to which organisations value sophisticated processes and cross-functional working is important to the functioning of rational planning processes. By contrast, organisations in which sophistication of approach is devalued and simplicity valued lead to cultural artefacts that hinder rational planning.

- *Cultural generosity vs. cultural pettiness*
  The degree to which organisations value flexibility and loose control is important to the functioning of incremental processes. By contrast, organisational cultures which value rigid processes or bureaucratic controls hinder incremental processes.

When taken as a snapshot of the cases studied, at a single point in time, these cases suggest a clear, albeit partial, underlying mechanism for the congruency hypotheses. Their illustration of a mechanism by which microcongruence moderates marketing strategy quality is complementary to that partial explanation given above in terms of macrocongruence.

Table 13: Mechanisms of Microcongruence

	Visionary command	Rational planning	Incrementalism
Microcongruent cultures	*Mechanism: cultural homogeneity and acceptance* Visionary command processes are enabled by strong, homogenous cultures that include widely held assumptions about the primacy of the visionary command process.	*Mechanism: cultural sophistication and openness* Rational planning processes are enabled by cultures in which process sophistication is valued and cross functional working encouraged.	*Mechanism: cultural generosity* Incremental processes are enabled by cultures in which resources are not strictly controlled and experimentation is condoned.
Microincongruent cultures	*Mechanism: cultural heterogeneity and rebellion* Visionary command processes are hindered by weak, fragmented cultures in which assumptions about the primacy of the visionary command process is questioned.	*Mechanism: cultural rigidity and conflict* Rational planning processes are hindered by cultures in which process sophistication is countered by process rigidity and cross functional working hindered by control measures.	*Mechanism: cultural pettiness* Incremental processes are hindered by cultures in which resources are bureaucratically controlled and experimentation is feared.

Indications of cultural lag

As in the above discussion of macrocongruence, a more detailed consideration of the findings indicates a longitudinal aspect to many of the cases. In many cases, respondents reported a lack of microcongruence between a hybrid marketing strategy making process that had been recently modified, or was in the process of modification, and the organisational culture (see Cases B, E, F, G, M, and Q). In many cases, this took the form of a process that had become more rational planning in its nature, typically from a command or command and incrementalism process. More particularly, the microcongruence described was consistent with a rational planning process operating in an organisational culture that had previously been supportive of a command or command and incrementalism process.

Although this study was not longitudinal, this interpretation of the findings does imply a time related phenomenon. The findings would seem to suggest that organisations develop an organisational culture that is appropriate to the particular situation in which they exist. If this is not the case then they do not survive. Consequently, surviving (and therefore observable) organisations have an organisational culture that is appropriate to the market situation in which the culture developed. Further, a hybrid marketing strategy making process develops that is microcongruent to that culture. Frequently, this is a relatively simple market context, a hybrid marketing strategy making process that has a strong element of visionary command and an organisational culture that supports that process.

Over time, the market conditions develop, frequently becoming either more complex or more turbulent. If the hybrid marketing strategy making process is adapted to the new market conditions and the organisational culture remains relatively unchanged, then a lower level of microcongruence and a weaker strategy ensue. These findings would support this explanation of the development of low levels of microcongruence, albeit with significant qualifications concerning the limitations of the methodology in this respect. As in the case of macrocongruence, this would seem to be complementary to the concept of strategic drift.

6.2.3   The Combined Underlying Mechanisms of Macrocongruence and Microcongruence

Taken together, the underlying mechanisms of macrocongruence (Section 6.2.1) and microcongruence (Section 6.2.2) describe a mechanism through which the congruency hypotheses operate. In short, macrocongruence (the result of using a process with a blend of the three components appropriate to the market conditions), allows the process to adequately understand the market. Microcongruence (the result of a supportive culture) allows that understanding to be translated into a strong strategy.

This evidence of an underlying mechanism by which organisational culture, market conditions and strategy process interact to determine the properties of a marketing strategy is important to the substantiation of the hypotheses and the model. In addition, this examination of the underlying mechanism of microcongruence and macrocongruence moves the combined congruency model from a "black box" model to one that might more usefully inform management practice. Finally, the indications of strategic drift and cultural lag suggested by the findings offer an interesting connection with the idea of strategic drift and a possible explanation for why once effective organisations now have weak marketing strategies. The implications of these points for practitioners are described in Section 6.3.

6.3   Implications of these Findings for Practitioners

The aim of this work is to improve management practice by contributing to the knowledge available to practising managers. To this end, Sections 6.1 and 6.2 describe a contribution to knowledge via the testing and development of an extant theory, namely Burrell and Morgan's congruency hypotheses. By extension, this section of the thesis sets out the implications of the work for management practice.

All senior marketers face the task of making marketing strategy, explicitly or otherwise. There is a large body of published literature to

support the practitioner in this task, the vast majority advocating rational planning processes in the form of strategic marketing planning. Amongst academics, upon whom practitioners rely for guidance, a debate continues about the value or otherwise of rational planning processes. Hence there is a need amongst practitioners for clarification or qualification of the advice they are routinely given.

The findings of this work imply that the existing literature has two shortcomings:

- It is prescriptive, making little allowance for the context of the strategy making process.

- It is simplistic, viewing the process choice in terms of a single dimension of planning versus non-planning.

By contrast, this work suggests that a more effective marketing strategy process would be:

- Context specific, contingent upon the external and internal environment in which the marketing strategy making process works.

- Complex, a hybrid marketing strategy making process assembled from the three component processes.

The congruency hypotheses and the associated combined congruency model suggest that the prescriptive approach of attempting to apply strategic marketing planning to any context is flawed. The same would be true for any other prescriptive approach. The congruency hypotheses imply that any prescriptive process risks macroincongruence with the market situation and microincongruence with the organisational culture. Instead, it suggests the deliberate construction of a hybrid marketing strategy making process that is appropriate to the particular business context under consideration. Given a small number of simple and reasonable assumptions, it is possible to extrapolate the congruency hypotheses into a process by which to do this. This process would contain the following four stages:

a) An evaluation of the market situation in terms of market complexity and market turbulence.

This stage assumes that the complexity and turbulence of the market are outside the control of the organisation and hence that the organisation must design its strategy making process to fit the market conditions. This assumption seems reasonable, with the caveat that it may be possible practically to simplify the market by means of divisionalisation of the organisation, as seen in some of the case studies. Such divisionalisation effectively simplifies the market to which the hybrid marketing strategy making process is to apply. In any event, the findings of this work suggest market characteristics that might be used as factors in the assessment of the market conditions.

b) Design a hybrid marketing strategy making process that is macrocongruent to the external market situation.

This stage builds on the findings of this work which suggest that market complexity implies a need for rational planning, turbulence implies a need for visionary command processes, whilst all market conditions require an element of incrementalism. These implications are summarised in Figure 7 (page 230).

c) Make such amendments to the organisational culture as are necessary to achieve microcongruence with the hybrid marketing strategy making process.

This stage builds on the findings of this work which indicate the nature of cultural artefacts needed to support each process component. Note that this does not suggest a wholesale revision of organisational culture, which the literature review suggests may be difficult and counterproductive.

d) Implement the hybrid marketing strategy making process and evaluate the outputs against the properties of a strong strategy.

This stage builds on the findings from both the literature review and the empirical work that characterise the properties

of a strong strategy. By applying these properties as tests prior to execution, the strategy quality is improved.

Clearly, the above four-stage process is illustrative and is not intended to be a comprehensive, prescriptive approach to marketing strategy making. Rather, it is intended to demonstrate the implications of these findings to practitioners, that marketing strategy making effectiveness arises from a tailored, context specific process. When compared to the normative literature, this is a valuable contribution to practice.

Figure 7:

Hybrid Marketing Strategy Making Process Fit with Market Conditions

Relative Market Turbulence

A hybrid marketing strategy process that is primarily visionary command with supporting incrementalism and rational planning is appropriate

A hybrid marketing strategy process that contains significant amounts of all three components is appropriate

Any hybrid marketing strategy process will suffice

A hybrid marketing strategy process that is primarily rational planning with supporting incrementalism and visionary command is appropriate

Relative Market Complexity

6.4 The Contribution to Knowledge Made by this Work

This work makes contributions to knowledge in three areas:

- To theory, this work confirms the Burrell and Morgan congruency hypotheses, extends them into the domain of marketing strategy making processes and contributes to the characterisation of macrocongruence and microcongruence, concepts undeveloped by previous work.

- To methodology, this work confirms the value of multiple informant case studies in the field of marketing strategy process research, extends the contingency approach to consider both internal and external environments simultaneously and addresses the previous criticisms of organisational effectiveness measures by the use of strategy diagnostics.

- To practice, this work confirms that rational planning processes such as strategic marketing planning are appropriate to complex markets, extends the concept of a "requisite" planning process and gives guidance on the requisite hybrid marketing strategy making process in different market conditions. Further, this work makes a new contribution to practice by giving guidelines for the deliberate management of process and culture to fit the market situation.

The contributions are explained in Sections 6.4.1 to 6.4.3, and summarised in Table 14 (page 237).

6.4.1 Contribution to Theory

This work contributes to theory at three levels, confirming, developing and expounding the ideas Burrell and Morgan developed from the work of Lawrence and Lorsch and earlier writers in the contingency school. The contribution to this area of theory is useful in the

explanation of the effectiveness of marketing strategy making processes. The contribution can be described at three levels:

Confirmation of theory

Despite their ubiquity, the Burrell and Morgan congruency hypotheses have not been extensively tested. The literature search for this work found frequent mention of the work but no attempt to test the hypotheses. As such, their work remains untested despite its potential application to a very wide range of domains. This work set out to test the hypotheses, albeit with a recognition that early attempts at theory testing inevitably involve a degree of theory building and construct development. This work, by supporting the congruency hypotheses, confirms the Burrell and Morgan work and suggests its wider applicability to other domains.

Development of theory

Concomitant with the lack of empirical testing of the congruency hypotheses, they have not been previously applied to the marketing strategy making area. The literature search in this area found no mention of the Burrell and Morgan work in the field of marketing strategy making processes, nor in the related fields of strategy process more generally. This work, by synthesising the congruency hypotheses with previous work in the areas of hybrid marketing strategy making process, marketing strategy content, and internal and external mediators of strategy process, develops the congruency hypotheses into this field. By developing the theory into the combined congruency model of marketing strategy making process effectiveness, and testing the model empirically, this work extends the theory into a new area and provides an approach for similar application in other domains.

New or unique contribution to theory

The lack of empirical exploration or testing of the congruency hypotheses has resulted in a lack of development of the important constructs of macrocongruence and microcongruence. This is true generally, but especially in relation to the domain of marketing strategy making processes. Without such characterisation, the congruency hypotheses remain as high level explanations of the effectiveness of management processes such as marketing strategy making. This work expounds the nature of macrocongruence and

microcongruence. The former is elucidated in terms of the ability of the hybrid marketing strategy making process to comprehend market complexity and react to market turbulence. The latter is explicated in terms of the capacity of the organisational culture, via its observable artefacts, to support or hinder the three sub-processes of the hybrid marketing strategy making process. Whilst the characterisation of macrocongruence and microcongruence cannot be said to be complete, this work advances greatly from the outline descriptions given by Burrell and Morgan. It therefore makes a significant contribution to this area of theory.

6.4.2   Contribution to Methodology

This work contributes to methodology at three levels, confirming the uses of multiple respondent case studies in the area of marketing strategy process, extending previous work in this area by considering both internal and external mediators of process effectiveness and contributing new methods by the use of strategy diagnostics. The contribution to methodology is therefore useful to the understanding of the effectiveness of marketing strategy making processes. The contribution can be described at three levels:

Confirmation of methodology
Whilst much previous work has used and recommended case studies in strategy process research, there remains much debate amongst researchers as to the most appropriate method to employ in order to explicate and understand strategy making process. This is evidenced by the wide variety of approaches, from the strongly quantitative to the single case qualitative, described in the strategy process literature. This work confirms multiple respondent case studies as an appropriate method, especially in the light of the failure of the earlier, survey based, approaches. This work suggests that a multiple respondent case study approach, using a moderately sized sample, offers some of the generalisability of a survey and the sensitivity of an in-depth case. IT does not preclude the use of other methods, but does confirm the applicability of this approach, as suggested by previous workers.

Development of method
This work does not attempt to make significant new contributions in

terms of the detail of the execution of the method employed. On the contrary, its use of accepted and well tested methods was a deliberate choice in order to maximise the trustworthiness of the results. However, the work does contribute to the development of methodology by bringing together two areas of research that have previously occupied different areas of the literature. Whilst recognising the importance of both internal and external mediators, previous researchers have restricted their work to considering effects of only one or the other on the effectiveness of strategy making processes. Even with well executed methodology, this would allow only a partial or contingent explanation of strategy making process effectiveness. This work develops and builds upon the work of previous researchers (notably Mintzberg, Eisenhardt and Fredrickson) to consider the mediating effects upon marketing strategy making processes of both internal contingencies and external contingencies. In doing so, it develops the method so as to allow a fuller and less contingent understanding of the effectiveness of marketing strategy making processes.

New or unique contribution to methodology
This work largely follows the methodological recommendations of many previous workers in using the multiple respondent case study method. Further, it follows their recommendations as to the design, execution and analysis of the method. However, a critical consideration of the previous work and criticisms made of it suggested two areas in which the previous work was flawed and where new and useful contributions to method might be made. The first of these was the criticism made of the use of organisational effectiveness measures in studying the effectiveness of marketing strategy making processes. Whilst the more recent work in this area has attempted to accommodate these criticisms to some degree, the complexity of the linkage between marketing strategy making process and organisational outputs, compared to the relative simplicity of the research, remains a point of criticism. This work attempts to resolve this problem by replacing organisational outputs with marketing strategy making process outputs, in the form of consensually developed marketing strategy properties, abbreviated as strategy diagnostics. The development and application of these intermediate dependent variables is a useful contribution to knowledge in the area of marketing strategy making process effectiveness. The second

unresolved criticism of research in this area is that voiced by Pettigrew concerning the true level of understanding gained by researchers in the context of industry jargon and complexity. To address this issue, the use of a single industry sector and an industry knowledgeable researcher was made. Whilst not unique in management research generally, this approach has not been cited in previous research into marketing strategy making process effectiveness and is therefore a useful new contribution to method.

6.4.3   Contribution to Practice

This work contributes to practice at three levels, by confirming the appropriateness of planning-based hybrid marketing strategy making processes in complex, stable markets, by developing the concept of requisite processes in different contexts, as first suggested by McDonald, and by making a new contribution by suggesting steps for the deliberate creation of a context-requisite marketing strategy making process. The contribution can be described at three levels:

Confirmation of practice
The large majority of the prescriptive literature advocates a rational planning approach to marketing strategy making. This prescriptive process varies little between authors, except in terminology and detail. These prescriptive processes make little or no allowance for different market contexts and virtually none for different organisational culture context. Such prescription takes little account of the now extensive knowledge concerning the mediation of marketing strategy making processes by internal and external factors. This work confirms the appropriateness of planning-based approaches in cases where the market is stable and complex. However, it qualifies the use of planning as the dominant sub-process within a hybrid marketing strategy making process. Further, it suggests that this process is not necessary in simple markets and not appropriate in turbulent markets. Hence this work develops the concept of a "requisite" marketing strategy making process as first suggested by McDonald (McDonald1982) by indicating the broad nature of the most appropriate hybrid marketing strategy making process for a range of market conditions.

New contributions to practice

Whilst the prescribed rational planning approach to marketing strategy making forms the basis of many organisation's espoused strategy making process, it is observed that many practitioners attempt to adapt the process to suit their environment. Much of the current literature provides very little guidance as to how to carry out such adaptation. Neither the contingent conditions, nor the component parts of the process to be varied, nor the manner of assessing the result are well specified in the practitioner literature. The research literature, although limited in its use by practitioners, is more helpful in this respect, but is fragmented and disjointed. This work makes a new contribution to practice by giving clear guidelines by which to deliberately create a hybrid marketing strategy making process that is both macrocongruent and microcongruent. These guidelines cover the assessment of market conditions, the design of a requisite, macrocongruent, process, the adaptation of the organisational culture to create microcongruence and the assessment of the resultant marketing strategy in terms of its properties, compared to a literature derived ideal. Hence this work makes a new contribution to practice

Hence this work makes valuable contributions to theory, method and practice at the confirmatory, development and novel contribution levels, as summarised in Table 14 (page 237).

Table 14: Contribution to Knowledge Made by this Work

	Theory	Methodology	Practice
Confirmation	This work provides a valuable empirical test of the Burrell and Morgan congruency hypotheses, supporting their validity and value to both researchers and practitioners.	This work replicates and confirms the usefulness of multiple informant case studies in marketing strategy process research.	This work confirms that rational planning processes such as strategic marketing planning are appropriate to complex markets.
Development	This work develops and extends the congruency hypotheses into the combined congruency model of marketing strategy making process effectiveness.	This work extends the contingency approach by considering both internal and external contingencies simultaneously.	This work extends the concept of a "requisite" planning process and gives guidance on the requisite hybrid marketing strategy making process in different market conditions.
New or unique contribution	This work, has made a new contribution by illuminating the underlying mechanisms of macro- and microcongruence.	This work contributes a new methodological construct of strategy quality and demonstrates the value of a single industry sector sample with an industry-knowledgeable researcher.	This work makes a new contribution to practice by giving guidelines for the deliberate management of process and culture to fit the market situation.

6.5 A Critique of this Work and Recommendations for Further Research

6.5.1 A Critique of this Work

As with any piece of empirical work, this research is open to criticism at a number of levels. The ontological and epistemological assumptions that underlie the choice of method are clearly not the only ones that could be made, and the qualitative, case study interview, methodology is open to criticism from those of a different philosophical persuasion. However, the purpose of this section is to inform those who might wish to duplicate or extend this work. For that practical reason, the lessons learned from this research and listed below have assumed agreement with the pragmatist philosophical position. The criticisms to be made of this work fall into three categories:

Methodological criticisms
The strengths of the methodology lay in the depth of insight it made possible. As a qualitative study, it allowed exploration of untested constructs of macrocongruence, microcongruence, strategy quality and hybrid marketing strategy making processes. The operational-isation of each of these constructs, described in Section 4 (page 54) was successful. The data gathering stage worked reasonably well, although some improvements are suggested later. The analysis process was unusual, by current practice, in choosing to use a "manual" method (employing only word processing software) rather than NUD:IST or NVIVO. The analysis worked well, despite being rather time consuming, fulfilling the motivating objective of gaining deep insight without interference by software. Most importantly, the decision to carry out the study in an industry sector with which the researcher was very familiar was important to the success of the work. The researcher's specialist knowledge allowed greater understanding of this complex industry, and time-effective use of the research interviews.

Two weaknesses were found in the methodology which might be addressed by future researchers. Firstly, the sampling did not provide sufficient variety of cases to fully address the research objectives.

Partly, this was an artefact of the industry sector choice. The availability of turbulent market cases in the medical sector is very restricted, due simply to the characteristics of the industry. The more significant omission however was the absence of cases which were macrocongruent but not microcongruent. The shortfall in the sample leaves open a small possibility that macrocongruence alone may be the determinant of strategy process effectiveness, as expressed in proposition P4.

The second, minor, weakness in the methodology lay in the use of an interview guide. In hindsight, more testing of this might have uncovered the subjective reaction to some terms (for instance, 'stable' and 'simple'). These issues were addressed in the interviews, but later researchers may wish to note the lessons learned. It may also be worth considering the use of diagrams to help communicate some of the concepts used, such as McDonald's three process model.

Generalisability criticisms
As with all research, the applicability of these findings and conclusions beyond this work is questionable. Although the medical sector was selected for methodological reasons, there are no aspects of this sample which make it unique in terms of marketing strategy making and hence limit the generalisability. Similarly, the range of cases supports claims for generalisability of these findings. Against this are those features of the industry that may bias the nature of marketing strategy making processes. The industry is heavily regulated, capital intensive and mostly mature. It is a reasonable criticism that this work is not wholly generalisable into industries that are less mature and less constrained by regulation or product development timescales.

Criticism concerning the role of the researcher
In any research, "Hawthorne Effects" of the researcher in some way influencing the research are important. Assessment of any impact of the researcher is therefore important, even though the methods of data gathering and analysis were designed to counter this as much as practically possible.

The most significant comment that can be made regarding the role of the researcher is that his presence may have distorted the

phenomena observed. This is possible and very difficult to identify. However, the consistency of this research with previous research supports the belief that the role of the researcher was not harmful to the research. The findings support Burrell and Morgan's congruency hypotheses. Further, they are consistent with the literature on internal and external contingencies on strategy process.

6.5.2 Recommendations for Further Research

This work was the first of its type that could be uncovered from extensive literature searching. No other work using the Burrell and Morgan congruency hypotheses has been found in the area of marketing strategy making processes or in related fields. As such, the work was required to create and operationalise four new constructs (hybrid marketing strategy making process, macrocongruence, microcongruence and strategy quality). The research was therefore designed to both develop these constructs as well as to examine the relationship between them. Work that attempts both theory building and theory testing at the same time is necessarily compromised to some degree in the way in which it addresses both needs. Whilst the methodology of this work was intended to limit the extent of that compromise, neither the theory building nor the theory testing aspects of this work can be said to conclusive and not amenable to further testing or building.

There are innumerable ways in which this work suggests possibilities for further work. Perhaps the most straightforward way to consider these possibilities is in terms of the levels of contribution (confirmatory, development or new contributions) that such work might make. The findings in this research suggest a number of avenues for future work at each of these three levels. Whilst no listing of these can be complete, it is hoped that the following provide some guidance to other researchers:

Replication or confirmatory research
Much scope exists for confirming the findings of this work. Replication of the work, perhaps incorporating the lessons learned in this work, would be a valuable first step. Confirmation of the congruency hypotheses by other methodologies would also be valuable. The partial elucidation of the mechanisms of

macrocongruence and microcongruence makes possible the improvement of methods for the confirmation of this work. Two methodological directions are most obvious: the development of more positivistic, quantitative methods and the development of deeper, qualitative methods. Each of these two approaches would represent a divergence from the mid-range method used in this work. The quantitative approach might lay greater claim to the external validity and generalisability of the theory, whilst the deeper qualitative approach might claim greater internal validity and add greater depth to the theory. Hence both approaches would have value and are considerable possible avenues for future researchers, in addition to straightforward replication of this work.

Development or extending research

There are numerous ways in which this work might be usefully extended from its focus on marketing strategy making in medical markets. This focus was deliberate and clearly aided the execution of the research, but development of the combined congruency model outside this focus would be a useful contribution to both theory and practice. There are two obvious dimensions in which this work might be extended. Firstly, the work could be extended, relatively simply, into other, non-medical industry sectors. Not only would this extend the theory, but it would also give it greater claims to generalisability, particularly if the industry were characteristically different from the medical industry in some way. For instance, extension into sectors that are less mature, less regulated, less technical or involve different types of transaction would add to our understanding of the congruency hypotheses. Secondly, the work could be extended beyond the marketing strategy making process into other management processes. Such an extension would require the development of equivalents to the constructs of hybrid marketing strategy making process and marketing strategy quality and would probably result in different mechanisms of macrocongruence and microcongruence. The extension of the congruency hypotheses in this way might range from areas closely related to marketing strategy making (such as strategy for other functional areas) to very different management processes (such as new product development or supply chain management). The two possible directions (medical or other market sectors, marketing strategy making or other management process for extending this work) suggest four broad categories of

work for future researchers to consider. When considered with possible methodological developments into more quantitative or qualitative approaches, the number of research directions is large.

New or unique research

In addition to confirming (by replication or by methodological divergence) or extending (to different sectors or different management processes) this work, it is possible to suggest work that might be inspired by these findings that is neither confirmatory nor extensive, and would instead make a novel contribution to knowledge.

This work concerns itself, in part, with the linkages between artefacts of organisational culture and marketing strategy making process effectiveness. These can be seen as part of a chain of linkages between the underlying assumptions of organisational culture and the overall effectiveness of the organisation. The current work considers only a part of that chain. It does not concern itself with the "downstream" connectivity between the properties of marketing strategy and organisational effectiveness. Instead, this work has assumed a positive connection between those properties of marketing strategy and the performance of the organisation, based on the strong consensus about "ideal" strategy properties observed in the strategy content literature. Similarly, the current work does not concern itself with the "upstream" connectivity of organisational culture artefacts to the underlying assumptions of the organisational culture.

Each of these two, unexplored, areas suggest directions for future research that would make new contributions to knowledge. Firstly, understanding of the association between the properties of marketing strategy (target definition, proposition tailoring, SWOT alignment and strategy uniqueness) and organisational effectiveness would not only be useful in its own right; it would also complement our understanding of how to create strategies with those properties. Hence a coherent understanding of how market conditions, organisational culture, marketing strategy properties and organisational effectiveness are linked could be developed. Secondly, an understanding of the way in which organisational culture artefacts (particularly those that impact upon marketing strategy making processes) are derived from the underlying cultural

assumptions of the organisation would be useful in informing how we might more fundamentally manage the artefacts and therefore the effectiveness of marketing strategy making process. Taking both of these directions together might allow us to develop an understanding of the way in which the underlying assumptions of the organisational culture are connected to organisational effectiveness by way of microcongruence and marketing strategy making process effectiveness.

7 Appendices

Appendix 1: Recruitment Correspondence for Case Companies

Cranfield UNIVERSITY
School of Management

<u>Understanding and Improving the Effectiveness of</u>

<u>Strategic Marketing Planning in Medical Markets:</u>

<u>A Proposal to Potential Case Study Companies</u>

<u>Executive Summary</u>

You are asked to take part in a piece of industry specific management research that requires minimal commitment from you and gives valuable independent benchmarking of your strategy making process.

<u>What is This Research About?</u>

This research is aimed at improving the effectiveness of strategic marketing planning in medical markets such as pharmaceuticals, diagnostics and devices. In particular, the work seeks to understand how strategy-making processes can be improved in the light of increased market turbulence and complexity. The intended results are practical suggestions to companies in those markets for the improvement of their own marketing strategy making.

<u>What is Required of Case Study Companies?</u>

No financial expenditure whatsoever is required. All that is required is that three managers submit to an interview of less than one hour each. The managers must be directly involved in the marketing strategy development process. The interviews will be carried out at a time and place convenient to the managers involved, sometime in the first half of 2002. No other commitment is necessary.

<u>What Are the Benefits to Case Study Companies?</u>

Companies that take part in this work will obtain three benefits:

♦ Direct comparison of their strategy making process with other leading companies in the same and closely related markets. This will include practical suggestions for how their process might be improved in the face of the specific conditions of their market.

♦ Early and privileged access to the results of this work, its recommendations and conclusions.

♦ Personal feedback from the researcher covering the result of the work and what that might imply for the company.

<u>What About Issues Such as Confidentiality?</u>

All interviews will be made anonymous and will remain strictly confidential. No mention of company or individual names will be made in any reporting of the data. If required, confidentiality agreements will be signed.

<u>How Might We Proceed?</u>

If you have any further questions, or wish to take part in this research, please call Brian Smith on 01438 712441 or b.smith@cranfield.ac.uk

Appendix 2: Interview Guide Notes

Phase 2 Interview Script; Version 3.

Introduction:

The aim of this research is to better understand the way in which companies in this market develop their marketing strategies. By marketing strategies, I mean the set of decisions about which customers to address and what overall proposition to offer to them.

I'd like to ask you a few questions about your business and record the answers for transcription and analysis. The whole interview should take about an hour.

Do you have any questions at this stage, or may I proceed?

(Check for understanding, concerns about confidentiality etc.)

1. ***Please tell me about the customer groups you address***

    1.1. *How would you differentiate between those customers that you focus upon, as opposed to those you do not focus upon?*

    1.2. *How alike are the customers within your target customer groups in terms of what benefits they seek and how they buy?*

2. ***Can you describe the total offering that these customers see coming from your company?***

    2.1. *What are the most important benefits of the overall propositions you offer your customers?*

    2.2. *How do these benefits address the particular needs of the customers you have chosen to focus on?*

    2.3. *In what way do these propositions differ from those of your competitors?*

    2.4. *In what way are the overall propositions designed to use the distinctive strengths or minimise any weaknesses of your company?*

3. ***Theory suggests that strategy is made by a mixture of rational, command and incremental processes. Using these terms, please describe to me the process by which you and your colleagues decide upon which customers to target and what to offer them***

    3.1. *How much of the target and offer decision is determined at a level above you and your peers?*

    3.2. *How much of the target and offer decision is determined by formal, rational planning processes?*

    3.3. *How much of the target and offer decision is made during the course of implementation, in reaction to events in the market place?*

4. ***I'm interested in understanding the nature of your market. In particular, I'm interested in knowing how complex and turbulent it is. Please describe to me how you perceive the level of complexity and turbulence in your market.***

    4.1. *How quickly do the customers, propositions, competitors, channels and decision making process in your market change?*

    4.2. *How complex is your market in terms of complexity of customers, propositions, competitors, channels and decision?*

5.   How well does your process for making target and proposition decisions cope with the turbulence and complexity of the market?

   5.1   Are there any examples of the process coping particularly well or badly with the complexity of the market?

   5.2   Are there any examples of the process coping particularly well or badly with the turbulence of the market?

6.   How would you describe the organisational culture in which you develop the target customer and proposition decisions?

   6.1   Does the organisational culture support or hinder rational planning (Prompts: Data, Skills, Resources, and Structures)?

   6.2   Does the organisational culture support or hinder a visionary command process? (Prompts: Articulations, Directions etc.)

   6.3   Does the organisational culture support or hinder incremental decision making? (Prompts: Autonomy, Feedback, Experiments?)

Thank you. That completes the questions I have, but I would be very interested to hear any other thoughts you have on your marketing strategy, how that strategy is developed and the organisational culture in which that development takes place.

Appendix 3: Coding Analysis Template

Analysis Table for 2nd Phase PhD Case Study Interviews Case Company: Individual: Date & Location of Interview: Interview Code:					
Case Characteristic	Mark Allocation				
	-2	-1	0	+1	+2
1. The target markets are clearly defined in terms of reasonably homogeneous customer segments rather than product categories or broad descriptor groups.	Statement indicates heterogeneous indistinct target groups in a clear and unqualified manner.	Statement indicates heterogeneous indistinct target groups in a qualified or compromised manner.	Statement neither indicates nor refutes homogeneous & distinct target groups.	Statement suggests homogeneous & distinct target groups in a qualified or compromised manner.	Statement indicates homogeneous & distinct target groups in a clear and unqualified manner.
2. The overall value propositions are clearly aligned to the needs of the target segments across the breadth of the marketing mix.	Statement indicates non-segment specific propositions in a clear and unqualified manner.	Statement indicates non-segment specific propositions in a qualified or compromised manner.	Statement neither indicates nor refutes segment specific propositions.	Statement suggests segment specific propositions in a qualified or compromised manner.	Statement indicates segment specific propositions in a clear and unqualified manner.

Case Characteristic	Mark Allocation				
	-2	-1	0	+1	+2
3. The combination of target segments and value propositions is clearly distinct from that of the competition.	Statement indicates competitor similar strategies in a clear and unqualified manner.	Statement indicates competitor similar strategies in a qualified or compromised manner.	Statement neither indicates nor refutes competitor distinct strategies.	Statement suggests competitor distinct strategies in a qualified or compromised manner.	Statement indicates competitor distinct strategies in a clear and unqualified manner.
4. The combination of target segments and value propositions is clearly aligned to internal strengths and weaknesses.	Statement indicates SWOT mis-alignment in a clear and unqualified manner.	Statement indicates SWOT mis-alignment in a qualified or compromised manner.	Statement neither indicates nor refutes SWOT alignment.	Statement suggests SWOT alignment in a qualified or compromised manner.	Statement indicates SWOT alignment in a clear and unqualified manner.
5. The process for making the target market and offering decisions is based on rational planning.	Statement contradicts use of rational planning in a clear and unqualified manner.	Statement contradicts use of rational planning in a qualified or compromised manner.	Statement neither indicates nor refutes use of rational planning.	Statement indicates use of rational planning a qualified or compromised manner.	Statement indicates use of rational planning in a clear and unqualified manner.

Case Characteristic	Mark Allocation				
	-2	-1	0	+1	+2
6. The process for making the target market and offering decisions is based on visionary leadership.	Statement contradicts use of visionary command process in a clear and unqualified manner.	Statement contradicts use of visionary command process in a qualified or compromised manner.	Statement neither indicates nor refutes use of visionary command process.	Statement indicates use of visionary command process in a qualified or compromised manner.	Statement indicates use of visionary command process in a clear and unqualified manner.
7. The process for making the target market and offering decisions is based incremental development.	Statement contradicts use of incremental process in a clear and unqualified manner.	Statement contradicts use of incremental process in a qualified or compromised manner.	Statement neither indicates nor refutes use of incremental process.	Statement indicates use of incremental process in a qualified or compromised manner.	Statement indicates use of incremental process in a clear and unqualified manner.
8. The market is relatively complex.	Statement contradicts complexity in market factors in a clear and unqualified manner.	Statement contradicts complexity in market factors in a qualified or compromised manner.	Statement neither indicates nor refutes complexity in market factors.	Statement indicates complexity in market factors in a qualified or compromised manner.	Statement indicates complexity in market factors in a clear and unqualified manner.
9. The market is relatively turbulent.	Statement contradicts turbulence in market factors in a clear and unqualified manner.	Statement contradicts turbulence in market factors in a qualified or compromised manner.	Statement neither indicates nor refutes turbulence in market factors.	Statement indicates turbulence in market factors in a qualified or compromised manner.	Statement indicates turbulence in market factors in a clear and unqualified manner.

Case Characteristic	Mark Allocation				
	-2	-1	0	+1	+2
10. The process for making the target market and offering decisions accommodates the complexity of the market environment.	Statement contradicts the process accommodates complexity in market factors in a clear and unqualified manner.	Statement contradicts the process accommodates complexity in market factors in a qualified or compromised manner.	Statement neither indicates nor refutes that the process accommodates complexity.	Statement indicates the process accommodates complexity in market factors in a qualified or compromised manner.	Statement indicates the process accommodates complexity in market factors in a clear and unqualified manner.
11. The process for making the target market and offering decisions accommodates the turbulence of the market environment.	Statement contradicts the process accommodates turbulence in market factors in a clear and unqualified manner.	Statement contradicts the process accommodates turbulence in market factors in a qualified or compromised manner.	Statement neither indicates nor refutes that the process accommodates turbulence in market.	Statement indicates the process accommodates turbulence in market factors in a qualified or compromised manner.	Statement indicates the process accommodates turbulence in market factors in a clear and unqualified manner.

Case Characteristic	Mark Allocation				
	-2	-1	0	+1	+2
12. The rational planning process for making the target market and offering decisions is supported rather than hindered by the organisational culture.	Statement indicates that the organisational culture hinders the rational planning process in a clear and unqualified manner.	Statement indicates that the organisational culture hinders the rational planning process in a qualified or compromised manner.	Statement neither indicates nor refutes that the process hinders or supports the rational planning.	Statement indicates that the organisational culture supports the rational planning process in a qualified or compromised manner.	Statement indicates that the organisational culture supports the rational planning process in a clear and unqualified manner.
13. The visionary leadership process for making the target market and offering decisions is supported rather than hindered by the organisational culture.	Statement indicates that the organisational culture hinders the visionary command process in a clear and unqualified manner.	Statement indicates that the organisational culture hinders the visionary command process in a qualified or compromised manner.	Statement neither indicates nor refutes that the process hinders or supports the visionary command process.	Statement indicates that the organisational culture supports the visionary command process in a qualified or compromised manner.	Statement indicates that the organisational culture supports the visionary command process in a clear and unqualified manner.

Case Characteristic	Mark Allocation				
	-2	-1	0	+1	+2
14. The incremental process for making the target market and offering decisions is supported rather than hindered by the organisational culture.	Statement indicates that the organisational culture hinders the incremental process in a clear and unqualified manner.	Statement indicates that the organisational culture hinders the incremental process in a qualified or compromised manner.	Statement neither indicates nor refutes that the process hinders or supports the incremental process.	Statement indicates that the organisational culture supports the incremental process in a qualified or compromised manner.	Statement indicates that the organisational culture supports the incremental process in a clear and unqualified manner.

Results Summation for this Interview

Case Characteristic		Mark Distribution					
		-2	-1	0	+1	+2	Total
Strategy quality (1-4)							
Marketing strategy process	Rational (5)						
	Visionary (6)						
	Incremental (7)						
Market characteristics	Complexity (8)						
	Turbulence (9)						
Macro-congruence (characteristics 10-11)	With Complexity						
	With Turbulence						
Micro-congruence (characteristics 12-14)	Rational						
	Visionary						
	Incremental						

Other Comments:

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