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# Dynamic strategic marketing planning: The paradox of concurrently reconfiguring and implementing strategic marketing planning

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## ABSTRACT

Traditional marketing planning may not be as effective in today's challenging environments for achieving the dual imperative of meeting objectives and continuously improving market fit. Therefore, we introduce the concept of dynamic strategic marketing planning (DSMP) as a higher-order capability that requires the concurrent orchestration of marketing planning, senior management-led strategic implementation, and change as operationalized through the reconfiguration of processes and resources. With responses from 313 CEOs, we demonstrate that DSMP does overcome the innovativeness rigidities found in ordinary marketing planning capabilities. While DSMP is associated with higher levels of innovativeness, it also achieves higher levels of financial performance over ordinary marketing planning capabilities. Our findings seek to transform marketing planning practice by requiring that its implementation receives the attention of senior managers and combines reconfiguration processes that promote the renewal of plans and capabilities.

## 1. Introduction

"Plans are worthless, but planning is everything" Dwight Eisenhower (Blair, 1957, p. 4)

The development of marketing plans has been the cornerstone of marketing education and has been instilled as a ritual among generations of marketing practitioners. Popular marketing textbooks recommend that a marketing planning process is employed annually to agree on objectives and marketing strategies (Kotler & Keller, 2016; McDonald & Wilson, 2016). Nonetheless, the literature has raised concerns that high levels of marketing planning can lead to rigidities (Slotegraaf & Dickson, 2004), a finding that suggests a loss in market fitness. At the same time, management practice has embraced the popular agile methodology that appears to refute the logic of formal plans in favor of change (Beck et al., 2001) and implies that marketing planning is anachronistic. This view creates a false dichotomy between formal planning and change. While Hughes et al. (2019) also find that high planning levels are associated with reduced levels of innovativeness, they suggest that planning combines a dynamic capabilities reasoning that allows for continuous transformation. Motivated by an emerging stream of literature that explores the dynamic nature of strategic

marketing planning (Hodgkinson et al., 2023; Hughes et al., 2018, 2020; Kouropalatis et al., 2012; Nemkova et al., 2012), we support the need to conceptualize a higher order capability that can capture the dynamism required for the development and implementation of marketing plans while engaging with renewal and change.

From a Resource-Based View (RBV) perspective, marketing planning is a vital capability for achieving a positional advantage (Morgan, 2012). Similarly, the 'planning school' of strategy argues that in the face of uncertainty, teams need to scan the market more diligently and predict changes that they need to integrate into the firm's operations (Ansoff, 1991). However, the 'learning school' counterargues that the formality of planning commits organizations in a specific direction, impeding change and making the term "flexible plan" an oxymoron (Mintzberg, 1994a, p. 14); they instead suggest that learning is the appropriate mechanism for developing emergent strategies (Mintzberg, 1994b). Nevertheless, the essence of strategic marketing is setting the firm's long-term direction and objectives while developing resources supporting a superior positional advantage relative to competitors (Day & Wensley, 1988). We also posit that strategic marketing planning needs to be accompanied by implementation benefitting from senior manager commitment (Barrick et al., 2015). While marketing planning and implementation are well-accepted capabilities, they are ordinary

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capabilities that appear static in nature; the simultaneous presence of a dynamic capability can alleviate this concern and improve their market fit (Winter, 2003). As also highlighted by recent literature on product-market planning (Hughes et al., 2020), reconfiguration is such a dynamic capability that brings change by transforming processes and altering resource allocations (Teece et al., 1997).

Marketing planning capability captures strategic marketing decisions, considers market selection, objectives, value proposition, and timing for a wide range of activities: from market entry to the execution of planned activities (Slotegraaf & Dickson, 2004). At the same time, senior management team members who can deal with marketing-related issues improve marketing implementation quality while their firms enjoy higher revenue growth and value (Whitler et al., 2021). Therefore, senior managers can play a crucial role in the value-creation process as they orchestrate resources (Sirmon et al., 2011) and can track and monitor the strategic implementation objectives they clearly communicate (Barrick et al., 2015). Such a strategic implementation approach embraces the upper-echelon perspective (Hambrick & Mason, 1984; Whitler et al., 2021), with senior managers creating an environment where employees gain a sense of value and purpose by understanding the mission of the company and their role in contributing to it. Therefore, we recognize the impact of senior manager behavior on the effective operation of marketing planning (Piercy & Morgan, 1994). Further, planning exercises senior management foresight and enables firms to “plan their strategic moves in advance, ... pre-empt emerging market opportunities and prevent the entry of competitors who rely simply on adaptation” (Vecchiato, 2015, p. 33). However, planning needs to be transformed from a habitual annual practice to one that operates in real-time, reflects continuous change, and accounts for new information and opportunities as they arise (Hughes et al., 2020).

Therefore, we postulate that the coexistence of marketing planning capabilities, senior management engagement in strategic implementation, and the dynamic reconfiguration of processes and resources, which we define as *dynamic strategic marketing planning (DSMP)*, enhances organizational performance and overcomes the development of rigidities. Such a conceptualization is also in support of following a paradoxical approach where the concurrent pursuit of seemingly conflicting strategies, such as one might argue for the case of planning and change/reconfiguration, enhances organizational performance (Batsakis & Theoharakis, 2021; Lewis, 2000; Smith, 2014; Smith & Lewis, 2011). It is also consistent with studies examining a firm’s advantage when they concurrently plan and improvise (Hughes et al., 2018; Nemkova et al., 2012), combine planning and spontaneity (Hodgkinson et al., 2023), or flexibility and commitment when planning (Kouropalatis et al., 2012). However, this study also recognizes the dual strategic imperative for firms to sustain innovativeness while meeting financial objectives (Theoharakis & Hooley, 2008). Overall, our research question is as follows: does *dynamic strategic marketing planning* as a higher-order capability improve financial performance and overcome innovativeness-related rigidities experienced by marketing planning as an ordinary capability?

This paper follows an earlier call by Dickson et al., (2001, p. 216) for dynamic marketing thinking where organizations “require a very special marketing planning skill, the ability to understand and anticipate the effects of the complex, often chaotic, dynamic interaction between a firm’s deployment of its resources and its evolving business environment.” More specifically, this paper contributes to literature and practice by aiming to achieve the following research goals: (1) re-examine the association of marketing planning capabilities as an ordinary capability on financial performance and innovativeness, (2) examine DSMP as a more complex higher-order capability that concurrently orchestrates marketing planning capabilities, senior management engagement in strategic implementation, and change as operationalized by the reconfiguration of processes and resources, (3) evaluate if DSMP is better in enhancing financial performance than marketing planning as an ordinary capability, and (4) test if DSMP avoids the development of

innovativeness related rigidities. In this manner, we examine if DSMP can achieve higher levels of financial performance while avoiding the development of rigidities (Slotegraaf & Dickson, 2004) as demonstrated by the curvilinear association of marketing planning as an ordinary capability with innovativeness (Hughes et al., 2019). With the support of our conceptual model (Fig. 1), we also seek to guide management practice and transform strategic marketing planning.

## 2. Theoretical and conceptual framework

### 2.1. Examining strategic marketing planning as an (incomplete) dynamic capability

Although marketing planning is criticized for potentially introducing rigidities, it is also described as a fundamental strategic process as it “can cultivate an organizational capability through the integration, combination, and reconfiguration of a firm’s resources” (Slotegraaf & Dickson, 2004). As noted by Hughes and Hodgkinson (2021), this definition of planning and several others align with Teece’s et al., (1997) description of dynamic capabilities and is consistent with Wolf and Floyd (2017) who consider strategic planning as a dynamic capability. In this study, we consider a strategic marketing view where marketing planning sets longer-term objectives, allocates and extends resources and is thus an essential component of corporate planning. To achieve this, we follow a dynamic capabilities perspective with a particular attention on how to avoid rigidities. In this section, we briefly review the notion of dynamic capabilities and some of its connections with the marketing literature.

Dynamic capabilities have gained a great deal of interest based on the premise that they address challenges faced by organizations trying to achieve and sustain a competitive advantage not only in turbulent, high-velocity markets but also in stable environments (Barreto, 2010). The rapid growth of this view followed the seminal article by Teece et al., (1997, p. 516), who defined dynamic capabilities as “the firm’s ability to integrate, build, and reconfigure internal and external competences.” Dynamic capabilities evolved from the resource-based view of the firm (Wernerfelt, 1984) and can extend, modify, or create ordinary capabilities that are static (Winter, 2003). Dynamic capabilities are also discussed in the marketing literature, with Dynamic Marketing Capabilities (Barrales-Molina et al., 2014) to include market learning, resource reconfiguration, capability enhancement, proactive market orientation, and new product development capability (Hoque et al., 2022; Morgan, 2012).

Aligned with the call for a dynamic planning capability (Hughes et al., 2020), we examine how strategic marketing planning addresses the dynamic capability clusters of *sensing*, *seizing*, and *reconfiguring* as conceptualized by Teece et al. (1997). In this manner, we reframe strategic marketing planning from a more recent theoretical perspective in an effort to reconcile the apparently conflicting views between the ‘planning’ and ‘learning’ schools of strategy. In addition, we aim to identify important factors that can make strategic marketing planning more valuable and relevant for practice since dynamic capabilities have been accused of being surrounded “by mystery and confusion” making them hard to implement (Winter, 2003, p. 994). Much of this criticism is rooted in the premise that dynamic capabilities provide generic formulas for achieving competitive advantage. Nonetheless, strategic marketing planning offers an appropriate context for making them more relevant to practice.

#### 2.1.1. Strategic marketing planning as a sensing mechanism

Strategic marketing plan development requires that one makes sense of the environment through conducting a market audit, which includes an analysis of evolving customer needs, technology, and competition (McDonald & Wilson, 2016). This exercise is not performed in isolation from the organization’s own capabilities since the firm’s positional advantage (Day & Wensley, 1988) needs to be continuously assessed. Even the old SWOT contributes in this direction as it compares firm

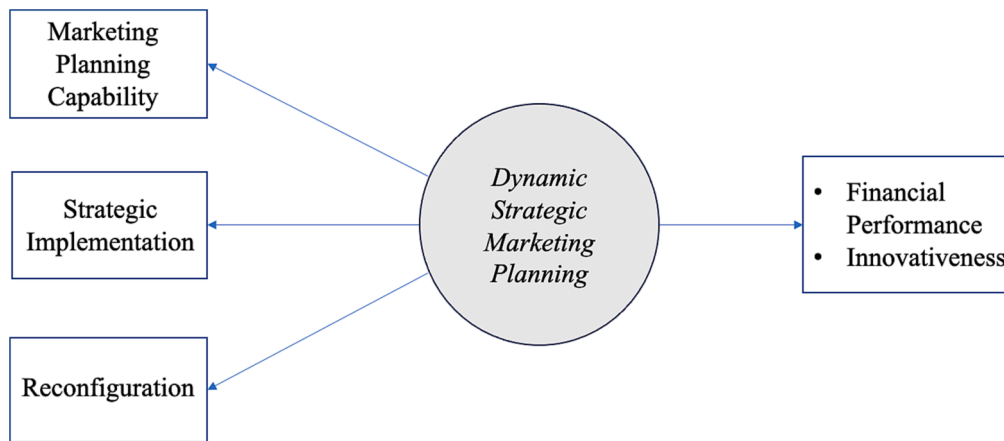


Fig. 1. A conceptual framework of Dynamic Strategic Marketing Planning.

strengths and weaknesses against those of the competition and seeks to identify opportunities and threats. Nonetheless, competitor identification and analysis have become more insightful from the early days of planning as one can consider their resources and capabilities and compare them with the capabilities of other firms that may already serve or have the potential to serve the same customer needs (Peteraf & Bergen, 2003). Such an RBV-based approach goes beyond traditional frameworks developed to assess the competitive environment at an industry level (Porter, 1980) and enhances the sensing of competitive landscapes.

Strategic marketing planning engages in market sensing with an emphasis on customers and competitors that have been essential elements of market orientation, a core element of marketing strategy for more than three decades (Narver & Slater, 1990). Unsurprisingly, market orientation and marketing capabilities are viewed as necessary conditions for a firm's dynamic capabilities (Morgan et al., 2009). Strategic planning is associated with information sharing within organizations that can draw from "collective organizational insights" enabling "managers to recognize the value of new information" (Hughes & Hodgkinson, 2021, p. 243). As such, strategic planning is associated with knowledge management activities.

The scenario planning often involved in the development of strategic marketing plans facilitates cognition and is a critical function that requires senior management involvement in the discovery of potential future strategies (Teece, 2007). Similarly, strategic foresight is a required planned learning activity involving senior managers and serves as a dynamic capability underpinning the sensing of emerging opportunities and threats (Vecchiato, 2015). Even customer segmentation, a fundamental strategic marketing process, places customers in clusters after sensing the benefits they value. However, market opportunities and segments change as customer needs shift and competitors do not remain idle. Such changes suggest the need for continuous sensing and renewal of the processes that govern sensing. For example, firms are increasingly utilizing big data and real-time dashboards "listening" to what consumers may share on social media, reconfiguring old customer sensing recipes.

### 2.1.2. Strategic marketing planning as a seizing mechanism

Strategic marketing planning includes deciding which segments/markets a firm should target and the new products or services needed to fuel growth (Ansoff, 1965). Therefore, the strategic marketing plan selects and seizes market opportunities, defines new value propositions, and ultimately drives resource allocation for achieving a positional advantage (Morgan, 2012). Seizing is also exercised when selecting new distribution channels (e.g., digital channels) and markets (Batsakis, Konara, et al., 2023; Batsakis, Theoharakis, et al., 2023), new ways of communicating with customers, or even when selecting new strategic

alliances and business partners. As Teece (2007, p. 1343) states, "tight planning will be a part of seizing" and leadership has the obvious role of setting and communicating goals and expectations about the strategic outcomes of the seizing activity.

Overall, seizing is integrally connected with mobilizing resources for addressing opportunities and capturing value through new products creation (Zhang & Wu, 2017). Nonetheless, as markets change and competition emerges, products launched to seize previously presented opportunities become obsolete, along with the capabilities that may have seized these opportunities (Teece, 2012). As a result, firm competitiveness declines, requiring the reconfiguration of strategic plans and resources. Further, seizing processes may also need to be reconfigured, as demonstrated by the shift from waterfall based new product development to agile processes that seek to improve seizing and maximize the value offered through increased customer co-creation.

### 2.1.3. Strategic marketing planning: Where is the reconfiguration?

While Arend et al. (2017) find that strategic planning contributes positively to firm profitability, they also find that it negatively influences innovative activity. They view strategic planning as a complex and enabling managerial tool and identify contingencies where strategic planning drives innovation. More specifically, the presence of risk-taking and knowledge-based reward systems turn strategic planning into an innovation driver. Interestingly, the knowledge-based reward systems measure they examine is drawn from the Jaworski and Kohli (1993) study, which used such reward systems as an antecedent of market orientation. Further, market orientation consists of factors integral to the strategic marketing plan presented and is an antecedent of dynamic capabilities where reconfiguration plays a pivotal role in business model innovation (Randhawa et al., 2021).

Andersen and Nielsen (2009) call for integrating adaptive initiatives within strategic planning to avoid rigidities and support innovation. Similarly, Greenley et al. (2004) urge for change in the traditional marketing planning model so it becomes more relevant in dynamic markets. More recently, Kalaignanam et al. (2021) highlight the need for senior leader-driven marketing agility, which they relate to adaptive marketing capabilities (Day, 2011), market-focused strategic flexibility (Johnson et al., 2003), and the organizational concept of dynamic capabilities (Teece et al., 1997). However, as they indicate, these concepts are rooted in reconfiguration and adaptation (Table 1). It is also worth noting that dynamic capabilities, due to their reconfiguration mechanism, "go further by recognizing that organizations not only adapt to the business environment, they often try to shape it, too" (Teece, 2018, p. 359). Given the need to enact both adapting strategies, which tend to be incremental, and shaping strategies, which can require significant resource commitments for the creation of a new market order (Rindova & Courtney, 2020), reconfiguration appears as the relevant mechanism

**Table 1**  
Relationship of marketing concepts with reconfiguration.

Concept	Article	Definition/description
Reconfiguration as a dynamic capability	Teece (2007)	"A key to sustained profitable growth is the ability to recombine and to <b>reconfigure</b> assets and organizational structures as the enterprise grows, and as markets and technologies change... <b>Reconfiguration</b> is needed to maintain evolutionary fitness and, if necessary, to try and escape from unfavorable path dependencies." (pg. 1335)
Market-focused strategic flexibility	Johnson et al. (2003)	"the firm's intent and capabilities to generate firm-specific real options for the configuration and <b>reconfiguration</b> of appreciably superior customer value propositions" (pg. 77)
Adaptive Marketing Capabilities	Day (2011)	"Capabilities enable anticipation. Process activities can be rapidly <b>reconfigured</b> as needed" (pg. 188)
Marketing agility	Kalaiganam et al. (2021)	"senior leaders should have the ability to <b>reconfigure</b> capabilities and redeploy resources rapidly" (pg. 51), "Marketing agility refers to the extent to which an entity rapidly iterates between making sense of the market and executing marketing decisions to <b>adapt</b> to the market" (pg. 81)

that would need to become embedded in strategic marketing planning.

Therefore, we expect reconfiguration to alleviate concerns that high levels of marketing planning as an ordinary capability may lead to rigidities (Slotegraaf & Dickson, 2004). While agile new product/service development processes refine and expedite the delivery of customer value, they operate at a more tactical level after target market selection has taken place. Reconfiguration operates at the strategic marketing level, where resource allocations are determined and reassessed along with the processes that govern the organization. As Hughes et al., (2020, p. 371) also indicate, "the ability to reconfigure and leverage resources in different ways" needs to be inherent in market planning conceptualizations. Overall, our examination suggests that the strategic marketing planning process shares some dynamic capability characteristics but needs to consider i) the importance of leadership led strategic implementation and ii) the need for dynamic reconfiguration within the planning process. These points are consistent with the view that senior management implementation involvement sustains dynamic capabilities that enable the organization to achieve and maintain evolutionary fitness (Teece, 2007).

Drawing upon the resource-based view and the dynamic capabilities perspective our thesis is that strategic marketing planning continues to offer value and contributes to performance as it requires the systematic exercise of the firm's strategic thinking. Nonetheless, we further contend that strategic implementation, as reflected by the active involvement of senior management, needs to be integrated with a firm's strategic marketing planning capability. Additionally, the concurrent presence of a dynamic reconfiguration capability minimizes capability gaps, ensures market fit, and alleviates concerns about of core rigidity development during strategic marketing planning (Fig. 1).

## 2.2. The value of marketing planning as an ordinary capability

The Nobel laureate Herbert Simon (1993), who advanced the field of decision-making, claims that strategic planning is the necessary process that identifies new sources for achieving comparative advantage. He argues that survival and success in uncertain and turbulent environments require strategic planning abilities that anticipate the shape of the future, identify alternatives for solving challenges by taking action or launching new products, and implement the strategic plan. Overall, in their meta-analysis, Miller and Cardinal (1994) find that strategic planning does have a positive association with firm performance. Similarly, Brews and Hunt (1999) confirm the value of formal strategic planning but also stress the importance of persistence in planning; as firms learn how to plan, they become more effective with it.

While marketing academics and professionals were speculating that marketing planning leads to superior performance, it took some time until the development of formal marketing plans was associated with performance (Lysonski & Pecotich, 1992; Menon et al., 1999). With the advancement of the resource-based view, planning was recognized by the strategic marketing literature as a crucial ordinary marketing capability in achieving competitive positioning (Hooley et al., 1998). Although Slotegraaf and Dickson (2004) find that marketing planning

capability reduces the incidence of postplan improvisation, suggesting the onset of a process rigidity, they also link marketing planning capability with firm profitability. Further, there is more evidence that marketing planning capabilities contribute to firm performance in domestic (Menon et al., 1999; Vorhies & Morgan, 2005) and international markets (Morgan et al., 2003). Therefore, we hypothesize:

**H1.** Marketing planning as an ordinary capability is positively associated with firm financial performance.

While the benefits of marketing planning capability are recognized, as previously stated, some studies have raised concerns that high levels of planning hinder innovativeness (Arend et al., 2017; Hughes et al., 2019; Slotegraaf & Dickson, 2004). However, while Arend et al. (2017) positively associate strategic planning with financial performance, they also identify a partial negative effect. More recently, Hughes et al. (2019) find a quadratic effect between planning and innovativeness (inverse-U-shaped curve), which indicates that high levels of planning are associated with diminishing returns and elimination of gains offered at moderate levels. We therefore hypothesize that:

**H2.** The relationship between marketing planning as an ordinary capability and innovativeness is curvilinear (inverse U-shaped).

## 2.3. Towards a dynamic strategic marketing planning capability

### 2.3.1. The need for strategic implementation

Marketing strategy has been conceptualized to consist of two parts: strategic formulation and implementation (Morgan et al., 2019). While strategic marketing planning is the means for achieving strategy formulation driving resource allocation, implementation achieves strategy realization through resource deployment and performance monitoring. Marketing planning and implementation capabilities contribute alongside each other as the two marketing capabilities with the highest direct impact on overall firm performance (Vorhies & Morgan, 2005). They have also been selected as the two representative capabilities synthesizing a higher-order marketing capability (Chang et al., 2010) or as part of a set of first-order marketing capability factors (Morgan et al., 2009). This prior work suggests that the joint presence of marketing planning and implementation capabilities is vital in achieving higher performance levels.

However, extant literature also recognizes the crucial role of senior management in effectively achieving strategy implementation (Gupta & Govindarajan, 1984; Lorange, 1998). Barrick et al., (2015, p. 118) explicitly identify the importance of senior management in strategy implementation and define strategic implementation as "the top management team (TMT) members' willingness to specify and pursue strategic objectives, and to adopt clearly defined metrics to dynamically monitor progress" which is the definition we adopt in this study. They find that a higher level of strategic implementation enhances the effectiveness of organizational resources since strategic implementation provides clarity and direction to employees who find a shared sense of meaning while implementing the firm's strategy. The TMT commitment reflected by this definition of strategic implementation has not been

among the widely employed marketing implementation constructs (Morgan et al., 2003, 2009).

Nonetheless, the marketing literature also recognizes the need for committed senior management who create a supportive climate when developing and implementing strategic marketing plans (Ashill et al., 2003). Whitler et al. (2018) theorize that board-level members with marketing experience lead firms to prioritize growth as a strategic objective and improve marketing implementation quality. They find that marketing expertise at the board level improves key financial measures (e.g., revenue growth, total revenues, and firm market value), which demonstrates the positive impact of raising strategic marketing objectives and implementation at the highest levels of a company's management. Overall, we propose that the concurrent presence of marketing planning capability and strategic implementation by committed senior management is crucial for strategic goal achievement. It is this committed senior management who specifies and pursues strategic objectives while monitoring their achievement that exemplifies the strategic nature of planning and implementation for the firm.

### 2.3.2. The need for dynamic capabilities: The case of reconfiguration

As Wolf and Floyd (2017) indicate, since Mintzberg's criticism of strategic planning as an impediment to change was published (Mintzberg, 1994b), strategic planning appears to have received limited attention from the academic literature. They suggest that planning can serve as a dynamic capability where learning is taking place. Nonetheless, they warn that strategic planning processes consider the specific conditions faced by the firm implementing them while maintaining a balance between formality and flexibility. Thus, strategic planning should be more dynamic to drive change and re-orchestrate resources. It also aligns with earlier calls for more adaptive market-driven organizations that are interactive with their customers (Day & Montgomery, 1999) and "process activities can be reconfigured as needed" (Day, 2011, p. 188). Due to the equivocal findings of the direct relationship between strategic planning and performance, Rudd et al. (2008) identified flexibility as a mediator.

Since strategic marketing planning capability may induce rigidity and potentially harm performance (Slotegraaf & Dickson, 2004), the need arises for including an additional higher-order dynamic capability that alleviates the onset of such a rigidity (Winter, 2003). Therefore, the marketing literature is paying close attention to marketing strategy adaptation (Morgan et al., 2019) by taking a dynamic capabilities perspective. Lavie (2006) suggests that reconfiguration mechanisms can address capability gaps. Such a capability reconfiguration allows incumbents to "discard core rigidities" (p. 166) and overcome path-dependencies, which is also reflected in recent findings by Goumagias et al. (2022). Similarly, Morgan (2012, p. 109) describes resource reconfiguration as a dynamic marketing capability that reflects "the firm's ability to retain, eliminate, and acquire resources in ways that fit with the requirements of the firm's environment." Hughes et al. (2020) also focus on reconfiguration as an essential feature in a planning capability. Therefore, we focus on reconfiguration as the dynamic capability that can enhance a strategic marketing plan implementation process by avoiding the creation of rigidities hindering innovativeness and ensuring that the marketing planning process remains relevant.

Further, senior management involvement, as reflected by a strategic implementation that closely monitors performance (Barrick et al., 2015), is essential in the strategic marketing planning process (Greenley et al., 2004), in sustaining dynamic capabilities (Teece, 2007), and thus enhances the achievement of objectives such as financial performance. Overall, the complexity of concurrently orchestrating marketing planning and change makes strategic implementation by senior management imperative. While support for marketing planning has been identified by the literature, as previously highlighted, there are concerns about its ability to maintain market fitness as reflected by its diminishing association with innovativeness. However, we argue that DSMP further improves financial performance and alleviates concerns about a

diminishing association with innovativeness as it benefits from management attention to implementation and renewal. We therefore hypothesize that:

**H3.** DSMP is associated with financial performance in a manner that is significantly higher than marketing planning as an ordinary capability.

**H4.** DSMP is associated with innovativeness in a manner that is significantly higher than marketing planning as an ordinary capability and without suffering from a curvilinear (inverted U-shaped) effect.

## 3. Method and analysis

### 3.1. Sample

We collected the data in 2020 via the premier trade union in a southern city in China. All companies were registered members of this trade union and the data presented in this article are part of a broader government project that studied CEO characteristics and company performance. Having CEOs as informants is in line with other related studies on strategic planning since senior executives are most likely to have the relevant information and are expected to be more reliable (Hughes & Hodgkinson, 2021). With help from the trade union, online survey links were sent out to 1600 CEOs by the third author and two research assistants. Participation was anonymous and completely voluntary. Most companies from our sample were SMEs with less than 80 employees (70 %), some had 80–500 employees (24.2 %) and only very few had above 500 employees (5.8 %). These companies provide a wide range of services, including retailing, hospitality, private health-care services, education consultation, media, etc. More recent studies in strategic planning have focused on high-tech sectors (Hughes et al., 2018, 2020; Hughes & Hodgkinson, 2021; Kouropalatis et al., 2012) while the study by Slotegraaf and Dickson (2004) drew its sample across sectors from Fortune 1000 companies. Therefore, by focusing on services, we examine a sector that has typically not been the primary focus of previous studies although services dominate most economies which is also the case in China (Textor, 2023). We received a final sample of 313 valid responses, indicating a response rate of 19.5 %. Of the 313 CEOs, 49 % them were male.

### 3.2. Measures

The questionnaire was designed in English, translated into Chinese, and then back-translated (Brislin, 1970). For our study, we used previously developed measures (Table 2). More specifically, our DSMP construct utilized the Marketing Planning Capabilities scale developed by Slotegraaf and Dickson (2004), Strategic Implementation developed by Barrick et al. (2015), and Reconfiguration from the dynamic capabilities construct of Wilden et al. (2013) as factors. Innovativeness was adapted from Hughes and Morgan (2007) and Financial Performance from Hooley et al., (2005). As controls, we used commonly found measures in strategic marketing studies such as market uncertainty, technological turbulence, and competitive intensity (Jaworski & Kohli, 1993). Further, given that CEO personality has been extensively studied and found to be associated with firm performance and other constructs related to our theoretical context such as flexibility (Nadkarni & Herrmann, 2010; O'Reilly et al., 2014), we also included CEO personality as measured by the Big-5 personality traits (McCrae & Costa, 1987; Saucier, 1994). While the characteristics of the overall sample were provided as indicated in the previous section, company-specific demographics (e.g., size, age, sector) for each respondent were not provided. The addition of such controls would have been desirable, but company size was not found to be significant in other similar studies (Hughes et al., 2020) and others do not appear to have utilized any company demographics as controls either (Hughes et al., 2019; Hughes & Hodgkinson, 2021).

**Table 2**  
Measurement scales, composite reliability (CR) and average variance extracted (AVE).

Construct	Questionnaire items	Loadings	CR	AVE
<b>Marketing Planning Capabilities</b>	Market scanning	0.78	0.95	0.752
	Market situation/environment analysis	0.84		
	Matching firm strengths to market opportunities	0.87		
	Meshing programs to market realities	0.90		
	Implementing marketing programs	0.90		
	Marketing budgeting/allocating resources	0.86		
<b>Strategic Implementation</b>	Program performance tracking	0.91	0.95	0.756
	The senior management team ...			
	... ensures that everyone on the team clearly understands our organizational goals and strategies	0.77		
	... relies on clearly defined metrics to assess progress on organizational goals and strategies.	0.90		
	... links senior management team goals with the strategic direction of the organization.	0.92		
	... monitors events and conditions outside the team that influence progress on organizational goals and strategies.	0.82		
	... seeks timely feedback from stakeholders about how well the team is meeting organizational goals and strategies.	0.89		
	... regularly monitors how well we are meeting our organizational strategies and goals.	0.91		
<b>Reconfiguration</b>	How often have you carried out the following activities between 2016 and 2020?		0.92	0.729
	Implementation of new kinds of management methods	0.73		
	New or substantially changed marketing method or strategy	0.80		
	Substantial renewal of business processes	0.86		
<b>Financial Performance</b>	New or substantially changed ways of achieving our targets and objectives	0.82	0.92	0.738
	Our profits are much better than those of our major competitors	0.81		
	Our margins are much better than those of our major competitors	0.80		
	Our sales volume is much better than that of our major competitors	0.90		
<b>Innovativeness</b>	Our return on investment is much better than that of our major competitors	0.90	0.93	0.816
	We actively introduce improvements and innovations in our business	0.89		
	Our business is creative in its methods of operation	0.89		
	Our business seeks out new ways to do things	0.93		

## 4. Results

### 4.1. Measurement model

Prior to testing the hypotheses presented in our conceptual model (Fig. 1), we validated our measurement scales and conducted an exploratory and confirmatory factor analysis using Stata 17.0. Our exploratory factor analysis presented a clear factorial structure with no indication of item cross-loading. Further, the confirmatory factor analysis fit is very good ( $\chi^2/df = 369.64/236 = 1.57$ , CFI = 0.982, TLI = 0.979 and RMSEA = 0.043), all item loadings are significant at the 0.01 level, the average variance extracted (AVE) values are higher than 0.5, and composite reliabilities (CR) are higher than 0.7 (Table 1), indicating acceptable reliability and convergent validity (Fornell & Larcker, 1981). Further, discriminant validity is demonstrated since the square roots of AVE were greater than the corresponding row and column values (Table 2). We also tested our second-order construct of Dynamic Strategic Marketing Planning (Fig. 1), which also demonstrates a very good fit ( $\chi^2/df = 178.9/111 = 1.61$ , CFI = 0.987, TLI = 0.985 and RMSEA = 0.044). The loadings for all first-order factors exceed the generally acceptable minimum of 0.4 (Marketing Planning Capability = 0.82, Strategic Implementation = 0.72, Reconfiguration = 0.65) resulting in an acceptable AVE (0.538) and CR (0.776).

### 4.2. Common method variance

All of our focal variables relied on self-ratings which raises concerns about common method variance (CMV) (Podsakoff et al., 2003). To avoid some of these issues, besides guaranteeing anonymity, reverse-coded items were used across the survey which also had a focus on CEO personality. We also employed several statistical tests to examine the influence of CMV. Firstly, Harman's single-factor test demonstrated that no single construct accounted for a majority of the total variance. Secondly, the correlations between constructs (Table 3) are lower than 0.90 providing additional support that this study does not suffer from common method bias (Pavlou et al., 2007). Thirdly, multicollinearity was also examined; since the highest VIF is below the commonly

acceptable threshold of 3.3 (Diamantopoulos & Siguaaw, 2006) suggesting that this study does not suffer from common method bias. Fourthly, extraversion is identified in the literature as one of the ideal markers to account for CMV (Simmering et al., 2015) which we utilize as a control in all of our regressions and proves not to be significant (Table 4). More importantly, we used extraversion as the common marker variable in our CFA model (Lindell & Whitney, 2001). The loading value for this factor on items utilized was insignificant therefore not detecting the presence of CMV. Overall, these tests indicate that CMV does not appear to be a problem in our study.

### 4.3. Hypotheses testing

We utilized OLS to test our hypothesis. When examining the effect of marketing planning as an ordinary capability and DSMP we find both to be significantly associated with financial performance (Table 4, Models 1 and 3), but the difference between their respective betas is significant ( $\beta_{MPC} = 0.42$ ,  $\beta_{DSMP} = 0.70$ ,  $p = 0.01$ ) confirming H1 and H3. Further, we conducted a post-hoc analysis where we did not find any kind of curvilinearity between our two planning variables and financial performance. As an additional robustness test, we also tested with a limited measure of positional advantage that considered product differentiation and cost differentiation (Morgan et al., 2004) and reconfirmed that DSMP delivers a significantly higher positional advantage over marketing planning as an ordinary capability ( $\beta_{MPC} = 0.45$ ,  $\beta_{DSMP} = 0.75$ ,  $p = 0.01$ ).

We also examined the relationship of marketing planning as an ordinary capability with innovativeness (Table 4, model 2) as this has been raised as a major concern in the literature. Similarly with others (Hughes et al., 2019), we do confirm H2, finding a curvilinear inverted U-shaped relationship between marketing planning as an ordinary capability and innovativeness. However, when we examine the relationship between DSMP and innovativeness (Table 4, model 4) this curvilinearity does not exist confirming H4. Further, we find that the difference between the linear betas of the two regression models is significant ( $\beta_{MPC} = 0.21$ ,  $\beta_{DSMP} = 0.40$ ,  $p = 0.01$ ) clearly demonstrating how DSMP is more significantly associated with innovativeness.

**Table 3**  
Measure summary statistics and correlations.

Construct	Mean	SD	1	2	3	4	5	6	7	8	9	10	11	12	13
1. MPC	3.727	0.783	<i>0.867</i>												
2. STRATIMPL	3.849	0.787	0.564	<i>0.869</i>											
3. RECON	3.770	0.721	0.488	0.432	<i>0.802</i>										
4. INNOV	3.987	0.816	0.592	0.541	0.435	<i>0.903</i>									
5. FINPERF	3.370	0.757	0.519	0.511	0.315	0.278	<i>0.859</i>								
6. TURBULENCE	3.924	0.794	0.541	0.408	0.335	0.616	0.196	<i>0.937</i>							
7. UNCERTAINTY	3.761	0.695	0.394	0.355	0.354	0.460	0.225	0.582	<i>0.832</i>						
8. COMPETITIVE	4.170	0.673	0.223	0.304	0.346	0.426	0.056	0.422	0.556	<i>0.872</i>					
9. NEUROTIC	2.292	0.618	-0.056	-0.021	-0.068	-0.105	0.147	-0.060	0.021	-0.152	<i>0.762</i>				
10. EXTROVERT	3.701	0.611	0.283	0.243	0.410	0.292	0.213	0.244	0.234	0.282	-0.132	<i>0.753</i>			
11. CONSC	3.995	0.585	0.311	0.328	0.418	0.433	0.185	0.365	0.307	0.460	-0.189	0.592	<i>0.792</i>		
12. OPENNESS	3.864	0.567	0.349	0.303	0.501	0.354	0.170	0.336	0.278	0.365	-0.218	0.676	0.711	<i>0.743</i>	
13. AGREEABLE	4.091	0.590	0.348	0.310	0.396	0.353	0.123	0.306	0.394	0.423	-0.286	0.475	0.679	0.653	<i>0.821</i>

**Note:** Square roots of AVE are reported in italics on the diagonal; MPC: Marketing Planning Capability, STRATIMPL: Strategic Implementation, RECON: Reconfiguration, INNOV: Innovativeness, FINPERF: Financial Performance

**Table 4**  
OLS regression estimates.

	Model 1	Model 2	Model 3	Unstandardized / Standardized	Model 4
	FINPERF	INNOV	FINPERF		INNOV
MPC	0.42/0.42*** (6.52)	0.21/0.21*** (3.80)			
MPC x MPC		-0.08/-0.13** (-2.99)			
STRATIMPL	0.36/0.36*** (6.22)	0.17/0.17*** (3.51)			
RECON	0.04/0.04 (0.72)	0.08/0.08 (1.69)			
DSMP			0.70/0.70*** (10.94)		0.40/0.40*** (7.79)
DSMP x DSMP					-0.04/-0.06 (-1.48)
INNOV	-0.10/-0.10 (-1.47)		-0.08/-0.08 (-1.27)		
Technological turbulence	-0.17/-0.15** (-2.28)	0.31/0.28*** (5.16)	-0.13/-0.12 (-1.84)		0.35/0.31*** (5.93)
Uncertainty	0.11/0.09 (1.45)	0.03/0.02 (0.44)	0.11/0.08 (1.34)		0.03/0.02 (0.41)
Competitive Intensity	-0.12/-0.10 (-1.71)	0.17/0.14** (2.73)	-0.15/-0.13* (-2.15)		0.13/0.11* (2.15)
Neuroticism	0.22/0.14** (2.90)	-0.08/-0.05 (-1.15)	0.22/0.13** (2.90)		-0.07/-0.04 (-1.04)
Extraversion	0.12/0.11 (1.71)	0.02/0.02 (0.30)	0.11/0.10 (1.53)		0.00/0.00 (0.07)
Conscientiousness	0.13/0.11 (1.54)	0.21/0.18** (2.81)	0.13/0.11 (1.48)		0.20/0.17** (2.72)
Openness	-0.09/-0.07 (-0.91)	-0.10/-0.08 (-1.25)	-0.13/-0.11 (-1.43)		-0.10/-0.08 (-1.21)
Agreeableness	-0.12/-0.10 (-1.47)	-0.04/-0.03 (-0.61)	-0.11/-0.09 (-1.31)		-0.05/-0.04 (-0.67)
Constant	-0.50** (-2.59)	0.22 (1.31)	-0.48* (-2.50)		0.16 (0.99)
R-squared	0.413	0.567	0.397		0.555
Observations	313	313	313		313

**Notes:** t-test in parenthesis. \* p < 0.05, \*\* p < 0.01, \*\*\* p < 0.001, two-tailed tests. MPC = Marketing Planning Capability, STRATIMPL = Strategic Implementation, RECON = Reconfiguration, INNOV = Innovativeness, FIN PERF = Financial Performance

**5. Discussion**

Market volatility and uncertainty raise concerns about old marketing practices developed at a time when one could afford to depend on previously tried and tested formulas and revisit marketing planning once a year. Our findings support our *dynamic strategic marketing planning* conceptualization as a higher-order dynamic capability that concurrently embraces marketing planning capabilities, senior management-led strategic implementation, and ongoing reconfiguration. This conceptualization provides evidence that helps resolve concerns raised against strategic marketing planning in today’s turbulent markets. First,

we demonstrate the value of marketing planning as an ordinary capability in achieving financial performance but also reconfirm that at high levels it is associated with reduced levels of innovativeness. Second, we validate *DSMP* as a higher-order capability. Third, *DSMP* is superior in delivering financial performance versus marketing planning as a first-order capability. Fourth, we confirm that *DSMP* does not appear to create any rigidities at high levels when examining its relationship with innovativeness. In this sense, we demonstrate that *DSMP* not only delivers higher levels of firm performance, but as it integrates the required transformative dynamic capability, it ensures evolutionary fitness and is more strongly associated with innovativeness.

Similarly, with the emerging dynamic marketing planning stream (Hughes et al., 2018, 2020; Hughes & Hodgkinson, 2021; Kouropalatis et al., 2012), this study does not view developing and implementing strategic plans as an either/or dilemma with the need to change and reconfigure resources. On the contrary, it accepts the benefits of the 'planning school' and recognizes the need for emergent strategies as supported by the 'learning school'. It thus contributes to strategic marketing theory by taking a dynamic capabilities perspective and presenting a higher-order capability that integrates planning, implementation, and change. This conceptualization is consistent with the strategic making reality of high performing organizations that embrace planning and change, addressing the dual imperative of meeting strategic objectives through resource allocation while improving market fitness. As firms need to adapt to new conditions or shape new markets, they re-evaluate their strategic goals and reconfigure their processes and capabilities (Rindova & Courtney, 2020) while developing and implementing long-term strategic plans that they convincingly communicate to stakeholders (Papadopoulou et al., 2022).

For example, Elon Musk was very clear in his 2006 blog about Tesla's segment-by-segment strategic plan of initially addressing a high-performance segment to eventually addressing the mass market segment (Musk, 2006). As Tesla was shaping the EV market, it also had to reconfigure its resources and advance its manufacturing capabilities in order to produce more affordable zero-emissions cars. This reconfiguration was planned,<sup>1</sup> and its implementation enjoyed close senior management attention. Nonetheless, Tesla's original plan to fully automate manufacturing was not as successful as it overestimated what automation could deliver over humans (Büchel & Floreano, 2018). As Elon Musk admitted, the company experienced "hellish" problems in ramping up production (Sherman, 2018), with him sleeping at the factory in support of employees renewing their new processes (Mok & Cuccinello, 2022); this implies that even capability reconfiguration plans, i.e., planned reconfiguration, have to be reconfigured since one can not accurately chart the company's future trajectory.

In response to Tesla's market success, VW executives announced their strategic plan to become the world's number two EV manufacturer. The company outlined a long-term strategic plan with measurable objectives and investments that pleased the market, as reflected by the stock price increase (Dans, 2021). VW is attempting to dramatically reconfigure its capabilities away from internal combustion engines, adapting to the new market reality; a strategy the company hopes was timely for improving its market fitness.

More impressively, BYD, a company founded to produce rechargeable batteries, acquired an automaker in 2003 and was transformed into the largest EV producer, surpassing Tesla in global electric vehicle sales (Flannery, 2022; White et al., 2022). Starting from China, BYD is executing its "7 + 4" strategic plan, released in 2015, announcing ambitious market objectives, rapidly expanding globally, and investing in international production facilities (BYD, 2023; FleetNewsDaily, 2015). As BYD follows a vertically integrated strategy, it minimizes external supply chain dependencies by producing its own semiconductor chips. It even supplies its innovative "blade" series of batteries to its rival Tesla. Wang Chuanfu, the company's chairman and founder, argues that with the know-how they have developed, strategy becomes "the direction of enterprise success" (Flannery, 2022). With their strategy captured by their plan, he also explains that technology serves strategy and "one must disrupt" their "own technology before others do it for you." Therefore, while the company developed a strategic plan its executing, it continuously reconfigures its capabilities and renews its competitive advantage.

Although Dyson also developed a plan for entering the EV market, it canceled its execution when it realized that its implementation was not financially viable but leveraged its battery technology investments

across its product line (Leggett, 2019). The company that invented the bagless vacuum cleaner focuses its strategy on markets that others have ignored and often succeeds in disrupting them (Dyson, 2021). It is relentless about its growth and announced its five-year strategic plan that includes doubling its product portfolio and entering markets outside the home (Dyson, 2020). It has achieved an impressive growth trajectory by developing a culture that nurtures a passion for pursuing new ways of doing things, with failure perceived as the fuel for success (Dowling, 2013). More importantly, continuous reconfiguration is deeply embedded in the company's DNA, as reflected by the phrase frequently expressed by its founder: "there is always a better way" (Dyson, 2021). Such a disposition stimulates the organization to continuously improve its value propositions and the processes for crafting them.

In all these cases, senior leadership demonstrates commitment by publicly articulating strategic plans about markets and products with measurable strategic objectives that involve substantial resource allocations and change. Therefore, integrating strategic marketing planning and implementation with change does not appear in practice to be an oxymoron, as the learning school may have argued (Mintzberg, 1994a, p. 14). Overall, our study demonstrates the importance and inter-temporal value of marketing planning and offers lessons for practice as it also indicates the crucial role of the senior team in communicating and monitoring strategic objectives while ensuring the reconfiguration of processes and resources. In this respect, strategic marketing planning delivers enhanced value when coupled with change and senior leadership attention to implementation. Its underlying complexity may give rise to potential tensions stemming from the challenge of orchestrating the seemingly paradoxical actions of planning a strategic direction in conjunction with renewing organizational resources and changing plans (Helfat & Martin, 2015; Sirmon et al., 2011).

So what should senior leadership do to ensure they operationalize *DSMP* and put it into practice within their organizations? First, recognize that marketing planning is a crucial strategy formulation process that improves organizational performance. Second, be involved in the execution side of strategy and not only in its formulation. While sleeping at the factory may not be a requirement, senior leaders need to be able to connect with the functional drivers of execution and be in touch with the front line where customer experience is being delivered (Alvarez-Miranda & Watkins, 2021). A culture of sharing plans and objectives facilitates plan execution as everyone becomes aware of their role in strategy implementation. Third, senior leader implementation involvement not only allows them to gain first-hand experience with strategy execution but also facilitates faster and more in-depth reconfiguration, increasing responsiveness and proactiveness; adopting a "there is always a better way" mindset makes renewal an inherent objective achieved through iterative reconfiguration processes. To facilitate the development of such a mindset, training that helps senior managers acquire concepts, skills, and behaviors for initiating and maintaining organizational change may prove productive. As such, executives should not only *plan for change* but also be willing to *change plans* as required.

### 5.1. Limitations and future directions

There are a number of limitations and avenues for future work. First, while our study did not identify any CMV concerns, it is still based on a cross-sectional design. Therefore, future studies may utilize a longitudinal design which will also provide the opportunity to deliver more insight on the effect of reconfiguration activities. Second, we utilized scales from past studies. New scales can improve the conceptual fit with *dynamic strategic marketing planning* while appropriately addressing sensing, seizing, and reconfiguration activities. In addition, reconfiguration, as operationalized by Wilden et al. (2013), reflects on activities in the last few years which may have been the result of past strategic marketing planning; one may question if the firm continues to possess such a dynamic capability. Further, as reconfiguration can be planned, it becomes an integral part of the implementation process, making it

<sup>1</sup> We thank an anonymous reviewer for their comment.



difficult to isolate<sup>2</sup> which can be the focus of future research. Third, while we examined the relationship of *DSMP* with three other measures (innovativeness, financial performance, and positional advantage), objective measures can be utilized relating to new product development and success. Fourth, senior leadership characteristics and organizational dynamics may be contingencies that enhance or hinder *DSMP*. Fifth, strategic marketing planning frameworks and tools may need to be revisited by more explicitly integrating change while enabling more real-time updates. Finally, future research can explore the application of *DSMP* in cases where planning and implementation capabilities are delivered from different business partners, as in the case of the exporter-importer dyad (Theoharakis et al., 2019).

### CRedit authorship contribution statement

**Vasilis Theoharakis:** Writing – original draft, Methodology, Formal analysis, Data curation, Conceptualization. **Yuyan Zheng:** Writing – review & editing. **Long Zhang:** Project administration.

### Declaration of competing interest

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

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