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Exploring the Value and Process of Marketing Strategy: Review of Literature

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Abstract: Marketing strategy represents a key element of success for organizations. Executing an effective marketing strategy is just as important as conceptualizing and creating it. Through marketing strategy implementation firms employ scarce resources through marketing capabilities in order to attain the set goals and targets. In order to illustrate the value of marketing strategy and the process of implementation a detailed literature review was performed. A total of 45 studies on the topic of marketing strategy have been examined. The meta-analysis uncovers two distinct but related features to marketing strategy content: marketing strategy decisions and marketing strategy decision implementation. The literature also suggests there is a relationship of marketing strategy, and marketing mix elements on organizational performance, and emphasizes a further need to perform conceptual and empirical studies. The originality and value of the review lies in the fact that marketing strategy has been analyzed both in terms of its outcomes and as a process that does not yield satisfactory results without effective implementation.

1. Introduction

Company marketing strategy is an important and crucial constituent for the global market. Marketing strategies can vary from country to country, brand to brand and organization to organization. In order to achieve a satisfactory and adequate marketing strategy which has a positive outcome on global and overall firm success, the marketing department within a company should bear in mind all the different marketing mix strategies that can influence the comprehensive result and the cumulative firm success. When launching a product into foreign markets companies can use a conventional marketing mix or adapt the existing marketing mix, to satisfy the country they are carrying out their business activities in. the link between standardization/adaptation and company performance is complicated and possibly influenced by other factors (Shilke, Reiman, Thomas, 2009, Solberg, Durrieu, 2008). It should be emphasized that the influence of standardization/adaptation decisions of international marketing strategy on company performance is named also as one of the most topical research objects of international business (Griffith, Cavusgil, Xu, 2008). Therefore inconsistent results of empirical research works and limited research contexts confirm that the link between standardization/adaption decisions of international marketing strategy and company performance are a topical object of scientific research (Ryans, Griffith, White, 2003, Theodosiou, Leonidou, 2003).

International marketing solutions become particularly relevant for enterprises that operate in a global business environment and that look for survival or business development opportunities. Latterly more attention is given to the link between international marketing strategy and company performance in scientific literature on the subject of international marketing (Samiee, Roth, 1992; Cavusgil, Zou, 1994; O'Donnell, Jeong, 2000; Katsikeas, Samiee & Theodosiou, 2006, Solberg, Durrieu, 2008; Shilke, Reiman, Thomas, 2009). Company performance is one of the most important aspects when assessing the suitability of certain strategies (Jain, 1989). However, despite the importance of international marketing strategy for company performance, the number of scientific research works that analyse the mentioned link is limited, and results of the research works are contradictory (Katsikeas, Samiee & Theodosiou, 2006.).

By conducting detailed literature review we will explore the concept of marketing strategy discussing its value, consequently creating foundation for a conceptual model and empirical study.

2. The Concept of Marketing Strategy

Marketing strategy is a significant driving force that distinguishes the success of many organizations not only by well-developed marketing strategies outlining where, when, and how the firm will compete but also by their ability to execute the marketing strategy decision options chosen (e.g. Day and Wensley 1988; Varadarajan 2010). The appropriate and effectively implemented marketing strategies are required to productively guide the deployment of the limited available resources via the firm's marketing capabilities in pursuit of desired goals and objectives (Black and Boal 1994; Varadarajan and Clark 1994). The literature reveals two distinct but related features to marketing strategy content: marketing strategy decisions and marketing strategy decision implementation. Hence, decision makers responsible for the marketing strategy must select which available resources the firm should deploy, where to deploy them appropriately, and set and signal priorities in terms of achieving the various goals and objectives of the firm (Slater 1995). These marketing strategies toward firm performance may be either formal, top-down strategies (Varadarajan and Clark 1994) or emergent or improvisational strategies (Moorman and Miner 1998). A firm's marketing strategy content therefore involves explicit or implicit decisions regarding goal setting, target market selection, positional advantage to be pursued, and timing to attain firm performance (e.g., Day 1994; Varadarajan 2010). Well-defined strategic marketing objectives are critical feature of marketing strategy in which managers must make decisions about what the objectives and priorities of the firm are, translate these objectives and vision of the firm into marketing-related goal criteria, and set and articulate the desired achievement levels on each goal. This can be complicated to realize by the fact that many goal criteria and levels may be incompatible or at least non-complementary in the pursuit of achieving firm performance. For instance, the firm's growth revenue and margin growth are difficult to achieve simultaneously (Morgan et al. 2009). Managers, therefore, have to prioritize objectives that may be in conflict. Since most definitions of strategy concern plans for how desired objectives are to be achieved, such goal setting is clearly important in determining subsequent marketing strategy content decisions. Indeed such goal selection decisions may be one of the most important manifestations of strategic choice within the marketing strategy content (Child 1972). Another important feature of marketing strategy content is the selection of the market. This deals with the segmentation and targeting decisions of the classic STP framework of marketing strategy, which revolves on market segmentation, target and positioning. Specifically, this marketing strategy content decision determines where the firm will seek to compete in order to meet the strategic marketing objectives stipulated.

Value proposition is also a significant feature of the marketing strategy as it is responsible for the choosing of the specific product and/or service offerings to be delivered into the target market with the objective of exceeding the customers' expectations (Slater 1995). The decision surrounding the value proposition is therefore a measurement of the value offering that managers consider will create adequate demand at required price points among target customers to allow the firm to achieve its strategic marketing objectives arranged to total firm performance. The assumption here is that the value proposition can be delivered by the firm as envisaged and that the delivered value proposition is perceived by customers in the way that decision makers anticipate in getting positive returns. This decision of the marketing strategy content therefore determines which specific resources and capabilities are required to be combined and transformed to develop and deliver the value offering that consequently leads to firm performance. In order for a marketing strategy to offer subsequent amount of value and achieve performance it should be well-timed with market requirements. Therefore, Timing is an important marketing strategy decision when examining new market targets or value propositions is the timing of entry or launch (e.g., Green et al. 1995; Lieberman and Montgomery 1998). Nonetheless, even if a marketing strategy does not involve such changes to target markets or value propositions, timing is still an important component of most marketing strategies especially in nowadays-rapid changing consumer tastes and preferences, which are accelerated by ever changing technologies. Literature reveals that most firms also have specific timeframes associated with their strategic marketing goals or regular planning horizons that provide time objectives and constraints within which marketing plans may be formulated and executed. Such important time considerations can often impact other marketing strategy content decisions. For example, when a marketing strategy must be developed to deliver a return on investment in 1 year versus 2 years, then different market segmentation, targeting, and value proposition decisions may be appropriate (e.g., Green et al. 1995).

3. Adaptation/Standardization Typologies

Literature reveals that most studies concentrate on factors that influence the selection of a certain strategy, and they seek to recognize forces that stimulate standardization or adaptation. Nevertheless, the validity of the choice of standardization or adaptation strategy is determined by its potential to improve company performance (Samie & Roth, 1992). Jain (1989) states that suitability of an international marketing strategy is confirmed by the strategy's influence on the company performance – economic and strategic benefit, received due to implementation of the chosen strategy.

3.1 Adaptation

Adaptation transpires when firms adjust their market strategies when entering foreign markets, even in an era of globalization where many brands and products are nearly universally prevalent. Those adaptation decisions cleave into an adaptation strategy that can influence the firm's competitiveness and, in turn, its performance in foreign markets in terms of sales, financial and customer performance. Adaptation strategies encompass changing the pricing method, promotional mix and packaging of a product, or even the product itself, in order to fit the needs and preferences of a particular export market. Adaptation happens when any element of the marketing strategy is modified to achieve a competitive advantage when entering a foreign market and thus attain firm performance. Adaptation strategies may not be so complex but a simple tweaking of the logo and the colours of the packaging can achieve the marketing objectives, or may involve developing new products better fitted to the local palate or new financing models more fitting for the local economy or market.

Proponents of the international marketing adaptation approach, emphasize the significance of customization to meet varied customer requirements. The central basis of the adaptation school of thought is that when entering a foreign market, marketers must consider all environmental factors and constraints such as religion, language, climate, race, occupations, education, taste, different laws, cultures, and societies (Czinkota and Ronkainen, 1998). However, researchers have distinguished important source of constraints that are hard to measure such as cultural differences rooted in history, education, religion, values and attitudes, manners and customs, aesthetics as well as variations in taste, needs and wants, economics and legal systems in the export markets. In adaptation approach "multinational companies should have to find out how they must adjust an entire marketing strategy and, including how they sell, distribute it, in order to fit new market demands" (Vrontis and Thrassou, 2007). It is crucial for marketers to adjust the marketing mix and marketing strategy to suit local tastes, meet special market needs and consumers' non-identical requirements (Vrontis and Thrassou, 2007).

The mechanisms to implementing a successful adaptation strategy as a follow; once a firm has taken the strategic decision to adapt its marketing strategy, it must make an assessment of its objectives and resources in light of the characteristics of the new foreign market it is entering. At this stage, the input from experts familiar with the new market is crucial in developing an effective strategy. In the example of a new product introduction in the domestic market, the adapted marketing strategy must be articulated in terms of the marketing strategy elements namely product, price, distribution and promotional aspects, all coordinated to achieve specific objectives within the new market.

3.2 Standardization

The opposite of adaptation is standardization approach of marketing. Firms following a standardization approach enter foreign markets using the same promotional mix, packages and presentations that were used in the domestic market to lure customers in the export market. Because making new advertisements, packages and product lines is expensive, standardization requires less investment compared to adaptation approach of marketing. The view of the standardization standpoint (as proposed by Jain, 1989; Levitt, 1983) posit that there is a union of cultures with comparable environmental and customer interest around the globe that calls for standardized products across export markets. The proponents in this approach argue that trade barriers are getting lower and that technological capability advances and firms are presenting a global orientation in their marketing strategy. Also, the proponents of a standardization approach argue that it allows for the presentation of a consistent image across countries. Therefore, marketers in the global oriented environment are creating one strategy for the global market and standardizing the marketing mix elements namely product, price, promotion and place to achieve consistency with customers as well as enjoying economies of scale through lower costs. According to Levitt (1983) companies that are marketed well have moved away from customizing items to offering globally standardized products that are advanced, functional, reliable and low priced. The author adds that companies can achieve long-term performance by directing their marketing

activities on what everyone wants rather than worrying about the particulars of what everyone thinks they might like which can be costly to cater when following individual preferences.

4. Standardization and adaptation of the 4Ps

Product

The product itself is at the beginning of marketing strategy efforts toward firm performance and is the heart of brand because it is the primary impact on what consumers experience with a product or rather a brand, what they heard about the product from others through word of mouth, and what the firm can win customers about their product in their communications. Therefore, designing and delivering a product or service that fully satisfies customer needs and wants is a prerequisite for successful marketing strategy implementation, regardless of whether the product is a tangible good, service, or organization. According to Keller, (2003) in order to create brand loyalty, consumers' experiences with the product must, at least, meet, if not actually exceed, their expectations. Customer satisfaction is determined by exceeding customers' expectations.

The image of the product is paramount to winning customers in international markets. According to Doole and Lowe (2004) product image is one of the most powerful points of differentiation for consumers. Image positioning has an influence on the consumer and buyer behavior. Because the aspiration and achiever groups of purchasers wish to belong to particular worldwide customers segments and are keen to purchase products which are associated with that group. Then again, company image is becoming increasingly important aspect of international marketing strategy in creating a central theme running through diverse product ranges that reinforces the vision and the values of the company which can be recognized by employees and customers alike. For this reason many companies have spent considerable effort and adequate resources on controlling and improving the corporate identity through consistent style and communications.

Pricing

The second P of the marketing mix elements is price. Of all the aspects of the marketing mix, price is the one, which creates sales revenue to the firm - all the other elements are costs. The price of an item is clearly an important determinant of the value of sales made. In theory, price is really determined by the discovery of the value perception of the item on sale by customers. Thus far, marketing managers must develop the habit of continually examining and re-examining the prices of the products and services they sell to ensure the firm's prices are still appropriate to the realities of the current market situation. Sometimes it is necessary to lower prices depending on market demand fluctuations and intensity of competition. At other times, it may be suitable to raise the prices all depending on market circumstances. Many companies have found that the amount of effort and resources that go into producing the products do not justify the profitability of certain products or services. Hence, by raising their prices, they may lose a percentage of their market share, but the remaining percentage of the market share can still generate profit on every sale.

It is crucial to research on consumers' opinions about the firm's pricing decisions, because it indicates how consumers value what they are looking for as well as what they want to pay. An organization's pricing policy therefore will vary according to time and circumstances of the market. Companies need to change their terms and conditions of sale to maximise the sales volume and profitability. Some other market situations will push the firm to spread its price over a series of months or years, with aim of selling far more than the current sales figures, and the firm can charge interest more than the make up for the delay in cash receipts. Another pricing option is to combine products and services together with special offers and special promotions. In addition, a firm can include free additional items that cost very little to produce but the firm can make its prices appear far more attractive to its customers than rivalries. Generally, in business, whenever the firm experience resistance or frustration in any part of its sales or marketing strategy it should be open to revisiting that area. The firm should be considerate to the possibility that its current pricing structure is not ideal for the current market. Therefore, the firm must be open to the need to revise its prices, if necessary, to remain competitive, to survive and perform in a fast-changing marketplace.

Place

The fourth P in the marketing mix is the place which is also known as distribution. It is concerned with the availability of products or services to customers. In order to implement a successful marketing strategy, it is important to form the habit of evaluating and reflecting upon the exact location where the customer meets the salesperson in which products

and services are converted into cash. Sometimes a change in distribution channels can lead to a rapid increase in sales, although figures vary widely from product to product, as it can be costly in getting the product to the customer. Place encompasses of various methods of transporting and storing goods, and then making them available for the customer. The success formula is getting the right product to the right place at the right time through effective distribution systems. The choice of distribution method will depend on a variety of circumstances.

Marketers can choose to sell their product in many different places. Some companies prefer direct marketing, in which the salespersons are sending out to personally meet and talk with the potential customers. While some companies sell by telemarketing. Furthermore, place or distribution channels occurs in other various methods such as selling through catalogues or mail order, sell at trade shows or in retail establishments, sell in joint ventures with other similar products or services, some companies use manufacturers' representatives or distributors and others use a combination of one or more of these methods. In each case, the marketer must make the right decision about the very best location or place for the customer to receive essential buying information on the product or service needed to make a buying decision. The critical questions are asking what your effective distribution channel is. In what way should you change or improve it? Where else could you offer your products or services? It is quite known that a good product may not be accepted by a market if it is not properly made available in convenient places. All products need effective distribution structures (Onkvisit and Shaw, 1993). Every company must manage smoothly the distribution, or the flow of products to the end consumer. Marketing channels can be viewed as sets of independent organizations involved in the process of making a product or service available for use or consumption to profitable markets. However distribution channels is not only concerned to satisfy market demand by supplying goods and services at the right place, quantity, quality, and price, but they also stimulate market demand through the third P which is promotional activities of the units (e.g., retailers, manufacturers' representatives, sales offices, and wholesalers) comprising them. Therefore the choice of distribution should be viewed as an orchestrated network that creates value for user or consumer through the generation of form, possession, time, and place utilities (Stern and El-Ansary, 1988).

Distribution channels comprise a host of different institutions and agencies. Among the most prominent structures of these are retailers, wholesalers, common and contract carriers, public warehouses, and distribution centers. Companies can utilize to deliver a product to consumers by using various types of middlemen. Companies face a number of problems in designing and implementing a distribution strategy in the international market because of different geographic areas, the varying expectations of distribution partners, differences in competitive structure, and the dimensions of the macro-environment, such as legal regulations, culture-specific buying habits or the level of economic development, relevant to the company's business (Mühlbacher et. al., 1999). As introduced above, there are two main type of distribution channels: Direct and indirect channels. There are two ways to distribute goods; directly to the final customer or indirectly through a more complex system that employs intermediaries. Direct channels of marketing involve selling through personal contacts from company to prospective customers by mail, phone, and personal visits. Indirect channels of marketing involve selling through third party intermediaries such as agents or broker representatives, wholesalers or distributors, and retailers or dealer. Wholesalers buy products in bulk from the manufacturer to make them available for retailers and sell products to other channel members in smaller quantities. Retailers are useful intermediary in handling transactions with final consumers. While, direct channel facilitates corporate control and motivation of system members. A member here can be a company employee that monitor distribution activities and use the authority of the company to influence the behavior of distribution personnel. The opposite of direct channel is indirect channel which are not directly controlled by the company. The company uses intermediaries to contact with the final customers.

5. Phases of Marketing Strategy Success

Review of literature shows that there is growing interest in the process by which marketing strategy is developed. This study investigates the performance implications of using multiple organizational approaches to the development of marketing strategy while focusing on the 4Ps elements of marketing mix. Specifically, we developed and test a model in which implementation of marketing mix elements mediates the relationship between number of marketing strategy approaches in reference to adaptation and standardization pursued and firm performance. Prior studies of the implications of marketing strategy development have focused almost exclusively on direct financial performance, with inconsistent results (Miller and Cardinal, 1994). Ramanujam and Venkatraman (1987) discuss the limitation of focusing on performance as an outcome variable, posting that any causal relationship between planning characteristics

and organizational performance may be tenuous at best. Menon et al. (1999) adds that researchers have tended to investigate formulation and implementation issues separately rather than as integrated components. Therefore, in this study we posit that the success of marketing strategy implementation is owing to best formulation strategy. This is an important overview because the primary objective of the strategy formulation process is to improve the marketing strategy implementation and it results in superior firm performance (Farjoun, 2002; Ramanujam et al., 1986; Sinha, 1990; Venkatraman and Ramanujam, 1987). As stated by Noble and Mokwa (1999), "Marketing strategies only result in superior returns for an organization when they are implemented successfully." Therefore, we argue that the persistence of revisiting through evaluation process the formulation and implementation of marketing strategy regarding the relationship between strategy-making and performance.

5.1 Marketing strategy formulation

An integrative framework developed by Hart (1992) that outlines the complementary roles top managers and organizational members play in the strategy-making process. As Hart and Banbury (1994) state, "Specifying both who is involved in strategy-making and in what manner provided useful organizing principle for framework development". The specification of people required and designing their roles and responsibilities is covered in strategy formulation. In addition, Westley and Mintzberg (1989) have observed, strategy-making as a two-way street requiring both visionary leaders and empowered followers. There are five styles of strategy development discussed in Hart's (1992) framework: command, symbolic, rational, trans active, and generative. In essence, the different values and beliefs of top managers and organization members regarding the creation of strategy are reflected by the five styles covered in Hart's framework. The command style signifies a situation in which a few top managers control the strategy development. Symbolic style is the strategy-making driven by the organization's mission and vision of the future. The strategy development that is guided by formal and written procedures is denoted as rational style. Trans active style refers to strategy-making that emphasizes interaction and learning among employees such as reflective of efforts to foster employee involvement. Finally, the generative style denotes strategy development characterized by experimentation methods, encourages risk taking, and the entrepreneurial actions of employees.

Review of literature gives insights on how firms potentially utilize multiple strategy development styles as the foundation of strategy implementation (Hart, 1992). Resource-based view (RBV), the paradox perspective on organizational effectiveness, and the of competitive rationality theory all support the notion that as firms use more strategy-making styles, their capability to implement strategy is expected to improve. Resource-based view theorizes a strategy-making process that employs diverse styles will be more ambiguous and thus more difficult for other firms to comprehend and successfully imitate which forms as a competitive advantage for the firm and thus improve its performance (Barney, 1991; Capron and Hulland, 1999; Dutta et al., 1999; Hunt and Morgan, 1995; Reed and DeFillippi, 1990; Srivastava et al., 1998). Barney, (1991); Moorman and Slotegraaf, (1999); Slotegraaf et al., (2003) narrate that if the strategy-making process is more difficult to imitate, the firm's ability to implement its marketing strategy should be more likely to result in superior performance. Correspondingly, the paradox perspective proposes that the simultaneous use of multiple organizational processes that may be seemingly contradictory or competing can result in a more effective strategy-making process (Bourgeois and Eisenhardt, 1988; Quinn, 1988; Quinn and Rohrbaugh, 1983). The use of both a top-down oriented command style and a bottom-up oriented transactive style can be a good example of seemingly contradictory strategy-making processes. According to Dickson (1992) competitive rationality describes the process of creating marketing strategy as a "higher order routine." In the "higher order routine", Dickson describes how strategy-making excellence requires the ability to combine multiple organizational routines such as market analysis and experimentation which leads us to implementation stage of the marketing strategy.

5.2 Marketing strategy implementation

The marketing strategy implementation involves deciding on the details of how intended decisions of the marketing strategy on goal selection, choice of market and customer targets, desired value proposition, and timing can best be realized through the selection of the most appropriate set of marketing tactics, and deploying resources in ways designed to enact this (e.g., Cespedes 1991; Day and Wensley 1988). Effective implementation of marketing strategy, therefore, concerns both detailed tactical issues in terms of the design of an appropriate marketing program and resource allocation and capability issues in enacting each of the specific marketing tactics selected (e.g., Cespedes 1991; Weitz and Wensley 1988). Regarding the definition of implementation there is no consensus as Noble and Mokwa (1999) point out. Wind and Robertson (1983) treat implementation as synonymous with control and monitoring of the

marketing program. Kotler (2003) defines implementation as the process that turns plans into actions. While Farjoun (2002) refers to implementation as simply "the execution of strategy". Constructing on these various implementation perspectives, we define implementation in this study as the company's competence in performing, directing, and evaluating its marketing strategy. The link between marketing strategy implementation and firm performance is the focus in this study. The not matching scenario of supply and demand are constantly changing and the strategic windows in the market arise as a result of changes in the behaviors of both targeted segments and the market as a whole (Dickson, 1992). Firms can strategically capitalize on these market opportunities by delivering either superior customer value because of their ability to segment the market and provide differentiated offerings to those targeted market segments, by producing goods or services at lower relative costs because of their ability to control and evaluate their marketing program (Day and Wensley, 1988). This means that, firms that successfully implement their marketing strategy should enjoy greater performance because they are more likely to benefit from market opportunity.

A study conducted by Menon et al. (1999), of the strategic planning process calls for the inclusion of components from both strategy formulation and implementation. In this study the three steps namely formulation, implementation and evaluation are incorporated and the implementation is considered as mediating link between the number of marketing mix elements and firm performance. Noble and Mokwa (1999) refer to implementation as "a critical link between the formulation of marketing strategies and the achievement of superior organizational performance." The failure to incorporate implementation as a mediator between marketing strategy and firm performance could explain the lack of results. According to the description by Farjoun (2002) of the organic strategy process, proposes a model in which strategy formulation precedes strategy implementation, which in turn precedes firm performance. In addition, Farjoun (2002) argues that strategy formulation may have a less significant role in affecting performance than traditionally conceived because whether or not the firm plans well, the organization cannot succeed without effective implementation. The literature reveals that the ability to execute strategy is inherently tied to performance, and that implementation of marketing strategies results in positive organizational returns (Bonoma 1984). Companies that can implement marketing strategies more successfully may be able to perform relatively better due to their ability to attract more marketing investments (Rust et al. 2004). Superior execution also aids a company to facilitate key outcomes, such as faster new product development (Noble and Mokwa 1999), which can enable positive levels of performance. Moreover, marketing strategy implementation success may be a reflection of marketing strategies that are superior, also it can be attributed to better alignment of the marketing strategies with firm level strategies, all of which have been shown in prior studies to result in better performance at the business unit and firm levels (e.g., Lee et al. 2006; Rao et al. 2004; Slater and Olson 2001). Therefore, this study expects and models the successful implementation of marketing strategies is likely to achieve the firm performance.

Marketing program alignment is crucial to the successful implementation of the marketing strategy. According to (Bonoma 1985; Cespedes 1991) this involves translating each marketing strategy decision into specific action-oriented tactics covering the relevant marketing program aspects. Marketing program alignment with the marketing strategy execution is often not a single act of translation from a set of relatively abstract strategic decisions to more concrete and detailed marketing program actions. As there are usually alternative operationalizing ways of marketing strategy decisions through and across marketing program factors, and decisions about one marketing program element may affect decisions concerning other marketing program elements, designing marketing programs requires careful strategic choices and often involves trade-offs, negotiation, and compromise (e.g., Bonoma 1985; Cespedes 1995). Moreover, the importance of achieving meaningful differentiation in delivering desired value propositions to the target market. This means that translating marketing strategy decisions into marketing program designs has increasingly been viewed as a creative rather than simply an analytic process toward achieving firm performance (e.g., Andrews and Smith 1996; Moorman and Miner 1998; Sterling 2003).

6. Performance of Marketing Strategy Implementation Success

6.1 Sales performance

Sales performance is directly linked to the marketing efforts and activities carried out by personnel to sell the firm's products and services to customers. Thus, sales performance management is important toward achieving the sales targets, as it focuses on the practice of monitoring and guiding personnel to improve their ability to sell products or services. Improving sales performance is imperative to every business, the model below discusses such improvement by focusing on sales force motivation strategy. Implementing strategies can be challenging due to variety of factors,

which include the global nature of the market place, international government regulations and no direct tracking of sales results. Hence, adopting motivation strategy, firms can improve sales performance. Three dimensions of motivation strategy are critical for superior sales performance (Amue et al., 2012). The three dimensions are financial incentives, meetings with salespeople and involvement of salespersons in setting quotas. The analysis of the study by Amue et al., (2012) validated that firm's level characteristics (size and age) affects motivation strategy on sales performance (sales growth and profit). The results showed a strong relationship between the dimensions of the motivation strategy and sales performance.

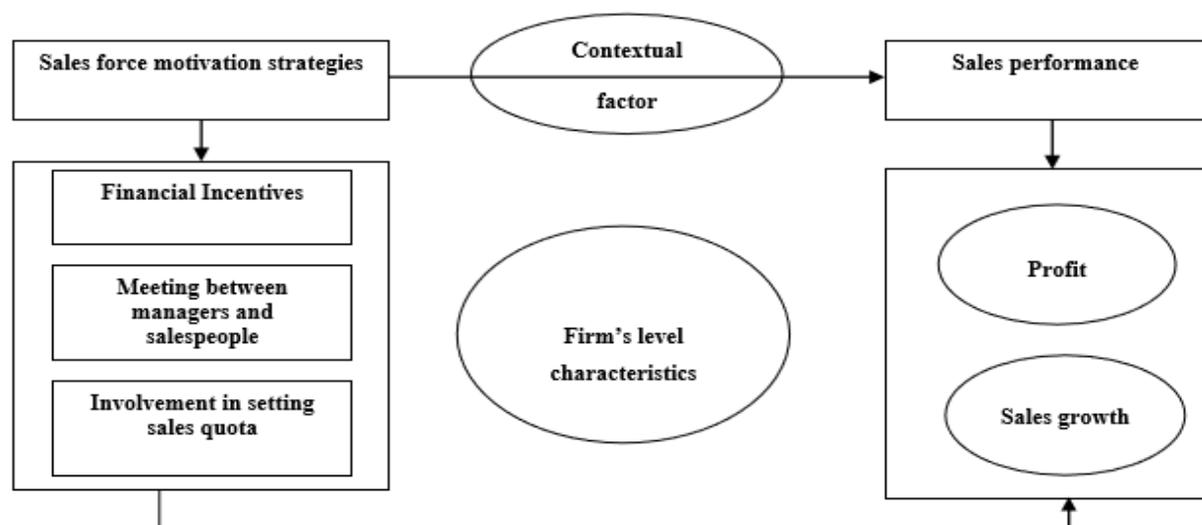


Figure 1: Conceptual Models of Sales force Motivation Strategy and Firm Sales Performance
 Source: Amue et al. (2012)

6.2 Financial performance

Financial performance refers to the act of performing financial activity of the firm. In broader perspective, financial performance refers to the degree to which financial objectives being or has been accomplished. It is the process of measuring the results of a firm's policies and operations in monetary terms. It is used to measure firm's overall financial health over a given period of time and can also be used to compare similar firms across the same industry or to compare industries or sectors in aggregation.

In financial performance, the firm itself as well as various stakeholders such as managers, shareholders, creditors, tax authorities, and others seeks answers to the following important questions: Firstly, what is the financial position of the firm at a given point of time? Secondly, how is the financial performance of the firm over a given period of time? Interest of various related groups is affected by the financial performance of a firm (Meigs, 1978). Therefore, these groups analyze the financial performance of the firm. The type of analysis varies according to the specific interest of the party involved. For example, trade creditors are interested in the liquidity of the firm (appraisal of firm's liquidity), bond holders are interested in the cash-flow ability of the firm (appraisal of firm's capital structure, the major sources and uses of funds, profitability over time, and projection of future profitability), investors are interested in present and expected future earnings as well as stability of these earnings (appraisal of firm's profitability and financial condition), and the company's management are interested in internal control, better financial condition and better performance (appraisal of firm's present financial condition, evaluation of opportunities in relation to this current position, return on investment provided by various assets of the company, etc.).

The financial analysis of a firm can be helpful in answering these questions. Financial analysis involves the use of financial statements to assess the performance of policies set. A financial statement is an organized collection of data according to logical and consistent accounting procedures. Its purpose is to convey an understanding of some financial aspects of a business firm. It may show a position at a moment of time as in the case of a Balance Sheet, or may reveal a series of activities over a given period of time, as in the case of an Income Statement. Thus, the term 'financial statements' generally refers to two basic statements: the Balance Sheet and the Income Statement. The Balance Sheet shows the financial position (condition) of the firm at a given point of time. It provides a snapshot and may be regarded as a static picture. "Balance sheet is a summary of a firm's financial position on a given date that shows: Total assets =

Total liabilities + Owner's equity." The income statement (also known as the profit and loss statement) reflects the performance of the firm over a period. "Income statement is a summary of a firm's revenues and expenses over a specified period, ending with net income or loss for the period."

However, financial statements do not reveal all the information related to the financial operations of a firm, but they furnish some extremely useful information, which highlights two important factors profitability and financial soundness. Thus, analysis of financial statements is an important aid to financial performance analysis. Financial performance analysis includes analysis and interpretation of financial statements in such a way that it undertakes full diagnosis of the profitability and financial soundness of the business. The analysis of financial statements is a process of evaluating the relationship between component parts of financial statements to obtain a better understanding of the firm's position and performance. The financial performance identifies the financial strengths and weaknesses of the firm by properly establishing relationships between the items of the balance sheet and profit and loss account. The first task is to select the information relevant to the decision under consideration from the total information contained in the financial statements. The second is to arrange the information in a way to highlight significant relationships. The final is interpretation and drawing of inferences and conclusions. In short, "financial performance analysis is the process of selection, relation, and evaluation." Financial analysts often assess firm's production and productivity performance, profitability performance, liquidity performance, working capital performance, fixed assets performance, fund flow performance and social performance.

6.3 Customer performance

Market sensing in the form of customer responsiveness is significant in meeting and satisfying customer wants effectively which works through dispersion of marketing capabilities both relational and strategic forms to achieve customer performance (Day, 1994). Relational form is focused at building lasting relationship with customers by retaining and attracting them. Strategic form is designed to thwarting competitors to have a larger market share. Kirca et al. (2005) their meta-analysis re-affirms a number of mechanisms through which customer responsiveness could reasonably be converted to positive customer performance (Kirca et al. 2005). Prior studies reveal that market orientation is related to effective strategy implementation (Krohmer et al. 2002). Thus, customer performance such as effective responsiveness provides a unifying focus that is critical to strategic implementation which is essential action directed part of marketing strategy to achieve visible and convincing outcomes (Kohli and Jaworski, 1990). Customer performance focuses the attention on prioritizing critical elements for strategic execution, such as the customer metrics and goals used for marketing performance measurement. Similarly, the unifying focus of customer responsiveness performance signifies the commitment of the marketing function in providing strategic direction essential to strategic implementation effectiveness that bring customer performance (Bonoma 1984; Noble and Mokwa 1999; Noble et al. 2002). Customer performance through customer responsiveness is a strategic action which can lead to competitive advantage that ultimately leads to sales, customer, and financial performance (Ketchen et al. 2007). Hence, customer responsiveness performance can enable effectiveness to strategy implementation that is deliberated excellent, effective, and even exemplary within the firm and its industry. Customer responsiveness very significant to the firm as it provides the ability to create superior solutions, which has been validated to lead the firm's financial performance (Homburg et al. 2004). In addition, the results from the study of Kirca et al., (2005) demonstrate the effect of customer orientation on firm performance, and (Diamantopoulos and Hart 1993; Hult et al. 2005) demonstrates the effectiveness of customer responsiveness in yielding financial performance outcomes.

Some researchers focus much on the relationship portfolio effectiveness by describing the perceptions of the business unit's portfolio of customer relationships (Johnson et al. 2004). Hence, relationship portfolio scans and recognizes the customer portfolio as a group. The responsiveness is one possible strategic pathway by which a firm provides value to its customer portfolio with increasing effectiveness. An increase in customer responsiveness, it enables the firm to act timely to customer needs and wants. In order to create superior customer value across the portfolio, a firm should possess the ability to swiftly respond to customers and strengthen their products and services (Kohli and Jaworski 1990; Narver and Slater 1990; Vijande et al. 2005). Providing customer value is an ongoing process a firm must commit to, in this case, the firm is expected to maintain a strong connection of ongoing relationships with its customer base. It is less costly to maintain a customer than the cost of acquiring a customer, the value of customer responsiveness results in greater firm performance. In addition, customer responsiveness instils the organization with better understanding of customers, specifically a gathering of customer intelligence (Jaworski and Kohli 1993; Kohli and Jaworski 1990). Having a greater capability on customer intelligence is likely to involve the understanding of interactions with the

customer base. This sort of knowledge is a significant asset, as it can be leveraged across all of the firm's customer relationships to achieve satisfactory customer performance (Johnson et al. 2004) and serve as a driving force in creating effective customer value (Jayachandran and Varadarajan 2006). Thus, companies with greater customer performance have the capability to effectively satisfy customers and build stronger aggregates of relationships.

7. Conclusion

Marketing strategy is an essential part of conducting business operation as it directly influences the outcome and result of firm performance. Since one regard of a marketing plan affects all of the others, coordinating business projects is significant when reducing interference and maximizing company profits. In terms of the program perspective the marketing strategy standardization/adaptation is important in the sense it can separate marketing mix elements to be standardized or adapted in the international market.

In a nutshell on the 4Ps of marketing strategy, a company should be constantly developing new products in consideration of product life cycle (PLC)- the product element is the new product itself, getting the price right involves examining customer perceptions and rival products as well as costs of manufacture, promotion involves engaging in a range of promotional activities e.g. competitions, product tasting etc, and place involves using the best possible channels of distribution such as leading retail chains. The product is the central point on which marketing energy must focus. Finding out how to make the product, setting up the production line, providing the finance and manufacturing the product are not the responsibility of the marketing function. However, it is concerned with what the product means to the customer. Marketing therefore plays a key role in determining such aspects as:

- the appearance of the product - in line with the requirements of the market;
- the function of the product - products must address the needs of customers as identified through market research;

The product range and how it is used is a function of the marketing mix. The range may be broadened or a brand may be extended for tactical reasons, such as matching competition or catering for seasonal fluctuations. Alternatively, a product may be repositioned to make it more acceptable for a new group of consumers as part of a long-term plan.

Additionally, we came to a general conclusion that, if marketing strategy is successfully implemented, it really does impact all types of firm performance, that is, sales, financial and customer company performance. The conceptual review suggests that the impact of marketing strategy on comprehensive company performance exists. The prepared theoretical model of this study, links standardization/adaptation of international marketing strategy with the company performance, which encompasses not only the external and internal antecedent factors that influence the decision and outcomes of these decisions, but also the influence of the marketing strategy on decisions of international marketing strategy and company performance. Future studies should focus on constructing a research model that connects company performance as the outcome of standardization/adaptation decisions, as well as an antecedent of these decisions.

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