

The author examines the choice of strategic marketing thrust for business units in multiproduct firms. In a survey, 86 managers in six firms provided their perception of several product/market and organizational context factors thought to influence strategic choice. The variables which best differentiated among business units with build, hold, or pull back strategies were the attractiveness of the market, the business unit's relative competitive strength, the level of entry barriers, and the organization reward system's relative emphasis on short-run business unit performance.

## Strategic Choice and Marketing Managers: An Examination of Business-Level Marketing Objectives

Despite the importance of strategic marketing decisions to the success of organizations, the literature affords very little on how those decisions are actually made. In particular, the way strategic marketing objectives for business units are determined—a major part of the strategic planning process—has received virtually no attention. Though it is generally accepted that success is not attainable at the corporate level unless a firm knows how to succeed at the business level, Hambrick (1980) notes that normative and anecdotal discussions of strategy continue to outpace systematic investigation. This charge is equally true when applied to the marketing area. In an excellent review, Hulbert (1979) chronicles the development of descriptive models of marketing decisions and concludes that most of the research has addressed repetitive tactical decisions. He characterizes the state of descriptive research on strategic marketing decisions as "moribund" (p. 38).

The goal of this article is to provide a first step in

obtaining more knowledge about how marketing managers in multiproduct firms set strategic marketing objectives for business units.<sup>1</sup> The emphasis is on developing a description of what is happening now rather than prescribing how strategic marketing objectives should be chosen, and the study concentrates on strategic objectives rather than strategic results (e.g., ROI). We take this perspective for two reasons. First, the fact that managers must evaluate a strategy *in advance of its execution* makes a compelling argument for studying the strategic choice process. Second, though the relationship between objectives and performance is interesting and critical, it requires exploration of strategy implementation as well as formulation and requires accounting for the effects of unanticipated exogenous factors which may lead to differences between the intended strategy and actual strategic results, i.e., "the realized strategy" (Mintzberg 1977).

### *A Framework for Research*

In this study the manager, rather than the firm, was viewed as the decision maker. This approach follows

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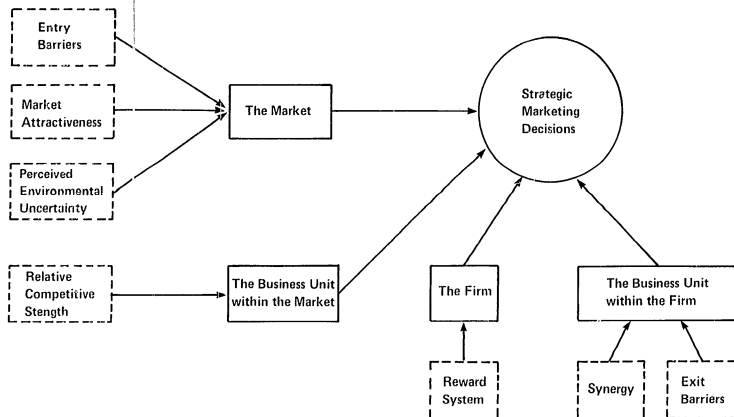
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<sup>1</sup>Past discussions of business-level strategy have used such terms as "strategic business unit," "product-market unit," and "product-market entry." None of the definitions are very precise and often the terms are used interchangeably. The term "business unit" used in this study is defined as the lowest level in the organization at which strategic objectives are set. This definition most closely parallels Day's (1981) definition of a product-market unit.

Figure 1  
KEY ELEMENTS IN THE STRATEGIC MARKETING  
DECISION MAKER'S ENVIRONMENT



Bowman (1963) and Lilien (1979) who believe that a manager's current approach to a problem is the result of making decisions over time which have been, in a Darwinian sense, successful. A framework representing the strategic marketing decision maker's environment is proposed in Figure 1.

Four general elements of the environment which were expected to influence managers making strategic marketing decisions are shown in the boxes. (Aspects of each dimension which were examined in the study are in dashed boxes.) The broadest category is the *market* in which the business unit competes. This element captures the influence of such variables as market attractiveness, entry barriers, and the environmental uncertainty perceived by the manager. A related dimension is the position of the *business unit within the market*. This dimension represents the business unit's relative competitive strength and captures the importance of competitors and customers in determining that position.

Another element of the strategic marketing decision maker's environment is the *firm*, i.e., the organizational context of the business unit. This dimension recognizes aspects of the firm which are not business-unit-specific, such as the organization's structure and processes. For instance, one might explore the influence of the reward

system, corporate culture, degree of decentralization, or the firm's communication system. Firm considerations specific to the business unit are captured in the final environmental category, the *business unit within the firm*. Examples of such variables are synergy, exit barriers, and the importance of the business unit to the organization in terms of profits or image.

#### SELECTION OF STRATEGIC THRUST

##### *The Focal Decision*

The particular decision of interest in this study was the strategic thrust of the business unit. The strategic thrust serves as a summary measure of more explicit marketing objectives such as market share, and has implications for the level of investment required to implement the strategy. The three strategic thrusts of interest were:

1. Build—to significantly and permanently increase market share.
2. Hold—to maintain market share.
3. Pull back—to allow share to fall (either quickly or slowly).

##### *Influences on the Choice of Strategic Thrust*

Seven of the many factors which might influence a manager's choice of strategic thrust were examined. The

seven were chosen because they represent all four aspects of the decision maker's environment, and because they are more appropriate than other factors within the context of business strategy (as opposed to corporate-level strategy). The strategic decision was examined in terms of two complementary research objectives: (1) determining whether the overall profiles of business units differ on the basis of the business unit's strategic thrust and (2) examining specific group differences on each of the variables thought to affect the choice of strategy. Analyses corresponding to each objective were performed, and both are reflected in the following discussion.

*Market attractiveness and relative competitive strength.* Market attractiveness, a prime determinant of which is the long-run market growth rate, provides a measure of the potential for the market to contribute to overall corporate objectives. Relative competitive strength, an important measure of which is the business unit's share of the market, is an indication of the business unit's advantages or position in the market *vis-à-vis* major competitors and its ability to compete. These two dimensions, in fact, form the basis of most contingency approaches to marketing strategy. Examples of contingency models are the Product Portfolio of the Boston Consulting Group and General Electric's Business Screen (see Abell and Hammond 1979). Essentially, a business unit's position in an industry attractiveness by relative competitive position matrix suggests the appropriate strategic thrust for that business within the firm's portfolio. As other sources (e.g., Wind and Mahajan 1981) provide detailed descriptions and comparisons of several portfolio models, only a brief description of the recommendations of these popular models is presented here.

The models usually prescribe that when a business unit has a high market share in relation to competitors, the business unit should invest to maintain share, i.e., hold (see Day 1977). Attractive markets are usually growth markets. Therefore, a hold strategy would require higher levels of investment when market attractiveness is high than when the market is not attractive in order to keep pace with the market growth as well as maintain the business unit's dominant position. When the business unit has a weak position in an attractive market, the firm should either commit sufficient resources to significantly and permanently increase market share, i.e., build, or withdraw from the business, i.e., pull back. When the industry is unattractive and the business unit's position is weak, the firm should withdraw, either slowly via harvesting, quickly via divesting, or by concentrating on a smaller, more defensible niche in the market (all forms of pulling back).

Hence, business units with a strategic thrust of build should be in more attractive markets than business units with hold or pull back strategies. Business units with pull back or hold thrusts could be in either attractive or unattractive markets. Because a dominant position should be maintained, the business units with the highest level

of relative competitive strength would be expected to have a strategic thrust of hold and those with a moderately strong position would have a build thrust. As business units with very weak relative competitive positions, other things being equal, are probably not perceived as good investment opportunities, those business units' strategic thrust would be pull back.

*Mobility barriers.* Caves and Porter (1977) extended the traditional theory of entry barriers to a more general theory of mobility barriers which includes both entry and exit barriers, though only the extension of entry barriers was addressed specifically in their article. In the research described here entry and exit barriers are treated separately; entry barriers are seen as externally focused whereas exit barriers are viewed as internally focused (from a firm's perspective).

*Barriers to entry* define the boundaries and rules of the competitive arena, influence the strategic options available, and influence how well the business unit can expect to perform. Entry barriers are characteristics of an industry which make it difficult for firms not in the industry to enter it, e.g., patents, strong customer loyalty, scale economies (see Bain 1954; Shepherd 1979). Caves and Porter's (1977) notion of mobility barriers, however, encompasses more than the movement of a new firm from zero output to some positive level of output. They argue that because there are often strategic subgroups within an industry, competitive entry can come from firms already operating in the industry moving from one segment to another and from established firms operating outside the industry. Caves and Porter add that all standard sources of entry barriers translate into mobility barriers. Thus, if Firm X considers it difficult for a new firm to enter the market, Firm X may be more likely to attempt to increase its own market share or to be comfortable just maintaining share. Other things being equal, high entry barriers should be associated with strategic thrusts of build and hold.

*Barriers to exit* are those factors which influence a firm to continue participating in an industry even though the business earns a subnormal rate of return (Porter 1976). Exit barriers (e.g., high capital intensity, assets specific to the particular company, etc.) may make it impossible for a firm to withdraw from a market at a profit, especially in the short run. Porter (1976) examined businesses in the PIMS data base which were ripe for disinvestment yet were still in operation. His results provide some confirmation of the effect of exit barriers and he concluded that exit barriers result in expensive and futile attempts at turnaround strategies. (Note, however, that the firms' intentions with respect to each of the business units Porter examined were not known. Any of the business units could have been undergoing a slow disinvestment process.) Because multiproduct firms usually have the financial resources to carry an unprofitable business unit, exit barriers seem particularly likely to have an impact on the strategic objectives of business units in such firms. If high exit barriers exist for a business unit,

other things being equal, that business unit would be more likely to have build or hold as its strategic thrust. If exit barriers were low, a firm might be expected to harvest or divest the business unit (i.e., pull back).

**Organizational synergy.** Ansoff (1965) was perhaps one of the first to mention the idea of synergy in relation to strategy. He stated that products which can build on a firm's production or marketing capabilities should be more efficient at using investment funds and, therefore, should be more attractive investment opportunities. Rumelt (1974) provided empirical evidence to support the positive relationship between relatedness and profitability. The concept of synergy has most often been considered in relation to growth strategies, mergers, or acquisitions and thus has been more in the domain of corporate strategy than business strategy. Buzzell (1979), however, studied relatedness at the business level for existing products by investigating the relationship between relatedness and profitability in businesses in the PIMS data base. He concluded that relatedness positively affected profitability in consumer goods industries but the relationship was not as strong in industrial goods companies. (Buzzell properly notes that the measures of relatedness may have been more appropriate for consumer goods companies.)

Synergy, then, can be a potentially useful construct in the determination of strategy for *existing* as well as new products and for business-level strategy as well as corporate strategy. The "investment opportunities" Ansoff referred to could apply as easily to resource allocation among existing business units as to potential acquisitions. The interest here is in the impact of synergy on the choice of strategic objectives rather than on profitability. The existence of synergy between a business unit and other organizational units should increase the organization's commitment to that business unit and result in strategies other than getting out of the business. Thus, business units with build and hold strategic thrusts should have higher levels of synergy with the rest of the organization, and pull back business units should have lower levels of synergy, *ceteris paribus*.

**The reward system.** Incentive systems can affect strategic decisions by encouraging the pursuit of certain activities and discouraging the pursuit of others (Kerr 1975). The reward system communicates to managers the achievements that are expected and valued. Popular advice about implementing a portfolio approach to strategy formulation usually includes adjusting the manager's reward structure to fit the business unit's strategy in order to preclude dysfunctional manipulation of product/market boundaries; e.g., to show share increases if the organization's reward system is based on share increases (Day 1977). Descriptive evidence suggests, however, that the nature of most organizational reward systems is such that short-run business unit performance is rewarded rather than contributions to long-run corporate performance (Galbraith and Nathanson 1978; Salter 1973).

Two aspects of the reward system were of interest in

this study, the managers' perception of the relative importance of short-run business unit performance to their career success and the managers' perception of the proportion of their salary which is based on current, rather than future, performance of their business unit. A reward system which rewards short-run sales or share increases was expected to be associated with strategic thrusts of build or hold (in a growing market a hold strategy can mean short-run increases in sales though not share). In a low growth market, a hold strategy could be associated with reward systems emphasizing profit or cash flow as hold business units are often targeted to supply cash for other business units in the organization. Pull back thrusts would be more common when short-run business unit performance does not dominate the reward system or when the dimension of performance which is emphasized is short-run profits or cash flow.

**Environmental uncertainty.** Thompson (1967) identified uncertainty as one of the universal aspects of organizations, stating, "Uncertainty appears as the fundamental problem for complex organizations, and coping with uncertainty as the essence of the administrative process" (p. 159). The strategic thrust of a business unit represents the interface of the business unit and the environment, and thus environmental considerations are clearly part of the strategic decision-making process. Because environmental variables are beyond their control, managers must make strategic decisions with less than perfect information about the environment. Therefore, a central issue in determining strategy is coping with some level of uncertainty perceived in the environment. Most research on perceived environmental uncertainty has examined its impact on organization structure decisions. Some limited evidence, however, suggests that high levels of uncertainty result in managers' choosing strategies of "pulling in the reins" (Bourgeois, McAllister, and Mitchell 1978; Paine and Anderson 1977).

According to Dill (1958), Duncan (1972), and Bourgeois (1978), the 13 elements of the general environment that are deemed most relevant at the business level are suppliers of parts and materials, suppliers of capital equipment, labor supply, labor unions, distributors, customers, competitors, government regulators, public opinion, technological advances, trade or industry associations, the financial market, and corporate management.

Perceived influence was introduced by Duncan (1973) as a variable that may temper the impact of uncertainty. If a manager is able to influence the uncertainty-causing factors (e.g., by effectively lobbying a government regulatory body), the impact of uncertainty should be reduced. Duncan found that when perceived uncertainty was high, the level of perceived influence affected decision making. Another variable that may modify the impact of perceived uncertainty associated with an element in the environment is the importance of that element (Bourgeois 1978; Khandwalla 1976). For instance, if a manager considers an element of the environment to be

unimportant in the choice of strategy for a business unit, any perceived uncertainty associated with that element should not contribute to the overall uncertainty in the manager's decision-making environment.

Thus, the decision makers' certainty in their assessment of aspects of the environment, the importance of those aspects to the success of their business unit, and the assessment of the firm's ability to influence the uncertainty-causing factors were expected to affect the choice of strategic goals. Managers would be expected to view an environment as risky if they were uncertain about important dimensions over which they have little influence. Therefore, high levels of perceived environmental uncertainty/lack of influence should be associated with strategic thrusts of pull back, other factors being equal. Conversely, business units having a build thrust would be expected to have the lowest level of environmental uncertainty.

### Summary

The overriding study hypothesis was that business units with strategic thrusts of build, hold, and pull back would have significantly different overall profiles in terms of market attractiveness, relative competitive strength, entry barriers, barriers to exit, synergy, the relative emphasis on short-run business unit performance, and perceived environmental uncertainty. A supporting set of hypotheses specified the way business units were expected to differ on each of these variables based on the business unit's strategic thrust. Rather than stating each hypothesis separately, Table 1 provides a summary of the expected profiles, as well as a summary of the specific differences hypothesized. For instance, business units with a strategic thrust of build were expected to be in

the most attractive markets, to have moderately high relative competitive strength, to be associated with positive barriers to exit and high entry barriers, and to have a high degree of synergy with the organization. Further, managers of build business units were expected to perceive low levels of uncertainty/lack of influence and to think that the current performance of their business unit is more important to their career success and in determining their salary than is future performance.

## METHOD

### Overview

A survey methodology was used to obtain data on a large number of variables associated with strategic decisions made by a cross-section of business unit managers. Actual decisions were studied, *post hoc*, in an attempt to capture some of the complexity of strategic decision situations. Managers were asked to be as objective as possible in their responses, but their perception of the situation was the real interest rather than any objective measure of the environment. If the success or failure of a strategy is of interest, then the actual environment in which the strategy is enacted should be of concern. If, however, one is interested in a decision made during the strategy-formulation process, it is more appropriate to measure the environment as perceived by the decision maker. Lilien (1979) makes the point that a manager who perceives a market of 20,000 customers will act (i.e., set strategic objectives) in accordance with that belief even if, in reality, there are only 10,000 customers. (This notion should be extended to propose that the success or failure of the strategic action chosen on the basis of the 20,000 customer belief will be determined by the 10,000 customer reality.)

### Research Procedure

*Survey instrument.* The data were gathered via an extensive mail questionnaire which consisted of five parts: market factors, business factors, business strategy, environmental factors, and organizational factors. Managers of business units were asked to reflect back on the last time strategic marketing objectives for the business unit were established and to respond to the questions in terms of the nature of the product/market environment at that time.

*Sample.* Participation was solicited from 18 firms by means of personal contacts. Ten firms originally expressed an interest in the study but only six firms provided analyzable results. (A seventh firm started the project but began to have severe losses and the corporate planner's attention was diverted; an eighth decided to conduct the study but on an internal basis.) Data from a total of 86 business units from the six participating firms were used in the study. The firms were a hospital supply corporation (2 business units), a toy company (3 business units), a consumer packaged goods firm (12 business units), a pharmaceutical company (21 business units),

Table 1  
HYPOTHESIZED PROFILES OF BUSINESS UNITS<sup>a</sup>

Environment/ organization variable	Strategic thrust		
	Build	Hold	Pull back
Market attractiveness	++	+/-	+/-
Relative competitive strength	+	++	-
Barriers to exit	+	+	-
Entry barriers	++	++	?
Synergy	++	++	-
Rewards for short-run business unit performance			
Share or sales increases emphasized	++	+	-
Profits or cash flow emphasized	-	+	++
Perceived environmental uncertainty/ lack of influence	--	0	+

<sup>a</sup>The entries reflect the direction of the score on the variable in the row associated with the strategic thrust in the column: ++ indicates a very high score, 0 represents an average level, -- indicates a very low score, and +/- indicates that the score could be either high or low (e.g., the market attractiveness scores very high for business units with a strategic thrust of build). A question mark indicates that no hypothesis was proposed.

and a conglomerate which produces such diverse items as computers and wire springs for the furniture industry (47 business units). Clearly the conglomerate dominates the sample; however, because the participating business units represent 14 diverse divisions which operate very autonomously, this was not considered a serious bias in the sample. Further, none of the firms with multiple business units were skewed in terms of having only one strategy. A chi square analysis of the conglomerate versus the other firms indicated no significant difference in the pattern of build, hold, or pull back business units ( $\chi^2 = 3.047$ , d.f. = 2,  $p > .2$ ). All of the firms do some sort of formal strategic planning and three use their own version of a portfolio approach to setting strategic marketing objectives.

A business unit was defined as the lowest level in the organization where market share objectives were set; for some firms this was at the product level (33 business units) and for others a business unit consisted of a product line (53 business units). The average time between last setting objectives and completing the questionnaire was 2.38 months (S.D. = 1.95). This short time lag implies that, in general, the managers did not know the results of the strategy at the time of questionnaire completion. Hence, the managers' perceptions are unlikely to be retrospective rationalizations.

The managers who completed the questionnaire had bottom-line responsibility for the business unit. In addition, they indicated that they had a high level of involvement in choosing specific market share objectives for their business units ( $x = 6.1$  on a 7-point scale with a seven signifying a great deal of involvement; S.D. = 1.5) and in choosing the strategic thrust ( $x = 5.55$ , S.D. = 1.7). The organization structure was not the same for all firms in the study. Thus, though the participating managers had similar strategic task environments, they were not all at the same level in their respective firms. On average the managers were 3.29 levels away from the CEO (S.D. = 1.17), with 77.2% of them one, two, or three levels from the CEO. The manager's level in the organization, however, was not related significantly to the pattern of strategic thrusts ( $\chi^2 = 6.8$ , d.f. = 4,  $p > .15$ ). Therefore, subject to limitations imposed by a survey methodology, the information gathered appears to represent a rich data set.

**Procedure.** All but one of the firms that agreed to participate identified a contact person within the organization who distributed and gathered the questionnaires. One company returned the questionnaires directly to the researcher. The questionnaires were distributed with a cover letter from the researcher and one from the corporate planner or contact person encouraging participation and endorsing the study.

#### Dependent Measure

The dependent measure was the strategic thrust of the business unit. Managers indicated which of the three strategies (as described before) best represented the three-

year marketing strategy of the business unit. In addition, managers provided the market share objective for the business unit (in absolute terms and in terms of percentage change) and responded to several 7-point measures related to the market share objective and the planned investment in the business unit.<sup>2</sup> Thirty-eight business units had build strategies, 37 had hold strategies, and only 11 had pull back strategies.<sup>3</sup>

#### Independent Measures

As no established scales with proven psychometric properties exist to measure the independent variables, it was necessary to develop measures for each business unit on market attractiveness, relative competitive strength, barriers to exit, entry barriers, synergy, the reward system, and perceived environmental uncertainty/influence.

**Market attractiveness, relative competitive strength, exit, entry, synergy.** The basic procedure used for the first five variables was to develop multi-item scales for each which (1) consisted of a number of correlated measures and (2) had little correlation across variables. The specific analysis conducted to yield those scales followed Nunnally's (1978) suggestions for test construction when criterion measures do not exist. The procedure was an iterative one. A compendium of items thought to be associated with each of the variables was drawn from the literature and served as the starting point in scale

<sup>2</sup>Managers described the three-year plans for the business unit on 7-point scales in terms of market share objectives (large increase . . . large decrease) and investment (very high . . . very low). Managers provided their perception of the planned investment in the business unit in relation to (1) the average industry investment, (2) the investment in other units in the firm, and (3) the cash it will generate (substantially higher . . . substantially lower). Analysis of variance of the measures of market share objectives, the measures of the investment level, and the "change in market share objective" verified that build business units > hold business units > pull back business units. In general, the data provide evidence for the face validity of the measures of strategic thrust.

<sup>3</sup>Originally five basic thrusts were proposed: build, hold, harvest, concentrate, and divest. The sample resulted in only four business units with concentrate and one with divest; therefore it was impossible to perform analyses that contrasted the five groups. The harvest, concentrate, and divest categories all were considered to represent a strategic thrust of pulling back. The essence of these strategies is *not* to maintain the status quo (as with hold); this goal is achieved by decreasing the investment in the business unit, or withdrawing to a smaller competitive arena, or withdrawing from the market immediately. It is recognized that a concentrate thrust does not necessarily mean pulling back in terms of market share; a redefinition of the market can result in a larger share of a more narrowly defined market. Hence, a business unit with a strategic thrust of concentrate could logically have a goal of increasing market share. In the sample, however, the four business units with a concentrate thrust did not have share increases as an objective. (The mean share change is 0, the standard deviation is 1.82, with a range from -2 to +2.) Also, the concentrate business units' pattern of values on the investment-level decisions described in footnote 1 more closely resemble those of the harvest business units than those of the hold or build business units. Therefore, the business units with concentrate were combined with those with harvest and divest to form a generalized "pull back" category.

development. For each variable, the correlations of each item with the total of those items were examined. As suggested by Nunnally, those with low correlation with the total score (i.e.,  $r < .25$ ) or those below a sudden dropoff in the item total correlation were dropped. A Cronbach's coefficient alpha was calculated for the resulting set of items. Then an  $R$ -type principal components factor analysis with varimax rotation was used to gain additional insight into the meaningfulness of the scale for each variable.

The procedure was repeated until variables associated with each construct were reduced to a reliable set (i.e., a set with Cronbach's coefficient alpha greater than .7 and a reasonable, interpretable factor structure). Then, as recommended by Einhorn and Hogarth (1975), a score for each business unit was derived by adding up the scores for the items using a unit-weighting scheme. On the basis of Labovitz' (1970) work, and the fact that each scale is composed of a number of items each monotonically related to the construct of interest, it is probably reasonably safe to assume that each measure is intervally scaled.<sup>4</sup>

The variables finally selected to measure market attractiveness (MA), relative competitive strength (RCS), barriers to exit (EXIT), entry barriers (ENTRY), and synergy (SYNG) and Cronbach's coefficient alpha for each scale are listed in Table 2. The alpha coefficients are inflated because split-sample scale development was precluded by the sample size. The scale development work, however, does suggest that each business unit's situation may not be so unique that business-level research is not possible (as Hofer 1975 posited).

Some items which we expected to be associated with particular constructs were eliminated during the scale development procedure. The exit scale, for instance, does not include the notion of how closely associated the managers felt the business unit was with the corporation in their own opinion or in the opinion of top management or customers. Other dimensions of entry barriers include the stability of market shares, the availability of critical resources, the extent of customer loyalty, the nature of price competition, the value of scale economies, the state of product and process patents, and so forth. The resulting scale appears to represent the traditional entry barriers notion. We also expected the synergy scale to include measures of how similar the business unit was to the other business units in the firm in terms of the technological, marketing, and management skills required. These and other dimensions of exit, entry, and synergy deserve more attention in future research. In particular, the measure of entry barriers needs to be explored and refined, especially as the concept is extended

<sup>4</sup>More specifically, Labovitz showed that the correlation between almost any ordinally scaled measure (say, a scale we derived using equal weights) and the "true" intervally scaled measure is very high (i.e., over .90) as long as the number of levels in the ordinal scale exceeds 15 or 20 levels. The lowest number of levels among the five measures developed here is 30, for the variable ENTRY.

to mobility barriers. The data tentatively suggest that there may be a hierarchical factor structure to entry-related mobility barriers, or that the barriers may be different for established competitors than for new firms.

The relationship between barriers to exit and synergy also deserves attention. Porter (1980) mentions "interrelatedness" as a potential exit barrier, which suggests that these two constructs are not necessarily independent. Given the resource orientation of the measures which emerged here, one would have expected a higher correlation between EXIT and SYNG. Expanding the set of variables used to define exit barriers and synergy in future research may provide better insight into the nature of the relationship.

*The reward system.* A two-item measure was used. First, managers were asked to divide 100 points among three activities—achieving current (1-year) business unit performance objectives, achieving future (3-year) performance objectives, and other activities—in a manner reflecting the importance to their personal career success. The allocation for the first of these three activities was used as one item of the reward system variable, hereafter SRPERF. Managers also were asked to indicate what percentage of their salaries was determined by their performing activities directed toward achieving current (1-year) objectives, future (3-year) objectives, and other activities. The first of these three responses was used as the second item in the reward system variable. The two items are significantly correlated ( $r = .31$ ,  $p < .0001$ ) and were added together to create SRPERF. The reward system variable used here, then, reflects the managers' perception of the relative importance of short-run performance to their career success and their current salary.

When the managers reported the objectives for the business unit, i.e., sales volume, profitability, market share, and cash flow, they also indicated the relative importance of achieving each by dividing 100 points among the various objectives. Though there were differences in the level of objectives (see footnote 2), there were no significant differences in the overall pattern of the relative importance of objectives based on the business unit's strategic thrust. (Multivariate analysis of variance results: Wilks' lambda = .8749,  $F_{10,144} = .97$ ,  $p < .47$ ). It was not possible, therefore, to distinguish between reward systems dominated by sales or share increases and those emphasizing cash flow or profits. In the analysis reported hereafter, the relative emphasis on short-run performance does not depend on which aspect of performance is emphasized in the reward system.

*Perceived environmental uncertainty/lack of influence.* Managers were asked to rate (on 7-point scales) the uncertainty, importance, and influence associated with each of the 13 elements of the environment listed before. The definition of uncertainty used in this study was that articulated by Galbraith (1973): the difference between the amount of information one needs to make a decision with confidence and the amount available at the time of

**Table 2**  
**FINAL MEASURES USED TO REPRESENT MARKET ATTRACTIVENESS, RELATIVE COMPETITIVE STRENGTH, BARRIERS TO ENTRY, BARRIERS TO EXIT, AND SYNERGY\***

<i>Variables</i>	<i>Cronbach's alpha</i>
<i>Market attractiveness</i>	
Short-term (3-yr.) market growth rate (low/high)	
Stage of product life cycle (decline/intro)	
Long-term (10-yr.) market growth rate (low/high)	
Prospects for future profits (possible loss/high returns)	
Average industry gross margin (low/high)	
Average industry pretax profits (low/high)	
<i>Relative competitive strength</i>	.94
Extent to which the business unit (BU) is considered the industry leader with respect to . . . (not at all/great)	
Product changes	
Price changes	
Service improvements	
Technological innovation	
Marketing methods	
Relative to the BU's major competitors, rate the BU's . . .	
Nature of products (very similar/unique)	
Breadth of product line (narrower/broader)	
Quality of services (much worse/much better)	
Salesforce effectiveness (much worse/much better)	
Image—for quality, etc. (much worse/much better)	
The BU's bargaining position <i>vis-à-vis</i> major customers (weak/strong)	
The BU's ability to gain market share (weak/strong)	
Economies of scale achieved (practically none/great)	
The BU's pretax profitability (low/high)	
The BU's market share (low/high)	
<i>Barriers to entry</i>	.85
Four-firm industry concentration (low/high)	
Substitutability of competitive products (easy/difficult)	
Number of suppliers (many/few)	
Number of competitors (many/few)	
Number of customers (many/few)	
<i>Barriers to exit</i>	.92
If this BU were eliminated, evaluate the . . .	
Ability of the firm to absorb production personnel (easy/difficult)	
Ability of the firm to absorb management personnel (easy/difficult)	
Alternative uses for the facilities within the company (many/none)	
Alternative uses for capital equipment within the company (many/none)	
Impact on costs of other businesses within the company (large decrease/large increase)	
Size of immediate loss to the company (very small/very large)	
Relative to other BU's in the firm, rate this BU's . . .	
Size, in terms of sales dollars (much smaller/much larger)	
Contribution to current profits (much smaller/much larger)	
Size of margin (much smaller/much larger)	
Stability of profit margin (more volatile/more stable)	
Long-run profit potential (negligible/substantial)	
Sales to other parts of the corporation (very low/very high)	
<i>Synergy</i>	.87
The extent to which the BU shares the following with other BU's . . . (not at all/great)	
Plant and equipment	
Production personnel	
Salesforce	
Distribution channels	
Management services (e.g., personnel, computer)	
R&D facilities	
R&D personnel	

\*All of these items were 7-point scales. The anchors are shown in parentheses with the high end of the scale on the right.

the decision (1 = very certain, 7 = very uncertain). This definition has served as the basis for most other studies involving uncertainty (see, for example, Bourgeois 1978; Duncan 1973; Paine and Anderson 1977) and the infor-

mation basis seemed especially appropriate for a strategic decision-making task because such decisions are often necessarily made with less than perfect information. Managers were asked to indicate how important a



**Table 3**  
**INDEPENDENT VARIABLES:**  
**MEANS AND STANDARD DEVIATIONS**

Variable	No. of Items	Mean	S. D.	Min.	Max.	n
Market attractiveness (MA)	6	25.68	5.90	14	39	79
Relative competitive strength (RCS)	15	63.06	14.24	19	90	81
Barriers to exit (EXIT)	5	52.62	14.77	16	82	81
Entry barriers (ENTRY)	12	20.74	7.14	7	35	86
Organization synergy (SYNG)	7	34.67	9.96	11	49	86
Relative importance of short-run business unit performance (SRPERF)	2	91.60	37.15	5	200	77
Perceived environmental uncertainty/lack of influence (UNCT)	13	563.11	141.67	255	835	71

consideration each of the factors was in influencing the choice of strategy for the business unit. This item was scaled from zero to six so that factors that were not at all important would not contribute to the measure. Finally, "influence" was measured by having managers indicate the extent to which they felt the business unit would be able to affect the demands placed on it by each of the factors (1 = a great deal of influence, 7 = very little influence). The uncertainty variable, UNCT, then was derived as follows:

$$UNCT = \sum_{j=1}^{13} \text{importance}_j \times \text{uncertainty}_j \times \text{lack of influence}_j$$

where  $j$  = an element in the environment. Thus, high levels of UNCT represent the worst case—very little information about important environmental factors that the business unit manager is not able to influence.

#### Summary Statistics

The means and standard deviations for the product/market, organizational, and uncertainty variables are

shown in Table 3; the correlations among the set are indicated in Table 4. The fact that most of the variables are not highly correlated suggests that fairly independent constructs have been tapped. The moderately strong positive relationship between RCS and EXIT is very plausible: a manager's perception that a business unit has a strong position in its industry may, in fact, be viewed as a barrier to exit. The correlation between RCS and SRPERF is also strong, suggesting that managers of business units in a strong position are rewarded for maintaining or improving that position in the short-run.

#### Limitations

Limitations of the study include the fact that only seven of the many factors which might affect strategic choice were considered, only the choice of strategic thrust was examined, and the influence of managers at higher levels in the organization was not measured or controlled. Also, the purpose was description not prescription. Thus, the study describes the strategic choices of a sample of business unit managers rather than providing a structure for

**Table 4**  
**PRODUCT-MOMENT CORRELATIONS AMONG**  
**THE PRODUCT/MARKET, ORGANIZATION CONTEXT, AND ENVIRONMENTAL VARIABLES**

	n						
	r <sub>ij</sub>						
	MA	RCS	EXIT	ENTRY	SYNG	UNCT	SRPERF
MA							
RCS	.25 <sup>c</sup>						
EXIT	-.09	.56 <sup>a</sup>					
ENTRY	.02	.35 <sup>a</sup>	.31 <sup>b</sup>				
SYNG	.07	.18 <sup>d</sup>	.01	.10			
UNCT	.04	.03	.09	-.24 <sup>c</sup>	-.06		
SRPERF	.21 <sup>d</sup>	.41 <sup>a</sup>	.13	.12	.23 <sup>c</sup>	.08	

<sup>a</sup>p < .001.

<sup>b</sup>.001 < p < .01.

<sup>c</sup>.01 < p < .05.

<sup>d</sup>.05 < p < .10.

Table 5  
DISCRIMINANT ANALYSIS STATISTICS FOR THE  
PRODUCT/MARKET, ORGANIZATION CONTEXT, AND ENVIRONMENTAL VARIABLES

Variable	Rotated standardized coefficients		Rotated discriminant loadings	
	Function 1	Function 2	Function 1	Function 2
Market attractiveness	.6682	-.1445	.5802	.0507
Relative competitive strength	.2043	1.0120	.1896	.8669
Barriers to exit	.0929	-.0522	-.0446	.5267
Entry barriers	-.8281	.1764	-.5113	.4327
Synergy	-.2246	-.4263	-.0667	-.2310
Importance of short-run business unit performance	.4126	-.1436	.3379	.1380
Perceived environmental uncertainty/lack of influence	-.2505	.0551	-.0006	.0417
Eigenvalue	.4869	.1560		
Wilks' lambda	.5817	.8650		
% of variance	75.7	24.3		
Canonical correlation	.5722	.3674		
Chi square	43.33	11.60		
Degrees of freedom	14	6		
Significance, $p <$	.0001	.0715		

what they (or anyone else) should choose. Methodological limitations of the study include its cross-sectional nature, the rather small (and nonrandom) sample, and the fact that the decisions were studied *post hoc* rather than during the decision process.

## RESULTS

### The Managers' Model

To gain a better understanding of the influences of the specific factors studied on the choice of strategic thrust, three different analyses were performed. First, a multivariate analysis of variance (MANOVA) was done, with the strategic thrust serving as the independent variable and the set of product/market, environmental, and organization factors serving as dependent variables. This procedure was followed by a multiple discriminant analysis (MDA) with the strategic thrust as the grouping variable and the other variables as the predictor variables. The MANOVA tested for an overall difference in profiles whereas the MDA provided information about how well the profile variables were able to discriminate among the three thrusts and the relative contribution of each variable. Finally, an analysis of covariance (ANCOVA) was performed for each of the variables to determine the nature of the differences among business units based on their strategic thrust.

**MANOVA results.** The results of the MANOVA indicate that the hypothesis of overall differences in the profiles of the build, hold, and pull back business units is supported. Wilks' lambda for the overall model is .5817;  $F_{14,154} = 3.42$ ,  $P < .0001$ .

**MDA results.** The results of the multiple discriminant analysis support the finding of overall differences in strategy profiles. Two canonical discriminant functions

were derived; the tests of significance of the discriminant functions are reported in Table 5. Though function 2 only approaches significance ( $p < .07$ ), it is retained because it adds greatly in the interpretation of the results. Function 1 explains 75% of the variance accounted for by the two functions. The overall discriminatory power of the functions,  $\omega^2$ , is 55% (Tatsuoka 1971).<sup>5</sup>

Table 5 also shows the varimax-rotated canonical coefficients for each of the discriminant functions and the rotated discriminant loadings (i.e., the correlations between each variable and the discriminant function). Function 1 is defined by market attractiveness, entry barriers, and the relative importance of short-run business unit performance. The variance accounted for by function 2 can be attributed, for the most part, to the business unit's relative competitive strength, though the synergy between the business unit and the rest of the organization also contributes moderately to this function. The relatively high correlation of EXIT with function 2, in combination with a small coefficient, probably is explained by the common variance between RCS and EXIT. The coefficients indicate that ENTRY is the most significant aspect of function 1, yet the loadings show that ENTRY shares some variance with function 2 as well because of its moderate collinearity with EXIT and RCS.

**ANCOVA results.** The MDA reveals the relative im-

<sup>5</sup>The classification accuracy of the resulting discriminant functions is high—the overall "hit" ratio is 69%; 74% of the build business units, 73% of the hold business units, and 36% of the pull back business units are correctly classified. These figures represent an upper bound; there is an upward bias in the likelihood of correct classification because the observations used to develop the discriminant functions are the same as those classified. The classification results were considered adequate for interpretation of the discriminant results.

**Table 6**  
**POST HOC COMPARISON OF MEANS:**  
**PRODUCT/MARKET, ORGANIZATION CONTEXT, AND ENVIRONMENTAL VARIABLES BY STRATEGIC THRUST**

Variable	Unadjusted means			Covariance-adjusted means <sup>a</sup>			Partial F
	Build	Hold	Pull back	Build	Hold	Pull back	
Market attractiveness	27.78	23.83	22.73	27.80*	23.24**	23.29**	6.10 <sup>c</sup>
Relative competitive strength	64.12	65.50	51.00	62.51*	63.64*	54.46**	3.36 <sup>b</sup>
Barriers to exit	51.62	55.51	46.54	52.26*	50.51*	50.90*	.142
Entry barriers	17.92	23.57	20.91	16.66*	22.88**	22.84**	8.86 <sup>d</sup>
Synergy	28.73	28.67	31.36	27.17*	28.48*	33.12*	1.53
Importance of short-run business unit performance	102.56	88.82	79.82	103.18*	85.79**	87.85**	2.83 <sup>b</sup>
Perceived environmental uncertainty/lack of influence	562.55	564.66	558.00	529.39*	578.39*	577.4*	.367

<sup>a</sup>Means within a row with matching asterisks are not significantly different,  $\alpha \leq .05$ , following Duncan's multiple range procedure.

<sup>b</sup> $p \leq .05$ .

<sup>c</sup> $p \leq .01$ .

<sup>d</sup> $p \leq .001$ .

portance of MA, ENTRY, SRPERF, RCS, and SYNG in discriminating among the three strategies. It does not, however, indicate whether the groups differ significantly on each of the predictor variables. The means for each basic strategy group on each of the dependent variables are reported in Table 6. An analysis of covariance was used to determine whether pairwise differences were significant. ANCOVA was used rather than univariate ANOVA because the interest was in the way the set of variables operated together rather than the independent influence of each variable. A covariance-controlled partial *F*-ratio for each variable was computed to determine whether significant group differences remained after accounting for the impact of the other variables (Perreault, Behrman, and Armstrong 1979). The covariance adjusted means are also shown in Table 6, as well as the partial *F*-statistics for the strategic thrust variable. Overall significant differences on the covariance-adjusted means are found for MA, RCS, ENTRY, and SRPERF. However, often the significance is due to differences between two of the groups and the third rather than differences among all three. Table 7 restates the hypothesized differences and indicates the significant pairwise differences found.

### IMPLICATIONS

#### Interpretation of Results

The results indicate that build, hold, and pull back business units do have different profiles and that the product/market, organization context, and environmental factors examined are able to discriminate among the groups. An interesting visual representation of the MDA is provided by a discriminant territorial map (Figure 2), which identifies the group into which a business unit would be classified on the basis of its scores on the two discriminant functions and plots the cutoff points. As can be seen in Figure 2, function 1 mainly distinguishes the build business units from the hold business units and function 2 primarily differentiates the pull back units from

the other two categories. A business unit is assigned a build strategy if it has a high score on function 1 regardless of its score on function 2. As the value of function 1 decreases, the number of pull back strategies increases.

**Table 7**  
**COMPARISON OF BUSINESS UNIT PROFILES**  
**HYPOTHESIZED WITH SAMPLE**

	Profiles <sup>a</sup>	
	Hypothesized <sup>b</sup>	Sample findings <sup>c</sup>
Market attractiveness	B > H and PB	B > H and PB
Relative competitive strength	H > B > PB	H and B > PB
Barriers to exit	B and H > PB	No significant differences
Entry barriers	B and H++ <sup>d</sup>	H > B
Synergy	B and H > PB	No significant differences
Importance of short-run business unit performance		B > H and PB <sup>e</sup>
Share or sales increases emphasized	B > H > PB	
Profits or cash flow emphasized	PB > H > B	
Perceived environmental uncertainty	PB > H > B	No significant differences
lack of influence		

<sup>a</sup>B = build, H = hold, PB = pull back.

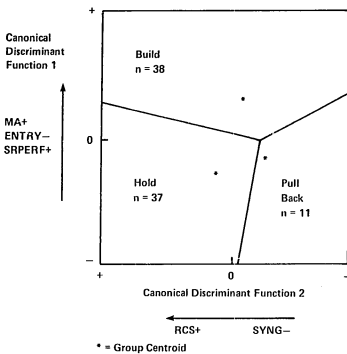
<sup>b</sup>This column should be read: It was hypothesized that business units with strategic thrusts of build would have greater market attractiveness scores than business units with thrusts of hold and pull back, and so forth.

<sup>c</sup>Tests for significant differences between means were made with  $\alpha \leq .05$ , following Duncan's multiple range procedure. Any pairwise tests not listed in this column did not yield significant differences.

<sup>d</sup>Both build and hold business units were expected to have high levels of barriers to entry; the specific ordering was not hypothesized.

<sup>e</sup>No differences were found in the pattern of relative emphasis on achieving share, sales, profit, or cash flow objectives based on the business unit's strategic thrust.

Figure 2  
DISCRIMINANT TERRITORIAL MAP



**Function 1.** The largest coefficients on function 1 are those for MA, ENTRY, and SRPERF (Table 5). The relatively strong positive contribution of market attractiveness is as expected and supports the finding that build business units have significantly greater MA scores than do hold or pull back business units. A high MA score indicates that a business unit is in a growing market that is profitable now and has good future prospects. The strong positive association with SRPERF is also as expected. Build strategies are associated with the managers' perceptions that they will be rewarded for short-run business unit performance.

The negative sign on ENTRY was not expected; business units with build strategies have low rather than high scores. High levels of entry barriers were expected to make managers feel that moves to build share would be less risky than when competitors seemed to have easy entry. The managers apparently viewed the low entry barriers situation as conducive to movement by their own business unit. This finding supports an extension of the notion of entry-related mobility barriers to include share increases in an industry segment by firms already competing in that segment. (Caves and Porter 1977 briefly allude to this possibility.) Managers in the study sample appear to perceive that industry conditions which make it difficult for new firms to enter also frustrate the movement of existing firms. Thus, these managers choose to build share not only when it is profitable to do so but also when it is easy to move. This finding raises the issue (for future research) of how managers incorporate potential competitive actions or threats when formulating

strategic marketing plans. Further, the whole issue of the effect of mobility barriers versus entry barriers is an interesting topic for future research. It is possible, for example, that other explanations for the negative sign on ENTRY are feasible because it is not entirely clear how the study respondents interpreted the issues involved.

**Function 2.** The major determinant of the score on function 2 is the business unit's relative competitive strength. The strong impact of RCS is not surprising, though hold units were expected to have stronger RCS scores than build business units. Hold business units were expected to be those which had already achieved a dominant position in the industry whereas build business units were seeking dominance. RCS does not distinguish between hold and build, however, suggesting that business units have objectives of increasing share for as long as the market is at all attractive.

It is interesting that SYNG has a negative sign on function 2. This finding implies that business units with a high score on SYNG are likely to be in the pull back category, which is not as expected. However, one plausible interpretation may be developed by examining the SYNG measure closely. The measure for synergy that emerges in this study (Table 2) better represents a construct of resource control or resource availability than the traditional concept of synergy (i.e., interrelatedness). A business unit manager may feel, for example, that competitive moves are constrained if the business unit must share the salesforce with other business units. If so, a build strategy, which requires many resources, may be more likely for business units with low levels of SYNG. A second possible interpretation is that the negative relationship may imply that a business unit is more likely to have a pull back objective if other business units in the organization can absorb the resources released, especially when those business units represent more attractive uses of the resources.

As function 1 decreases (i.e., the market becomes less appealing) the likelihood of hold or pull back strategies increases and the business unit's score on function 2 differentiates between the two. In an attractive market the score on function 2 must be a very low score for the firm to consider a pull back strategy. In fact, even when function 2 is at its lowest the business units have build strategies if the market situation is attractive. Apparently the managers are able to obtain the resources necessary to compete even if the current position is weak.

#### Comparison with Popular Portfolio Models

There is some similarity between popular portfolio models and the general descriptive model which evolved from this study (i.e., Figure 2). The popular portfolio models of determining strategic objectives for business units in multiproduct firms rely on market attractiveness and relative competitive strength as the primary determinants of strategy. To better identify the value of the additional variables considered here, a discriminant analysis using only market attractiveness and relative

competitive strength as the independent variables was conducted. Two significant discriminant functions were obtained but in this case only 55% of the business units were classified correctly (versus 73% for the fuller model); it should be noted, however, that fewer degrees of freedom were used.

Another comparison with popular prescriptive approaches was made by determining the number of business units that had "correct" strategies given their position in a  $2 \times 2$ , MA  $\times$  RCS matrix, i.e., a generalized normative portfolio matrix. According to the general reasoning stated before, the "correct" strategy for business units in the high MA/high RCS and low MA/high RCS cells is to maintain their leadership position (hold); the correct strategy for business units in the high MA/low RCS cell is either to build share (build) or withdraw (pull back); those in the low MA/low RCS cell should be harvested, divested, or move to a smaller, more defensible niche (all pull back strategies). If the high/low splits for MA and RCS are made at the median (25 and 62), there are 39 (45%) correct classifications. If the high/low splits are made at the natural midpoint for each scale (24 and 60), the result is 41 (48%) correct classifications. A computer routine was used to search for the combination of MA and RCS values that resulted in the highest number of correct classifications. With MA split at 15 and RCS split at 75, a total of 55 business units (64%) are classified correctly given their position in the matrix. Thus, several business units do not have "correct" strategies, even with MA split so that essentially every market is considered attractive and RCS split so that the unit's competitive position is almost always considered strong. Business units with "incorrect" strategies most often have a build strategy. There are even build business units in the low MA/low RCS cell. These results point out once again the tendency to view one's business unit as a strong competitor in an attractive environment. Another interpretation is that these business units represent units which recently lost share and are trying to regain their dominant position.

Popular portfolio approaches are meant to be prescriptive rather than descriptive. The study data indicate that a much richer description of actual strategic choices is obtained when variables are considered in addition to MA and RCS. The relative importance of MA and RCS, however, suggests that normative models may, in fact, serve as frame models, i.e., suggesting possible strategies for business units. Then other factors such as those explored here—EXIT, ENTRY, SYNG, UNCT, and SRPERF—are considered before the final strategic choice is made.

#### Future Directions

The study results present a number of intriguing directions for future research. Research could proceed in any or all of the four aspects of the manager's decision-making environment shown in Figure 1, or strategic decisions other than the choice of strategic thrust could be

investigated. The results clearly indicate that strategic marketing decision making is a multidimensional problem; therefore, the nature of the interrelationships among the four elements needs to be studied as well. Some specific directions not mentioned here are presented here.

*Escalation of commitment.* Hofer and Schendel's (1978) observations, Burke and Weitz' (1978) experimental findings, and the results of this study suggest a tendency to choose a build strategy for a business unit even when the prescription (as determined by the popular model) is to hold or pull back. Though we are not able to say that the decisions to commit more funds were good or bad because there is little empirical proof that the popular portfolio models' suggestions are optimal, we do know that the business unit managers tended to invest more than one might expect on the basis of the prescriptive decision models. Several explanations for such an observation are plausible. First, the managers' decision rules may lead to better decisions than do prescriptive models. The deviations, then, may be "smart" deviations. For instance, a build strategy in an unattractive market could represent an attempt to recover from a recent loss of position. Second, the decision to choose a build strategy in a "hostile" environment may be an example of the phenomenon of escalation of commitment (Staw 1981). In an excellent review article, Staw documents cases of decision makers' commitment of more and more resources to a program, even after negative results from the program, in an effort to make a questionable course of action pay off. One would expect escalation of commitment to a weak business unit to be associated with real or perceived exit barriers. It would be especially interesting to examine the relationship between the escalation phenomenon and emotional exit barriers such as strong managerial identification with the business unit.

*Organizational synergy.* The surprising finding of a negative relationship between RCS and SYNG in discriminant function 2 provides an interesting springboard for future research. Managers in the sample did not perceive synergy as strengthening the business unit's ability to compete. Further consideration of the measure led us to rename this variable "control over resources." The managers tended to view overlap within the organization as a constraint rather than an asset, but it should be noted that our measure is based on the business unit manager's perspective rather than that of a corporate-level decision maker. This focus raises the importance of studying the strategic choice process at more than one level in the organization. In fact, our notion of "synergy" may need to be adjusted to reflect the organizational level.

*The reward system.* The relative importance of short-run business unit performance to the managers' careers and the relative proportion of their salaries based on short-run performance were the only aspects of the reward system investigated. The data cannot reveal whether the reward system encourages build strategies or whether the reward system is adjusted to match the strategy, *ex post*, though the suspicion is the former. Sorting out the causal

direction would provide interesting evidence of the influence of the organization on strategic choice. Research may reveal that a firm-level variable such as the reward system or structure should, in fact, be a business-unit-specific variable—i.e., one which varies on the basis of the business unit's strategy. It would also be enlightening to examine influences which are even more subtle than the reward system, i.e., all those organizational characteristics which are coming to be known as the "corporate culture."

### SUMMARY

Our research adds to the literature on strategic marketing decision making by making explicit the judgment model used by a sample of marketing managers in their choice of strategic thrust for business units. The results indicate that the choice of a build, hold, or pull back strategy is related to the manager's perceptions of aspects of the product/market environment and the organization context. The variables that are best able to discriminate among the three strategies are the business unit manager's perception of market attractiveness, relative competitive strength, entry barriers, synergy (here, control over resources), and the relative importance of short-run business unit performance. Our study is the first to consider simultaneously the content of marketing strategy at the business-unit level rather than the corporate level, to investigate intended rather than realized strategy, and to use managerial perceptions rather than secondary data as input. The research demonstrates the potential insights into marketing strategy that can be gained from an interdisciplinary approach drawing on the theoretical perspectives of organization behavior, organization theory, business policy, and industrial economics.

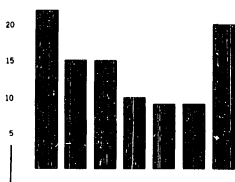
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