Key Determinants of Successful Marketing Strategy Implementation

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Abstract

Success in the marketplace requires that firms effectively execute their planned marketing strategies. Although this is openly acknowledged in both the academic and practitioner literature, implementation remains an under-researched area. This research aims to investigate the important variables that determine the success of a marketing strategy implementation effort within the Australian business context. Based on a review of literature, a model for implementation success was developed and tested amongst marketing managers from an array of different organisations. The implications of the results for marketing theory and practice are then discussed.

Introduction

While increasing numbers of marketing practitioners are concluding that one of the key routes to improved business performance is better implementation, it is also believed that implementation is one of the more difficult challenges facing today's managers (Bonoma 1985; Noble 1999; Sashital 1993). Despite this belief, surprisingly little academic research in marketing has attempted to address this critical issue (Noble and Mokwa, 1999; Sashital, 1993).

A variety of marketing literature has called for increased study of the marketing strategy implementation process (Bonoma, 1985; Noble, 1999; Noble and Mokwa, 1999; Sashittal, 1993). This literature contends that the omission of work on the area of implementation in marketing is quite problematic given that strategy failures are often attributed to issues of poor implementation. While there has been some attempt in the marketing literature to remedy this neglect (eg. Cespedes and Peircy, 1996; Piercy, 1998), the majority of studies have been of a normative nature. Furthermore, a review of literature reveals that there has been no exploration of the key determinants of successful marketing strategy implementation in Australian corporations. The theoretical foundation of this research area therefore needs further development to gain a deeper understanding of the key factors that contribute to the success of the marketer's implementation effort. Accordingly, this research aims to enhance the understanding of marketing strategy implementation by investigating an integrated framework of factors that could determine marketing strategy implementation success within the Australian business context.

Literature Review

A key problem in marketing strategy implementation research is that it is fragmented among several fields of organisation and management studies (Hrebinak and Joyce, 1984). Furthermore, even when implementation is accepted as a problem, the marketing literature still lacks the conceptual framework or analytical tools with which to address the issues raised.

Against this backdrop, the key contribution of this article is the development and testing of an Australian model of marketing strategy implementation success. Based on a range of literature, and more specifically, the seminal work of American researchers, Noble and Mokwa (1999), a framework was created. Three groups of variables emerged as important: 1) factors related to the nature of the strategy being implemented; 2) dimensions of commitment; and 3) implementation-related outcomes.

Implementation-related outcomes: Role performance relates to the degree to which a manager achieves the goals and objectives of their role and facilitates implementation success. Previous research suggests that managers viewed the performance of their implementation roles as critical to implementation success (Noble and Mokwa, 1999).

Hypothesis 1: The role performance of managers with implementation responsibilities will be related positively to the success of the implementation effort.

Commitment variables: Based on a review of literature, three dimensions of commitment emerged as directly affecting outcomes. *Organisational commitment*, as an antecedent of job performance and satisfaction, has been the focus of organisational behaviour studies for many years (Darden, Hampton and Howell, 1989). Past research reveals a link between high commitment and high levels of satisfaction and the willingness to exert effort on behalf of an organisation. A second aspect of commitment, *strategy commitment*, refers to the extent to which a manager comprehends and supports the objectives of a marketing strategy. Middle managers with low or negative commitment to the strategies formulated by senior management can create significant obstacles to effective implementation (Guth and MacMillan, 1986). Consequently, the ability to manage the processes needed to secure positive and pervasive commitment to strategy on the part of middle management is seen to be critical to implementation success. Finally, the third dimension of commitment, *role commitment*, is defined as 'the extent to which a manager is determined to perform their individual implementation responsibilities well'. The significance of this factor relates to an ability to foster career commitment among managers if they are to perform their roles successfully (Darden, Hampton and Howell, 1989). Noble and Mokwa (1999) found a strong link between role commitment and role performance.

Hypothesis 2: Higher levels of organisational commitment will be associated with better role performance by managers with implementation responsibilities.

Hypothesis 3: Higher levels of strategy commitment will be associated with better role performance by managers with implementation responsibilities.

Hypothesis 4: Higher levels of role commitment will be associated with better role performance by managers with implementation responsibilities.

Strategy variables: Various aspects of strategy appear to influence the extent to which managers are committed to its implementation. Fit with vision refers to the extent to which the marketing strategy is perceived to fit within the broader strategic direction of the company. Past studies suggest that fit influences a manager's commitment to ensure that a strategy is successfully implemented (Noble 1999b; Noble and Mokwa, 1999). The perceived importance of a strategy has also been demonstrated to influence a manager's commitment to its implementation. Marketing strategies that represent major opportunities for a firm, require significant internal change, or will have a significant influence on the organisation's future, appear to instill higher levels of commitment among managers with implementation responsibilities (Noble and Mokwa, 1999). Scope refers to the extent to which a strategy involves a range of managers and functions within the organisation. Implementation efforts that are wide in scope are expected to result in a stronger support network for the individual

manager, leading to greater managerial commitment. Championing has been identified as a means of generating support for a strategy within a firm (Cespedes and Piercy, 1996; Noble 1999a; Nutt, 1983). Acting as a driving force within the organisation, it seems likely that a strategy champion will instill a higher level of strategy commitment.

Hypothesis 5: For a strategy being implemented, higher levels of perceived fit with an overall strategic vision will be associated with higher levels of strategy commitment among managers with implementation responsibilities.

Hypothesis 6: Marketing strategies that are perceived as having a higher level of importance will be associated with a higher level of strategy commitment among managers with implementation responsibilities.
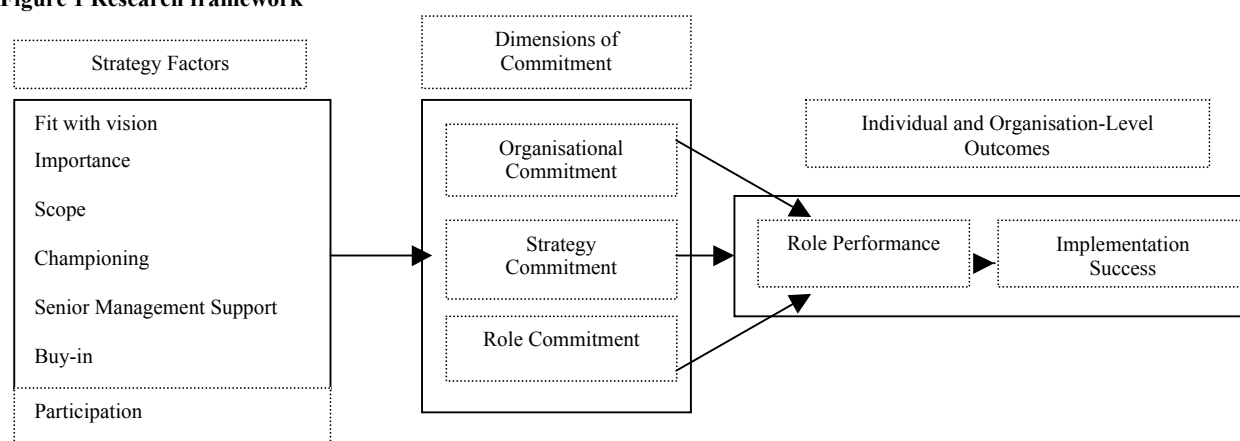
Hypothesis 7: Marketing strategies that are broader in scope will be associated with higher levels of strategy commitment among managers with implementation responsibilities.

Hypothesis 8: Higher levels of perceived championing will be associated with higher levels of strategy commitment among managers with implementation responsibilities.

Obtaining the *support of senior management* has been recognised in a vast array of organisational and management fields as an essential component in successful strategy implementation efforts (Robertson and Gatignon 1986; Whitney and Smith 1983). Similarly, in the marketing strategy implementation context, it is expected that a higher level of perceived senior management support will be associated with higher levels of strategy commitment among managers with implementation responsibilities (Noble and Mokwa, 1999) Another factor recognised in the literature for its role in facilitating successful implementation, is organisational *buy-in* to a strategy, or the achievement of broad company support (Noble, 1999). The importance of this factor stems from the contention that early buy-in will produce higher levels of managerial understanding and commitment to strategy implementation. Finally, the commitment of organisational participants may be enhanced by managed *participation* in the strategy process. Participation can generate commitment to strategy implementation by encouraging empowerment, responsibility and a sense of ownership (Dimitri, 1995).

Figure 1 portrays the relationship among the variables as investigated in the hypotheses.

Figure 1 Research framework

Source: developed for this research, adapted from Noble and Mokwa (1999)

Hypothesis 9: Higher levels of perceived senior management support will be associated with higher levels of strategy commitment among managers with implementation responsibilities.

Hypothesis 10: *Higher levels of organisational buy-in for a given marketing strategy will be associated with higher levels of strategy commitment among managers with implementation responsibilities.*

Hypothesis 11: Higher levels of participation in strategy formulation and decision making processes will be associated with higher levels of strategy commitment among managers with implementation responsibilities.

Methodology

The nature of this research was both confirmatory (it sought to test the applicability of Noble and Mokwa's (1999) model in the Australian business context) and exploratory (seeking to uncover any new relationships that may exist). Structural equation modeling was the primary method of analysis, used to assess the direct causal contributions of antecedent variables onto consequent variables. This was performed in two parts, which comprised of an assessment of the adequacy of the overall model as well as individual path coefficients. Questionnaires were mailed to 813 marketing managers of service or manufacturing companies in Queensland, NSW or Victoria. A total of 220 questionnaires were returned, representing a response rate of 26%. SPSS was used to compute correlations, frequencies and scale reliabilities while AMOS was employed for structural equation modeling. Manifest variables were utilised in this analysis due to sample size restrictions, which prohibited a latent factor model.

Results And Discussion

The results of the analysis revealed that the overall fit of the model was not supported in the context of this research. This raised questions as to the generalisability of Noble and Mokwa's (1999) research framework to the Australian market. Variations in the sampling procedure between this study and the study of Noble and Mokwa (which surveyed from within only two large organizations rather than a wide cross section of companies), model adaptations, and cross-cultural differences are possible causes for the weak model fit. However, other important contributions of this research were observed since most of the individual path relationships in the model were supported as hypothesised.

Table 1 Path Coefficients

Standardised Regression Weight	Correlations	Estimate	Standard Error	P-value
Role Performance -Implementation Success	0.520	0.177	0.055	0.000
Organisational Commitment - Role performance	0.351	0.020	0.052	**0.727**
Strategy Commitment - Role Performance	0.468	0.179	0.059	0.001
Role Commitment - Role Performance	0.682	0.591	0.063	0.000
Vision - Strategy Commitment	0.476	0.292	0.052	0.000
Importance - Strategy Commitment	0.429	0.264	0.053	0.000
Scope - strategy Commitment	0.109	-0.168	0.036	0.017
Championing - Strategy Commitment	0.453	0.295	0.043	0.000
Senior management support - Strategy Commitment	0.298	-0.153	0.053	**0.060**
Buy-in - Strategy Commitment	0.298	0.075	0.055	**0.371**
Participation - Strategy commitment	0.382	0.138	0.054	0.028
Senior management support - Role performance	0.368	0.160	0.039	0.003
Participation - Implementation success	0.535	0.184	0.059	0.001
Buy-in - Implementation Success	0.545	0.255	0.045	0.000
Championing - Implementation Success	0.648	0.387	0.044	0.000

The fundamental relationship between role performance and implementation success (H1) was supported, demonstrating the need for steps to be taken so that goals and objectives within a manager's implementation role are clearly understood. Hypothesis 3, which

suggested a relationship between strategy commitment and role performance also received support. This implies that mangers must fully comprehend and support the goals of a strategy if role performance and successful implementation are to occur. These findings are consistent with the findings of Noble and Mokwa (1999), providing further evidence for the importance of these factors to marketing strategy implementation success.

Among the strategy factors, fit with vision (H5), perceived importance of the strategy (H6), championing (H8) and participation (H11) were all related to strategy commitment. The scope variable had a significant influence on strategy commitment, but in a direction opposite to that hypothesized. This would suggest that the narrower the strategy's scope, the greater the responsibility of the individual manager, and hence the greater their commitment to seeing it successfully implemented. However, two hypothesised paths involving strategy variables: 1) senior management support to strategy commitment (H9); and 2) buy-in to strategy commitment (H10) were not significant and were subsequently deleted from the model. These findings differed from those of Noble and Mokwa (1999). In the North American study, a relationship between buy-in and strategy commitment received support, whereas it was found not significant in this research. In contrast, the variable of championing, which was insignificant in their study, gained support in this research. Finally, the scope variable, had a significant influence on strategy commitment, was not supported in the North American study.

In addition, four paths not specified a priori: buy-in to implementation success, participation to implementation success, championing to implementation success, and senior management support to role performance, proved to be important components of the causal structure and were hence added to the model.

The data also supported a multidimensional view of commitment. As hypothesised, both strategy commitment (H3) and role commitment (H4) were shown to affect role performance. However, the most commonly studied dimension of commitment, that of organisational commitment (H2), demonstrated no relationship to role performance. This finding, while inconsistent with past organisational behaviour research is in line with Noble and Mokwa's study. Hence, organisational commitment is a less critical factor in marketing strategy implementation than might be suggested by previous research.

The implications of this research for marketing practitioners are numerous. Using the findings of this research, managers implementing marketing strategies will be able to better plan for and manage the implementation process, by ensuring that critical factors identified in the research are assigned the necessary importance. In particular, the research points to the need for effective internal communication to ensure that all members of the organization understand their respective roles in the implementation process and view the strategy and its implementation as a priority. Due to the significant difficulties encountered at the implementation stage of strategy development, knowledge of the key factors that affect implementation efforts should enhance business success in the future. In terms of theory building, this research has also filled a substantial gap in the body of knowledge regarding implementation of marketing strategies in Australian organisations, being the first to investigate a framework of factors that lead to implementation success.

Conclusion

The issue of marketing implementation has long been recognised as critical to marketing effectiveness and an area of particular weakness in many organisations. Despite this, scant attention has been paid to investigating the implementation process. This research has attempted to address this gap by investigating the key determinants of successful marketing

strategy implementation. Overall, these findings verify that implementation is a complex process that requires the interaction of several key factors in order for success to occur. Implementation must therefore be carefully planned by marketing managers so that all of these factors are successfully managed and controlled.

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